

AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 September

**we
buy
cars**

2024

We Buy Cars Holdings Limited
(previously WBC Holdings (Pty) Ltd)
Registration number 2020/632225/06
ISIN: ZAE000332789
JSE Share code: WBC
("WeBuyCars" or "the company" or "the group")

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These audited consolidated and separate annual financial statements were authorised for issue on 18 November 2024 by the **WeBuyCars** Board of Directors and published on 18 November 2024.



The consolidated and separate annual financial statements are available on the group's website www.webuycars.co.za

Directors' responsibility statement

The directors are required in terms of the Companies Act No. 71 of 2008 of South Africa, as amended to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group and its subsidiaries as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS[®] Accounting Standards. The external auditor is engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting Standards, interpretations developed by the IFRS[®] Interpretations Committee (IFRIC[®] Interpretations), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited (JSE) Listings Requirements, the going concern principle and the requirements of the Companies Act No. 71 of 2008 of South Africa, as amended. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

The directors have reviewed the group's cash flow forecast for the year to 18 November 2025 and, in light of this review and the current financial position, they are satisfied that the group and company has access to adequate resources to continue in operational existence for the foreseeable future.

The independent auditor, PricewaterhouseCoopers Inc. (PwC) is responsible for reporting on whether the consolidated and separate financial statements set out on page 18 to 96 are fairly presented in accordance with the applicable financial reporting framework.

Approval of the consolidated and separate annual financial statements

The consolidated and separate annual financial statements have been prepared under the supervision of CJ Rein CA (SA), the Chief Financial Officer. The consolidated and separate annual financial statements set out on page 3 to 102, which have been prepared on the going concern basis, were approved by the Board of Directors on 18 November 2024 and were signed on their behalf by:

ASS van der Walt
Chief Executive Officer

18 November 2024

CJ Rein
Chief Financial Officer

Chief Executive Officer and Chief Financial Officers' responsibility statement relating to internal financial controls

The Chief Executive Officer and the Chief Financial Officer of the group hereby submit the responsibility statement in terms of Section 3.84(k) of the JSE Limited Listings Requirements after due, careful and proper consideration of same as follows:

Each of the directors, whose names are stated below, hereby confirm that:

- the consolidated and separate annual financial statements set out on page 3 to 102, fairly present in all material respects the financial position, financial performance and cash flows of the group and the company in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the group and the company has been provided to effectively prepare the consolidated and separate annual financial statements of the group and the company;
- the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving the directors.

ASS van der Walt
Chief Executive Officer

18 November 2024

CJ Rein
Chief Financial Officer

Certificate of the Company Secretary

In terms of Section 88(2)(e) of the Companies Act No. 71 of 2008 of South Africa, as amended, I certify that, to the best of my knowledge and belief, the company has, lodged with the Companies and Intellectual Property Commission, for the financial year ended 30 September 2024, all such returns and notices as are required of a public company in terms of the Companies Act No. 71 of 2008 of South Africa, as amended, and that all such returns and notices are true, correct and up to date.

PJC Vorster
Company Secretary

18 November 2024

Directors' report

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of WeBuyCars for the year ended 30 September 2024.

1. Nature of business

WeBuyCars was separately listed on the Main Board of the JSE Limited on 11 April 2024, following the unbundling by Transaction Capital Limited of all the shares that it owned in the company. WeBuyCars trades under the abbreviated name "WeBuyCars" and with the share code "WBC". The company is listed in the "Speciality Retailers" sector of the Main Board of the JSE Limited.

We Buy Cars Holdings Limited is a South African based holding company that holds a:

- 100% (2023: 100%) shareholding in We Buy Cars (Pty) Ltd. We Buy Cars (Pty) Ltd was incorporated in South Africa with interests in the pre-owned vehicle market.
- 100% (2023: 95%) shareholding in We Buy Cars AME Holdings DMCC. We Buy Cars AME Holdings DMCC is an investment holding company incorporated in Dubai. Refer to note 14 of the consolidated annual financial statements for detail on the change in shareholding.
- 100% (2023: 100%) shareholding in We Buy Cars (Namibia) (Pty) Ltd. We Buy Cars (Namibia) (Pty) Ltd was incorporated in Namibia with interests in the pre-owned vehicle market.

Refer to Annexure A for an analysis of the interests in subsidiaries, associates and other investments.

Other than the above, there have been no material changes to the nature of the group's business during the financial year under review.

2. Company name change

With effect from 25 March 2024, the name of the company was changed from WBC Holdings (Pty) Ltd (Registration number: 2020/632225/07) to We Buy Cars Holdings Limited (Registration number: 2020/632225/06).

3. Review of financial results and operations

Accounting policies

The consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting Standards, interpretations developed by the IFRS[®] Interpretations Committee (IFRIC[®] Interpretations), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements, the going concern principle and the requirements of the Companies Act No. 71 of 2008 of South Africa, as amended.

The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated and separate annual financial statements on page 3 to 102.

Non-IFRS financial information

The annual financial statements contain certain non-IFRS financial measures in respect of WeBuyCars in order to provide users with relevant information and measures used by WeBuyCars to assess performance. Non-IFRS financial measures are financial measures other than those defined or specified under all relevant accounting standards. To the extent that these measures are not included in the audited financial statements of WeBuyCars for the year ended 30 September 2024, these measures constitute *pro forma* financial information in terms of the JSE Limited Listings Requirements and are the responsibility of the Board of Directors and the WeBuyCars Audit and Risk Committee reviews these for transparency and consistency.

They are presented for illustrative purposes only and due to their nature, may not fairly present WeBuyCars financial position, changes in equity, results of operations or cash flows. In addition, these measures may not be comparable to similarly titled measures used by other companies.

The underlying information used in the preparation of the *pro forma* financial information has been prepared using the accounting policies in place for the year ended 30 September 2024.

The key non-IFRS measures have been marked with a (*) throughout the annual financial statements.

Reasonable assurance on the compilation of *pro forma* financial information has been provided by PricewaterhouseCoopers Inc. and their report thereon is included on page 103 to 104.

Directors' report (continued)

Performance overview for the financial year ended 30 September 2024

		30 September 2024	30 September 2023	Change
Financial performance				
Revenue	Rm	23 319,2	20 018,0	16,5%
Core operating profit (*) ¹	Rm	1 221,5	1 030,1	18,6%
Core headline earnings (*)	Rm	815,4	661,1	23,4%
Core headline earnings per share (*)	Cents	217,4	197,9	9,9%
Net cash generated from operating activities	Rm	591,4	582,4	1,6%
Operational performance				
Vehicles purchased	Number	167 741	142 337	17,8%
Vehicles sold	Number	165 185	141 851	16,4%
Supermarkets	Number	16	15	6,7%
Vehicle parking bays	Number	11 236	10 339	8,7%
Buying pods	Number	83	69	20,3%
Inventory days	Number	29	30	(3,3%)

¹ Core operating profit equates to Operating profit before the following items as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The group delivered exceptional results in a challenging trading environment, characterised by low GDP growth, pressure on consumer affordability, high interest rates and low levels of consumer confidence.

WeBuyCars has continued its long-term earnings growth with core headline earnings (*) for the year ended 30 September 2024 at R815,4 million growing 23,4% and core headline earnings per share (*) growing 9,9%, when compared to the prior year. The key drivers of this growth in core headline earnings (*) were higher volumes, higher average selling prices, operational efficiencies, higher inventory turns, and cost efficiencies driven by economies of scale. Gross margins were maintained at similar levels to those recorded in the prior year, despite the difficult trading conditions. The core headline earnings per share (*) was unfavourably impacted by the February and March 2024 new share issues (83 185 241 ordinary shares) implemented as part of the pre-unbundling steps and the pre-listing capital raising initiatives.

Group revenue at R23,3 billion increased by 16,5% when compared to the prior year. Buying and selling volumes at 167 741 and 165 185 units were up 17,8% and 16,4%, respectively. Sold volumes reached an all-time monthly record for WeBuyCars of 14 594 units in July 2024.

WeBuyCars continues to gain market share, with sales volumes surpassing 14 000 units in three of the last six months. This growth trajectory can be attributed to the continuous efforts in enhancing and investing in the group's innovative digital business platform. This proprietary platform empowers the group to optimise operations through pricing strategies. Moreover, it facilitates large-scale experimentation, enabling exploration of various business processes and pricing models dynamically. As the business continues to scale, so does the volume of data gathered, providing invaluable insights that fuel ongoing efficiency enhancements and the streamlining of the vehicle buying and selling processes.

As the business has scaled, it has consistently invested in marketing spend to grow the lead count and enhance the WeBuyCars brand. Investment in the consumer app and the website has facilitated increased online engagement with customers, making the vehicle buying and selling experience more user friendly and efficient. The WeBuyCars website is averaging 7,0 million monthly visits with 2,3 million unique visitors.

Core results

WeBuyCars assesses its performance using core headline earnings (*), an alternative non-IFRS profit measure, alongside its IFRS profit. Management considers that core headline earnings (*) is an appropriate alternative performance measure to enhance the comparability and understanding of the financial performance of WeBuyCars.

WeBuyCars calculates headline earnings in accordance with the latest SAICA Circular on "Headline Earnings". Core headline earnings (*) is calculated by adjusting headline earnings for the following items:

- Gains/losses, costs and adjustments relating to acquisitions and disposals of investments.
- Once-off transaction costs which are directly attributable to corporate activity.
- Non-cash accounting adjustments to the call option derivative asset relating to non-controlling interests.

Details of the nature of these adjustments are set out in the reconciliation from headline earnings to core headline earnings (*) below.

Directors' report (continued)

Reconciliation from headline earnings to core headline earnings (*)

	30 September 2024 R'000	30 September 2023 R'000	Change
Headline earnings	343 942	818 757	
Adjusted for:			
Once-off professional, legal and JSE listing fees ¹	45 034	-	
Fair value loss/(gain) on call option derivatives ²	426 463	(157 684)	
Core headline earnings (*)	815 439	661 073	23,4%
Core headline earnings per share (cents) (*)	217,4	197,9	9,9%
Weighted average number of ordinary shares ³	375 029 205	333 995 879	12,3%

^{1.} For the year ended 30 September 2024, pursuant to the successful listing on the Main Board of the JSE Limited, the company incurred once-off professional, legal and JSE listing fees.

^{2.} As set out in the WeBuyCars Pre-listing Statement, dated 12 March 2024, the company held various call options which gave it the right to purchase the 25,1% shareholding in the company from I VDW Holdings (Pty) Ltd, for which a call option derivative asset was raised in prior periods. Upon adoption of the new Memorandum of Incorporation (on 25 March 2024) the shareholders' agreement was cancelled which led to the cancellation of the call options. The call option derivative asset of R426,5 million (as at 30 September 2023) was consequently derecognised on 25 March 2024. This fair value loss on derecognition of the call option derivative is once-off in nature, non-core and has no cashflow impact.

^{3.} Weighted average number of ordinary shares (Shares) in issue at 30 September 2024: 375 029 205. Actual number of Shares in issue at 30 September 2024: 417 181 120. During the year ended 30 September 2024, 717 481 ordinary shares were issued to Transaction Capital Motor Holdco (Pty) Ltd on 29 February 2024, 42 467 760 ordinary shares were issued to Coronation Asset Management (Pty) Ltd on 27 March 2024 and 40 000 000 ordinary shares were issued on 11 April 2024 to the Bookbuild investors as part of the pre-listing capital raise.

Statement of financial position as at 30 September 2024

		30 September 2024	30 September 2023	Change
Financial position				
Property, plant and equipment	Rm	1 152,6	1 131,0	1,9%
Inventories	Rm	2 465,0	2 186,9	12,7%
Net interest-bearing liabilities (excl. IFRS 16)(*) ¹	Rm	1 119,6	1 223,8	(8,5%)

^{1.} Net interest-bearing liabilities: Borrowings as set out in note 15 of the consolidated annual financial statements less cash and cash equivalents as set out in note 10 of the consolidated annual financial statements.

The majority of the property, plant and equipment (R999,8 million) (2023: R981,3 million) is the land and buildings that are owned by the group, from which the group trades. Given the focus on leveraging existing strategic investments, only one new supermarket (300 bays) was opened in the last twelve months, in a leased facility. A further 597 vehicle parking bays were added to the existing national footprint, bringing the national capacity to 11 236 bays as at 30 September 2024.

The inventories (up 12,7%) have grown in line with the increase in sales volumes. The inventory value per unit at R169 941 (2023: R173 301) has decreased in comparison to prior year and is due to a strategic focus to purchase more lower-priced vehicles, to match current consumer demand.

WeBuyCars' balance sheet is conservatively geared, supported by high cash conversion rates. The net cash generated from operating activities (at R591,4 million) for the year ended 30 September 2024 was up 1,6% on the prior year. Net interest-bearing liabilities (excl. IFRS 16) (*) of R1 119,6 million, which consists primarily of property mortgage loans (R715,3 million) and working capital borrowings (R404,3 million) to fund inventory, are 8,5% down on the prior year. During the first half of the 2024 financial year, management refinanced the property portfolio with Rand Merchant Bank at a lower interest rate and more recently has also been successful in lowering the interest rates on the working capital facilities.

Directors' report (continued)

4. Stated capital

	30 September 2024	30 September 2023
Authorised	Number of shares	
Ordinary no par value shares	10 000 000 000	10 000 000 000
Ordinary no par value A class shares	-	10 000 000 000
Reconciliation of shares issued	Number of shares	
Opening balance	2 071 797	2 071 797
Issue of new shares	83 185 241	-
Subdivision of shares	331 924 082	-
Closing balance	417 181 120	2 071 797
Reconciliation of issued share capital	R'000	
Opening balance	6 714 555	6 714 555
Issue of new shares	3 050 797	-
Closing balance	9 765 352	6 714 555

On 7 March 2024, the company's authorised and issued share capital was restructured by way of a subdivision, which resulted in the authorised ordinary shares being subdivided in the ratio of 120 shares for each ordinary share.

On 25 March 2024, the authorised share capital was decreased to 10 000 000 000 ordinary shares of no par value and the 10 000 000 000 authorised (unissued) ordinary no par value A class shares were cancelled.

Further details of the authorised and issued stated capital of the company are set out in note 13 of the consolidated annual financial statements.

5. Dividends

Prior year

During the financial year to 30 September 2023, the group declared two dividends to its shareholders, totalling R340,0 million (16 400 cents per share).

Pre-listing dividends

During the current financial year, the group declared four dividends to its shareholders, namely:

Ordinary shares	Declaration date	Payment date	Dividend R'm	Cents per ordinary share
No. 8 – Final dividend for the prior financial year	1 November 2023	17 November 2023	170,0	8 205
No. 9 – Interim dividend for the current financial year	21 February 2024	4 April 2024	190,0	9 171
No. 10 – Pursuant to the Transaction Capital Limited unbundling	29 February 2024	15 April 2024	750,0 ¹	36 200
No. 11 – Pursuant to the Transaction Capital Limited unbundling	29 February 2024	15 April 2024	2 300,8 ²	111 053
Total dividend			3 410,8	164 629

¹ A dividend of R750,0 million, was approved by the Board of Directors on 29 February 2024. This dividend was settled from the proceeds of the pre-listing capital raise. The dividend payment date was 15 April 2024, payable to shareholders recorded in the register of the company at the close of business on 29 February 2024.

² An additional dividend was approved, by the Board of Directors on 29 February 2024, being a scrip dividend with a cash alternative to the value of R2 300,8 million. Transaction Capital Motor Holdco (Pty) Ltd elected to receive a cash dividend of R182,5 million and IVDW Holdings (Pty) Ltd elected to receive their full dividend in cash, being R577,5 million. The cash portions (totalling R760,0 million) remained outstanding on loan account, while the balance of Transaction Capital Motor Holdco (Pty) Ltd's portion of the dividend, being R1 540,8 million, was settled by issuing an additional 717 481 ordinary shares. The cash dividend was settled from the proceeds of the pre-listing capital raise. The dividend payment date was 15 April 2024, payable to shareholders recorded in the register of the company at the close of business on 29 February 2024.

Directors' report (continued)

Post-listing dividends

As set out in the WeBuyCars Pre-listing Statement, the company aims to declare and pay between 25% and 33% of its headline earnings as a dividend as per its dividend policy, subject to working capital requirements and capital expenditure required for expansion and maintenance.

The company envisages paying interim and final dividends during June and December, respectively. At its discretion, the Board of Directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

A gross final cash ordinary dividend No 12. of 25 cents per ordinary share in respect of the year ended 30 September 2024 was approved by the WeBuyCars Board of Directors on 14 November 2024 for public declaration on 18 November 2024 and is payable on 9 December 2024. This dividend will be paid out of income reserves. Based on the number of ordinary shares in issue (417 181 120) at the declaration date, the dividend will amount to R104 295 280 in total.

The dividend will be subject to local dividend withholding tax at a rate of 20% unless the shareholder is exempt from paying dividend withholding tax or is entitled to a reduced rate.

6. Directorate and prescribed officer

The directors and prescribed officer in office during the financial year under review and at the date of this report are:

Executive directors	Changes	Sub-Committees
ASS van der Walt (CEO)		SEC
DJF van der Walt (Executive director)		
CJ Rein (CFO)		
Non-Executive directors	Changes	Sub-Committees
DM Hurwitz	Resigned – 31 December 2023	
JM Jawno	Appointed – 31 December 2023; Resigned 1 March 2024	
JA Holtzhausen (Chairman)	Appointed 1 March 2024	REM SEC
NAS Kruger (Lead Independent)	Appointed 1 March 2024	ARC
S Totaram	Appointed 1 March 2024	REM ARC
B Mathews	Appointed 1 March 2024	ARC SEC
WT Roos	Appointed 1 March 2024	ARC SEC
MP Mendelowitz	Appointed 1 March 2024	REM
KB Amoils (Alternate director to MP Mendelowitz)	Appointed 1 March 2024	
Prescribed officer	Changes	Sub-Committees
J Mills (COO)		

A full list of the executive and non-executive directors is set out under Corporate Information on page 102.

Committees of the board

- Chairman
- Remuneration and Nominations Committee
- Social and Ethics Committee
- Audit and Risk Committee

Directors' report (continued)

7. Directors' and prescribed officer's interests in shares

As at 30 September 2024, the directors and prescribed officers of the group held direct and indirect beneficial interests in the issued ordinary shares, as set out below:

Interests in shares

		30 September 2024	30 September 2023
Directors	Direct or Indirect	Number of shares	
Executive:			
ASS van der Walt	Indirect	21 379 714	260 010,5
DJF van der Walt	Indirect	21 164 040	260 010,5
Non-Executive:			
DM Hurwitz ¹	Indirect	64 334	-
JM Jawno ²	Indirect	12 199 786	-
S Totaram	Direct	22 000	-
WT Roos	Direct	33 331	-
MP Mendelowitz	Indirect	12 199 786	-
KB Amoils (Alternate director to MP Mendelowitz)	Direct	3 438 036	-
Prescribed officer:			
J Mills	Indirect	8 823	-
		70 509 850	520 021

¹ Resigned on 31 December 2023.

² Resigned on 1 March 2024.

The register of interests of directors and others in shares of the group is available to the shareholders on request. There has been no change to the directors' interests reflected above since the reporting date.

8. External Auditor

PricewaterhouseCoopers Inc. was appointed as the auditor for the group and the company for the year ended 30 September 2024.

At the AGM, the shareholders will be requested to re-appoint PricewaterhouseCoopers Inc. as the independent external auditor of the group and the company and to confirm J Potgieter as the designated lead audit partner for the year ending 30 September 2025.

9. Company Secretary

PJC Vorster was appointed as the Company Secretary on 1 March 2024.

The board is satisfied that he has the appropriate qualifications, expertise and experience with which to fulfil his duties. The Company Secretary's contact details and the business address of the group appear on page 102.

10. Corporate Governance

The group subscribes to the Code of Good Corporate Practices and Conduct contained in King IV™ Code of Governance for South Africa (King IV™). The board is satisfied with the group's application of the principles of King IV™ and the JSE Limited Listings Requirements throughout the financial year, post the listing on 11 April 2024. The corporate governance report will be included in the Integrated Annual Report, which will be made available on the company's website on or about 21 January 2025.

11. Special resolutions passed

The following special resolutions were passed by shareholders of the company during the financial year under review:

- Approval for the allotment and issue of subscription shares to Coronation Asset Management (Pty) Ltd, dated 12 February 2024;
- Approval for the listing of WeBuyCars ordinary shares on the JSE Limited;
- Approval for the 21 February 2024 dividend payable to shareholders on 4 April 2024;
- Approval for the 29 February 2024 scrip dividend with a cash alternative, payable to shareholders on 15 April 2024;
- Pursuant to the 29 February 2024 scrip dividend, approval for the issue of new shares to Transaction Capital Motor Holdco (Pty) Ltd;

Directors' report (continued)

6. Approval for the subdivision of the company's share capital in the ratio of 120 shares for each ordinary share in issue together with the required amendments to the Memorandum of Incorporation;
7. Approval for a decrease in the number of authorised ordinary shares from 1 200 000 000 000 to 10 000 000 000 and the cancellation of 10 000 000 000 A class ordinary shares;
8. Change of the company name (previously WBC Holdings (Pty) Ltd) to We Buy Cars Holdings Limited;
9. Approval of the We Buy Cars Holdings Limited conditional share plan, in accordance with Schedule 14 of the JSE Limited Listings Requirements, the Memorandum of Incorporation and the Rules for the conditional share plan;
10. Authorisation for allotment and placement of between 30 852 255 and 41 909 017 ordinary shares through a bookbuild; and
11. General authority to provide financial assistance.

12. Solvency and liquidity

The directors have performed and satisfied the required solvency and liquidity tests required by the Companies Act No. 71 of 2008 of South Africa, as amended for the group and the company.

13. Borrowing powers

The Memorandum of Incorporation of the company does not place any restrictions on the borrowing powers of the group or the company. Details of borrowings at the end of the financial year are set out in note 15 of the consolidated annual financial statements.

14. Subsidiaries and associates

Interest in subsidiaries, associates and other investments are set out in Annexure A of the consolidated annual financial statements.

15. Going concern

The directors believe that the group and company have adequate financial resources to continue in operation for the foreseeable future, and accordingly, the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company are in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group or company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending legislation that may affect the group or company.

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

16. Events after the reporting period

The group entered into agreements during the current and a prior financial year to purchase one existing supermarket and two large tracts of land. These property transfers, totalling R182,5 million, will only be registered during the financial year ending 30 September 2025.

During October 2024, the group purchased an existing motor vehicle dealership for R78,9 million. This property transfer will also be registered during the financial year ending 30 September 2025.

On 14 November 2024, upon approval of the directors, the company declared a dividend of 25 cents per ordinary share for publication on 18 November 2024, totalling R104,3 million.

Apart from the above, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' report (continued)

17. Employee share incentive scheme

The group operates a share incentive arrangement for executives and certain senior employees.

We Buy Cars Holdings Limited Conditional Share plan (CSP)

The CSP was approved by shareholders by way of a special resolution on 8 March 2024. The first issue of CSP awards were awarded in May 2024. All awards are subject to Remuneration and Nominations Committee approval.

It is believed that the CSP is a long-term incentive for achieving the group's and shareholders' objectives. The CSP offers participants certainty in that it comprises a fixed number of conditional shares. While its ultimate value will depend on performance, CSP awards will always have a value. Further disclosure relating to the CSP is set out in note 30 of the consolidated annual financial statements.

18. Approval of the audited consolidated and separate annual financial statements

Based on the recommendation received from the Audit and Risk Committee, the board has approved the consolidated and separate annual financial statements for the financial year ended 30 September 2024.

Audit and Risk Committee report

The Audit and Risk Committee of WeBuyCars is pleased to present its report on the consolidated and separate annual financial statements for the year ended 30 September 2024. The committee is appointed by the shareholders of the company and consists of four independent non-executive directors, including an independent non-executive director as the chair.

The committee oversees financial reporting, assurance, risk management, and internal controls. It meets at least bi-annually to execute statutory duties and responsibilities.

This report has been prepared in accordance with the requirements of the Companies Act No 71. of 2008 of South Africa, as amended, the King IV™ Code of Governance for South Africa (King IV™), the JSE Limited Listings Requirements, IFRS Accounting Standards and other applicable regulatory requirements.

1. Composition of the committee

The committee has the following members:

S Totaram (Chairperson)

B Mathews

NAS Kruger and

WT Roos

all of whom are independent Non-Executive directors.

2. Responsibilities of the committee

The committee of the group has executed all statutory duties, and complied with all legislative and regulatory requirements set out in Section 94 of the Companies Act No. 71 of 2008 of South Africa, as amended and paragraph 3.84(g) of the JSE Limited Listings Requirements.

The committee's primary responsibilities for the financial year included:

- ensuring the effectiveness of financial reporting, including the system of internal control and the existence of appropriate financial reporting procedures of all entities included in the consolidated and separate annual financial statements. In doing so, it assists the board in ensuring and monitoring the integrity of the consolidated and separate annual financial statements and related external reports.
- ensuring that the information included in the consolidated and separate annual financial statements complies with IFRS Accounting Standards and the Companies Act No. 71 of 2008 of South Africa, as amended.

- the committee has considered and satisfied itself, of the appropriateness of the expertise and experience of CJ Rein for the position of Chief Financial Officer.
- assessing the suitability for appointment of the external auditor. The committee also ensured that the appointment of the auditor of the group is presented and included as a resolution at the annual general meeting of the company pursuant to section 61(8) of the Companies Act No 71. of 2008 of South Africa, as amended.
- the committee considered and reviewed the independence of the external auditor, approved the audit fees for the external audit for the financial year ended 30 September 2024 and the extent of non-audit services provided.
- the committee reviewed the audit plans for internal and external audit, including the key audit matters and work performed thereon by the external auditor.
- in terms of risk management, the committee ensured that management's processes and procedures are adequate to identify, assess, manage and monitor group-wide risks.

3. Committee meetings and attendance

The committee held two meetings during the financial year under review to fulfil its mandate. The internal and external auditors as well as certain members of the executive and senior management attended committee meetings by invitation. The member attendance at the meetings during the financial year ended 30 September 2024 are set out in the following table:

Member	Committee meeting attendance
S Totaram (Chairperson)	2/2
B Mathews	2/2
NAS Kruger	2/2
WT Roos	2/2

Audit and Risk Committee report (continued)

4. Highlights and focus areas

2024 Highlights:

- Overseeing the appointment of PricewaterhouseCoopers Inc. as external auditor and BDO Advisory Services (Pty) Ltd as internal auditor. Ensuring that the new auditors effectively execute on their responsibilities.
- Ensuring that the appropriate policy and control environment is in place, in line with the mandate of the committee, as is appropriate for a JSE Limited listed company.
- Determining the level of oversight necessary over the integrated reporting process.
- Confirmed that no reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005.

2025 Focus Areas:

- Overseeing the business' control environment and strong financial position, and ensuring that these are maintained.
- Cyber security, data management and Information Technology controls.
- Ensuring that the governance and combined assurance frameworks continue to mature.

5. Significant matters

The committee has considered the Key Audit Matters reported in the external independent auditor's report and, after discussions with management and the external auditor, is satisfied that the consolidated and separate annual financial statements appropriately address the critical judgements and key estimates pertaining to the Key Audit Matters.

6. Conclusion

The committee confirms that it has fulfilled its mandate as prescribed by Section 94 of the Companies Act No. 71 of 2008 of South Africa, as amended, and paragraph 3.84(g) of the JSE Limited Listings Requirements and that there are no instances of material non-compliance to disclose, for the financial year ended 30 September 2024.

S Totaram

Audit and Risk Committee Chairperson

18 November 2024

Independent Auditor's report

To the Shareholders of We Buy Cars Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of We Buy Cars Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

We Buy Cars Holdings Limited's consolidated and separate financial statements set out on pages 18 to 96 comprise:

- the consolidated and separate statements of financial position as at 30 September 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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 consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits

in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (including *International Independence Standards*).

Our audit approach

Overview

	<p>Overall group materiality</p> <ul style="list-style-type: none"> • Overall group materiality: R209,873 million which represents 0.9% of consolidated revenue.
	<p>Group audit scope</p> <ul style="list-style-type: none"> • We performed full scope audits over four components which were considered to be financially significant and to obtain sufficient coverage across the Group. • Analytical procedures were performed over the remaining components that were considered to be insignificant.
	<p>Key audit matter</p> <ul style="list-style-type: none"> • Write-down of obsolete inventory.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among, other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Independent Auditor's Report (continued)

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as, set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<i>Overall group materiality</i>	R209,873 million
<i>How we determined it</i>	0.9% of consolidated revenue.
<i>Rationale for the materiality benchmark applied</i>	<p>We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group can be consistently measured by users considering the Group operates in a high-volume industry and year-on-year earnings are volatile.</p> <p>We chose 0.9% based on our professional judgment, after evaluating the range of quantitative materiality thresholds and other relevant performance indicators. We took into account various factors, including the intended users and distribution of the financial statements, and the financial covenants over the Group's debt.</p>

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping assessment included consideration of the Group's financially significant components, and the sufficiency of work performed over the material financial statement line items within the consolidated financial statements. Components were considered to be financially significant based on their contribution to consolidated revenue, consolidated profit before taxation, consolidated total assets, or consolidated total liabilities.

We performed full scope audits over four components based on their financial significance and to obtain coverage across the Group. In respect of the components that were not considered to be significant, we performed analytical review procedures to assess whether any risks exist that would require additional audit procedures.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team. All significant components were audited by the Group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter	Key audit matter	How our audit addressed the key audit matter
<p>Write-down of obsolete inventory</p> <p>Refer to the following notes in the consolidated financial statements as it relates to this key audit matter:</p> <ul style="list-style-type: none"> Note 1.4.2: Significant judgements and sources of estimation uncertainty; Write-down of obsolete inventory; Note 1.13: Inventories; and Note 8: Inventories. <p>A significant portion of the Group's inventories comprise second-hand motor vehicles. As at 30 September 2024, the Group has recognised inventories comprising second-hand motor vehicles with a carrying value of R 2,506 million against which a write-down of obsolete inventory of R 41.8 million was recognised.</p> <p>The Group identifies obsolete inventory on a regular basis based on the age and condition of its second-hand motor vehicles inventory. When a second-hand motor vehicle is identified as obsolete, the vehicle is written down to reflect the lower of its cost and net realisable value.</p> <p>The net realisable value of a vehicle that has been identified as obsolete, is the estimated selling price of the vehicle in the ordinary course of business, less costs of</p>	<p>Our audit addressed this key audit matter as follows:</p> <ul style="list-style-type: none"> Through discussions with management and inspection of underlying documentation we obtained an understanding of management's processes and controls for identifying obsolete inventory and determining the net realisable value for second-hand vehicle inventory that has been identified as obsolete. We assessed the reasonableness of the process applied by the Group in the determination of the net realisable value of inventory items that have been identified as obsolete by evaluating the process against the approach applied in previous periods and found the process to be applied consistently. We evaluated the appropriateness of the Group's accounting policies for determining net realisable value against the requirements of IAS 2 – Inventories ('IAS 2'). The accounting policies were considered appropriate and consistent with the requirements of IAS 2. We assessed the reasonableness of the net realisable value applied by management in their write-down for inventory obsolescence calculation by performing the following: <ul style="list-style-type: none"> We agreed the inventory totals and categories used for the write-down to the underlying inventory listing; no material exceptions were noted. 	<p>completion and costs to be incurred in marketing, selling and distribution. In determining the net realisable value of the vehicle, the Group makes use of historical data, estimates current market values using various valuation methods, which includes reference to published trade and retail values as well as the age and condition of the vehicle.</p> <p>We considered the write-down for obsolete inventory to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none"> the magnitude of the carrying value of inventory in relation to the consolidated financial statements; and the estimation applied by the Group in determining the net realisable values of second-hand vehicles that have been identified as obsolete. 	<ul style="list-style-type: none"> For second-hand vehicles identified as obsolete at year end that is included in the calculation and sold subsequent to year end, we compared the carrying amount of the second-hand vehicle at year end to the actual selling price. We found the net realisable value at year end for these vehicles to be reasonable. For a sample of second-hand vehicles not yet sold subsequent to year end, we assessed the reasonableness of the net realisable value applied by comparing the net realisable value as per management's calculation to market data available for similar vehicles. We found the net realisable value used in the calculation to be reasonable. We compared the actual current period write-down of obsolete inventory to the write-down recognised in the prior year and found this to be reasonable. We attended and observed a sample of inventory counts performed and physically inspected the condition of inventories to identify any additional physical indicators of obsolescence that could impact the write-down of inventory. No physical indicators were identified during our inspection that would require a greater write-down.

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "We Buy Cars Holdings Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 30 September 2024", which includes the Directors' report, the Audit and Risk Committee report and the Certificate of the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "We Buy Cars Holdings Limited Integrated Report for the year ended 30 September 2024", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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.

Independent Auditor's Report (continued)

- 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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 PricewaterhouseCoopers Inc. has been the auditor of We Buy Cars Holdings Limited for one year.

PricewaterhouseCoopers Inc.
Director: J Potgieter
Registered Auditor
Johannesburg, South Africa
18 November 2024

Consolidated Statement of Financial Position

as at 30 September 2024

	Note(s)	30 September 2024 R' 000	30 September 2023 R' 000
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 152 588	1 131 040
Right-of-use assets	3	117 823	149 072
Insurance contract assets	4	13 914	44 471
Investment in financial asset ¹		-	-
Equity accounted investment	5	12 350	10 550
Deferred tax asset	6	58 337	42 522
Other loans receivable	7	12 360	12 000
		1 367 372	1 389 655
Current Assets			
Inventories	8	2 465 000	2 186 891
Trade and other receivables	9	148 026	90 273
Cash and cash equivalents	10	206 463	164 162
Derivative asset	11	-	426 463
		2 819 489	2 867 789
Total Assets		4 186 861	4 257 444
Equity and Liabilities			
Equity			
Stated capital	13	9 765 352	6 714 555
Share-based payment reserve		34 693	18 395
Foreign currency translation reserve		1 492	1 938
Accumulated loss		(7 496 140)	(4 414 851)
Non-controlling interest	14	-	907
		2 305 397	2 320 944

	Note(s)	30 September 2024 R' 000	30 September 2023 R' 000
Liabilities			
Non-Current Liabilities			
Deferred tax liability	6	6 814	2 867
Long-term borrowings	15	868 841	943 985
Long-term portion of lease liabilities	16	102 298	127 556
		977 953	1 074 408
Current Liabilities			
Bank overdraft	10	-	6 080
Short-term borrowings	15	457 233	437 874
Short-term portion of lease liabilities	16	34 061	37 636
Trade and other payables	17	240 659	299 342
Refund liability	18	7 000	5 000
Current tax payable		32 963	23 135
Employee benefits	19	131 595	53 025
		903 511	862 092
Total Liabilities		1 881 464	1 936 500
Total Equity and Liabilities		4 186 861	4 257 444

¹ Less than a R1 000.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Revenue	21	23 319 199	20 017 995
Net operating expenses	22	(22 083 483)	(18 936 097)
Net insurance result	23	84 443	65 321
Insurance revenue		201 069	179 336
Insurance service expenses		(143 157)	(101 358)
Insurance finance income / (cost)		26 531	(12 657)
Earnings before interest, taxation, depreciation and amortisation		1 320 159	1 147 219
Depreciation and amortisation	24	(98 708)	(117 160)
Operating profit before the following items:		1 221 451	1 030 059
(Loss) / Profit on disposal of property, plant and equipment		(1 162)	3 030
Other non-operating items	25	(471 497)	157 684
Operating profit before net financing costs		748 792	1 190 773
Finance income	26	16 277	9 414
Finance costs	27	(158 030)	(158 304)
Profit before share of results of associates		607 039	1 041 883
Equity accounted income	5	3 000	4 450
Profit before taxation		610 039	1 046 333
Taxation	28	(266 950)	(225 348)
Profit for the year		343 089	820 985
Profit attributable to:			
Shareholders of WeBuyCars		343 094	821 132
Non-controlling interest		(5)	(147)
Attributable profit for the year		343 089	820 985

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange (loss) / gain on translation of foreign operations		(452)	1 744
Total comprehensive income for the year		342 637	822 729
Total comprehensive income attributable to:			
Shareholders of WeBuyCars		342 648	822 828
Non-controlling interest		(11)	(99)
Total comprehensive income for the year		342 637	822 729
Earnings per share (cents)	29		
Basic earnings per share		91.5	245.9
Diluted basic earnings per share		91.1	245.9

Consolidated Statement of Changes in Equity

	Stated capital R'000	Share-based payment reserve R'000	Foreign currency translation reserve R'000	Accumulated loss R'000	Equity attributable to ordinary equity holders of the parent R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 October 2022	6 714 555	9 652	242	(4 887 019)	1 837 430	957	1 838 387
Profit for the year	-	-	-	821 132	821 132	(147)	820 985
Other comprehensive income:							
Foreign currency translation differences	-	-	1 696	-	1 696	48	1 744
Total comprehensive income for the year	-	-	1 696	821 132	822 828	(99)	822 729
Dividends declared and paid	-	-	-	(340 000)	(340 000)	-	(340 000)
Grant of conditional share plan awards	-	13 657	-	-	13 657	-	13 657
Settlement of vested conditional share plan awards	-	(4 914)	-	(8 964)	(13 878)	-	(13 878)
Transactions with non-controlling interest	-	-	-	-	-	49	49
Total contributions by and distributions to owner of the group recognised directly in equity	-	8 743	-	(348 964)	(340 221)	49	(340 172)
Balance at 30 September 2023	6 714 555	18 395	1 938	(4 414 851)	2 320 037	907	2 320 944
Profit for the year	-	-	-	343 094	343 094	(5)	343 089
Other comprehensive income:							
Foreign currency translation differences	-	-	(446)	-	(446)	(6)	(452)
Total comprehensive income for the year	-	-	(446)	343 094	342 648	(11)	342 637
Dividends declared and paid	-	-	-	(3 410 797)	(3 410 797)	-	(3 410 797)
Issue of shares	3 050 797	-	-	-	3 050 797	-	3 050 797
Grant of conditional share plan awards	-	24 861	-	-	24 861	-	24 861
Settlement of vested conditional share plan awards	-	(8 563)	-	(13 405)	(21 968)	-	(21 968)
Transactions with non-controlling interest	-	-	-	(181)	(181)	(896)	(1 077)
Total contributions by and distributions to owner of the group recognised directly in equity	3 050 797	16 298	-	(3 424 383)	(357 288)	(896)	(358 184)
Balance at 30 September 2024	9 765 352	34 693	1 492	(7 496 140)	2 305 397	-	2 305 397
Note (s)	13					14	

Consolidated Statement of Cash Flows

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Cash flows from operating activities			
Profit before taxation		610 039	1 046 333
Adjustments for:			
Depreciation of property, plant and equipment	24	52 062	72 486
Depreciation of right-of-use assets	24	40 427	39 747
Amortisation of leasehold rights and leasehold improvements	24	6 219	4 927
Finance income	26	(16 277)	(9 414)
Finance costs	27	158 030	158 304
Loss / (Profit) on disposal of property, plant and equipment		1 162	(3 030)
Movement in leave pay, refund liability, inventory, long-term incentive and accrual for annual bonuses		124 853	73 776
Other non-cash items ¹		(70 441)	(67 676)
Grant of conditional share plan awards		24 861	13 657
Settlement of vested conditional share plan awards		(21 968)	(13 878)
Fair value loss / (gain) on call option derivative	25	426 463	(157 684)
Movements in working capital			
Increase in inventories		(302 938)	(205 877)
Increase in trade and other receivables		(57 807)	(19 472)
(Decrease) / increase in trade and other payables		(95 552)	18 338

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Cash generated from operations			
Finance income received	26	16 277	9 414
Finance costs paid		(150 002)	(146 409)
Dividend received		115 000	22 000
Taxation paid	31	(268 990)	(253 152)
Net cash generated from operating activities			
		591 418	582 390
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(81 020)	(72 054)
Proceeds on disposal of property, plant and equipment		29	18 077
Interest capitalised	2	-	(1 232)
Loan repaid by a related party		-	29 439
Loans advanced to external parties	7	(360)	(12 000)
Dividend received from equity accounted investment	5	1 200	1 900
(Purchase of shares) / proceeds on new share issue in a foreign subsidiary		(1 086)	49
Net cash utilised by investing activities			
		(81 237)	(35 821)

Consolidated Statement of Cash Flows (continued)

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Cash flows from financing activities			
Borrowings raised	15	2 008 260	716 303
Borrowings repaid	15	(2 072 073)	(836 961)
Lease liabilities repaid	16	(38 009)	(33 216)
Proceeds on new issue of shares	13	1 510 000	-
Dividends paid	33	(1 870 000)	(340 000)
Net cash utilised by financing activities		(461 822)	(493 874)
Total cash and cash equivalents movement for the year			
		48 359	52 695
Cash and cash equivalents at the beginning of the year		158 082	104 559
Effects of exchange rate changes on the cash balances held in foreign currencies		22	828
Total cash and cash equivalents at the end of the year	10	206 463	158 082

¹ Other non-cash items relates primarily to the IFRS 17 Net insurance result.

Accounting Policies

1. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below and except for those noted below, the group has consistently applied the accounting policies to all periods presented in these consolidated annual financial statements.

1.1 Basis of preparation

1.1.1 Statement of compliance

The financial statements of the group have been prepared in accordance with IFRS Accounting Standards, interpretations developed by the IFRS[®] Interpretations Committee (IFRIC[®] Interpretations), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements, the going concern principle and the requirements of the Companies Act No. 71 of 2008 of South Africa, as amended.

1.1.2 Basis of measurement

The consolidated annual financial statements have been prepared on the historic cost convention unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below.

1.1.3 Functional and presentation currency

The consolidated annual financial statements are presented in South African Rands. The functional and presentation currency of the group is South African Rands. The financial information has been rounded to the nearest thousand Rand, unless indicated otherwise.

1.1.4 Standards and amendments adopted by the group

The group adopted the IFRS amendments which became effective in the current and prior financial years as they became effective, except for IFRS 17, 'Insurance Contracts' that was early adopted in the comparative period. These amendments, other than IFRS 17, did not result in any changes in the group's accounting policies and had no effect on the results of the group. The group was not affected by any other new and revised accounting standards.

1.1.5 Standards and amendments in effect which did not have any impact on amounts recognised in prior periods and are not expected to significantly affect current or future periods

Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Amendments to IAS 12, 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Accounting Policies (continued)

1.2 Recently issued accounting standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 October 2024 and have not been applied in preparing these consolidated annual financial statements. The group does not plan to adopt these standards early. These standards and interpretations will be adopted in the year that they become mandatory unless otherwise indicated.

Those which may be relevant to the group are set out below:

IFRS Accounting Standards and amendments issued but not effective for 30 September 2024 year ends.

Standard/Interpretation	Effective date	Summary
Amendments to IAS 1, 'Presentation of Financial Statements' – Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024. (Published January 2020 and November 2022).	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. These amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The group assessed the impact to be immaterial.
Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures' – Classification and measurement of financial instruments	Annual periods beginning on or after 1 January 2026. (Published May 2024).	These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. The impact is assessed to be immaterial to the consolidated and separate annual financial statements.
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027. (Published April 2024).	IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The impact on the consolidated and separate annual financial statements is being assessed by the group.

Accounting Policies (continued)

The following IFRS Accounting Standards and amendments issued but not effective have been considered and will not impact the group:

Effective for annual periods beginning on or after 1 January 2024

- Amendment to IFRS 16 'Leases' - sale and leaseback;
- Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure').

Effective for annual periods beginning on or after 1 January 2025

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.

Effective for annual periods beginning on or after 1 January 2027

- IFRS 19 'Subsidiaries without Public Accountability'.

1.3 Basis of consolidation

The consolidated annual financial statements incorporate the financial statements of the company and entities controlled by the company.

In preparing these financial statements, subsidiaries are consolidated from the date the group gains control until the date on which control ceases. The group's share of results of equity-accounted investments is included in the consolidated financial statements from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. All intercompany transactions are eliminated.

Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which the group acquires effective control of the entity. Consolidation ceases from the date control no longer exists.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated annual financial statements from the effective date of acquisition and up to the effective date of loss of control, as appropriate.

Non-controlling interest

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by acquisition basis. The treatment is not an accounting policy choice but selected for each business combination. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

The carrying amount of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the company.

Acquired deferred tax benefits recognised within the measurement period are applied to reduce the carrying amount of any goodwill related to that acquisition. Those deferred tax assets and deferred tax liabilities affect the amount of goodwill or the bargain purchase gain that the entity recognises. No deferred tax liabilities are recognised which would arise from the initial recognition of goodwill.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Accounting Policies (continued)

1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Estimations and judgements applied by management in applying accounting policies

The following estimations and judgements, which could have a significant effect on the consolidated annual financial statements, were made by management in applying the accounting policies for the year ended 30 September 2024.

1.4.1 Impairment of trade receivables

Trade receivables are recognised at the transaction price as measured and defined in IFRS 15, 'Revenue from Contracts with Customers' and are subsequently measured at amortised cost using the effective interest method, less Expected Credit Loss allowance.

The group applies the simplified approach to providing for Expected Credit Losses (ECLs) prescribed by IFRS 9, 'Financial Instruments', which requires lifetime credit losses to be recognised from initial recognition of all receivables.

1.4.2 Write-down of obsolete inventory

Management identifies obsolete inventory on a continuous basis. The identification is based on the age and condition of the second-hand motor vehicles. Once identified, the inventory is impaired to reflect the lower of cost and net realisable value. The net realisable value is estimated with reference to historical data, current market values using various valuations methods, which include references to published trade and retail values as well as the vehicle age and condition. These estimates could, however, change based on market conditions.

1.4.3 Useful lives and residual values of property, plant and equipment

Management reviews the depreciation methods, useful lives and residual value estimates of each asset category within property, plant and equipment on an annual basis and adjusts these rates if appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The group has not made material adjustments to the useful lives and residual values, the residual values were assessed and valued as appropriate by management as at 30 September 2024.

1.4.4 Insurance contracts

The group has a shareholding in a third party insurance cell captive arrangement through an insurer in South Africa. The group has assessed the overall commercial effect of the agreements that govern this arrangement, and determined that they contain in-substance, properties of reinsurance agreements. In terms of the agreements, significant insurance risk is initially accepted by the insurer, and to the extent that premiums and reserves are insufficient to cover claims, the insurer transfers significant insurance risk to the group by requiring the group to recapitalise the cell as and when necessary to meet capital adequacy requirements. As a result, the overall commercial effect is similar to an insurance contract and is considered an in-substance reinsurance contract issued from the perspective of the group. The agreements are therefore accounted for as insurance contracts in terms of IFRS 17, 'Insurance Contracts'.

Accounting Policies (continued)

1.5 Foreign operations

For the purpose of the consolidated annual financial statements, the results and financial position of each group entity are presented in South African Rands.

At the end of each reporting period, monetary items denominated in foreign currencies are remeasured by translating the balances at prevailing rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are not remeasured. Income and expense items are translated at the average exchange rates for the period, unless significant transactions occurred during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. On the disposal of a foreign operation all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. In the case of a partial disposal (not loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange difference is reclassified to non-controlling shareholder interest and is not reclassified in profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in the group financial statements in other comprehensive income, and presented in the foreign currency translation reserve in equity.

1.6 Property, plant and equipment

Recognition and measurement

Property, plant and equipment (including leasehold improvements), are tangible assets which the group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use.

Capitalised interest is classified under cash flows from investing activities in the statement of cash flows as it relates directly to costs incurred for the development and improvement of investment properties.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as other income in profit or loss.

Accounting Policies (continued)

Depreciation

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write-off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation is not charged on an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Vehicles	Straight line	5 years
Leasehold rights	Straight line	Amortised over shorter of lease term or 25 years
Leasehold improvements	Straight line	Amortised over shorter of lease term or 20 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Land is not depreciated.

1.7 Equity accounted investment

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in financial and operating policy decisions of the investee but it is not control or joint control over those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Under the equity method, an investment in an associate is recognised initially in the statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment. Impairment of assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less cost to sell) with its carrying amount. An impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

1.8 Financial instruments

1.8.1 Initial recognition and measurement

Financial instruments, consisting of financial assets and financial liabilities, carried at the reporting date by the group includes cash and cash equivalents, trade receivables, trade payables and borrowings. Trade receivables and trade payables exclude prepayments and certain statutory and employee-related receivables and payables for the purposes of financial instruments.

Trade receivables are initially recognised when the right to consideration is unconditional, in conjunction with IFRS 15, 'Revenue from Contracts with Customers'. All other financial assets and liabilities are recognised initially when the group becomes a party to the contractual provisions of the instrument.

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

Accounting Policies (continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability are recognised initially at fair value plus, for instruments not at fair value through profit or loss (FVTPL), any directly attributable transaction costs when the group becomes a party to the contractual arrangements. A trade receivable without a significant financing component is initially measured at the transaction price. Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below.

1.8.2 Financial asset classification and subsequent measurement

On initial recognition, financial assets are classified into the following three principal categories: financial assets at FVTPL, financial assets at fair value through other comprehensive income (FVOCI) and debt instruments at amortised cost. The classification depends on the contractual cash flow characteristics and the business models for managing the financial assets and is determined at the time of initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1.8.3 Debt instruments at amortised cost

Debt instruments at amortised cost (including trade and other receivables and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

The group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Assessing the solely payments of principal and interest (SPPI) criterion

In order for a financial asset to qualify for amortised cost it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is colloquially referred to as the SPPI test. It is performed at an instrument level.

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The trade receivables of the group only involve a single cash flow – the payment of the amount resulting from a transaction in the scope of IFRS 15, 'Revenue from Contracts with Customers', which is deemed to be the principal, as stated above.

Therefore, the cash flows resulting from the receivables meet the SPPI test of payments of principal and interest despite the interest component being zero in most cases.

Bank and cash are short-term in nature and interest income is earned on amounts deposited with the bank. The group recognises these balances at its contractual paramount.

The bank balances involve one single cash flow which is the repayment of the principal plus interest accrued at the effective rate. Therefore, the cash flows resulting from these deposits meet the SPPI test of payments of principal and interest.

The contractual cash flows for trade receivables and bank and cash consists solely of principal and interest.

Amortised cost business model

The group's business model is to hold these assets in order to collect contractual cash flows, provided they pass the SPPI test mentioned above. Receivables, arising from the revenue generated, are collected from customers and are based on the agreed contractual terms.

Accounting Policies (continued)

The group's policy for trade receivables is therefore to hold the receivables to collect the contractual cash flows. Therefore, they are classified at amortised cost. The group also holds bank and cash deposits in order to collect the contractual cash flows. These are also classified as measured at amortised cost.

Amortised cost financial assets are subsequently measured using the effective interest method and are subject to the impairment requirements in IFRS 9, 'Financial Instruments'. Interest income and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the instrument is derecognised or impaired.

1.8.4 Debt instruments at FVTPL

IFRS 9, 'Financial Instruments' requires financial assets to be measured at FVTPL if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

The group does not have any financial assets at FVOCI.

1.8.5 Impairment

Impairment allowances for financial assets measured at amortised cost are recognised in profit or loss and accumulated in an allowance account. The gross carrying amount of the financial assets is reduced by the impairment allowance and is written-off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

1.8.6 Financial liability classification and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost.

The group does not have any financial liabilities at FVTPL.

Other financial liabilities

Other financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial liabilities measured at amortised cost comprise interest bearing borrowings, other long-term liabilities, lease liabilities and trade and other payables.

1.8.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred.

Financial liabilities are derecognised when their contractual obligations are discharged or cancelled or expire.

1.8.8 Loan to related party

This includes a loan to a related party and is recognised initially at fair value plus direct transaction costs.

The loan to a related party is classified as loans and receivables.

1.8.9 Trade and other receivables

Trade receivables are recognised at the transaction price as measured and defined in IFRS 15, 'Revenue from Contracts with Customers' and are subsequently measured at amortised cost using the effective interest rate method, less any expected credit loss allowance.

The group applies the simplified approach to providing for ECLs prescribed by IFRS 9, 'Financial Instruments', which requires lifetime credit losses to be recognised from initial recognition of all receivables. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Accounting Policies (continued)

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

Trade and other receivables are classified as loans and receivables.

Fair value approximates carrying value:

Trade receivables are principally short-term in nature and have credit terms of less than 30 days from the date of invoice, and do not incur interest and are measured at their nominal value.

1.8.10 Cash and cash equivalents

For the purpose of presentation of the statement of financial position and the statement of cash flows, cash and cash equivalents includes cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. These are initially and subsequently recorded at fair value.

1.8.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

1.8.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.9 Fair value disclosure

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

The method of determining the fair value of financial instruments is analysed into the following categories:

Level 1	Unadjusted quoted prices 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.
Level 2	Valuation techniques using market observable inputs, including <ul style="list-style-type: none"> Using recent arm's length market transactions; Reference to the current fair value of similar instruments; and Discounted cash flow analysis, pricing models or other techniques commonly used by market participants.
Level 3	Valuation techniques, as described for level 2 above, for which not all inputs are market observable prices or rates. Such a financial instrument is initially recognised at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. The difference between the transaction price and the model value, commonly referred to as "day one profit or loss", is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

The valuation techniques in level 2 and level 3 use inputs such as interest rate yield curves, equity prices, commodity and currency prices/yields, volatilities, and the correlation between inputs. The models used in these valuation techniques are calibrated against industry standards, economic models and against transaction process, where applicable.

1.9.1 Valuation methods and assumptions

The carrying value of trade and other receivables, cash and cash equivalents and trade and other payables approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.

Accounting Policies (continued)

1.10 Insurance contracts

1.10.1 Classification of insurance contracts

The group has a shareholding in a third party insurance cell captive arrangement. The commercial effect of this arrangement is similar to an insurance contract, is considered an in-substance reinsurance contract and is accounted for in accordance with IFRS 17, 'Insurance Contracts'.

1.10.2 Separating components from insurance contracts

The group assessed the group of contracts as per the requirements of paragraph 11 and 12 of IFRS 17, 'Insurance Contracts' and did not identify any embedded derivatives or distinct investment components that needed to be separated.

After separating any financial instrument components, the group separates any promises to transfer distinct goods or non-insurance services to policyholders and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the company provides a significant service of integrating the good or service with the insurance component.

IFRS 17, 'Insurance Contracts' is applied to all remaining components of the insurance contracts.

1.10.3 Level of aggregation

Where characteristics of onerous contracts are identified, these contracts are separated out of the group of contracts and measured separately according to the fulfilment cash flow model.

1.10.4 Recognition of insurance contracts

The group recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts. The coverage period is the period during which the group provides coverage for insured events in respect of all premiums within the boundary of an insurance contract;
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder; and

- The date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

Subsequently, new contracts are added to the group when they are issued or initiated, provided that all contracts in the group are issued or initiated in the same year.

1.10.4.1 Onerous groups of contracts

The group considers various facts and circumstances to identify if a group of contracts is onerous taking into account the probability of all claim types in the future. An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract and any cash flows arising from the contract at the date of initial recognition in total are a net cash outflow.

Onerous contracts are measured according to the fulfilment cash flow model.

1.10.4.2 Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the group can compel the policyholder to pay premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when:

- The group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- The group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premiums for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The contract boundary for groups of contracts is reassessed at each reporting date and, therefore, may change over time.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

Accounting Policies (continued)

1.10.5 Measurement of insurance contracts

1.10.5.1 Measurement – contracts measured under the Premium Allocation Approach

The group uses the Premium Allocation Approach (PAA) for measuring contracts with a coverage period of one year or less. Where material insurance acquisition cash flows are incurred, these costs are allocated directly to a group of insurance contracts using a systematic and rational method.

The group measures the carrying amount of a group of insurance contracts at each reporting period as the sum of:

- The liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date; and
- The liability for incurred claims for the group comprising the fulfilment cash flows related to past service allocated to the group at that date.

1.10.5.2 Initial recognition

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition less an adjustment to reflect the time value of money, financial risks, non-financial risks and the unearned profit, as the majority of the premiums are paid in advance.

The liability for incurred claims is the group's obligation to investigate and pay valid claims for insured events that have already incurred, including events that have occurred but for which claims have not been reported.

1.10.5.3 Subsequent measurement

The group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The group has chosen to adjust the liability for incurred claims to reflect the time value of money and the effect of financial and non-financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk. The group's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort.

The group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability weighted and discounted using current assumptions.

When estimating future cash flows, the group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows;
- Claims, including reported claims not yet paid, incurred claims not yet reported and expected future claims;
- Claims handling costs;
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries;
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts; and
- Transaction based taxes.

The group also incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The group estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders;
- Other information about known or estimated characteristics of the insurance contracts;
- Historical data about the group's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions; and
- Current pricing information.

Accounting Policies (continued)

1.10.5.4 De-recognition and contract modification

The group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

1.10.6 Presentation of insurance contracts

The group disaggregates amounts recognised in the statement of profit or loss and other comprehensive income into:

- An insurance service result, comprising insurance revenue and insurance service expenses; and
- Insurance finance income or costs.

The group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result. Insurance revenue is measured as the sum of all the expected premium receipts for providing coverage in the period.

1.10.6.1 Insurance finance income and costs

Insurance finance income and costs comprise changes in the carrying amounts of groups of insurance contracts arising from the effects of the time value of money, financial risk and changes therein.

The group presents insurance finance income and costs for all contracts in profit or loss.

1.11 Income tax

Income tax expense comprises of current and deferred tax and is recognised in profit or loss.

1.11.1 Current tax assets and liabilities

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

1.11.2 Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

1.11.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from:

- A transaction or event which is recognised, in the same or a different year, to other comprehensive income; or
- A business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different year, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different year, directly in equity.

Accounting Policies (continued)

1.12 Leases

1.12.1 Lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset is physically distinct, or if not physically distinct, the lessee has the right to use substantially all of the capacity of the asset during the lease term.

Leases are accounted for based on a "right-of-use model". The model reflects that, at the commencement date, a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term. The lessor conveys the right to use the underlying asset at lease commencement, which is the date when it makes the underlying asset available for use by the lessee.

1.12.2 Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term takes into account the likelihood of exercising a renewal option. The lease agreements that the group has entered into do not include any residual value guarantees.

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The interest cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term.

1.12.3 Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of initial measurement of the lease liability, initial direct cost incurred, and lease payments made on or before the commencement date less any incentives received. Unless the group is reasonably certain it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

1.12.4 Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

1.12.5 Lessor

Leases are classified as finance leases when the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group currently does not have any finance leases.

Operating lease payments are recognised as income on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.13 Inventories

Inventories comprise of second-hand motor vehicles, work in progress relating to the repair of used motor vehicles, consumables and spare parts.

Inventories are stated at the lower of cost or net realisable value. Cost is determined using specific identification for vehicles as the vehicles are not ordinarily interchangeable. Cost is determined using the weighted average method for components and spares. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and costs to be incurred in marketing, selling and distribution. Obsolete, redundant and slow moving inventories are identified on a regular basis and the write-down of inventory to net realisable value and the reversal thereof is recognised in profit and loss. The reversals of write-downs are limited to the cost of inventory.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs. Directly attributable expenses related to the sale of the inventories are also recognised when the inventories are sold. These include refurbishment costs to get the inventories in a saleable condition.

Accounting Policies (continued)

1.14 Impairment of assets

1.14.1 Financial assets

The group recognises loss allowances for ECLs on financial assets at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

1.14.2 Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at the end of each reporting date to determine whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the group estimates the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value-in-use.

In assessing value-in-use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, and there is an indication that the impairment loss may have reversed, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 Stated capital

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

Ordinary shares are classified as equity.

Dividends are recognised as a liability in the year in which they are declared.

1.16 Refund liability

Returns and refunds generally occur as a result of legislative requirements, such as the Consumer Protection Act No. 68 of 2008 of South Africa or specific terms and conditions outlined in the relevant contracts. The exposure for the group for the return of a vehicle is limited to the lost margin as a result of the lost sale. A net liability for the refund liability and the right of return asset has been recognised in note 18 of the consolidated annual financial statements due to limited exposure.

1.17 Employee benefits

1.17.1 Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the year in which the service is rendered.

The accruals for employee entitlements to salaries, bonuses and annual leave represent the amount, which the group has a present obligation to pay as a result of employees' services provided until the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates. The leave pay accrual is calculated based on total cost to company.

1.17.2 Defined contribution plans

A defined contribution plan is a post-employment plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due.

1.18 Revenue

Revenue comprises of invoiced sales in respect of the sale of goods, fees for the rendering of services to customers, rental income, finance and insurance commissions received including rebate income.

Accounting Policies (continued)

1.18.1 Revenue recognised at a point in time

Revenue is measured at the fair value of the consideration received or receivable as specified in a contract with a customer and represents the amounts received or receivable for goods and services provided in the normal course of business, net of discounts, and value-added taxation.

Revenue from sale of goods is recognised at a point in time when the following condition has been satisfied:

- The group has satisfied its performance obligations with customers (the payment has been made by the customer and the vehicle has been delivered).

Rebate income is recognised when the contractual terms of the agreements with suppliers have been met.

Where the group acts as an agent for the sale of insurance products and vehicle tracking devices, and is remunerated on a commission basis based on the agreed-upon fee structures, the commission is included in finance and insurance commissions received.

Fees earned from finance, insurance-related and ancillary products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, and leading insurance providers are recognised at a point in time when the commission has been earned. Revenue from the sale and installation of vehicle tracking devices is recognised on the fitment of tracking devices.

Rental income relates to revenue earned by the group from leasing space in warehouses owned and leased by the group. The revenue is recognised as part of the Property rental segment. The revenue is accounted for as operating lease revenue in accordance with IFRS 16, 'Leases'.

There are no judgements made that significantly affect the determination of the revenue amount from contracts with customers, rebate agreements with suppliers, rental income or commission earned from the sale of insurance products and vehicle tracking devices.

1.18.2 Returns and refunds

Returns and refunds generally occur as a result of legislative requirements, such as the Consumer Protection Act No. 68 of 2008 of South Africa or specific terms and conditions outlined in the relevant contracts. The exposure for the group for the return of a vehicle is limited to the lost margin as a result of the lost sale. A net liability for the refund liability and the right of return asset has been recognised in note 18, due to limited exposure.

1.19 Finance income

Finance income comprise interest income on funds invested. Interest is recognised in profit or loss, using the effective interest rate method.

1.20 Finance expenses

Finance expenses comprise interest expense on borrowings and lease liabilities recognised under IFRS 16, 'Leases'. Interest expense is recognised in profit or loss using the effective interest rate method.

1.21 Dividend income

Dividends are recognised in profit or loss when the group's right to receive payment has been established.

1.22 Share-based payments

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting period, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

1.23 Foreign currency transactions

Transactions in currencies other than the group's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are remeasured by translating the balances at prevailing rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are not remeasured.

Notes to the Consolidated Annual Financial Statements

2. Property, plant and equipment

	30 September 2024			30 September 2023		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Land	332 384	-	332 384	315 939	-	315 939
Buildings	729 714	(84 524)	645 190	723 589	(81 751)	641 838
Furniture and fixtures	128 171	(50 603)	77 568	114 464	(37 784)	76 680
Office equipment	108	(108)	-	108	(94)	14
IT equipment	90 324	(45 757)	44 567	75 590	(30 617)	44 973
Vehicles	10 739	(3 468)	7 271	10 740	(496)	10 244
Leasehold improvements	60 635	(15 027)	45 608	50 160	(8 808)	41 352
Total	1 352 075	(199 487)	1 152 588	1 290 590	(159 550)	1 131 040

Reconciliation of property, plant and equipment – 30 September 2024

	Opening balance R'000	Additions R'000	Reclassification from inventory R'000	Interest capitalised R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	315 939	16 445	-	-	-	-	332 384
Buildings	641 838	6 125	-	-	-	(2 773)	645 190
Furniture and fixtures	76 680	20 561	-	-	(27)	(19 646)	77 568
Office equipment	14	-	-	-	-	(14)	-
IT equipment	44 973	27 414	-	-	(1 164)	(26 656)	44 567
Vehicles	10 244	-	-	-	-	(2 973)	7 271
Leasehold improvements	41 352	10 475	-	-	-	(6 219)	45 608
	1 131 040	81 020	-	-	(1 191)	(58 281)	1 152 588

Notes to the Consolidated Annual Financial Statements (continued)

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 30 September 2023

	Opening balance R'000	Additions R'000	Reclassification from inventory R'000	Interest capitalised R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	319 180	-	-	-	(3 241)	-	315 939
Buildings	678 684	6 932	-	1 232	(10 985)	(34 025)	641 838
Furniture and fixtures	70 470	24 667	-	-	(251)	(18 206)	76 680
Office equipment	47	-	-	-	-	(33)	14
IT equipment	33 300	31 965	-	-	(566)	(19 726)	44 973
Vehicles	-	-	10 740	-	-	(496)	10 244
Leasehold improvements	37 789	8 490	-	-	-	(4 927)	41 352
	1 139 470	72 054	10 740	1 232	(15 043)	(77 413)	1 131 040

At 30 September 2023, properties with a carrying value of R541,5 million had been mortgaged in favour of Investec Bank Limited. Refer to note 15 for further details.

At 30 September 2023, properties with a carrying value of R415,6 million had been mortgaged in favour of FirstRand Bank Limited. Refer to note 15 for further details.

During the current year the directors entered into an agreement with FirstRand Bank Limited to refinance the entire property portfolio on more favourable terms.

At 30 September 2024, properties with a carrying value of R954,2 million had been mortgaged in favour of FirstRand Bank Limited. Refer to note 15 for further details.

Notes to the Consolidated Annual Financial Statements (continued)

3. Right-of-use assets

	30 September 2024 R'000	30 September 2023 R'000
Buildings		
Cost	235 852	226 674
Accumulated depreciation	(118 029)	(77 602)
	117 823	149 072
Reconciliation of right-of-use assets		
Carrying value at beginning of year	149 072	160 970
Additions for new leases	9 178	28 047
Derecognition ¹	-	(198)
Depreciation	(40 427)	(39 747)
Carrying value at end of year	117 823	149 072

¹ Derecognition at carrying value.

Right-of-use assets relate to buildings that are leased by the group from external landlords, under non-cancellable lease agreements, with lease terms ranging from 2 to 7 years, and some include an option to renew on expiry. The lease term includes this renewal period if the group is reasonably certain that it will exercise the renewal option. Right-of-use assets are effectively ceded as security for concomitant lease liabilities (refer note 16) as the rights to the leased assets revert to the lessor in the event of default.

4. Insurance contract assets

	30 September 2024 R'000	30 September 2023 R'000
1 (2023: 1) "A" Cell Owner Ordinary share of no par value in Guardrisk Insurance Company Limited	1 150	1 150
Insurance contract assets and liabilities	12 764	43 321
	13 914	44 471

The group has a shareholding in a third party insurance cell captive arrangement (with Guardrisk Insurance Company Limited). The Shareholders and Subscription Agreement that governs this arrangement contains in-substance, properties of reinsurance agreements. As set out in this agreement, significant insurance risk is initially accepted by the insurer, and to the extent that premiums and reserves are insufficient to cover claims, the insurer transfers significant insurance risk to the group by requiring the group to recapitalize the cell as and when necessary to meet capital adequacy requirements. As a result, the overall commercial effect is similar to an insurance contract and is considered an in-substance reinsurance contract issued from the perspective of the group. This agreement is therefore accounted for as an insurance contract in terms of IFRS 17, 'Insurance Contracts'.

Notes to the Consolidated Annual Financial Statements (continued)

4. Insurance contract assets (continued)

4.1 Capital risk

4.1.1 Capital management – insurance contracts

The group is required by the Solvency Assessment and Management regime (SAM) to hold an excess of its assets over its insurance contract liabilities calculated on a regulatory basis. The requirement aims to ensure that the group is able to meet its obligations over the next 12 months. Breaching this requirement – the Solvency Capital Requirements (SCR) – would result in supervisory intervention by the lead regulator and remedial actions designed to restore the SCR level of capital.

The SAM approach to the measurement of capital adequacy is primarily based on monitoring the relationship of the SCR to regulatory capital. The group complied with all externally imposed capital requirements.

4.2 Insurance risk

4.2.1 Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus a liquidity premium where applicable. Risk-free rates are determined by reference to the ZAR swap curve. The liquidity premium is determined by reference to observable market rates, including sovereign debt, corporate debt and market swap rates.

The weighted average discount rate applied by the group for discounting of future cash flows as at 30 September 2024 was 8,4% (2023: 8,9%).

Notes to the Consolidated Annual Financial Statements (continued)

4. Insurance contract assets (continued)

4.2 Insurance risk (continued)

4.2.2 Insurance contract sensitivities

The insurance claim liabilities are sensitive to the key assumptions. The analysis below is performed for reasonable possible movements in key assumptions with all other assumptions held constant, showing the impact on insurance contract liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

Significant unobservable parameters applied ¹	30 September 2024		
	Change in assumptions	Favourable R'000	Unfavourable R'000
Short-term motor warranties			
Discount rate	100bps	141	(146)
Loss ratios	10%	3 287	(3 882)
		30 September 2023	
Significant unobservable parameters applied ¹	Change in assumptions	Favourable R'000	Unfavourable R'000
Short-term motor warranties			
Discount rate	100bps	104	(107)
Loss ratios	10%	2 997	(2 997)

¹ These represent the significant unobservable parameters applied in the actuarial model.

Notes to the Consolidated Annual Financial Statements (continued)

4. Insurance contract assets (continued)

4.3 Reconciliation of the net carrying amounts of insurance contract assets

The following reconciliation indicates how the net carrying amounts of insurance contract assets changed during the year as a result of cash flows and the amounts recognised in the statement of profit or loss:

	Liability for incurred claims			Total R' 000
	Liability for remaining coverage ¹ R' 000	Present value of cash flows R' 000	Risk adjustment R' 000	
30 September 2024				
Insurance contract assets at beginning of the year	42 518	2 253	(300)	44 471
Insurance revenue	201 069	-	-	201 069
Insurance service expenses	-	(143 217)	60	(143 157)
Net income from insurance contracts held	201 069	(143 217)	60	57 912
Net insurance finance income	26 531	-	-	26 531
Amounts recognised in statement of profit and loss	227 600	(143 217)	60	84 443
Dividend payment	(115 000)	-	-	(115 000)
Growth in investment assets	127 763	-	-	127 763
Premiums received	(268 951)	-	-	(268 951)
Claims and other expenses paid	-	141 188	-	141 188
Total cash flows	(256 188)	141 188	-	(115 000)
Insurance contract assets at end of the year	13 930	224	(240)	13 914

Notes to the Consolidated Annual Financial Statements (continued)

4. Insurance contract assets (continued)

4.3 Reconciliation of the net carrying amounts of insurance contract assets (continued)

30 September 2023	Liability for remaining coverage ¹ R'000	Liability for incurred claims		Total R'000
		Present value of cash flows R'000	Risk adjustment R'000	
Insurance contract assets at beginning of the year	(1 626)	2 776	-	1 150
Insurance revenue	179 336	-	-	179 336
Insurance service expenses	-	-	-	-
Incurred claims and other expenses	-	(101 058)	(300)	(101 358)
Net income from insurance contracts held	179 336	(101 058)	(300)	77 978
Net insurance finance income cost	(12 657)	-	-	(12 657)
Amounts recognised in statement of profit and loss	166 679	(101 058)	(300)	65 321
Dividend payment	(22 000)	-	-	(22 000)
Growth in investment assets	125 377	-	-	125 377
Premiums received	(225 912)	-	-	(225 912)
Claims and other expenses paid	-	100 535	-	100 535
Total cash flows	(122 535)	100 535	-	(22 000)
Insurance contract assets at end of the year	42 518	2 253	(300)	44 471

¹ During the current financial year, investment assets in the cell captive and the liability for the remaining coverage have been aggregated to enhance disclosure. The comparative disclosure has been represented to align with the current financial year disclosure.

Notes to the Consolidated Annual Financial Statements (continued)

5. Equity accounted investment

Details of the group's investment in an associate at 30 September 2024 are as follows:

			30 September 2024	30 September 2023
	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest held by the group	
Agile Bridge (Pty) Ltd	Software development	South Africa	20%	20%
			R'000	R'000
Cost of investment in equity accounted investment			8 000	8 000

On 1 June 2022, the group acquired 20% of the ordinary share capital of Agile Bridge (Pty) Ltd. The purchase consideration was R8,0 million, which was settled in cash. The investment is accounted for as an associate as the group does not have the unilateral ability to control, direct or govern decisions that impact the variable returns of the investment. Agile Bridge (Pty) Ltd has a November year end.

	30 September 2024	30 September 2023
	R'000	R'000
Carrying amount at beginning of the year	10 550	8 000
Share of profit after tax	3 000	4 450
Dividend received	(1 200)	(1 900)
Balance at end of the year	12 350	10 550

The group does not consider the investment above to be individually material to its operations.

Notes to the Consolidated Annual Financial Statements (continued)

6. Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	30 September 2024 R'000	30 September 2023 R'000
Accruals and other liabilities (annual bonus, ECL on receivables, refund liability and leave pay)	38 223	25 257
Right-of-use assets ¹	(31 812)	(40 250)
Lease liabilities ¹	36 817	44 602
Property, plant and equipment	10 296	10 515
Prepayments	(2 160)	(1 157)
Loan raising fee	159	688
Deferred tax balance from temporary differences other than unused tax losses	51 523	39 655
Reflected as:		
Deferred taxation asset	58 337	42 522
Deferred taxation liability	(6 814)	(2 867)
	51 523	39 655

An amount of R5,4 million (2023: R2,1 million) attributable to assessed losses in the group has not been recognised as deferred tax asset as the directors are of the view that it is not probable that the relevant companies will generate taxable profit in the near future against which the benefit can be utilised.

Deferred tax assets have only been recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. This assessment is performed by comparing budgeted taxable earnings to the deferred tax asset. The assessments are performed on a continuous basis and if required the deferred tax asset is reversed.

6. Deferred tax (continued)

Reconciliation of deferred tax balance

	30 September 2024 R'000	30 September 2023 R'000
Balance at beginning of the year	39 655	29 602
Taxable temporary difference – accruals and other liabilities	12 966	5 086
Taxable temporary differences – right-of-use assets ¹	8 438	3 212
Deductible temporary differences – lease liabilities ¹	(7 785)	(1 449)
(Deductible) / taxable temporary differences – property, plant and equipment	(219)	4 193
Deductible temporary differences – prepayments	(1 003)	(835)
Deductible temporary differences – bond raising fees	(529)	(154)
Balance at end of the year	51 523	39 655

¹ The right-of-use assets and lease liabilities were disaggregated to enhance disclosure. The comparative amounts have been represented to align with current financial year disclosure.

Notes to the Consolidated Annual Financial Statements (continued)

7. Other loans receivable

	30 September 2024 R' 000	30 September 2023 R' 000
Loans receivable	12 360	12 000

The carrying value of loans receivable approximates fair value.

To further the group's enterprise and supplier development initiatives, the group advanced interest-free loans of R4,1 million and R8,2 million (2023: R4,0 million and R8,0 million) to Jinja Purple Pepper (Pty) Ltd and Jinja Green (Pty) Ltd, respectively, as prescribed in the BBBEE Codes of Good Practice. The group has agreed to financially support these companies, by means of these long-term interest-free loans. Please refer to note 37.1 for further ECL disclosure on the loans receivable.

8. Inventories

	30 September 2024 R' 000	30 September 2023 R' 000
Second-hand motor vehicles	2 506 465	2 218 037
Consumables	18	44
Work in progress and spare parts	332	1 591
Write-down of obsolete inventory	(41 815)	(32 781)
	2 465 000	2 186 891

Included in the total inventories of R2 465,0 million (2023: R2 186,9 million) are inventories to the value of R251,5 million (2023: R244,4 million) which are carried at net realisable values. The remainder of the inventories are carried at cost.

Inventories of R19 798,1 million (2023: R16 924,7 million) were recognised as an expense during the year and included in purchase of goods.

9. Trade and other receivables

	30 September 2024 R' 000	30 September 2023 R' 000
Trade receivables	90 897	46 002
Less: Expected Credit Loss allowance	(1 000)	(500)
Net trade receivables	89 897	45 502
Prepayments	12 996	7 247
Deposits	41 803	34 705
Staff loans	1 258	1 171
Sundry receivables	403	350
Value-added tax	1 669	1 298
	148 026	90 273

The group measures ECL allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial asset. The group assesses on a forward-looking basis. The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above, and it does not hold any form of collateral as security.

To measure expected credit losses, trade receivables have been grouped based on shared credit characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of time and the corresponding historical credit losses experienced within this period. The credit risk associated with the recoverability of trade receivables within the group is assessed as being very low, as a result of the internal control environment associated with the debtor and the sale and release of the vehicle. The vast majority of the receivables balance is less than 30 days in arrears. Trade receivables arise due to timing differences with settlement of these transactions occurring within 1-3 business days post the sale of inventories. Please refer to note 37.1 where further information on the classes of receivables as well as the ECL has been provided.

Notes to the Consolidated Annual Financial Statements (continued)

9. Trade and other receivables (continued)

The ageing of trade receivables, as well as the amount of the ECL allowance per age class, is presented below:

	30 September 2024		
	Carrying value R'000	ECL R'000	Expected loss rate
Current	88 494	619	0.7%
Past due 30 to 59 days	1 195	10	0.8%
Past due 60 to 89 days	309	55	17.8%
Past due 90 to 119 days	-	-	0.0%
Past due 120 days and older	899	316	35.1%
Total	90 897	1 000	1.1%
	30 September 2023		
	Carrying value R'000	ECL R'000	Expected loss rate
Current	45 531	211	0.5%
Past due 30 to 59 days	185	3	1.3%
Past due 60 to 89 days	3	3	100.0%
Past due 90 to 119 days	-	-	0.0%
Past due 120 days and older	283	283	100.0%
Total	46 002	500	1.1%

10. Cash and cash equivalents

	30 September 2024 R'000	30 September 2023 R'000
Cash and cash equivalents consist of:		
Bank balances	206 463	164 162
Bank overdraft ¹	-	(6 080)
	206 463	158 082
Current assets	206 463	164 162
Current liabilities	-	(6 080)
	206 463	158 082

¹ Bank overdraft related to fleet credit cards.

	30 September 2024 R'000	30 September 2023 R'000
The total amount of undrawn facilities available for future operating activities and commitments	520 917	474 768

11. Derivative asset

	30 September 2024 R'000	30 September 2023 R'000
Other derivative asset - not held for risk management		
Call option derivative	-	426 463

Before the listing of We Buy Cars Holdings Limited on the Main Board of the JSE Limited and the adoption of a new Memorandum of Incorporation on 25 March 2024, the group held various call options which gave it the right to repurchase the 25,1% shareholding in the company from the minority shareholder. As set out in the shareholders' agreement, 15,0% of the option was exercisable within 30 days from 30 September 2024, with the remaining 10,1% exercisable within 30 days from 30 September 2026.

Notes to the Consolidated Annual Financial Statements (continued)

11. Derivative asset (continued)

Upon the successful listing and the adoption of the new Memorandum of Incorporation, the current shareholders' agreement was cancelled which led to the cancellation of the call options. The call option derivative asset was consequently derecognised through profit and loss on 25 March 2024.

12. Financial assets by category

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

	Financial asset at fair value		Total R'000
	through profit or loss R'000	Financial asset at amortised cost R'000	
30 September 2024			
Investment in financial asset ¹	-	-	-
Other loans receivable	-	12 360	12 360
Trade and other receivables ²	-	132 103	132 103
Cash and cash equivalents	-	206 463	206 463
Call option derivative	-	-	-
	-	350 926	350 926
30 September 2023			
Investment in financial asset ¹	-	-	-
Other loans receivable	-	12 000	12 000
Trade and other receivables ²	-	80 557	80 557
Cash and cash equivalents	-	164 162	164 162
Call option derivative	426 463	-	426 463
	426 463	256 719	683 182

¹ Less than a R1 000.

² Excludes employee-related receivables, value-added tax and prepayments.

13. Stated capital

Authorised

In terms of the Memorandum of Incorporation, all unissued shares are placed under the control of the directors, to be issued to such persons on such terms and conditions as they deem fit.

	30 September 2024	30 September 2023
	Number of shares	
Ordinary no par value shares ¹	10 000 000 000	10 000 000 000
Ordinary no par value A class shares ²	-	10 000 000 000
	R'000	
Issued		
417 181 120 (2023: 2 071 797) Ordinary no par value shares	9 765 352	6 714 555
	9 765 352	6 714 555
	R'000	
Reconciliation of shares issued		
Opening balance	6 714 555	6 714 555
Issue of additional shares through a scrip dividend (non-cash) ³	1 540 797	-
Subscription for new shares ⁴⁻⁵	1 510 000	-
	9 765 352	6 714 555
	Number of shares	
Opening balance	2 071 797	2 071 797
New issue of shares ³⁻⁵	83 185 241	-
Subdivision of shares ¹	331 924 082	-
Closing balance	417 181 120	2 071 797

Notes to the Consolidated Annual Financial Statements (continued)

13. Stated capital (continued)

- ¹ On 7 March 2024, the company's authorised and issued share capital was restructured by way of a subdivision, which resulted in the authorised ordinary shares being subdivided in the ratio of 120 shares for each ordinary share. On 25 March 2024, the authorised share capital was decreased to 10 000 000 000 ordinary shares of no par value.
- ² On 25 March 2024, the 10 000 000 000 authorised (unissued) ordinary no par value A class shares were cancelled.

The new issues of shares are set out below:

- ³ On 29 February 2024, the company declared a pro rata scrip dividend of R2 300,8 million to its pre-listing shareholders, Transaction Capital Motor Holdco (Pty) Ltd and I VDW Holdings (Pty) Ltd, in terms of which such shareholders were entitled to elect to receive shares or cash. Transaction Capital Motor Holdco (Pty) Ltd elected to receive 717 481 shares (R1 540,8 million) and cash (R182,5 million), while I VDW Holdings (Pty) Ltd elected to receive only cash (R577,5 million).
- ⁴ On 27 March 2024, as part of the pre-listing capital raise, an additional 42 467 760 shares were issued to Coronation Asset Management (Pty) Ltd for a consideration of R760,0 million.
- ⁵ Bookbuild Investors subscribed to buy shares in the company as part of the pre-listing capital raise (effective on 11 April 2024) to the value of R750,0 million at R18,75 per share, resulting in an additional 40 000 000 shares issued.

14. Non-controlling interest

	30 September 2024 R' 000	30 September 2023 R' 000
Opening balance	907	957
Share issue in a subsidiary	-	49
Share of loss for the year	(5)	(147)
Movement in foreign currency translation	(6)	48
Derecognition of a non-controlling interest ¹	(896)	-
	-	907

- ¹ On 10 November 2023, the group purchased 213 ordinary shares of AED1 000 each, representing 5% of the issued share capital of WBC AME Holdings DMCC, for USD57 986. Following this transaction, the group owns 100% of the issued share capital of WBC AME Holdings DMCC.

14. Non-controlling interest (continued)

The following table summarises the information relating to We Buy Cars AME Holdings DMCC, one of the group's subsidiaries that had a NCI, before any intra-group eliminations.

	30 September 2024 R' 000	30 September 2023 R' 000
NCI percentage	0%	5%
Non-current assets	-	17 803
Current assets	-	1 083
Non-current liabilities	-	-
Current liabilities	-	(23)
Net assets	-	18 863
Net assets attributable to NCI	-	943
Loss for the year	-	(2 956)
Other comprehensive income	-	-
Total comprehensive income	-	(2 956)
Loss allocated to NCI	-	(147)
Other comprehensive income allocated to NCI	-	-
Cash flow from operating activities	-	(3 073)
Cash flow from investment activities	-	-
Cash flow from financing activities	-	1 780
Net decrease in cash and cash equivalents	-	(1 293)

Notes to the Consolidated Annual Financial Statements (continued)

15. Borrowings

	30 September 2024 R'000	30 September 2023 R'000
At amortised cost		
Balance at beginning of the year	1 381 859	1 490 622
Borrowings raised during the year	2 008 260	716 303
Interest accrued and bond raising fees	8 028	11 895
Borrowings repaid during the year	(2 072 073)	(836 961)
Balance at end of the year	1 326 074	1 381 859
Non-current liabilities		
At amortised cost	868 841	943 985
Current liabilities		
At amortised cost	457 233	437 874
	1 326 074	1 381 859

As at 30 September 2023, the group had a R530 million mortgage loan facility with Investec Bank Limited with terms ranging from 60 to 72 months. Interest was payable on these mortgage loans at the prime interest rate minus 0,5%.

Investec Bank Limited held the following covering mortgage bonds over the properties:

- First covering mortgage bond (for R90,0 million) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng;
- Second covering mortgage bond (for R15,0 million) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng;
- First covering mortgage bond (for R150,0 million) over Erf 23312, Brackenfell in the City of Cape Town, Stellenbosch Division, Western Cape Province;
- First covering mortgage bond (for R140,0 million) over Portion 8 (a portion of portion 1) of Erf 61, Gosforth Extension 5 Township, Registration Division I.R, Province of Gauteng;

15. Borrowings (continued)

- First covering mortgage bond (for R75,0 million) over the Notarial Deed of Lease over Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal;
- First covering mortgage bond (for R160,0 million) over Notarial Deed of Lease over Erf 38348, Milnerton, in the City of Cape Town, Cape Division, Western Cape Province.

As at 30 September 2023, the group also had a R275,7 million mortgage loan facility with FirstRand Bank Limited with terms ranging from 60 to 84 months. Interest was payable on one of these mortgage loans at the prime interest rate minus 0,5% and on the other mortgage loans at 3 month JIBAR plus 2,95%.

FirstRand Bank Limited held the following covering mortgage bonds over the properties:

- First covering mortgage bond (for R90,0 million) over the company's 50% undivided share in and to the Remainder of Erf 2551 Louwlandia, Extension 74 Township, Gauteng;
- First covering mortgage bond (for R71,5 million) over Portion 18 of Erf 926 Riverside Park Extension 22 Township, Registration Division JT, Province of Mpumalanga; and
- First covering mortgage bond (for R175,0 million) over Erf 22 Northgate Extension 18, Registration Division I.Q., Province of Gauteng and Portion 301, 302 and 303 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng.

During the current year the directors entered into agreements with FirstRand Bank Limited to refinance the entire property portfolio on more favourable terms.

As at 30 September 2024, the group has a R750,0 million mortgage loan facility with FirstRand Bank Limited with terms ranging from 12 to 84 months. Interest is payable on these mortgage loans at interest rates ranging from the prime interest rate minus 2,1% and 3 month JIBAR plus 2,0%–2,05%.

Notes to the Consolidated Annual Financial Statements (continued)

15. Borrowings (continued)

FirstRand Bank Limited held the following covering mortgage bonds over the properties:

- First covering mortgage bond (for R150,0 million) over Erf 23312, Brackenfell in the City of Cape Town, Stellenbosch Division, Western Cape Province;
- First covering mortgage bond (for R90,0 million) over Erf 238, Aeroton Ext 13 Township, Registration Division I.Q., Province of Gauteng;
- First covering mortgage bond (for R75,0 million) over the Notarial Deed of Lease over Erf 641 Springfield, Registration Division FT, Province of KwaZulu-Natal;
- First covering mortgage bond (for R140,0 million) over Portion 8 (a portion of portion 1) of Erf 61, Gosforth Extension 5 Township, Registration Division I.R, Province of Gauteng;
- First covering mortgage bond (for R160,0 million) over Notarial Deed of Lease over Erf 38348, Milnerton, in the City of Cape Town, Cape Division, Western Cape Province;
- First covering mortgage bond (for R175,0 million) over Erf 22 Northgate Extension 18, Registration Division I.Q., Province of Gauteng and Portion 301, 302 and 303 (a portion of portion 2) of the Farm Olievenhoutpoort No. 196, Registration Division I.Q., Province of Gauteng;
- First covering mortgage bond (for R71,5 million) over Portion 18 of Erf 926 Riverside Park Extension 22 Township, Registration Division JT, Province of Mpumalanga; and
- First covering mortgage bond (for R90,0 million) over the company's 50% undivided share in and to the Remainder of Erf 2551 Louwlandia, Extension 74 Township, Gauteng.

As at 30 September 2024, the group also had a R300,0 million (2023: R210,0 million) facility from Investec Bank Limited, a R300,0 million (2023: R300,0 million) facility with The Standard Bank of South Africa Limited and a R500,0 million (2023: R600,0 million) facility with FirstRand Bank Limited to fund working capital. These borrowings have terms ranging from 12 to 24 months. Interest is payable on these borrowings at interest rates ranging from prime interest rate minus 1,35% and 3 month JIBAR plus 1,9%–2,15%.

16. Lease liabilities

	30 September 2024 R'000	30 September 2023 R'000
Lease liabilities	136 359	165 192
Less: portion repayable within one year included in current liabilities	(34 061)	(37 636)
Long-term portion of lease liabilities	102 298	127 556
The maturity profile of the cash flows relating to the lease liabilities is as follows:		
Within one year	43 488	48 914
Within two to five years	114 258	133 394
Thereafter	639	14 886
	158 385	197 194
Total cash outflow for leases in the current year		
Finance cost	11 536	13 209
Capital portion	38 009	33 216
Total cash outflow for leases	49 545	46 425

Lease liabilities relate to leases entered into with external landlords who lease their facilities to the group. Lease liabilities represent the financial obligation of the group to make lease payments to landlords to use the underlying leased premises or right-of-use assets, during the lease term. The majority of the leases cover a period of 2 to 7 years, and some leases include an option to renew on expiry.

All lease liabilities are interest-bearing and the discount rate used to determine the present value of future lease payments is generally based on the lessee's incremental borrowing rate, as in most instances, the interest rate implicit in the lease cannot be readily determined. The discount rate applied to new leases concluded during the year was 10,25% (2023: 9,25%, 10% and 10,75%).

Lease rental obligations are capitalised and lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The cash outflow approximates the expense relating to variable lease payments and leases of low value assets is disclosed in note 22.

Notes to the Consolidated Annual Financial Statements (continued)

17. Trade and other payables

	30 September 2024 R'000	30 September 2023 R'000
Trade payables	194 754	217 922
Value-added tax	15 490	24 850
Expense accruals	13 978	9 380
Accrual for leave pay ¹	-	34 339
Tenant deposits	1 227	1 156
Payroll accruals ²	15 210	11 695
	240 659	299 342

¹ Accrual for leave pay has been reclassified to employee benefits in the current financial year to enhance disclosure.

² Payroll accruals consist of PAYE, UIF and SDL payable at the end of the financial year.

18. Refund liability

	30 September 2024 R'000	30 September 2023 R'000
Refund liability	7 000	5 000

The exposure for the group for the return of a vehicle is limited to the lost margin as a result of the lost sale. A net liability for the refund liability and the right of return asset has been recognised due to limited exposure.

19. Employee benefits

	30 September 2024 R'000	30 September 2023 R'000
Accrual for short-term incentive bonus	48 464	22 000
Defined contribution plan accrual	10 131	8 525
Provision for annual bonuses	33 771	22 500
Accrual for leave pay ¹	39 229	-
	131 595	53 025
Non-current liabilities	-	-
Current liabilities	131 595	53 025
	131 595	53 025

¹ Accrual for leave pay has been reclassified from trade and other payables in the current financial year to enhance disclosure.

Accrual for short-term incentive bonus

The short-term incentive is payable annually to directors and certain senior members of the management team, provided that the employee remains in the group's employ at the date of payment.

Defined contribution plan accrual

It is the policy of the group to provide retirement benefits to all its employees. Defined contribution provident funds in South Africa and Namibia, which are subject to the Pensions Fund Act, exist for this purpose.

The group is under no obligation to cover any unfunded benefits.

Notes to the Consolidated Annual Financial Statements (continued)

20. Financial liabilities by category

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

	Financial liabilities at amortised cost R' 000	Total R' 000
30 September 2024		
Trade and other payables ¹	209 959	209 959
Borrowings	1 326 074	1 326 074
Lease liabilities	136 359	136 359
	1 672 392	1 672 392
30 September 2023		
Trade and other payables ¹	228 458	228 458
Borrowings	1 381 859	1 381 859
Lease liabilities	165 192	165 192
Bank overdraft	6 080	6 080
	1 781 589	1 781 589

¹ Excludes value-added tax and employee-related payables.

21. Revenue

	30 September 2024 R' 000	30 September 2023 R' 000
IFRS 15-Revenue from contracts with customers		
Sale of goods-motor vehicles ¹	22 848 062	19 609 568
Finance and insurance commissions	472 544	409 428
Movement in refund liability	(2 000)	(5 000)
IFRS 16-Leases		
Rental income	593	3 999
	23 319 199	20 017 995

¹ Commission income of R89,6 million was included in the sale of goods - motor vehicles in the comparative period and has been represented under finance and insurance commission received to align with current financial year disclosure.

² Rebate income has been reclassified to finance and insurance commissions received in the current and prior financial year to enhance disclosure. The comparative amounts have been represented to align with current financial year disclosure.

21. Revenue (continued)

Timing and disaggregation of revenue

Revenue is disaggregated based on revenue streams as disclosed above, according to timing and according to nature.

Sale of goods - motor vehicles

Performance obligations are satisfied at a specific point in time upon entering into a sales agreement with a customer and ownership transfers on delivery to the customer. Amounts owed are initially settled in cash or through bank financing without any significant payment terms. There are no judgements made that significantly affect the determination of the amount and timing of revenue.

Finance and insurance commissions received

Fees earned from finance, insurance-related and ancillary products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, and leading insurance providers are recognised at a point in time when the commission has been earned. Revenue from the sale and installation of vehicle tracking devices is recognised on the fitment of tracking devices.

Rebate income is recognised at a point in time when the contractual terms of the agreements with third parties have been met.

Rental income

Rental income relates to revenue earned by the group from leasing space in warehouses owned and leased by the group. The revenue is recognised as part of the Property rental segment. The revenue is accounted for as operating lease revenue in accordance with IFRS 16, 'Leases'.

Notes to the Consolidated Annual Financial Statements (continued)

22. Net operating expenses

	30 September 2024 R'000	30 September 2023 R'000
Purchase of goods	(19 798 143)	(16 924 664)
Inventory adjustments ¹	(9 034)	(16 281)
Dealerstocking, licence and registration fees ¹	(107 480)	(90 670)
Roadworthy and vehicle inspection report costs ¹	(88 348)	(75 031)
Vehicle reconditioning costs ¹	(274 074)	(259 689)
Logistic costs ¹	(150 806)	(120 562)
Other operating income ²	42 621	24 910
Dividend received	2 800	3 000
Auditor's remuneration³	(3 638)	(1 769)
Audit related services – current year	(1 757)	(464)
Audit related services – prior year	(1 881)	(1 305)
Employee costs	(1 061 430)	(842 547)
Salaries, wages, bonuses and other benefits	(927 230)	(775 149)
Employer retirement contributions	(39 136)	(33 239)
Short-term incentives	(67 828)	(20 501)
Share-based payment expense	(24 861)	(13 658)
Non-Executive director fees	(2 375)	–

22. Net operating expenses (continued)

	30 September 2024 R'000	30 September 2023 R'000
Short-term lease expense	(18 815)	(15 448)
Leases of low-value assets	(270)	(30)
Management fees	(21 954)	(38 777)
Staff training	(4 692)	(6 313)
Bank charges	(14 815)	(9 192)
Property rates and taxes and utilities	(40 574)	(32 811)
Platform development and marketing costs	(362 783)	(333 716)
Other operating expenses ⁴	(172 048)	(196 507)
	(22 083 483)	(18 936 097)

¹ These cost categories were disaggregated to enhance disclosures. The comparative amounts have been represented to align with current financial year disclosure.

² Other operating income consist of a settlement administration fee, recovery of costs, SETA refunds, sundry income, licence renewal fees, ETI income, dealer administration fees and facility fees.

³ Audit related services were disaggregated to align with the requirements of the International Ethics Standards Board for Accountants and the Code of Ethics for Professional Accountants.

⁴ Other operating expenses include expenses relating to operational costs, including donations, insurance premiums, repairs and maintenance, telephone and security costs.

23. Net insurance result

	30 September 2024 R'000	30 September 2023 R'000
The net insurance result comprises the following:		
Insurance revenue	201 069	179 336
Insurance service expense	(143 157)	(101 358)
Insurance finance income / (cost)	26 531	(12 657)
	84 443	65 321

Notes to the Consolidated Annual Financial Statements (continued)

23. Net insurance result (continued)

	30 September 2024 R'000	30 September 2023 R'000
23.1 Insurance revenue		
The table below presents an analysis of the total insurance revenue recognised in the year:		
Short-term warranties		
Insurance revenue from insurance contracts measured under the PAA	201 069	179 336
23.2 Insurance service expense		
Short-term warranties		
The insurance expense comprises of the following:		
Claims	111 151	83 347
Other ¹	32 006	18 011
	143 157	101 358
23.3 Insurance finance income / (cost)		
The table below presents an analysis of the net insurance finance costs from insurance contracts issued:		
Interest earned on money market and deposit accounts	26 416	17 170
Fair value gain on money market and deposit accounts	1 032	244
Time value of money on liability of remaining cover	(917)	(30 071)
	26 531	(12 657)

¹ Includes directly attributable expenses and tax expenses

All insurance finance income / (costs) from insurance contracts are recognised in the statement of profit and loss.

24. Depreciation and amortisation

	30 September 2024 R'000	30 September 2023 R'000
Depreciation of property, plant and equipment	52 062	72 486
Depreciation of right-of-use assets	40 427	39 747
Amortisation of leasehold rights and leasehold improvements	6 219	4 927
	98 708	117 160

25. Other non-operating items

	30 September 2024 R'000	30 September 2023 R'000
Fair value (loss) / gain on call option derivative	(426 463)	157 684
Once-off professional, legal and JSE listing fees ¹	(45 034)	-
	(471 497)	157 684

¹ Included in the Once-off professional, legal and JSE listing fees are fees paid to external auditors for non-audit related services of R1,7 million (2023: Rnil).

26. Finance income

	30 September 2024 R'000	30 September 2023 R'000
Bank and other cash – interest received	16 125	9 356
SARS interest received	-	23
Other interest received	152	13
Related party interest received	-	22
	16 277	9 414

Notes to the Consolidated Annual Financial Statements (continued)

27. Finance costs

	30 September 2024 R'000	30 September 2023 R'000
Trade and other payables	6	15
SARS interest	-	20
Interest expense on lease liabilities	11 536	13 209
Interest expense on borrowings	146 488	145 060
	158 030	158 304

28. Taxation

Major components of the tax expense

	30 September 2024 R'000	30 September 2023 R'000
Current		
Local income tax – current period	280 169	235 333
Local income tax – prior year (over) / under provision	(1 378)	8
Foreign taxes ¹	27	61
	278 818	235 402
Deferred		
Originating and reversing temporary differences	(11 768)	(10 055)
Prior year over provision	(100)	1
	266 950	225 348

¹ Foreign taxes have been aggregated in the current financial year. The comparative amounts have been represented to align to current year disclosure.

28. Taxation (continued)

	30 September 2024 R'000	30 September 2023 R'000
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Profit before taxation	610 039	1 046 333
Tax at the applicable tax rate of 27% (2023: 27%)	164 710	282 510
Tax effect of adjustments on taxable income		
Non-deductible expenses ¹	1 995	6 000
Once-off professional, legal and JSE listing fees	12 306	-
Exempt income ²	(24 715)	(21 238)
Fair value adjustment on call option derivative	115 145	(42 575)
Deferred tax on assessed loss not recognised	1 446	2 129
Capitalised borrowing cost	-	(333)
Capital gains tax	-	171
Prior year (over) / under provision – deferred tax	(100)	1
Prior year (over) / under provision – income tax	(1 378)	8
Learnership allowances	(2 215)	(1 267)
Utilisation of an assessed loss	(291)	(119)
Foreign taxes	27	61
Foreign tax differential	20	-
	266 950	225 348

¹ Included in non-deductible expenses are expenses of a capital nature and expenses incurred not in the production of taxable income, including the amortisation on leasehold improvements and the loss on disposal of property, plant and equipment.

² Exempt income relates to the net insurance result recognised under IFRS 17, 'Insurance Contracts'.

Notes to the Consolidated Annual Financial Statements (continued)

29. Basic and headline earnings per share

	30 September 2024	30 September 2023
Basic earnings per share (cents)	91.5	245.9
Diluted basic earnings per share (cents)	91.1	245.9
Headline earnings per share (cents)	91.7	245.1
Diluted headline earnings per share (cents)	91.4	245.1

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of WeBuyCars by the weighted average number of ordinary shares in issue during the financial year.

Headline earnings per share

The presentation of headline earnings per share is mandated under the JSE Limited Listings Requirements and is calculated in accordance with Circular 1/2023 – Headline Earnings, as issued by the South African Institute of Chartered Accountants.

Diluted earnings per share

For diluted earnings per share, the weighted average number of ordinary shares in issue, is adjusted for the dilutive effect of potential ordinary shares under the conditional share plan. Potential ordinary shares are treated as dilutive when they are expected to be issued at no consideration.

	30 September 2024 R' 000	30 September 2023 R' 000
Headline earnings		
Profit attributable to shareholders of WeBuyCars	343 094	821 132
Loss / (Profit) on disposal of property, plant and equipment	1 162	(3 030)
Taxation thereon	(314)	655
Headline earnings	343 942	818 757

29. Basic and headline earnings per share (continued)

Weighted average number of shares in issue

Weighted average number of ordinary shares for the purpose of basic and headline earnings per share:

	30 September 2024	30 September 2023
Number of shares		
Number of ordinary shares in issue at the beginning of the year	2 071 797	2 071 797
Effect of new shares issued during the year	41 033 326	-
Effect of subdivision of shares ¹	331 924 082	331 924 082
Weighted average number of ordinary shares for the purpose of basic and headline earnings per share	375 029 205	333 995 879
Potential dilutive impact of conditional share plan (CSP)		
Shares deemed to be issued for no consideration in respect of CSP ²	1 402 405	-
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	376 431 610	333 995 879

¹ The comparative number of shares have been retrospectively adjusted in line with the requirements of IAS 33, 'Earnings Per Share'.

² No dilutive impact in the prior comparative period as the participants of the scheme were incentivised under the Transaction Capital Limited CSP.

Notes to the Consolidated Annual Financial Statements (continued)

30. Share-based payment expense

Conditional share plan

30.1 Details of the conditional share plan

Prior to the unbundling and separate listing of We Buy Cars Holdings Limited on the Main Board of the JSE Limited, executives and certain senior employees of the group were incentivised under the Transaction Capital Limited conditional share plan (CSP). These awards were in the form of CSP awards. Post the listing, all Transaction Capital Limited CSP awards held by executives and certain senior employees of the group were converted to We Buy Cars Holdings Limited CSP awards at an equivalent value and with similar performance conditions and vesting dates.

In accordance with the rules of the We Buy Cars Holdings Limited conditional share plan, the grant of CSP awards will be made on an annual or on an *ad hoc* basis. The number of CSP awards granted to an employee will take cognisance of the employees' grade, performance, term of employment, retention requirements and market benchmarks. A CSP award is a conditional right to acquire We Buy Cars Holdings Limited shares for no consideration, the value being determined by the prevailing share price at vesting date, and the number of CSP awards granted. The value of the shares issued will be subject to income tax.

The CSP mechanism is overseen and approved by the Remuneration and Nominations Committee. Key executives are awarded CSPs for zero cost based on retention and performance criteria. The CSPs issued are based on the We Buy Cars Holdings Limited prevailing share price, allowing executives and certain senior employees direct exposure to the appreciation of We Buy Cars Holdings Limited's share price over time.

Historic vesting periods range between 3 and 5 years. All awards are subject to continued employment and most awards are linked to performance criteria that are approved annually by the Remuneration and Nominations Committee.

30. Share-based payment expense (continued)

Conditional share plan (continued)

30.1 Details of the conditional share plan (continued)

Employees are required to remain in the employ of the group to be eligible for CSP vestings (subject to standard "good leaver" rules). Employees who resign or are dismissed will forfeit any CSP awards that have not vested.

The following conditional share awards were in existence at year end:

	Number of CSPs	Weighted average fair value at grant (or conversion) date (cents)
Converted on 31 May 2024	3 041 332	2 354
Granted on 31 May 2024	2 439 381	2 354
	5 480 713	

The values of CSPs are determined using a calculated 10-day VWAP of a We Buy Cars Holdings Limited share as quoted on the JSE Limited.

The issue prices, or prices at time of conversion, of We Buy Cars Holdings Limited shares are disclosed below:

	We Buy Cars Holdings Limited Equity
Converted on 31 May 2024 (cents)	2 354
Granted on 31 May 2024 (cents)	2 354

Notes to the Consolidated Annual Financial Statements (continued)

30. Share-based payment expense (continued)

30.2 Movement in conditional share plan awards during the year

	30 September 2024	30 September 2023
	Number of CSPs	Number of CSPs
Balance at beginning of the year	3 901 185	535 617
Conversion adjustment	(859 852)	-
Granted during the year	2 439 381	2 441 332
Transferred from a related party during the year	-	211 864
Transferred to a related party during the year	-	(28 944)
Conversion adjustment arising from transfer between member groups	-	777 754
Exercised during the year	(43)	(24)
Forfeited during the year	-	(36 414)
Balance at end of the year	5 480 671	3 901 185

30.3 Conditional share plan awards exercised during the year

	30 September 2024		30 September 2023	
	Number of CSPs exercised	Weighted average We Buy Cars (Pty) Ltd share price (cents)	Number of CSPs exercised	Weighted average We Buy Cars (Pty) Ltd share price (cents)
Granted on 1 July 2021	43	51 688 500	24	56 891 000

These were historic We Buy Cars (Pty) Ltd awards that were exercised prior to the conversion on 31 May 2024.

30. Share-based payment expense (continued)

30.4 Conditional share plan expense recognised

	30 September 2024	30 September 2023
	R'000	R'000
The expense has been recognised in the statement of profit or loss under employee costs	24 861	13 658

31. Tax paid

	30 September 2024	30 September 2023
	R'000	R'000
Balance at beginning of the year	(23 135)	(40 885)
Current tax for the year recognised in profit or loss	(278 818)	(235 402)
Balance at end of the year	32 963	23 135
	(268 990)	(253 152)

32. Capital commitments

	30 September 2024	30 September 2023
	R'000	R'000
Capital expenditure approved and contracted for	182 500	84 775

It is anticipated that capital expenditure will be financed from existing cash resources and long-term borrowings.

Notes to the Consolidated Annual Financial Statements (continued)

33. Dividends paid

	30 September 2024 R' 000	30 September 2023 R' 000
Balance at the beginning of the year	-	-
Dividends declared	(3 410 797)	(340 000)
Scrip dividend (non-cash)	1 540 797	-
Balance at the end of the year	-	-
	(1 870 000)	(340 000)

A dividend of R170,0 million (8 205 cents per share) was approved by the Board of Directors on 1 November 2023. The dividend payment date was 17 November 2023, payable to shareholders recorded in the register of the company at the close of business on 17 November 2023.

A dividend of R190,0 million (9 171 cents per share) was approved by the Board of Directors on 21 February 2024. The dividend payment date was 4 April 2024, payable to shareholders recorded in the register of the company at the close of business on 21 February 2024.

A dividend of R750,0 million (36 200 cents per share) was approved by the Board of Directors on 29 February 2024. This dividend was settled from the proceeds of the pre-listing capital raise. The dividend payment date was 15 April 2024, payable to shareholders recorded in the register of the company at the close of business on 29 February 2024.

An additional dividend was approved, by the Board of Directors on 29 February 2024, being a scrip dividend with a cash alternative to the value of R2 300,8 million (111 053 cents per share). Transaction Capital Motor Holdco (Pty) Ltd elected to receive a cash dividend of R182,5 million and I VDW Holdings (Pty) Ltd elected to receive their full dividend in cash, being R577,5 million. The cash portions (totalling R760,0 million) remained outstanding on loan account, while the balance of Transaction Capital Motor Holdco (Pty) Ltd's portion of the dividend, being R1 540,8 million, was settled by issuing an additional 717 481 ordinary shares. The cash dividend was settled from the proceeds of the pre-listing capital raise. The dividend payment date was 15 April 2024, payable to shareholders recorded in the register of the company at the close of business on 29 February 2024.

34. Operating segments

34.1 Basis of segment presentation

The segment information has been prepared in accordance with IFRS 8, 'Operating Segments' which defines the requirements for the disclosure of financial information of an entity's operating segments. The standard requires segmentation based on the group's internal organisation and internal accounting presentation of revenue and operating profit.

34.2 Identification of reportable segments

Operating segments are reported in a manner consistent with the internal reporting requirements of the group as provided to the chief operating decision maker (the Chief Executive Officer is considered the chief operating decision maker).

The operations have been allocated to each business segment based on senior management's assessment of their core activities, revenue streams, and specifically their debt and funding structures. Given the distinct nature of the businesses, senior management has identified two operating segments.

The two identified reportable segments are:

- Buyer, distributor and retailer of pre-owned motor vehicles with the attendant sale of finance and insurance products and other ancillary products.
- Property rental: Rental of warehouses to group companies.

Notes to the Consolidated Annual Financial Statements (continued)

34. Operating segments (continued)

34.2 Identification of reportable segments (continued)

Summarised income statement for the year ended 30 September 2024	Buyer, distributor and retailer of vehicles R' 000	Property rental R' 000	Head Office, eliminations and consolidation entries R' 000	Total group R' 000
Revenue	23 318 606	166 514	(165 921)	23 319 199
Sale of goods – motor vehicles (including refund liability)	22 846 062	–	–	22 846 062
Rental income	–	156 154	(155 561)	593
Finance and insurance commissions received	472 544	–	–	472 544
Straight-lining of rental revenue	–	10 360	(10 360)	–
Net operating expenses	(22 013 695)	(41 357)	(28 431)	(22 083 483)
Purchase of goods	(19 798 143)	–	–	(19 798 143)
Inventory adjustments	(9 034)	–	–	(9 034)
Dealerstocking, licence and registration fees	(107 480)	–	–	(107 480)
Roadworthy and vehicle inspection report costs	(88 348)	–	–	(88 348)
Vehicle recondition costs	(274 074)	–	–	(274 074)
Logistics	(150 806)	–	–	(150 806)
Other income (including dividend income)	103 421	–	(58 000)	45 421
Auditor's remuneration	(3 411)	–	(227)	(3 638)
Employee costs	(1 059 055)	–	(2 375)	(1 061 430)
Lease expenses	(16 275)	(4 725)	1 915	(19 085)
Management fees	(24 604)	–	2 650	(21 954)
Staff training	(4 692)	–	–	(4 692)
Bank charges	(13 462)	(1 348)	(5)	(14 815)
Property rates and taxes and utilities	(27 741)	(28 735)	15 902	(40 574)
Platform development and marketing costs	(362 783)	–	–	(362 783)
Other operating expenses	(177 208)	(6 549)	11 709	(172 048)
Net insurance result	84 443	–	–	84 443

Notes to the Consolidated Annual Financial Statements (continued)

34. Operating segments (continued)

34.2 Identification of reportable segments (continued)

Summarised income statement for the year ended 30 September 2024	Buyer, distributor and retailer of vehicles R'000	Property rental R'000	Head Office, eliminations and consolidation entries R'000	Total group R'000
Earnings before interest, taxation, depreciation and amortisation	1 389 354	125 157	(194 352)	1 320 159
Depreciation, amortisation and impairments	(196 641)	(8 171)	106 104	(98 708)
Operating profit	720 054	116 986	(88 248)	748 792
Finance income	23 715	641	(8 079)	16 277
Finance costs	(129 409)	(92 301)	63 680	(158 030)
Profit before taxation	617 360	25 326	(32 647)	610 039
Taxation	(256 209)	(6 676)	(4 065)	(266 950)
Profit for the year	361 151	18 650	(36 712)	343 089
Summarised statement of financial position as at 30 September 2024				
Non-Current Assets	1 189 928	1 079 305	(901 861)	1 367 372
Current Assets	2 784 788	30 209	4 492	2 819 489
Total Assets	3 974 716	1 109 514	(897 369)	4 186 861
Non-Current Liabilities	933 808	882 472	(838 327)	977 953
Current Liabilities	813 919	176 167	(86 575)	903 511
Total Liabilities	1 747 727	1 058 639	(924 902)	1 881 464
Total Capital employed	2 226 989	50 875	27 533	2 305 397

Notes to the Consolidated Annual Financial Statements (continued)

34. Operating segments (continued)

34.2 Identification of reportable segments (continued)

Summarised income statement for the year ended 30 September 2023	Buyer, distributor and retailer of vehicles R'000	Property rental R'000	Head Office, eliminations and consolidation entries R'000	Total group R'000
Revenue	20 013 996	161 832	(157 833)	20 017 995
Sale of goods – motor vehicles (including refund liability)	19 604 568	-	-	19 604 568
Rental income	-	148 257	(144 258)	3 999
Finance and insurance commissions received	409 428	-	-	409 428
Straight-lining of rental revenue	-	13 575	(13 575)	-
Net operating expenses¹	(18 895 233)	(32 024)	(8 840)	(18 936 097)
Purchase of goods	(16 924 664)	-	-	(16 924 664)
Inventory adjustments	(16 281)	-	-	(16 281)
Dealerstocking, licence and registration fees	(90 670)	-	-	(90 670)
Roadworthy and vehicle inspection report costs	(75 031)	-	-	(75 031)
Vehicle recondition costs	(259 689)	-	-	(259 689)
Logistics	(120 562)	-	-	(120 562)
Other income (including dividend income)	53 910	-	(26 000)	27 910
Auditor's remuneration	(1 769)	-	-	(1 769)
Employee costs	(842 547)	-	-	(842 547)
Lease expenses	(13 494)	(4 200)	2 216	(15 478)
Management fees	(38 777)	-	-	(38 777)
Staff training	(6 313)	-	-	(6 313)
Bank charges	(9 185)	(3)	(4)	(9 192)
Property rates and taxes and utilities	(23 999)	(22 344)	13 532	(32 811)
Platform development and marketing costs	(333 716)	-	-	(333 716)
Other operating expenses	(192 446)	(5 477)	1 416	(196 507)
Net insurance result	65 321	-	-	65 321

Notes to the Consolidated Annual Financial Statements (continued)

34. Operating segments (continued)

34.2 Identification of reportable segments (continued)

	Buyer, distributor and retailer of vehicles R'000	Property rental R'000	Head Office, eliminations and consolidation entries R'000	Total group R'000
Summarised income statement for the year ended 30 September 2023				
Earnings before interest, taxation, depreciation and amortisation	1 167 019	129 781	(149 581)	1 147 219
Depreciation, amortisation and impairments	(179 676)	(39 107)	101 623	(117 160)
Operating profit	987 398	93 649	109 726	1 190 773
Finance income	35 390	425	(26 401)	9 414
Finance costs	(146 217)	(89 578)	77 491	(158 304)
Profit before taxation	881 239	4 496	160 598	1 046 333
Taxation	(218 227)	(3 844)	(3 277)	(225 348)
Profit for the year	663 012	652	157 321	820 985
Summarised statement of financial position as at 30 September 2023				
Non-Current Assets	1 269 075	1 046 955	(926 375)	1 389 655
Current Assets	2 413 425	26 275	428 089	2 867 789
Total Assets	3 682 500	1 073 230	(498 286)	4 257 444
Non-Current Liabilities	902 171	717 811	(545 574)	1 074 408
Current Liabilities	934 148	4 902	(76 958)	862 092
Total Liabilities	1 836 319	722 713	(622 532)	1 936 500
Total Capital employed	1 846 181	350 517	124 246	2 320 944

¹: Net operating expenses were disaggregated to enhance disclosures. The comparative amounts have been represented to align with current financial year disclosure.

Notes to the Consolidated Annual Financial Statements (continued)

35. Related parties

35.1 Identity of related parties

		30 September 2024	30 September 2023
Subsidiaries	We Buy Cars (Pty) Ltd	100%	100%
	WBC Investments (Pty) Ltd	100%	100%
	WBC Properties (Pty) Ltd	100%	100%
	We Buy Cars AME Holdings DMCC	100%	95%
	We Buy Cars Morocco Société Anonyme (Morocco)	100%	95%
	We Buy Cars (Namibia) (Pty) Ltd	100%	100%
Associates	Agile Bridge (Pty) Ltd	20%	20%

These percentages represent the effective shareholding in the entities listed above.

35. Related parties (continued)

35.1 Identity of related parties (continued)

Other related parties

Agile People (Pty) Ltd
 Agile Bridge Consulting (Pty) Ltd
 Transaction Capital Motor Holdco (Pty) Ltd¹
 TC Corporate Support (Pty) Ltd¹
 SA Taxi (Pty) Ltd¹
 SA Taxi Development Finance (Pty) Ltd¹

Director owned Companies in which a director/s have a significant shareholding

I VDW Holdings (Pty) Ltd
 I Faan (Pty) Ltd
 I Dirk (Pty) Ltd

Directors

ASS van der Walt
 DJF van der Walt
 CJ Rein
 JA Holtzhausen
 NAS Kruger
 S Totaram
 B Mathews
 WT Roos
 MP Mendelowitz
 KB Amoils (Alternate Director to MP Mendelowitz)

Prescribed officer

J Mills

¹ These entities were related parties until date of listing, as they were part of the same group of companies.

The directors have confirmed that they had no interest in any transaction of any significance with the group or any of its subsidiaries, other than as set out below. Accordingly, a conflict of interest with regard to directors' interests in contracts does not exist.

Notes to the Consolidated Annual Financial Statements (continued)

35. Related parties (continued)

35.2 Transactions with related parties

	30 September 2024 R'000	30 September 2023 R'000
Dividends paid to Transaction Capital Motor Holdco (Pty) Ltd	2 554 687	254 660
Dividends paid to I VDW Holdings (Pty) Ltd	856 110	85 340
Dividend received from an associate – Agile Bridge (Pty) Ltd	1 200	1 900
<i>Platform development costs paid to:</i>		
Agile Bridge (Pty) Ltd	10 149	20 060
Agile People (Pty) Ltd	728	607
Agile Bridge Consulting (Pty) Ltd	11 838	-
<i>Management fees paid to:</i>		
TC Corporate Support (Pty) Ltd	17 875	31 650
I Faan (Pty) Ltd	2 733	4 775
I Dirk (Pty) Ltd	1 346	2 352
<i>Property rentals charged to a related party:</i>		
SA Taxi (Pty) Ltd	-	2 841
<i>Intercompany revenue from sales:</i>		
SA Taxi Development Finance (Pty) Ltd	-	180

During the financial year, the group sold vehicles totalling R1,7 million (2023: R6,0 million) and purchased vehicles totalling R1,7 million (2023: R7,6 million) to and from executive directors of We Buy Cars (Pty) Ltd, a subsidiary of the group.

Notes to the Consolidated Annual Financial Statements (continued)

36. Directors' emoluments, prescribed officer and key management personnel

36.1 Directors' emoluments

For the year ended 30 September 2024

	Basic remuneration R'000	Retirement benefits R'000	Conditional share plan awards ¹ R'000	Annual incentive bonus ² R'000	Management fees ³ R'000	Directors' fees paid R'000	Total remuneration R'000
Executive directors							
ASS van der Walt	6 868	752	-	3 972	2 733	-	14 325
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	6 868	752	-	3 972	2 733	-	14 325
DJF van der Walt	4 961	541	-	2 635	1 346	-	9 483
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	4 961	541	-	2 635	1 346	-	9 483
CJ Rein	3 127	445	2 210	5 754	-	-	11 536
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	3 127	445	2 210	5 754	-	-	11 536
	14 956	1 738	2 210	12 361	4 079	-	35 344
Non-Executive directors⁴							
JA Holtzhausen	-	-	-	-	-	475	475
- for services rendered as a director of the company	-	-	-	-	-	475	475
- for services rendered as a director of other companies within the group	-	-	-	-	-	-	-
NAS Kruger	-	-	-	-	-	375	375
- for services rendered as a director of the company	-	-	-	-	-	375	375
- for services rendered as a director of other companies within the group	-	-	-	-	-	-	-
S Totaram	-	-	-	-	-	400	400
- for services rendered as a director of the company	-	-	-	-	-	400	400
- for services rendered as a director of other companies within the group	-	-	-	-	-	-	-
B Mathews	-	-	-	-	-	375	375
- for services rendered as a director of the company	-	-	-	-	-	375	375
- for services rendered as a director of other companies within the group	-	-	-	-	-	-	-

Notes to the Consolidated Annual Financial Statements (continued)

36. Directors' emoluments, prescribed officer and key management personnel (continued)

36.1 Directors' emoluments (continued)

For the year ended 30 September 2024

	Basic remuneration R'000	Retirement benefits R'000	Conditional share plan awards ¹ R'000	Annual incentive bonus ² R'000	Management fees ³ R'000	Directors' fees paid R'000	Total remuneration R'000
Non-Executive directors (continued)⁴							
WT Roos	-	-	-	-	-	375	375
- for services rendered as a director of the company	-	-	-	-	-	375	375
- for services rendered as a director of other companies within the group	-	-	-	-	-	-	-
MP Mendelowitz	-	-	-	-	-	375	375
- for services rendered as a director of the company	-	-	-	-	-	375	375
- for services rendered as a director of other companies within the group	-	-	-	-	-	-	-
	-	-	-	-	-	2 375	2 375
Prescribed officer							
J Mills	3 176	334	2 640	5 443	-	-	11 593
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	3 176	334	2 640	5 443	-	-	11 593
	3 176	334	2 640	5 443	-	-	11 593

¹ Represents the cost to the group, determined in accordance with IFRS 2, 'Share-based Payment', of the conditional share plan awards granted.

² Includes a JSE Listing bonus paid in the current year, upon approval of the Remuneration and Nominations Committee of R2,3 million for CJ Rein and R2,3 million for J Mills.

³ Management fees are paid by a subsidiary to I Faan (Pty) Ltd and to I Dirk (Pty) Ltd. I Faan (Pty) Ltd is an entity owned by ASS van der Walt and is an indirect shareholder of the company. I Dirk (Pty) Ltd is an entity owned by DJF van der Walt and is an indirect shareholder of the company. The management fee payments were discontinued on 31 March 2024.

⁴ The Non-Executive directors are remunerated by the company and the Executive directors and Prescribed officer are remunerated by We Buy Cars (Pty) Ltd, a subsidiary of the group.

Notes to the Consolidated Annual Financial Statements (continued)

36. Directors' emoluments, prescribed officer and key management personnel (continued)

36.1 Directors' emoluments (continued)

For the year ended 30 September 2023

	Basic remuneration R'000	Retirement benefits R'000	Conditional share plan awards ¹ R'000	Annual incentive bonus R'000	Management fees ² R'000	Director's fees paid R'000	Total remuneration R'000
Executive directors							
ASS van der Walt	4 119	454	-	-	4 775	-	9 348
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	4 119	454	-	-	4 775	-	9 348
DJF van der Walt	3 502	386	-	-	2 352	-	6 240
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	3 502	386	-	-	2 352	-	6 240
CJ Rein	2 577	375	1 920	1 183	-	-	6 055
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	2 577	375	1 920	1 183	-	-	6 055
	10 198	1 215	1 920	1 183	7 127	-	21 643
Prescribed officer							
J Mills	2 850	309	2 070	1 544	-	-	6 773
- for services rendered as a director of company	-	-	-	-	-	-	-
- for services rendered as a director of other companies within the group	2 850	309	2 070	1 544	-	-	6 773
	2 850	309	2 070	1 544	-	-	6 773

¹ Represents the cost to the group, determined in accordance with IFRS 2, 'Share-based Payment', of the conditional share plan awards granted.

² Management fees are paid by a subsidiary to I Faan (Pty) Ltd and to I Dirk (Pty) Ltd. I Faan (Pty) Ltd is an entity owned by ASS van der Walt and is an indirect shareholder of the company. I Dirk (Pty) Ltd is an entity owned by DJF van der Walt and is an indirect shareholder of the company. The management fee payments were discontinued on 31 March 2024.

³ No emoluments were paid to Non-Executive directors during the 2023 financial year.

Notes to the Consolidated Annual Financial Statements (continued)

36. Directors' emoluments, prescribed officer and key management personnel (continued)

36.2 Conditional Share Plan

The conditional share plan (CSP) for the Executive director and Prescribed officer are set out below:

	Grant / conversion price (cents)	Number of CSPs	Vesting periods (years)	Number of CSPs exercised during the year	Balance	Gain on CSPs exercised R'000
Executive director						
CJ Rein (CFO)		594 957.5		(9.5)	594 948	4 910
Granted on 1 July 2021 (exercised prior to conversion)	20 000 000	9.5	3-4	(9.5)	-	4 910
Converted on 31 May 2024	2 633¹	279 478	3-5	-	279 478	-
Granted on 31 May 2024 – Listing award	1 875²	56 492	3	-	56 492	-
Granted on 31 May 2024	2 355³	258 978	3-5	-	258 978	-
Prescribed officer						
J Mills (COO)		642 604.5		(9.5)	642 595	4 910
Granted on 1 July 2021 (exercised prior to conversion)	20 000 000	9.5	3-4	(9.5)	-	4 910
Converted on 31 May 2024	2 633¹	322 202	3-5	-	322 202	-
Granted on 31 May 2024 – Listing award	1 875²	65 128	3	-	65 128	-
Granted on 31 May 2024	2 355³	255 265	3-5	-	255 265	-

¹ Notional conversion price of We Buy Cars Holdings Limited shares.

² The listing price of We Buy Cars Holdings Limited shares on 11 April 2024.

³ The 10-day VWAP of We Buy Cars Holdings Limited shares as at 31 May 2024.

Notes to the Consolidated Annual Financial Statements (continued)

36. Directors' emoluments, prescribed officer and key management personnel (continued)

36.3 Key management personnel – compensation excluding directors and prescribed officer

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the company, directly or indirectly.

For the year ended 30 September 2024

	Basic remuneration R'000	Retirement benefits R'000	Conditional share plan awards ² R'000	Annual Incentive Bonus ³ R'000	Total remuneration R'000
Key management compensation ¹					
– for services rendered to the group	11 231	1 604	8 973	20 056	41 864

For the year ended 30 September 2023

	Basic remuneration R'000	Retirement benefits R'000	Conditional share plan awards ² R'000	Annual Incentive Bonus R'000	Total remuneration R'000
Key management compensation ¹					
– for services rendered to the group	8 887	1 268	7 410	4 810	22 375

¹ The key management personnel are remunerated by We Buy Cars (Pty) Ltd, a subsidiary of the group.

² Represents the cost to the group, determined in accordance with IFRS 2, 'Share-based Payment' of the conditional share plan awards granted.

³ Includes a JSE listing bonus paid to key management, to the value of R8,5 million, upon approval of the Remuneration and Nominations Committee.

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments

Financial Risk Management

The group's activities expose it to a variety of financial risks including market risk, interest rate risk, credit risk and liquidity risk. These include the effects of changes in debt and equity markets, and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risk on its financial performance. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the group's activities.

37.1 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's trade receivables from customers, other loans receivable as well as cash and cash equivalents.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position as set out below:

	Notes(s)	30 September 2024 R' 000	30 September 2023 R' 000
Investment in financial asset ¹		-	-
Other loans receivable	7	12 360	12 000
Trade and other receivables ²	9	132 103	80 557
Cash and cash equivalents	10	206 463	164 162
		350 926	256 719

¹ Less than a R1 000.

² Excluding employee-related receivables, value-added tax and prepayments.

37. Financial instruments (continued)

37.1 Credit risk (continued)

Trade receivables

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across South Africa. Various credit checks are performed on new customers to determine the quality of their credit history.

The group applies the simplified approach mandated by IFRS 9, 'Financial Instruments' when measuring impairment loss allowances related to trade receivables, and accordingly, the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

The quantification of credit losses expected to arise over the lifetime of trade receivables is based on the group's actual observed historical loss experience/rates and forward-looking information that is considered predictive of future credit losses. Management believes that trade receivables that are neither past due nor impaired are collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, and the credit quality of the respective customers.

The credit risk associated with the recoverability of trade receivables within the group is assessed as being very low, as a result of the internal control environment associated with the debtor and the sale and release of the vehicle. The vast majority of the receivables balance is less than 30 days in arrears as evidenced in note 9 to the financial statements. Trade receivables arise due to timing differences with settlement of these transactions occurring within 1 to 3 business days post the sale of inventories.

The group considers a customer to have defaulted when there is objective evidence that the customer is unlikely to fulfill its contractual obligations, resulting in a financial loss for the group. The group writes off customer receivables when it has exhausted all reasonable collection efforts and determines that there is no realistic prospect of recovery.

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments (continued)

37.1 Credit risk (continued)

Other loans receivable

Other loans receivable consists of interest-free loans receivable from third parties. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS 9, 'Financial Instruments'. Management has assessed the historical and forward-looking information, coupled with business plans presented to management which did not present a need for an ECL allowance.

Cash and cash equivalents

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents. Credit risk is mitigated by placing cash with different financial institutions (ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited) to minimise risk. The group considers that its cash and cash equivalents have an immaterial credit risk. Deposits are readily convertible to cash and access is not restricted. There have been no historical losses and none is expected in the future. Financial institutions listed above currently have a Moody's rating between NP (Short-term) and Ba2 (Long-term) with stable outlooks.

37.2 Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity risk is to monitor cash flows and cash flow forecasts and to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments (continued)

37.2 Liquidity risk (continued)

Prudent liquidity risk management implies, among other aspects, maintaining adequate cash and cash equivalents and the availability of funding through committed credit facilities.

The group has approved borrowing facilities as at 30 September 2024 totalling R1 850,0 million (2023: R1 915,7 million) in respect of which all conditions have been met.

37.2.1 Exposure to liquidity risk

The remaining contractual maturities of financial liabilities at the reporting date are set out below. The amounts are gross and undiscounted, and exclude contractual interest payments as interest is repaid monthly.

	Note(s)	Carrying amount R'000	Total R'000	Less than 1 year R'000	From 1 to 2 years R'000	From 2 to 3 years R'000	From 3 to 4 years R'000	From 4 to 5 years R'000	More than 5 years R'000
30 September 2024									
Lease liabilities	16	136 359	158 386	43 488	43 743	38 287	17 981	14 248	639
Borrowings	15	1 326 074	1 600 351	571 330	411 879	91 702	96 336	343 510	85 594
Trade payables ¹	17	209 959	209 959	209 959	-	-	-	-	-
		1 672 392	1 968 696	824 777	455 622	129 989	114 317	357 758	86 233
30 September 2023²									
Bank overdrafts	10	6 080	6 080	6 080	-	-	-	-	-
Lease liabilities	16	165 192	197 194	48 914	40 047	40 026	35 340	17 981	14 886
Borrowings	15	1 381 859	1 590 305	865 789	278 336	211 341	102 619	10 385	121 835
Trade payables ¹	17	228 458	228 458	228 458	-	-	-	-	-
		1 781 589	2 022 037	1 149 241	318 383	251 367	137 959	28 366	136 721

¹ Excludes value-added tax and employee-related payables.

² The comparative amounts have been disaggregated to enhance disclosure and to align to current year disclosures.

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments (continued)

37.2 Liquidity risk (continued)

37.2.2 Loan covenants

Management is responsible for the ongoing assessment and evaluation of various funding sources designed to grow and diversify the group's funding base to achieve an optimal funding profile and sound liquidity. Management is also responsible for the ongoing monitoring of asset portfolio performance and its obligations to funders, including covenants. It is the responsibility of management to manage the daily cash flow requirements, to ensure funding covenants are maintained and, to produce financial projections to monitor the impact of business trends on future funding requirements and covenants.

The group was required to comply with the following financial covenants during the September 2024 financial year:

Revolving credit facilities – We Buy Cars (Pty) Ltd

Group Gearing Ratio \leq 2x; and Interest Cover Ratio \geq 4x

The group has complied with these covenants at each of the measurement periods and as at 30 September 2024, the Group Gearing was 0,91 times (2023: 1,10 times) and interest cover was 16,09 times (2023: 11,50 times).

Property mortgage bonds – WBC Properties (Pty) Ltd

Group Gearing Ratio \leq 2x

Net asset value of WBC Properties (Pty) Ltd \geq R200,0 million

Market value of properties held \geq R1 085,0 million

Capital balance \leq R725,0 million

The group has complied with these covenants at each of the measurement periods and as at 30 September 2024, the Group Gearing was 0,88 times. The net asset value and market value of properties held in WBC Properties (Pty) Ltd exceeded the required levels.

The compliance is expected to continue into the foreseeable future as the group has sufficient unutilised facilities available to fund normal trading operations.

37. Financial instruments (continued)

37.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity input prices, will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

37.3.1 Interest rate risk

Interest rate risk is the risk that the cash flow of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate sensitivity

The group's interest rate risk arises from cash and cash equivalents and borrowings with financial institutions. A change of 100 basis points (higher or lower) in the South African prime overdraft interest rate at the reporting date would have an annual impact of R13,2 million (2023: R14,7 million) on the group's profit before taxation.

37.3.2 Currency risk

Foreign currency risk

The group is exposed to foreign currency risk as a result of foreign expenses. Foreign currency risk is the possibility of incurring a financial loss as a consequence of the depreciation in the measurement currency relative to a foreign currency prior to payment of a commitment in that foreign currency or the strengthening of the measurement currency prior to receiving payment in a foreign currency. The magnitude of this risk is not deemed significant.

Translation risk related to investments in foreign entities

The group has interests in We Buy Cars AME Holdings DMCC, an entity incorporated in Dubai with a functional currency of the US Dollar (USD). The group also has interests in We Buy Cars Morocco Société Anonyme (Morocco), an entity incorporated in Morocco with a functional currency of the Moroccan Dirham (MAD) and in We Buy Cars (Namibia) (Pty) Ltd, an entity incorporated in Namibia with a functional currency of the Namibian Dollar (NAD). The group's revenue is primarily earned in South African Rand. It is not the group's policy to hedge investments in foreign subsidiaries.

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments (continued)

37.3 Market risk (continued)

37.3.2 Currency risk (continued)

Translation risk relating to foreign transactions

Each group entity operates predominantly within its own common monetary area and therefore the group has no significant currency risk with regards to operational activities. At year end, no group entity had material foreign currency trade receivables or payables.

The following exchange rates were applied during the year:

	30 September 2024	September 2023
Reporting date closing rate		
ZAR:USD	R17.11	R18.84
ZAR:MAD	R1.75	R1.83
ZAR:NAD	R1.00	R1.00

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities, subject to foreign currency risk, at the end of the reporting year are as follows:

	Liabilities		Assets	
	30 September 2024 R'000	September 2023 R'000	30 September 2024 R'000	September 2023 R'000
Foreign amounts included in the financial statements at the end of the financial year:				
US Dollar	1	-	22	57
Moroccan Dirham	244	398	5 129	4 415

37. Financial instruments (continued)

37.3 Market risk (continued)

37.3.2 Currency risk (continued)

Translation risk sensitivity analysis

The following table details the group's sensitivity to a 10% increase and decrease in the Rand against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the Rand strengthens 10% against the relevant currency. For a 10% weakening of the Rand against the relevant currency, there would be an equal and opposite impact on the profit or equity, and the balances would be positive.

	30 September 2024 R'000	September 2023 R'000
Loss from foreign subsidiaries	2 706	1 286
Equity	1 782	1 689

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments (continued)

37.4 Fair value disclosure

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
30 September 2024				
Financial asset at fair value through profit and loss				
Call option derivative	-	-	-	-
Total financial assets	-	-	-	-
30 September 2023				
Financial asset at fair value through profit and loss				
Call option derivative	-	-	426 463	426 463
Total financial assets	-	-	426 463	426 463

37. Financial instruments (continued)

37.4 Fair value disclosure (continued)

Reconciliation of level 3 Fair value measurements of financial assets

	Fair value through profit or loss R'000	Total R'000
30 September 2024		
Financial assets		
Balance at beginning of the year	426 463	426 463
Fair value adjustment on call option derivative	(426 463)	(426 463)
Fair value measurement for financial assets at end of the year	-	-
30 September 2023		
Financial assets		
Balance at beginning of the period	268 779	268 779
Fair value adjustment on call option derivative	157 684	157 684
Fair value measurement for financial assets at end of the year	426 463	426 463

Sensitivity analysis of valuations using unobservable inputs

As part of the group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

Notes to the Consolidated Annual Financial Statements (continued)

37. Financial instruments (continued)

37.4 Fair value disclosure (continued)

Movement in fair value given the 10% change in significant assumptions.

	30 September 2024		30 September 2023	
	10% increase R'000	10% decrease R'000	10% increase R'000	10% decrease R'000
Call option derivative				
Significant unobservable input and description of assumption				
Change in spot price on which the valuation is based	-	-	12 449	(14 464)
Change in the risk free rate on which the valuation is based	-	-	11 538	(11 455)
Change in the dividend yield on which the valuation is based	-	-	(6 412)	6 508
	-	-	17 575	(19 411)

38. Events after the reporting period

The group entered into agreements during the current and a prior financial year to purchase one existing supermarket and two large tracts of land. These property transfers, totalling R182,5 million, will only be registered during the financial year ending 30 September 2025.

During October 2024, the group purchased an existing motor vehicle dealership for R78,9 million. This property transfer will also be registered during the financial year ending 30 September 2025.

On 14 November 2024, upon approval of the directors, the company declared a dividend of 25 cents per ordinary share for publication on 18 November 2024, totalling R104,3 million.

Other than the above, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

39. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future, and accordingly, the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending legislation that may affect the group.

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

SEPARATE ANNUAL FINANCIAL STATEMENTS

2024

We Buy Cars Holdings Limited
(previously WBC Holdings (Pty) Ltd)
Registration number 2020/632225/06
ISIN: ZAE000332789
JSE Share code: WBC
("WeBuyCars" or "the company")



Separate Statement of Financial Position

as at 30 September 2024

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Assets			
Non-Current Assets			
Investment in subsidiaries	3	4 482 930	4 457 519
		4 482 930	4 457 519
Current Assets			
Cash and cash equivalents	4	4 596	1 636
Derivative asset	5	-	426 463
		4 596	428 099
Total Assets		4 487 526	4 885 618
Equity and Liabilities			
Equity			
Stated capital	7	9 765 352	6 714 555
Share-based payment reserve		34 693	-
Accumulated loss		(5 313 475)	(1 828 937)
		4 486 570	4 885 618
Current Liabilities			
Trade and other payables	8	839	-
Current tax payable ¹	14	117	-
		956	-
Total Equity and Liabilities		4 487 526	4 885 618

¹: Less than a R1 000 in prior year.

Separate Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	30 September 2024 R'000	30 September 2023 R'000
Revenue	10	362 650	350 000
Net operating expenses	11	(2 629)	(3)
Impairment of investment in foreign subsidiary	3	(10 368)	-
Fair value (loss) / gain on call option derivative		(426 463)	157 684
Operating (loss) / profit		(76 810)	507 681
Finance income	12	4 241	218
Finance cost		-	(1)
(Loss) / Profit before taxation		(72 569)	507 898
Taxation	13	(1 172)	(66)
(Loss) / Profit for the year		(73 741)	507 832
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(73 741)	507 832

Separate Statement of Changes in Equity

	Stated capital R'000	Share-based payment reserve ¹ R'000	Accumulated loss R'000	Total equity R'000
Balance at 1 October 2022	6 714 555	-	(1 996 769)	4 717 786
Profit for the year	-	-	507 832	507 832
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	507 832	507 832
Dividends paid	-	-	(340 000)	(340 000)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	(340 000)	(340 000)
Balance at 30 September 2023	6 714 555	-	(1 828 937)	4 885 618
Loss for the year	-	-	(73 741)	(73 741)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(73 741)	(73 741)
Dividends paid	-	-	(3 410 797)	(3 410 797)
New issue of shares	3 050 797	-	-	3 050 797
Conversion of conditional share plan	-	34 693	-	34 693
Total contributions by and distributions to owners of the company recognised directly in equity	3 050 797	34 693	(3 410 797)	(325 307)
Balance at 30 September 2024	9 765 352	34 693	(5 313 475)	4 486 570

Note

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^{1.} The share-based payment reserve and related disclosures have been disclosed and set out in note 30 of the consolidated annual financial statements.

Separate Statement of Cash Flows

	Note(s)	30 September 2024 R'000	30 September 2023 R'000 Restated
Cash flows from operating activities			
(Loss) / Profit before taxation ¹		(72 569)	507 898
Adjustments for:			
Finance income	12	(4 241)	(218)
Finance cost		-	(1)
Fair value loss / (gain) on call option derivative		426 463	(157 684)
Impairment of investment in subsidiary	3	10 368	-
Movements in working capital		839	-
Increase in trade and other payables		839	-
Cash generated from operations		360 860	349 995
Finance income	12	4 241	218
Finance cost		-	(1)
Tax paid	14	(1 055)	(76)
Net cash generated from operating activities		364 046	350 136
Cash flows from investing activities			
Purchase of shares in a foreign subsidiary	3	(1 086)	(1 678)
Loan advanced to a foreign subsidiary	3	-	(10 000)
Net cash utilised by investing activities		(1 086)	(11 678)

	Note(s)	30 September 2024 R'000	30 September 2023 R'000 Restated
Cash flows from financing activities			
Proceeds on new issue of shares	7	1 510 000	-
Dividends paid ²	15	(1 870 000)	(340 000)
Net cash utilised by financing activities		(360 000)	(340 000)
Total cash and cash equivalent movement for the year		2 960	(1 542)
Cash and cash equivalents at the beginning of the year		1 636	3 178
Total cash and cash equivalents at the end of the year	4	4 596	1 636

1. Included in profit before taxation is dividends received of R360,0 million (2023: R350,0 million). Refer to note 10 Revenue for further detail.

2. In the prior year, dividends paid have been reclassified from investing activities to financing activities to align with the principles of IAS 7, 'Statement of Cash Flows'.

Accounting Policies

1. Accounting Framework

The accounting policies of the company are the same as those of the group, where applicable (refer to the consolidated annual financial statements accounting policies). The policies detailed below are those specifically applicable to the company. Accounting policies for which no choice is permitted in terms of IFRS Accounting Standards have been included only if management and directors concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item.

2. Material accounting policies

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

2.1 Basis of preparation

2.1.1 Statement of compliance

The annual financial statements have been prepared in accordance with IFRS Accounting Standards, interpretations developed by the IFRS[®] Interpretations Committee (IFRIC[®] Interpretations), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements, the going concern principle and the requirements of the Companies Act No. 71 of 2008 of South Africa, as amended.

2.1.2 Basis of measurement

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below.

2.1.3 Functional and presentation currency

The company's annual financial statements are presented in South African Rands. The functional and presentation currency of the company is South African Rands. The financial information has been rounded to the nearest thousand Rand unless indicated otherwise.

These accounting policies are consistent with those applied in the previous year.

The company has not adopted any new accounting policies during the financial year ended 30 September 2024, nor has the implementation of any new amendments to current accounting standards impacted the company.

2.1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Estimations and judgements applied by management in applying accounting policies

The following estimate and judgement, which could have a significant effect on the annual financial statements, were made by management in applying the accounting policies for the year ended 30 September 2024.

2.1.4.1 Impairment of investments in subsidiaries

Management reviews the carrying value of investments in subsidiaries at each reporting date with reference to the underlying asset value of the investments. Management believes that the basis used and assumptions upon which the assessments are performed are reasonable.

2.2 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments. On partial disposal of a subsidiary the cost of the investment is reduced proportionate to the interest remaining in the subsidiary.

When the company issues shares as consideration to acquire an additional investment, the cost of the investment is equal to the value of the shares issued, unless the requirements of a capital reorganisation (IAS 27 par 13) are met. In this case, the cost of the investment is the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation.

Accounting Policies (continued)

2.3 Impairment of assets

2.3.1 Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at the end of each reporting date to determine whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the company estimates the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value-in-use.

In assessing value-in-use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, and there is an indication that the impairment loss may have reversed, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation, other than goodwill, is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.4 Stated capital

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

Ordinary shares are classified as equity.

Dividends are recognised as a liability in the year in which they are declared.

2.5 Revenue

2.5.1 Dividends

Dividends are recognised in profit or loss when the company's right to receive payment has been established.

2.5.2 Management fees

Revenue from management fees is recognised at the fair value of the consideration received or receivable and is recognised in the accounting period in which the services are rendered net of value-added taxation.

Notes to the Separate Annual Financial Statements (continued)

3. Investment in subsidiaries

Reconciliation of investment in subsidiaries – 30 September 2024

	We Buy Cars (Pty) Ltd ¹ R'000	We Buy Cars AME Holdings DMCC ² R'000	We Buy Cars (Namibia) (Pty) Ltd ³ R'000	Total R'000
Investment at cost	4 429 030	19 575	- *	4 448 605
Loan to subsidiary	-	-	10 000	10 000
Conversion of conditional share plan	34 693	-	-	34 693
Accumulated impairments	-	(10 368)	-	(10 368)
	4 463 723	9 207	10 000	4 482 930
Carrying value at the beginning of the year	4 429 030	18 489	10 000	4 457 519
Movement during the year				
Additional investment	-	1 086	-	1 086
Loan advanced to a subsidiary	-	-	-	-
Conversion of conditional share plan	34 693	-	-	34 693
Impairment of investment in foreign subsidiary	-	(10 368)	-	(10 368)
Carrying value at the end of the year	4 463 723	9 207	10 000	4 482 930

Notes to the Separate Annual Financial Statements (continued)

3. Investment in subsidiaries (continued)

Reconciliation of investment in subsidiaries – 30 September 2023

	We Buy Cars (Pty) Ltd ¹ R'000	We Buy Cars AME Holdings DMCC ² R'000	We Buy Cars (Namibia) (Pty) Ltd ³ R'000	Total R'000
Investment at cost	4 429 030	18 489	– *	4 447 519
Loan to subsidiary	–	–	10 000	10 000
Conversion of conditional share plan	–	–	–	–
Accumulated impairments	–	–	–	–
	4 429 030	18 489	10 000	4 457 519
Carrying value at the beginning of the year	4 429 030	16 811	–	4 445 841
Movement during the year				
Additional investment	–	1 678	– *	1 678
Loan advanced to a subsidiary	–	–	10 000	10 000
Carrying value at the end of the year	4 429 030	18 489	10 000	4 457 519

* Less than a R1 000.

1. 399 203 (100%) (2023: 399 203 (100%)) no par value ordinary shares in We Buy Cars (Pty) Ltd.

2. 200 (100%) (2023: 190 (95%)) ordinary shares in We Buy Cars AME Holdings DMCC. On 10 November 2023, the company purchased 213 ordinary shares of AED1 000 each, representing 5% of the issued share capital of WBC AME Holdings DMCC, for USD57 986. Following this transaction, the company owns 100% of the issued share capital of the company.

3. 100 (100%) (2023: 100 (100%)) ordinary shares in We Buy Cars (Namibia) (Pty) Ltd.

At the end of each reporting period investments in subsidiaries are assessed for impairment if there is an indicator of impairment. If there is an indicator of impairment present, a recoverable amount is calculated based on the higher of the fair value less cost to sell and value in use. If the recoverable amount is lower than the carrying amount, the difference is deducted from the underlying investment.

During February 2024, We Buy Cars Société Anonyme (Morocco) (wholly-owned subsidiary of We Buy Cars AME Holdings DMCC (Dubai)) ceased trading and is currently in the process of being liquidated. We Buy Cars AME Holdings DMCC's investment in We Buy Cars Société Anonyme (Morocco) was therefore impaired during the current financial year which triggered an impairment indicator for the company's investment in We Buy Cars AME Holdings DMCC. An impairment loss of R10,4 million has been recognised in profit or loss for the excess of the carrying amount over the recoverable amount. The recoverable amount was determined to be the fair value less costs to sell of R9,2 million. The fair value less cost to sell approximates the carrying amount as at 30 September 2024.

Notes to the Separate Annual Financial Statements (continued)

4. Cash and cash equivalents

	30 September 2024 R'000	30 September 2023 R'000
Bank balances	4 596	1 636

5. Derivative asset

	30 September 2024 R'000	30 September 2023 R'000
Other derivative asset – not held for risk management		
Call option derivative	-	426 463

Before the listing of the company on the Main Board of the JSE Limited (11 April 2024) and the adoption of a new Memorandum of Incorporation on 25 March 2024, the company held various call options which gave it the right to repurchase the 25,1% shareholding in the company from the minority shareholder. As set out in the shareholders' agreement, 15,0% of the option was exercisable within 30 days from 30 September 2024, with the remaining 10,1% exercisable within 30 days from 30 September 2026.

Upon the successful listing and the adoption of the new Memorandum of Incorporation, the current shareholders' agreement was cancelled which led to the cancellation of the call options. The call option derivative asset was consequently derecognised through profit or loss on 25 March 2024.

6. Financial assets by category

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

	At fair value through profit and loss R'000	At amortised cost R'000	Total R'000
30 September 2024			
Loan to subsidiary: We Buy Cars (Namibia) (Pty) Ltd	-	10 000	10 000
Cash and cash equivalents	-	4 596	4 596
	-	14 596	14 596
	At fair value through profit and loss R'000	At amortised cost R'000	Total R'000
30 September 2023			
Loan to subsidiary: We Buy Cars (Namibia) (Pty) Ltd	-	10 000	10 000
Cash and cash equivalents	-	1 636	1 636
Call option derivative	426 463	-	426 463
	426 463	11 636	438 099

Notes to the Separate Annual Financial Statements (continued)

7. Stated capital

Authorised

In terms of the Memorandum of Incorporation, all unissued shares are placed under the control of the directors, to be issued to such persons on such terms and conditions as they deem fit.

	30 September 2024	30 September 2023
	Number of shares	
Ordinary no par value shares ¹	10 000 000 000	10 000 000 000
Ordinary no par value A class shares ²	-	10 000 000 000
	R'000	
Issued		
417 181 120 (2023: 2 071 797) Ordinary no par value shares	9 765 352	6 714 555
	9 765 352	6 714 555
	R'000	
Reconciliation of shares issued		
Opening balance	6 714 555	6 714 555
Issue of additional shares through a scrip dividend (non-cash) ³	1 540 797	-
Subscription for new shares ⁴⁻⁵	1 510 000	-
	9 765 352	6 714 555
	Number of shares	
Opening balance	2 071 797	2 071 797
New issue of shares ³⁻⁵	83 185 241	-
Subdivision of shares ¹	331 924 082	-
Closing balance	417 181 120	2 071 797

¹ On 7 March 2024, the company's authorised and issued share capital was restructured by way of a subdivision, which resulted in the authorised ordinary shares being subdivided in the ratio of 120 shares for each ordinary share. On 25 March 2024, the authorised share capital was decreased to 10 000 000 000 ordinary shares of no par value.

² On 25 March 2024, the 10 000 000 000 authorised (unissued) ordinary no par value A class shares were cancelled.

7. Stated capital (continued)

The new issues of shares are set out below:

³ On 29 February 2024, the company declared a pro rata scrip dividend of R2 300,8 million to its pre-listing shareholders, Transaction Capital Motor Holdco (Pty) Ltd and I VDW Holdings (Pty) Ltd, in terms of which such shareholders were entitled to elect to receive shares or cash. Transaction Capital Motor Holdco (Pty) Ltd elected to receive 717 481 shares (R1 540,8 million) and cash (R182,5 million), while I VDW Holdings (Pty) Ltd elected to receive only cash (R577,5 million).

⁴ On 27 March 2024, as part of the pre-listing capital raise, an additional 42 467 760 shares were issued to Coronation Asset Management (Pty) Ltd for a consideration of R760,0 million.

⁵ Bookbuild Investors subscribed to buy shares in the company as part of the pre-listing capital raise (effective on 11 April 2024) to the value of R750,0 million at R18,75 per share, resulting in an additional 40 000 000 shares issued.

8. Trade and other payables

	30 September 2024 R'000	30 September 2023 R'000
Expense accruals	613	-
Value-added tax	226	-
	839	-

9. Financial liabilities by category

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

	Financial liabilities at amortised cost R'000	Total R'000
30 September 2024		
Trade and other payables ¹	613	613

¹ Excludes value-added tax

Notes to the Separate Annual Financial Statements (continued)

10. Revenue

	30 September 2024 R'000	30 September 2023 R'000
Dividends received	360 000	350 000
Management fees received	2 650	-
	362 650	350 000

11. Net operating expenses

	30 September 2024 R'000	30 September 2023 R'000
Auditor's remuneration – external	(227)	-
Audit fee – current year	(227)	-
Audit fee – prior year	-	-
Non-audit services	-	-
Bank charges	(5)	(3)
Non-Executive directors' fees	(2 375)	-
Subscription fees	(22)	-
	(2 629)	(3)

12. Finance income

	30 September 2024 R'000	30 September 2023 R'000
From investments in financial assets		
Bank and other cash	4 241	218
	4 241	218

13. Taxation

Major components of the tax expense

	30 September 2024 R'000	30 September 2023 R'000
Current		
Local income tax – current year	1 172	59
Local income tax – prior year under provision	-	7
	1 172	66
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
(Loss) / Profit before taxation	(72 569)	507 898
Tax at the applicable tax rate of 27% (2023: 27%)	(19 594)	137 132
Tax effect of adjustments on taxable income		
Non-deductible expenses	22	1
Exempt income – Dividend received	(97 200)	(94 500)
Impairment of investment in foreign subsidiary	2 799	-
Fair value adjustment on call option derivative asset	115 145	(42 574)
Prior year under provision	-	7
	1 172	66

Notes to the Separate Annual Financial Statements (continued)

14. Tax paid

	30 September 2024 R'000	30 September 2023 R'000
Balance at beginning of the year ¹	-	(10)
Current tax for the year recognised in profit or loss	(1 172)	(66)
Balance at end of the year ¹	117	-
	(1 055)	(76)

¹ Less than a R1 000.

15. Dividends paid

	30 September 2024 R'000	30 September 2023 R'000
Balance at the beginning of the year	-	-
Dividends declared	(3 410 797)	(340 000)
Script dividend (non-cash)	1 540 797	-
Balance at the end of the year	-	-
	(1 870 000)	(340 000)

16. Related parties

16.1 Identity of related parties

	30 September 2024 R'000	30 September 2023 R'000
Subsidiaries		
We Buy Cars (Pty) Ltd	100%	100%
WBC Investments (Pty) Ltd	100%	100%
WBC Properties (Pty) Ltd	100%	100%
We Buy Cars AME Holdings DMCC	100%	95%
Société Anonyme (Morocco)	100%	95%
We Buy Cars (Namibia) (Pty) Ltd	100%	100%

These percentages represent the effective shareholding in the subsidiaries listed above.

Shareholders prior to the listing

Transaction Capital Motor Holdco (Pty) Ltd
I VDW Holdings (Pty) Ltd

Directors

ASS van der Walt
DJF van der Walt
CJ Rein
JA Holtzhausen
NAS Kruger
S Totaram
B Mathews
WT Roos
MP Mendelowitz
KB Amoils (Alternate director to MP Mendelowitz)

Notes to the Separate Annual Financial Statements (continued)

16. Related parties (continued)

16.1 Identity of related parties (continued)

The directors have confirmed that they had no interest in any transaction of any significance with the company, other than as set out below. Accordingly a conflict of interest with regard to directors' interest in contracts does not exist.

Directors' emoluments have been disclosed and set out in note 36 of the consolidated annual financial statements.

16.2 Balances with related parties

	30 September 2024 R'000	30 September 2023 R'000
<i>Loan accounts - owing by related parties:</i>		
Loan account: We Buy Cars (Namibia) (Pty) Ltd	(10 000)	(10 000)

16. Related parties (continued)

16.3 Other related party transactions

	30 September 2024 R'000	30 September 2023 R'000
Dividend received from a subsidiary – We Buy Cars (Pty) Ltd	360 000	350 000
Dividends paid to Transaction Capital Motor Holdco (Pty) Ltd	2 554 687	254 660
Dividends paid to I VDW Holdings (Pty) Ltd	856 110	85 340
<i>Management fee received from:</i>		
We Buy Cars (Pty) Ltd	2 650	-

Notes to the Separate Annual Financial Statements (continued)

17. Financial risk management

The company's activities expose it to a variety of financial risks including market risk, interest rate risk, credit risk and liquidity risk. These include the effects of changes in debt and equity markets, and interest rates. The company's overall risk management programme seeks to minimise the potential adverse effects of financial risk on its financial performance. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the company's activities.

17.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's loan to a subsidiary, as well as cash and cash equivalents.

The maximum exposure to credit risk is represented by the value of each financial asset in the statement of financial position as set out below:

	30 September 2024 R'000	30 September 2023 R'000
Loan to a subsidiary	10 000	10 000
Cash and cash equivalents	4 596	1 636
	14 596	11 636

17. Financial risk management (continued)

17.1 Credit risk (continued)

Related party loans and receivables

Related party loans and receivables consist primarily of a loan to a subsidiary. The financial asset is considered, by its nature, to be a trade receivable and accordingly is subject to the simplified impairment methodology in IFRS 9.

Cash and cash equivalents

The company is exposed to certain concentrations of credit risk relating to its cash and cash equivalents. The company considers that its cash and cash equivalents have an immaterial credit risk. Deposits are readily convertible to cash and access is not restricted. There have been no historical losses and none is expected in the future. The Financial Institution where cash is deposited currently has a Moody's rating between P-3 (Short-term) and Ba2 (Long-term) with stable outlooks.

Notes to the Separate Annual Financial Statements (continued)

17. Financial risk management (continued)

17.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Prudent liquidity risk management implies, among other aspects, maintaining adequate cash and cash equivalents and the availability of funding through committed credit facilities.

17.2.1 Exposure to liquidity risk

The remaining contractual maturities of financial liabilities at the reporting date are set out below. The amounts are gross and undiscounted.

Note	Carrying amount R'000	Total R'000	Less than	2 to 5	More
			1 year R'000	years R'000	than 5 years R'000
30 September 2024					
Trade payables ¹	613	613	613	-	-
	613	613	613	-	-

¹ Excludes value-added tax

17. Financial risk management (continued)

17.3 Market risk

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

17.3.1 Interest rate risk

Interest rate risk is the risk that the cash flow of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate sensitivity

The company's interest rate risk arises from cash and cash equivalents with financial institutions. A change of 100 basis points (higher or lower) in the South African prime overdraft rate at the reporting date would have an annual impact of R0,03 million (2023: R0,02 million) on the company's profit before taxation.

Notes to the Separate Annual Financial Statements (continued)

17. Financial risk management (continued)

17.4 Fair value disclosure

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
30 September 2024				
Financial assets at fair value through profit and loss				
Call option derivative	-	-	-	-
Total financial assets	-	-	-	-
30 September 2023				
Financial assets at fair value through profit and loss				
Call option derivative	-	-	426 463	426 463
Total financial assets	-	-	426 463	426 463

17. Financial risk management (continued)

17.4 Fair value disclosure (continued)

Reconciliation of level 3 Fair Value measurements of financial assets

	Fair value through profit or loss R'000	Total R'000
30 September 2024		
Financial assets		
Balance at beginning of the year	426 463	426 463
Fair value adjustment on call option derivative	(426 463)	(426 463)
Fair value measurement for financial assets at end of the year	-	-
30 September 2023		
Financial assets		
Balance at beginning of the year	268 779	268 779
Fair value adjustment on call option derivative	157 684	157 684
Fair value measurement for financial assets at end of the year	426 463	426 463

Notes to the Separate Annual Financial Statements (continued)

17. Financial risk management (continued)

17.4 Fair value disclosure (continued)

Sensitivity analysis of valuations using unobservable inputs

As part of the company's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

Movement in fair value given the 10% change in significant assumptions.

	30 September 2024		30 September 2023	
	10% increase R'000	10% decrease R'000	10% increase R'000	10% decrease R'000
Call option derivative				
Significant unobservable input and description of assumption				
Change in spot price on which the valuation is based	-	-	12 449	(14 464)
Change in the risk free rate on which the valuation is based	-	-	11 538	(11 455)
Change in the dividend yield on which the valuation is based	-	-	(6 412)	6 508
	-	-	17 575	(19 411)

18. Going concern

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

19. Subsequent events

On 14 November 2024, upon approval of the directors, the company declared a dividend of 25 cents per ordinary share for publication on 18 November 2024, totalling R104,3 million.

Other than the above, the directors are not aware of any material events which occurred after the reporting date and up to date of this report.

Annexure A – Interest in subsidiaries, associates and other investments

	Holding / investor company	Country of incorporation	Issued capital	Currency	Effective percentage ownership interest
Direct Shareholdings					
We Buy Cars (Pty) Ltd	We Buy Cars Holdings Limited	South Africa	2 010 056 433	ZAR	100%
We Buy Cars (Namibia) (Pty) Ltd	We Buy Cars Holdings Limited	Namibia	100	NAD	100%
We Buy Cars AME Holdings DMCC	We Buy Cars Holdings Limited	Dubai	1 199 722	USD	100%
Indirect Shareholding					
<i>Subsidiary</i>					
WBC Investments (Pty) Ltd	We Buy Cars (Pty) Ltd	South Africa	100	ZAR	100%
WBC Properties (Pty) Ltd	We Buy Cars (Pty) Ltd	South Africa	100	ZAR	100%
We Buy Cars Morocco Société Anonyme (Morocco)	We Buy Cars AME Holdings DMCC	Morocco	9 300 000	MAD	100%
<i>Associate</i>					
Agile Bridge (Pty) Ltd	We Buy Cars (Pty) Ltd	South Africa	10 000	ZAR	20%
<i>Other investment</i>					
MotoVantage Holdings (Pty) Ltd (100 Class "G" non-voting redeemable ring-fenced shares in MotoVantage Holdings (Pty) Ltd)	We Buy Cars (Pty) Ltd	South Africa	100	ZAR	100%

Annexure B - Analysis of Ordinary Shareholders

1.1 Shareholder spread

Range of shareholdings	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 - 1 000	20 788	85.19	2 304 223	0.55
1 001 - 10 000	2 794	11.45	8 760 909	2.10
10 001 - 100 000	543	2.23	16 612 080	3.98
100 001 - 1 000 000	209	0.86	61 942 839	14.85
More than 1 000 000	67	0.27	327 561 069	78.52
	24 401	100.00	417 181 120	100.00

1.2 Distribution of shareholders

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance Companies	34	0.14	6 413 045	1.54
Close Corporations	37	0.15	179 022	0.04
Collective Investment Schemes	262	1.07	152 107 283	36.46
Custodians	15	0.06	700 582	0.17
Foundations & Charitable Funds	43	0.18	3 153 214	0.76
Hedge Funds	17	0.07	7 069 314	1.69
Insurance Companies	5	0.02	3 356 411	0.80
Investment Partnerships	34	0.14	93 993	0.02
Managed Funds	19	0.08	25 818 928	6.19
Medical Aid Funds	7	0.03	316 127	0.08
Organs of State	10	0.04	34 464 180	8.26
Private Companies	322	1.32	97 340 972	23.33
Public Companies	5	0.02	214 901	0.05
Public Entities	3	0.01	162 011	0.04
Retail Shareholders	22 868	93.72	23 619 205	5.66
Retirement Benefit Funds	290	1.19	36 767 760	8.81
Scrip Lending	8	0.03	12 475 180	2.99
Sovereign Funds	3	0.01	6 789 984	1.63
Stockbrokers & Nominees	18	0.07	3 526 451	0.85
Trusts	400	1.64	2 612 556	0.63
Unclaimed Scrip	1	0.00	1	0.00
	24 401	100.00	417 181 120	100.00

Annexure B - Analysis of Ordinary Shareholders (continued)

1.3 Shareholder type

	Number of shareholders	% of shareholders	Number of shares	% of issued shares
Public and non-public shareholding				
Non-public shareholders	10	0.04	58 245 730	13.96
Directors (including prescribed officers and subsidiary directors)	10	0.04	58 245 730	13.96
Public shareholders	24 391	99.96	358 935 390	86.04
	24 401	100.00	417 181 120	100.00

1.4 Major shareholders

The following fund managers have a holding of greater than 5% of the issued shares of the company:

	Number of shares	% of shares held
Coronation Fund Managers	121 519 895	29.13
Stockdale Street Investment Partnership V	25 145 400	6.03
Public Investment Corporation	21 284 902	5.10
	167 950 197	40.26

The following shareholders have a holding of greater than 5% of the issued shares of the company:

	Number of shares	% of shares held
Coronation Fund Managers	68 064 834	16.32
I VDW Holdings (Pty) Ltd	42 328 080	10.15
Government Employees Pension Fund	33 240 271	7.97
Stockdale Street Investment Partnership V	25 145 400	6.03
	168 778 585	40.46

1.5 Number of shareholdings

Total number of shareholdings
Total number of shares in issue

24 401
417 181 120

Annexure B - Analysis of Ordinary Shareholders (continued)

2. Share price performance

Opening price on 11 April 2024	R20.00
Closing price on 30 September 2024	R33.75
Closing high for period	R33.75
Closing low for period	R19.18
Number of shares in issue	417 181 120
Volume traded during period	129 097 293
Ratio of volume traded to shares issued (%)	30.95
Rand value traded during the period	R3 384 146 335
Market capitalisation on 30 September 2024	R14 079 862 800

Glossary of Terms

ITEM	DEFINITION
Core headline earnings	Headline earnings adjusted for the following items: <ul style="list-style-type: none"> • Gains/losses, costs and adjustments relating to acquisitions and disposals of investments • Once-off transaction costs which are directly attributable to corporate activity • Non-cash accounting adjustments to the call option derivative asset relating to non-controlling interests
Core headline earnings per share	Core headline earnings divided by weighted average number of ordinary shares in issue
Core operating profit	Operating profit before capital profits and losses, adjusted for the following items: <ul style="list-style-type: none"> • Gains/losses, costs and adjustments relating to acquisitions and disposals of investments • Once-off transaction costs which are directly attributable to corporate activity • Non-cash accounting adjustments to the call option derivative asset relating to non-controlling interests
Headline earnings	Headline earnings is defined and calculated per the circular titled Headline Earnings as issued by the South African Institute of Chartered Accountants (SAICA) as amended from time to time, currently being basic earnings attributable to ordinary shareholders adjusted for goodwill impairments, capital profits and losses and other non-headline items
Headline earnings per share	Headline earnings divided by weighted average number of ordinary shares in issue
Interest-bearing borrowings	Interest-bearing borrowings include interest-bearing debt from financial institutions. Lease liabilities are excluded
Inventory days	Average inventory units at the end of each month, divided by total inventory units sold during the month, multiplied by the number of days in the month
Net interest-bearing liabilities	Net interest-bearing liabilities includes interest-bearing borrowings less cash resources
Weighted average number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the period increased by shares issued during the period, weighted on a time basis for the period during which they have participated in the income of the group

Corporate Information

We Buy Cars Holdings Limited

(previously WBC Holdings Proprietary Limited)
Incorporated in Republic of South Africa
Registration number: 2020/632225/06
ISIN: ZAE000332789
JSE share code: WBC
("WeBuyCars" or "the company" or "the group")

Directors

ASS van der Walt (Chief Executive Officer)
DJF van der Walt (Executive Director)
CJ Rein (Chief Financial Officer)
JA Holtzhausen* (Chairman)
NAS Kruger[®]*
S Totaram*
B Mathews*
WT Roos*
MP Mendelowitz*
KB Amoils[^]
** Independent Non-Executive Director*
[®] Lead Independent Director
[^] Alternate Director to MP Mendelowitz

Company Secretary

PJC Vorster
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Byls Bridge Office Park
6 Byls Bridge Boulevard
Centurion
Gauteng
0046

This results announcement is available on the WeBuyCars website:
www.webuycars.co.za

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Joint Sponsor

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Transfer Secretaries

Computershare Investor Services Proprietary Limited
1st Floor
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
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Group Investor Relations

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Independent Auditor's Assurance report on the compilation of pro forma financial information included in the Audited consolidated and separate annual financial statements for the year ended 30 September 2024

To the Directors of We Buy Cars Holdings Limited

We have completed our assurance engagement to report on the compilation of the pro forma financial information of We Buy Cars Holdings Limited (the "Company") (and its subsidiaries (together "the Group")) by the directors. The pro forma financial information, as set out in the Directors' report and the Glossary of Terms of the Audited consolidated and separate annual financial statements for the year ended 30 September 2024 consists of non-IFRS measures (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the directors have compiled the Pro Forma Financial Information are specified in the Listings Requirements of the JSE Limited ("the JSE Listings Requirements") and described in the Directors' report and the Glossary of Terms of the Pro Forma Financial Information (the "Applicable Criteria").

The Pro Forma Financial Information has been compiled by the directors solely to illustrate certain non-IFRS measures, which have been disclosed to eliminate the impact of the pro forma adjustments from the audited annual financial statements to achieve a comparable year-on-year analysis and show the underlying performance of the business.

As part of this process, information about the Group's consolidated financial position and financial performance has been extracted by the directors from the Group's financial statements for the year ended 30 September 2024, on which an audit opinion was issued on 18 November 2024.

Directors' responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the Pro Forma Financial Information on the basis of the Applicable Criteria.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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)*.

The firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance

with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express an opinion, as required by the JSE Listings Requirements, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors, on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in Audited consolidated and separate annual financial statements for the year ended 30 September 2024 is solely to illustrate certain non-IFRS measures, which have been disclosed to eliminate the impact of the pro forma adjustments from the audited annual financial statements to achieve a comparable year-on-year analysis and show the underlying performance of the business.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the events, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Independent Auditor's Assurance report on the compilation of pro forma financial information included in the Audited consolidated and separate annual financial statements for the year ended 30 September 2024 (continued)

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
Johannesburg, South Africa
18 November 2024

