Motus

Audited consolidated and separate annual financial statements

for the year ended 30 June 2024

Contents

The reports and statements set out below comprises the audited consolidated and separate annual financial statements for the financial year ended 30 June 2024, which have been audited by the Group's independent external auditor, PricewaterhouseCoopers Inc. (PwC).

Refer to the glossary of terms to provide additional information regarding the audited consolidated and separate annual financial statements.

Preparer of the consolidated and separate annual financial statements

The consolidated and separate annual financial statements have been prepared under the supervision of Ms U Singh CA(SA) in terms of sections 29 and 30 of the Companies Act.

U Singh
Group Finance Executive
2 September 2024

Directors' responsibility and approval

The Board and the Group are responsible for the maintenance of adequate accounting records and the preparation and integrity of the audited consolidated and separate annual financial statements and related information. The audited consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards and its interpretations adopted by the International Accounting Standards Board in issue and effective for the Group as at 30 June 2024 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements.

The Directors are also responsible for the systems of internal control. The system is designed to provide reasonable, but not absolute, assurance as to the reliability of the audited consolidated and separate annual financial statements and to adequately safeguard, verify and maintain accountability for assets and prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the financial year.

The audited consolidated and separate annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that they will not remain a going concern for the foreseeable future.

The Group's independent external auditor, PwC, has audited the consolidated and separate annual financial statements for the year ended 30 June 2024, in conformity with International Standards on Auditing. Their unmodified report is set out on pages 20 to 28.

The audited consolidated and separate annual financial statements were approved by the Board on 2 September 2024 and are signed on their behalf by:

MJN Njeke	OS Arbee	OJ Janse van Rensburg
Chairman	*CEO*	*CFO*

The audited consolidated and separate annual financial statements are available on the Group's website, www.motus.co.za.

Chief Executive Officer and Chief Financial Officer responsibility statement

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

- The consolidated and separate annual financial statements set out on pages 4 to 156 fairly present, in all material respects, the financial position, financial performance and cash flows of the Group and the Company in terms of the 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 audited 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 audited 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 auditor 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.

OS Arbee
CEO
2 September 2024

OJ Janse van Rensburg
CFO
2 September 2024

Certificate by the Company Secretary

In my capacity as Company Secretary, I hereby confirm that, in respect of the financial year under review, the Group has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required in terms of section 88(2)(e) of the Companies Act and that all such returns are true, correct and up to date.

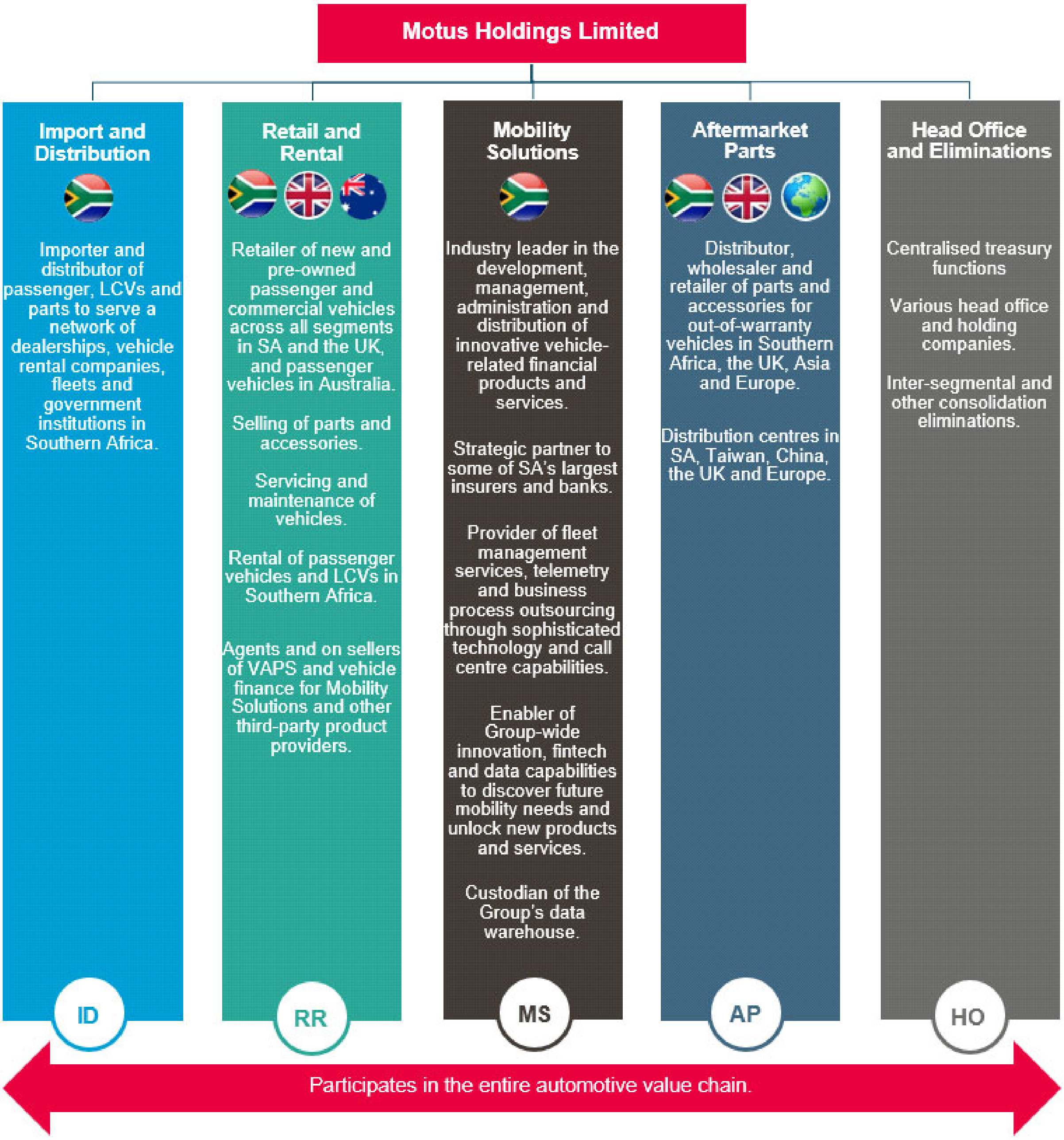
NE Simelane
Company Secretary
2 September 2024

Directors' report

Nature of business

Motus Holdings Limited is a South African-based holding company with a selected international presence, primarily in the UK and Australia, as well as a limited presence in Asia and Southern and East Africa. Through its subsidiaries, associates and joint ventures, it operates as a diversified (non-manufacturing) business in the automotive sector, providing automotive mobility solutions and vehicle products and services. The Company's shares are traded on the Johannesburg Stock Exchange (JSE) and A2X Exchange (A2X) under the share code MTH.

The Group operates through its five main segments, namely:



Corporate governance

The Group subscribes to the Code of Good Corporate Practices and Conduct contained in King IV™. The Board is satisfied with the Group's application of the principles of King IV™ and the JSE Listings Requirements throughout the financial year. The corporate governance report will be included in the integrated report.

Directors’ report (continued)

Directors

The composition of the Board, who are all South African, for the financial year and up to the date of this report is as follows:

Directors	Appointment date	Resignation date	Sub-committees
MJN Njeke (Chairman)[1]	22 November 2018		NOM, REM
A Tugendhaft (Deputy Chairman)[2]	1 August 2018		REM, NOM, SES
OS Arbee (CEO)[3]	12 October 2017		SES
OJ Janse van Rensburg (CFO)[3]	12 October 2017		
KA Cassel[3]	1 July 2019		
S Mayet[1]	22 November 2018		AR, AL
JN Potgieter[1]	22 August 2023		AL, AR
F Roji[1]	1 September 2021		SES, AR
LJ Sennelo[1]	3 June 2024		AR, SES
R van Wyk[1]	29 August 2023		REM, NOM, AL
MG Mokoka[1]	29 August 2023	8 November 2023	AR, SES

[1] *Independent non-executive.*
[2] *Non-executive.*
[3] *Executive.*
Sub-committee chair.

During the financial year, the following Board and sub-committee changes occurred:

- Mr MJN Njeke was appointed as Chairman of the Board, Chairman of the NOM Committee and resigned as Chairman and as a member of the SES Committee with effect from 22 August 2023. He resigned as Chairman of the REM Committee ,and remains a member thereof, with effect from 29 August 2023.
- Ms F Roji was appointed as Chairman of the SES Committee with effect from 22 August 2023.
- Mr JN Potgieter joined the Board as an independent non-executive director with effect from 22 August 2023, and was appointed as Chairman of the AL Committee and a member of the AR Committee.
- Mr R van Wyk joined the Board as an independent non-executive director with effect from 29 August 2023, and was appointed as Chairman of the REM Committee, and a member of the NOM and AL Committees.
- Ms MG Mokoka joined the Board as an independent non-executive director with effect from 29 August 2023, and was appointed as a member of the AR and SES committees. She did not make herself available for re-election at the AGM following her retirement by rotation on 8 November 2023.
- Ms LJ Sennelo joined the Board as an independent non-executive director with effect from 3 June 2024, and was appointed as a member of the AR and SES committees.

The following Board and sub-committee changes were announced during the financial year, however, will take effect subsequent to the end of the financial year:

- Mr OS Arbee, who reached retirement age during the year, will retire as CEO and from the Board and its sub-committees with effect from 31 October 2024.
- Mr OJ Janse van Rensburg, currently the CFO, has been appointed as CEO with effect from 1 November 2024.
- Ms B Baijnath has been appointed as CFO designate with effect from 1 August 2024, and as CFO and to the Board as an Executive Director with effect from 1 November 2024.

Directors' report (continued)

Directors (continued)

The Board has satisfied itself that the CFO, Mr OJ Janse van Rensburg, has the appropriate qualifications, expertise and experience to fulfil his duties. In addition, the Board has satisfied itself that the composition, expertise and skill set of the finance function are appropriate.

The Group's prescribed officers include the following members of the Executive Committee:

- R Gottschick; and
- NE Simelane.

Due to changes within the businesses, Mr NW Lynch is no longer considered a prescribed officer for the period under review.

The remuneration paid to directors and prescribed officers is disclosed in notes 10.1 – Directors' and prescribed officers' remuneration and 10.2 – Employee incentive schemes.

Company Secretary

The Board is satisfied that Mr NE Simelane has the appropriate qualifications, expertise and experience with which to fulfil his duties. The Company Secretary's contact details and the business and postal addresses of the Group appear on page 157.

Stated capital

Authorised stated capital	394 999 000 ordinary shares of no par value	10 000 000 deferred ordinary shares of no par value	40 000 000 non-redeemable preference shares of no par value	2 000 000 redeemable preference shares of no par value
Issued stated capital	179 131 978 ordinary shares of no par value	2 710 546 deferred ordinary shares of no par value	No non-redeemable preference shares of no par value	No redeemable preference shares of no par value

Further details of the authorised and issued stated capital of the Company are provided in note 5 – Shareholders' interest.

Directors' and prescribed officers' interest in shares

The interest of directors and prescribed officers in the ordinary shares of the Company as at 30 June 2024 are:

	Direct holdings		Indirect holdings		Total holdings	
	2024 Number of shares	2023 Number of shares	**2024 Number of shares**	2023[1] Number of shares	**2024 Number of shares**	2023[1] Number of shares
Executive directors						
– OS Arbee	**349 308**	132 645	**129 654**	131 393	**478 962**	264 038
– OJ Janse van Rensburg	**361 721**	255 453	**-**	-	**361 721**	255 453
– KA Cassel	**145 890**	98 557	**-**	-	**145 890**	98 557
Non-executive directors						
– A Tugendhaft	**30 000**	25 000	**-**	-	**30 000**	25 000
Prescribed officers[1]						
– R Gottschick	**1 800**	1 800	**-**	-	**1 800**	1 800
	888 719	513 455	**129 654**	131 393	**1 018 373**	644 848

[1] *Mr NW Lynch is no longer considered a prescribed officer for the period under review. In the prior financial year, he indirectly held 8 247 167 ordinary shares of the Company.*

There has been no change in the directors' and prescribed officers' interest in shares between the end of the financial year and to the date of approval of the audited consolidated and separate annual financial statements.

Directors' report (continued)

Accounting policies

The Group's accounting policies are consistent with those applied at 30 June 2023, except for revisions made as a result of the amendments to IAS 1, IAS 8, and IAS 12 and the adoption of IFRS 17. The amendments to IAS 1, IAS 8, and IAS 12 had no significant impact on the Group's results. The impact of IFRS 17 is outlined in note 1.3 – Accounting policies.

The new and revised standards not yet in effect in the current financial year and which may impact the Group in the future are outlined in note 13 – New issued standards not yet effective.

Financial results and review

The Group's results for the 12 months to 30 June 2024 reflect strong strategic and operational achievements, which supported a resilient financial performance in a challenging and evolving trading environment.

The Group's primary strategies of international expansion and diversification beyond vehicle sales profitability supported the business segments that were more significantly affected by constrained consumers. In addition, organic business initiatives and bolt-on acquisitions assisted the Group's resilient financial performance.

Extracts from the statement of profit or loss

	Audited 2024 Rm	Audited Restated *(IFRS 17)* 2023 Rm	% change
Revenue[1]	**113 764**	106 538	7
Earnings before interest, taxation, depreciation and amortisation	**8 310**	8 083	3
Operating profit before capital items and net foreign exchange movements	**5 503**	5 723	(4)
Profit before tax	**3 218**	4 357	(26)
Attributable profit to the owners of Motus	**2 436**	3 354	(27)

[1] *Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 1.3 – Accounting policies for additional information.*

Extracts from the earnings per share

	2024 cents	2023 cents	% change
Basic earnings per share (EPS)	**1 450**	2 008	(28)
Headline earnings per share (HEPS)	**1 479**	2 046	(28)
NAV per ordinary share	**10 203**	10 189	-

The automotive industry is impacted by various factors, including higher-than-normal vehicle and parts price inflation, volatility in the SA Rand against major currencies, high interest rates, and high cost-of-living in all geographies we operate in. These challenges contributed to a strain on consumer disposable income. The oversupply of vehicles from OEMs has moderated. However, the additional discounts provided to encourage vehicle sales were negatively impacting margins. Increased competition has entered the market through new derivatives, new entrants, and competitive pricing.

The Group has responded well, supported by cost containment, resilient customer demand, supply chain normalisation and continued funding by the banks. The Group continues to innovate, improve efficiency, and provide superior customer experience.

In SA, the import and retail businesses were negatively impacted by a tough trading environment, pressure on consumer affordability, a buying-down trend and fierce competition. The availability of inventory improved significantly with the vehicle supply chain's stabilisation, which impacted the margins on vehicles sold. The abovementioned discounts provided are having a negative impact on the margins. Our importer business was further impacted by currency volatility and increased landed costs on vehicles, including freight costs. These challenges required our operations in SA to demonstrate exceptional resilience.

Our Aftermarket Parts business in SA experienced a challenging year. The business was negatively impacted by decreased volume and margins, which remained under pressure due to increased competition, aggressive pricing in the market, a consumer buying-down trend and increased distribution and delivery costs. Load shedding in the early part of the year had a negative impact on the ability of our customers, which are workshops, to trade, resulting in lower sales. Delays at the SA ports and a shortage of vessels and equipment have increased lead times for imported products, impacting availability. The business, however, was positively impacted by canopy sales.

Our Mobility Solutions business ended the year with a strong result, although it was impacted by adverse automotive market conditions. The decline in our importer vehicle sales had a direct impact on the upfront plans that were sold, and this reduced our service, maintenance and warranty funds. The robust performance of this segment was due to the increase in banking alliance profits, an improvement in credit loss ratios, fair value adjustments on preference share arrangements and investment income returns due to higher interest rates. The launch of new product offerings has also contributed to our business's success.

Directors' report (continued)

Financial results and review (continued)

The vehicle rental market continues its journey to recovery. Our vehicle rental business recovery is in line with the rest of the industry and delivered strong results in this financial year, with a stellar performance from the international and leisure channels during the peak travel months. The rental fleet continues to grow in line with demand, and availability has improved significantly with the stabilisation of the vehicle supply chain. Significant achievements include a utilisation rate of 71%, an improvement in the daily rate and a reduction in accident costs.

In the UK, the economy remained challenging in this financial year, with high inflation over the last three years, high interest rates, increased personal taxes, and high energy costs putting consumer spending under pressure. This was more relevant in the private vehicle buyer market. The UK market is further being impacted by aggressive wage inflation due to labour shortages, which is placing an additional strain on the business. New vehicle production steadily improved this financial year and has stabilised across most OEMs. This has resulted in margins being under pressure on new vehicles and resulted in a price correction of pre-owned vehicles in the first half of the financial year. The UK commercial performance was further supported by the resilient aftersales performance in HCVs and strong margins were maintained, however retail unit sales remained challenging. The business was further positively supported by the inclusion of the recently acquired bolt-on commercial dealerships. The UK passenger division had a better second half of the financial year, which was positively impacted by improved supply and increased fleet deals.

The Aftermarket Parts businesses in the UK performed strongly in a buoyant market where margins remained strong. Both the retail and wholesale businesses ended the year with a strong result. The MPD business, which was included for the full financial year, continued to exceed our expectations and has positively contributed to the Aftermarket Parts segment and the Group this financial year.

In Australia, the market in which we operate remained buoyant despite high inflation and interest rates, which is adding pressure to consumer disposable income. The results benefitted from the additional volumes, margin retention on back-order commitments, the normalisation of vehicle availability and the bolt-on acquisition acquired during the financial year. With the normalisation of inventory supply, margins are now starting to normalise.

The Aftermarket Parts business in Asia ended the year strongly despite reduced demand from SA and the rest of the world.

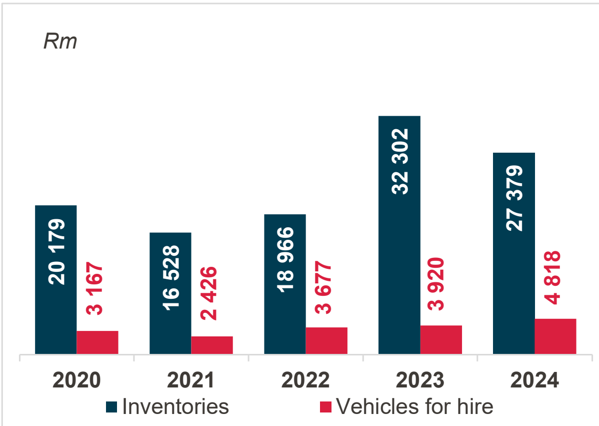
Extracts from the statement of financial position

	2024 Rm	2023 Rm	% change
Vehicles for hire	**4 818**	3 920	23
Inventories	**27 379**	32 302	(15)
Net working capital	**13 061**	14 362	(9)
Net debt	**13 844**	13 712	1
Total equity	**18 137**	17 762	2
Capital structure (Equity%: Net debt%)	**57 : 43**	56 : 44	

During the year, the Group focused on reducing inventory and vehicles for hire to acceptable levels to reduce net debt and net finance costs. Internal management targets were introduced with continuous forecasting and measurement against the targets. This benefit is expected to be seen in the new financial year.

The focus areas included negotiating with OEMs to reduce upcoming inventory orders and providing additional financial assistance, such as importation costs, marketing, and retail support. These initiatives supported the progress and reduced the Group's inventory by R4,9 billion from the prior financial year.

Vehicles for hire has increased in line with the demand from vehicle rental companies and vehicle price inflation. The initiatives implemented have reduced vehicles for hire by R1,3 billion from its highest levels in December 2023, which is the peak in travel months.



The Group's strategy of diversification and internationalisation, which remains unchanged in the current turbulent and uncertain environment, ensures the long-term sustainability of the Group and expands operations to enhance its resilience for the future with organic and selective acquisitive growth opportunities.

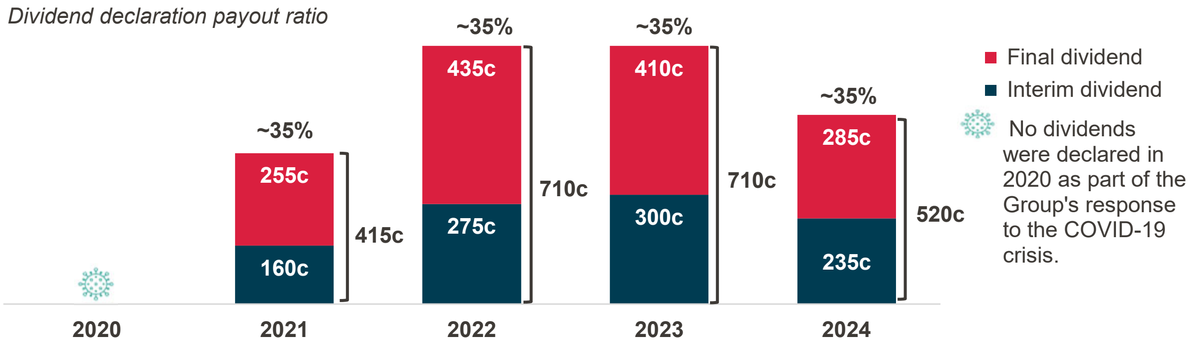
Directors’ report (continued)

Dividends

Dividend guidance

The Group’s dividend guidance is to pay a sustainable dividend based on the HEPS to shareholders. For the current financial year, the Board declared dividends of ~35% of HEPS amounting to 520 cents (2023: 710 cents) based on HEPS of 1 479 cents (2023: 2 046 cents).

There is no assurance that a dividend will be paid in respect of any financial year. Any future dividends will be dependent upon the consolidated operating results, financial condition, investment strategy, capital requirements and other factors affecting the Group. There is no fixed date on which entitlement to dividends arises, and the date of payment will be determined by the Board at the time of declaration, subject to the Companies Act and the JSE Listings Requirements.



Dividend distribution

During the financial year, the Group distributed two dividend payments to its shareholders, namely:

	Payment date	Value per share cents	Dividend[1] Rm
Final dividend payment for the prior financial year	9 October 2023	410	**699**
Interim dividend payment for the current financial year	2 April 2024	235	**397**
			1 096

[1] *Excludes dividends paid to non-controlling interests.*

A final dividend of 285 cents per ordinary share is declared on 2 September 2024 for the current financial year and is payable on 7 October 2024. This dividend will be paid out of income reserves. The ordinary dividend will be subject to a local dividend tax of 20%. The ordinary dividend to those shareholders who are not exempt from paying dividend tax is therefore 228 cents per ordinary share. With this dividend, the full dividend for the current financial year amounts to 520 cents.

Refer to note 5.3 – Dividends paid for additional information.

External auditor

PwC was appointed as the Group's external auditor at the last AGM for the current financial year and onwards, subject to reappointment on an annual basis, in accordance with section 94(7) of the Companies Act.

Significant business acquisitions and disposals

The Group acquired Solway Vehicles Distribution Limited (a wholly-owned subsidiary consisting of four DAF dealerships) in the UK and nine multifranchise passenger dealerships in Wagga Wagga, Australia. The Wagga Wagga dealerships relate to the purchase of the underlying assets and liabilities of the business. Refer to note 2.5 – Business combinations for details on these acquisitions.

Details of interests in subsidiaries are shown in Annexure A – Interests in subsidiaries, associates and joint ventures.

Going concern

The Group's results for the 12 months to 30 June 2024 reflect strong strategic and operational achievements, which supported a resilient financial performance in a challenging and evolving trading environment.

The Group's primary strategies of international expansion and diversification beyond vehicle sales profitability supported the business segments that were more significantly affected by constrained consumers. In addition, organic business initiatives and bolt-on acquisitions assisted the Group's resilient financial performance.

The automotive industry is impacted by various factors, including higher-than-normal vehicle and parts price inflation, volatility in the SA Rand against major currencies, high interest rates, and high cost-of-living in all geographies we operate in. These challenges contributed to a strain on consumer disposable income. The oversupply of vehicles from OEMs has moderated. However, the additional discounts provided to encourage vehicle sales were negatively impacting margins. Increased competition has entered the market through new derivatives, new entrants, and competitive pricing.

The Group has responded well, supported by cost containment, resilient customer demand, supply chain normalisation and continued funding by the banks. The Group continues to innovate, improve efficiency, and provide superior customer experience.

	2024 Rm	2023 Rm	% change
Total equity	**18 137**	17 762	2
Net debt	**13 844**	13 712	1
Core debt	**11 159**	12 042	(7)
Capital structure (Equity%: Net debt%)	**57 : 43**	56 : 44	
Total banking facilities (excluding floorplans)	**17 683**	17 393	2
– Committed	**17 383**	17 093	2
– Uncommitted	**300**	300	-
Cash generated from operations before movements in net working capital and vehicles for hire	**7 563**	7 837	(3)

The Board has reviewed and approved the Group and Company forecasts prepared by management and the solvency and liquidity, and working capital adequacy tests. The forecast includes a detailed consolidated statement of financial position, profit or loss and cash flows.

Based on this review, the Board concluded that there is a reasonable expectation that the Group and Company will continue to meet its obligations as they fall due and that the Group would remain comfortably within the existing bank facility limits, with significant headroom, for at least the next 12 months from the date of approval of these audited consolidated and separate annual financial statements.

Refer to note 1.2 – Going concern, for additional details on the considerations made in the going concern assessment.

The Board considers it appropriate to adopt the going concern assumption in preparing the audited consolidated and separate annual financial statements.

Events after the reporting period

Dividends

The final dividend, as outlined above was declared on 2 September 2024.

Appointments to the Board

The following Board and sub-committee changes were announced during the financial year, however, will take effect subsequent to the end of the financial year:

- Mr OS Arbee, who reached retirement age during the year, will retire as CEO and from the Board and its sub-committees with effect from 31 October 2024.
- Mr OJ Janse van Rensburg, currently the CFO, has been appointed as CEO with effect from 1 November 2024.
- Ms B Baijnath has been appointed as CFO designate with effect from 1 August 2024, and as CFO and to the Board as an Executive Director with effect from 1 November 2024.

There were no material subsequent events, apart from those mentioned above, that occurred from the end of the financial year to the date of these audited consolidated and separate annual financial statements.

Liquidity, solvency and working capital adequacy test

The Directors have performed the solvency and liquidity tests required by the Companies Act for the Company. In addition, they have performed the working capital adequacy test required by the JSE Listings Requirements.

Directors’ report (continued)

Borrowing powers

In terms of the MOI, the borrowing powers of the Company are unlimited. Any borrowings by the Group are subject to the provisions of:

- The Group's treasury policy, being a target net debt to Adjusted EBITDA of less than 2,0 times and Adjusted EBITDA to Adjusted net interest of more than 4,0 times; and
- The Companies Act.

The Group monitors capital based on the target capital structure under normal trading conditions where significant acquisitions have not taken place. The Group's guidance is as follows:

	Minimum %	Maximum %
Equity to net debt structure	**55 : 45**	**65 : 35**

Additional details of interest-bearing borrowings are included in note 6.1 – Interest-bearing debt.

Special resolutions

The Company passed the following special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the Group:

- Approved the proposed fees and remuneration payable to non-executive directors and/or paid any fees related thereto and on any other basis as may be recommended by the REM Committee and approved by the Board for the financial years ending June 2024 and June 2025;
- Approved the authority to provide direct or indirect financial assistance in terms of section 44 and section 45 of the Companies Act; and
- Approved the general authority to repurchase the Company’s securities subject to the JSE Listings Requirements and Companies Act as set out in the resolution.

Shareholders are assured that special resolutions passed by subsidiaries, where required, were pursuant to the authority granted in terms of the abovementioned resolutions and in compliance with relevant provisions of the Companies Act.

AR Committee

The Board has assessed the performance and effectiveness of the AR Committee and its members with reference to the charter and statutory obligations. The Board is satisfied that the AR Committee has effectively discharged all its delegated functions. Further details on the role, function and execution of duties can be found in the audit and risk committee report and the integrated report.

Approval of the audited consolidated and separate annual financial statements

Based on the recommendation received from the AR Committee, the Board has approved the audited consolidated and separate annual financial statements for the financial year ended 30 June 2024.

MJN Njeke
Chairman
2 September 2024

Audit and Risk Committee report

The Audit and Risk Committee (the Committee) has the pleasure of submitting this report for the financial year ended 30 June 2024, which the Board has approved. The report complies with the requirements of the Companies Act, the JSE Listings Requirements, and the recommendations of King IV™.

Members and attendance of the meetings

The Committee comprises independent non-executive directors, all of whom meet the requirements set out in the Companies Act and King IV™. The composition of the Committee and the attendance of meetings by its members during the financial year are set out below:

Member	Appointment date	Resignation date	Attendance[1]
S Mayet (Chairman)	22 November 2018		4/4 meetings
JN Potgieter	22 August 2023		3/3 meetings
F Roji	1 September 2021		4/4 meetings
LJ Sennelo[2]	3 June 2024		
MG Mokoka	29 August 2023	8 November 2023	1/1 meeting

Regular invitees

- CEO
- CFO
- CEO of Mobility Solutions, Head of Innovation and Information Technology and Executive Director
- Company Secretary and Head of Legal Counsel
- Executive – Corporate Affairs, Risk and Sustainability
- Group Finance Executive
- Chief Internal Audit Executive
- Group Treasurer
- CFO: Shared Services
- Representatives from PwC

[1] *Attendance is based on eligibility to attend meetings held in August 2023, October 2023, February 2024 and May 2024.*

[2] *Ms LJ Sennelo was appointed to the Committee subsequent to the May 2024 meeting.*

The Committee held four meetings, as outlined above. The Committee had the opportunity to meet separately with the internal auditors and PwC quarterly and had regular contact with senior management to discuss relevant matters directly. The Chief Internal Audit Executive and the representatives from PwC have unrestricted access to the Committee, including closed sessions, where necessary, without the CFO and senior management being present, to raise and discuss any matter that they regard as relevant to the fulfilment of the Committee's responsibilities. The Chief Internal Audit Executive reports functionally to the Chairman and administratively to the CFO.

Qualifications and experience

As a collective and having regard for the size and circumstances of the Group, the Committee is adequately skilled, and all members possess the appropriate financial and related qualifications, skills, expertise and experience required to discharge their responsibilities.

Mr S Mayet is a Chartered Accountant (SA) and a seasoned finance professional with over 30 years' experience in the Anglo American Group in South Africa. He has held several listed and unlisted board positions and brings extensive experience across the full spectrum of corporate activities. He currently also serves as a non-executive director at Astral Foods Limited.

Ms F Roji is a Chartered Accountant (SA) with many years of professional experience in the areas of finance, audit, private equity, black economic empowerment, investment management, investor relations, and mergers and acquisitions. She currently serves as an executive director of Dlondlobala Capital Proprietary Limited and also sits on the boards of Yebo Yethu, Life Green Group Proprietary Limited and GIC Re SA Limited.

Mr JN Potgieter is a Chartered Accountant (SA) with professional experience in financial management, retail business operations and strategy. He previously worked at South African Breweries in various financial management roles, MassDiscounters (part of the Massmart Group) as Financial Director and Chief Executive Officer (CEO), and Italtile as CEO. He currently serves on the boards of Fortress Real Estate Investment Limited, Italtile Limited and The Foschini Group Limited.

Ms LJ Sennelo is a Chartered Accountant (SA) with professional experience in auditing, financial management, corporate governance, strategy, project development and implementation, and business development. She has served as Managing Director of African Women Chartered Accountants Investment Holdings Proprietary Limited, as Senior Operations Manager in Finance at the Passenger Rail Agency of South Africa (PRASA), and as a Partner at Modipane and Associates. She currently serves on the boards of various listed companies, including Redefine Limited, Oceana Group Limited and Assupol Holdings Limited.

Ms MG Mokoka is a Chartered Accountant (SA) with professional experience in financial services, audit and risk management, mergers and acquisitions, corporate restructurings and capital raising. Her previous work experience includes being a Financial Analyst at Woolworths Holdings Limited, Corporate Financier at Cadiz Financial Services Proprietary Limited and a management position in the Dealmaker, Leveraged and Acquisition Finance division at The Standard Bank Group Limited. She currently serves on various boards of listed companies. Refer to the directors' report for additional information regarding Ms MG Mokoka's resignation.

Audit and Risk Committee report (continued)

Role of the Committee

The Committee has adopted a formal charter, approved by the Board, setting out its duties and responsibilities as prescribed and incorporating additional duties delegated to it by the Board. The Committee reviews the charter annually and ensures that an adequate work plan is in place to meet its mandate.

The Committee's main objectives are to provide independent oversight on the adequacy and efficiency of accounting policies, internal controls, combined assurance model and financial and corporate reporting processes of the Group. In addition, the Committee assesses the effectiveness of the internal audit function and the independence and effectiveness of PwC while also considering and recommending the appointment of the external auditor. The Committee oversees and ensures coordination between the activities of the internal auditors and PwC.

The Committee acts for the Company as well as its subsidiaries in the Group where an Audit and Risk Committee has not been established and is required. The Committee is an independent committee accountable to both the Board and the shareholders. It operates within the parameters of its charter and acts in accordance with its statutory duties as well as the delegated authority of the Board.

Divisional FRRCs are constituted and report significant issues to the Committee. The Committee ensures that the Chairman of the divisional FRRCs has no operational role in that particular division and remains independent.

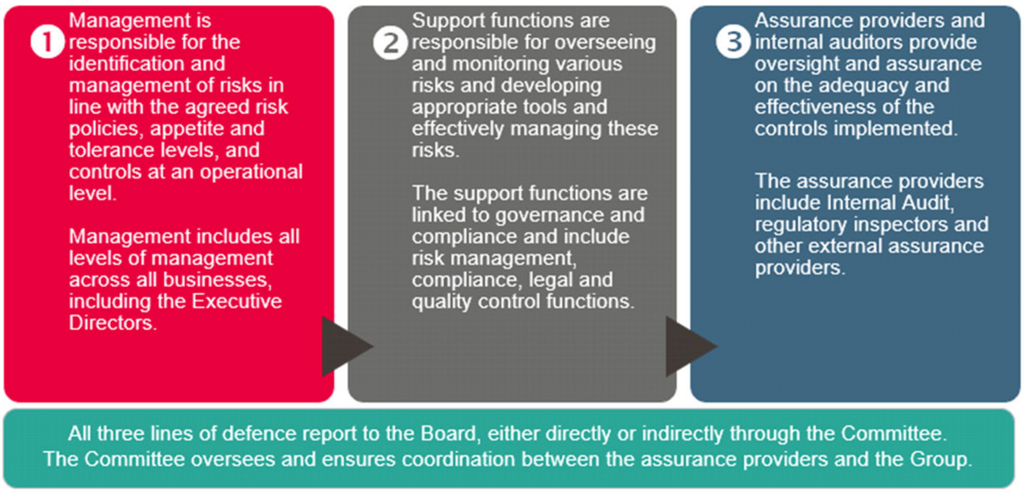
Execution of duties

The purpose of this report is to outline how the Committee has fulfilled its statutory obligations.

Combined assurance

The Group's combined assurance model provides a coordinated Group-wide approach to risk management. The Committee has reviewed the combined assurance model in the context of King IV™ and is satisfied that it is appropriate, complete, and effective in addressing the risks identified in the business. The assessments include considering the outcomes of the reviews performed by the Executive – Corporate Affairs, Risk and Sustainability and Chief Internal Audit Executive.

The combined assurance model allows for three lines of defence to mitigate the risks identified, which include:



The Committee has reviewed the results of the Group's compliance with internal policies and procedures and assessed the adequacy and effectiveness of internal controls. The Committee assesses the quality of the financial information produced to ensure reliability and integrity.

The Committee satisfied itself that the level of unmitigated risk (both individually and in totality) is within the risk appetite of the Group and that there is sufficient assurance provided to manage risk and the control environment through both internal and external assurance providers.

Audit and Risk Committee report (continued)

Execution of duties (continued)

Internal financial controls and risk management

To meet the Group's responsibility to provide reliable financial information, the Group maintains financial and operational systems of internal control, which have been embedded into the day-to-day operations. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal ,and that those transactions are properly authorised and recorded.

The Group has adopted a “Top-Down and Bottom-Up” approach to internal financial reporting risks and controls. All significant internal financial reporting risks and controls at a Group and underlying business levels have been identified and documented across all key reporting processes.

The Committee has assessed the effectiveness of the internal financial control processes by:

- Ensuring that internal financial control processes are maintained and reviewed annually to increase the possibility that unforeseen risks are minimised;
- Ensuring that appropriate responses to risks are implemented and monitored;
- Reviewing instances where deficiencies in design and operational effectiveness of the internal financial controls have been noted and the necessary remedial actions taken;
- Assessing the adequacy of the levels of risk tolerance and appetite applied;
- Ensuring that risk management assessments are regularly performed;
- Ensuring that control self-assessments are completed and their results are adequately monitored;
- Ensuring that suitable business continuity plans are established and implemented, including adequate controls over IT systems;
- Considering all reported instances related to employee theft and assessing the appropriateness of action taken;
- Considering all reports relating to tip-offs, irregularities or fraud and assessing the appropriateness of action taken, where applicable; and
- Review of any legal matters or pending litigation and assessing the appropriateness of action taken.

The Group’s delegated management team remains committed to ongoing improvements, ensuring that the internal financial control environment remains robust and sustainable.

The Committee is satisfied that the internal financial controls are adequate and effective to assist in the preparation and presentation of the audited consolidated and separate annual financial statements, and support the declarations made by the CEO and CFO. The Committee is satisfied that where deficiencies have been disclosed, they had no material effect for the purposes of the preparation and presentation of the audited consolidated and separate annual financial statements.

Finance function

Reviewed the expertise, resources and experience of the finance function

As required by the JSE Listings Requirements, the Committee has satisfied itself that the CFO, Mr OJ Janse van Rensburg, has the appropriate expertise and experience to fulfil his role and responsibilities. In addition, the Committee is similarly satisfied that the composition, experience and skill set of the finance function met the Group’s requirements.

In evaluating the finance function, the Committee considered and resolved that:

- Management of the finance function had demonstrated a commitment to character and competence;
- The organisational structure of the finance function was appropriately designed, and the finance function assigned authority and responsibility in a manner that promoted accountability and control;
- The finance function had provided the Committee with unrestricted access to financial information;
- The finance function’s management philosophy and operating style were consistent with a sound control environment; and
- The finance function had properly applied accounting principles in the preparation of the audited consolidated and separate annual financial statements.

Evaluated the financial control environment

As required by the JSE Listings Requirements paragraph 3.84(k), the Committee satisfied itself as to the effectiveness of the financial control environment by:

- Assessing the adequacy and effectiveness of financial control frameworks implemented by management;
- Reviewing reported deficiencies in the design and operational effectiveness of the controls, including the compensating controls and remediation plans instituted;
- Ensuring that none of the deficiencies identified had a material effect for the purposes of the preparation and presentation of the audited consolidated and separate annual financial statements; and
- Reviewing any reported fraud involving directors, if applicable, together with necessary remedial actions instituted.

Audit and Risk Committee report (continued)

Execution of duties (continued)

Finance function (continued)

Evaluated the financial reporting and accounting practices

The Committee reviewed the integrity of the unaudited condensed interim results, summarised audited consolidated results and the audited consolidated and separate annual financial statements for the year ended 30 June 2024, including the public announcements of the Group's results.

In the course of its review, the Committee:

- Took steps to ensure that the audited consolidated and separate annual financial statements were prepared in accordance with IFRS Accounting Standards and in compliance with the relevant provisions of the Companies Act and the JSE Listings Requirements;
- Ensured that the audited consolidated and separate annual financial statements fairly present the financial position of the Group and of the Company as at the end of the financial year and the results of the operations and cash flows for the financial year;
- Reviewed the representation letter relating to the audited consolidated and separate annual financial statements, which was signed by the Directors;
- Considered the appropriateness of the key audit matters reported in the external audit opinion;
- Considered the appropriateness of significant accounting policies, key estimates, assumptions and disclosures made;
- Considered the appropriateness of accounting treatment of significant unusual transactions and judgements as outlined in 1.4 – Critical accounting judgements, estimates and assumptions, including transactions outlined in the headline earnings calculation (refer to note 8.6 – Earnings per share);
- Considered any issues identified and reviewed any legal and tax matters that could have a significant impact on the audited consolidated and separate annual financial statements;
- Completed a detailed review and confirmed the going concern assumption, taking into account approved budgets, solvency and liquidity profiles and working capital adequacy tests, confirming that it was appropriate in the preparation of the audited consolidated and separate annual financial statements;
- Reviewed the solvency and liquidity and working capital adequacy tests and recommended the interim and final dividend proposal for approval to the Board;
- The Group's financial reporting procedures were considered to be effective and reliable with reference to the requirements of paragraph 3.84(g) of the JSE Listings Requirements;
- Confirmed that the findings contained in the JSE Proactive Monitoring reports from 2011 to 2023, thematic reviews, combined findings report, the JSE letters, documents, and limited-scope thematic reviews were taken into consideration in the audited consolidated and separate annual financial statements and the summarised audited consolidated results; and
- Confirmed that changes to the JSE Listings Requirements for financial reporting were taken into consideration in the audited consolidated and separate annual financial statements and the summarised audited consolidated results.

The Committee similarly challenged and satisfied itself as to the appropriateness of judgements applied in areas of key sources of estimation and uncertainty relating to:

- Future cash flows;
- Growth rates; and
- Forward-looking information utilised in the expected credit loss model.

Other areas of judgement are outlined in note 1.4 – Critical accounting judgements, estimates and assumptions.

The Committee considered such matters based on discussions with and submissions by senior management and discussed these with PwC during the planning stage of the audit and again on its completion. The Committee was satisfied that sufficiently robust processes were followed with regard to the judgements relating to the above items.

Audit and Risk Committee report (continued)

Execution of duties (continued)

External audit-related matters

PwC was appointed as the Group's external auditor at the last AGM for the current financial year and onwards, subject to reappointment on an annual basis, in accordance with section 94(7) of the Companies Act.

External audit independence, objectivity and effectiveness

The Committee formally assessed the effectiveness of the external audit process for the current year and the quality of the audit. The assessment covered all aspects of the audit service provided by PwC and was treated as an ongoing review throughout the audit cycle.

The evaluation focused on:

- Robustness of the audit process;
- Audit quality, including quality controls and indicators;
- Appropriateness of the audit partner, Mr TJ Howatt, and the dedicated team, including their technical skills, knowledge and character;
- Independence and objectivity; and
- Formal reporting.

As part of the evaluation, the Committee:

- Obtained confirmation of the qualifications and competence of PwC and the audit engagement partner;
- Nominated PwC and Mr TJ Howatt as the external auditor and designated auditor, respectively, to the shareholders for appointment as the auditor for the 2024 financial year and onwards and ensured that both appointments complied with all applicable legal and regulatory requirements for the appointment of an auditor;
- Nominated PwC for appointment as the external auditor for each significant subsidiary for the 2024 financial year;
- Reviewed the audit effectiveness in ensuring that critical risk areas are addressed and assessed PwC's internal quality control procedures;
- Obtained a confirmation from PwC that their independence was not impaired;
- Reviewed and approved the external audit engagement letter and the audit plan and determined budgeted audit fees payable;

	2024[1] Rm
Audit-related services	69
Non-audit-related services	1
	70
Percentage of non-audit related services to the total audit fee (%)	1,4

1 *The comparative period relates to services provided by the previous external auditor and therefore was not presented.*

- Reviewed and approved non-audit-related services on an individual basis through an appropriate delegation policy;
- Maintained policies and controls setting out the categories of non-audit-related services that PwC may and may not provide, split between permitted, permissible and prohibited services;
- Assessed whether any reportable irregularities were identified and reported by PwC in terms of the Auditing Profession Act (No. 26 of 2005);
- Assessed the effectiveness of management responses to identified reportable control weaknesses;
- Considered instances of differences of opinion, if any, between senior management and PwC, including unrecorded errors or differences; and
- Reviewed the quality of reporting to the Committee, including the level of challenge and professional scepticism, and understanding demonstrated by PwC of the Group.

Audit and Risk Committee report (continued)

Execution of duties (continued)

External audit-related matters (continued)

External audit independence, objectivity and effectiveness (continued)

In response to the evaluations performed, PwC:

- Provided the Committee with confirmation that they operate in accordance with the ethical standards required of audit firms by the Independent Regulatory Board for Auditors and other regulatory bodies;
- Provided evidence that the audit firm has the appropriate accreditations and that Mr TJ Howatt does not appear on the disqualified list of individual partners;
- Confirmed that there were no relationships with the Group that could impair their independence, arising from:
  - Personal financial interest;
  - Family and personal relationships;
  - Employment relationships; and
  - Business relationships.
- Confirmed the policies and procedures they have in place to maintain their independence; and
- Provided confirmation that the non-audit-related services performed and billed during the financial year did not impair their independence or objectivity.

The Committee concluded that it is satisfied that auditor independence, objectivity and effectiveness were maintained during the financial year, having considered the following matters:

- The quality of the designated audit partner and the team were confirmed, with no material issues raised in the feedback received;
- PwC demonstrated a good understanding of the Group and had identified and focused on the areas of most significant risk;
- The reporting to the Committee was clear, transparent and thorough, and included explanations of the rationale behind particular conclusions as appropriate;
- The audit had been well planned and delivered, and senior management was comfortable that key findings had been raised appropriately;
- There had been active engagement on misstatements and appropriate judgements on materiality; and
- It was confirmed that there had been an appropriate level of professional scepticism and that PwC had functioned in accordance with their mandate for the financial year.

Internal audit-related matters

The Committee reviewed and approved the internal audit charter and internal audit plan for the financial year, ensuring that material risk areas were included and that coverage of significant business processes was acceptable.

The Committee assessed the effectiveness of the internal audit process throughout the audit cycle for the financial year. As part of the evaluation, the Committee:

- Assessed the independence and effectiveness of the internal audit function;
- Assessed whether the Chief Internal Audit Executive has the appropriate qualifications, expertise and experience as well as independence with which to fulfil her duties;
- Reviewed the annual audit plan and scope with regard to their adequacy to address all significant financial risks facing the business;
- Reviewed any proposed changes to the audit plan and the appropriateness thereof;
- Reviewed the performance of the internal audit department and its compliance with the charter;
- Reviewed the internal audit report on the Group's systems of internal control, including financial controls, business risk management and maintenance of effective internal control systems;
- Reviewed the significant issues identified by the internal audit processes and the adequacy of corrective action taken by management;
- Considered any difficulties encountered during the execution of the audit plan, including any restrictions on the scope of work or access to required information; and
- Received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal.

The Committee satisfied itself that the internal audit function was independent and had the necessary resources, technical skills, standing and authority to discharge its duties. Furthermore, the Committee confirmed that, in executing the current financial year's plan, there had been no impairments to the objectivity, independence and scope of the internal audit function, which remained effective in carrying out its duties. In addition, the Committee is similarly satisfied that the Chief Internal Audit Executive has the appropriate expertise and experience to fulfil her role and execute her responsibilities.

The Chief Internal Audit Executive provided a written assessment regarding the Group’s system of internal controls and confirmed that, based on the results of the work undertaken, these were deemed adequate and effective.

Execution of duties (continued)

Other governance areas

Integrated report

The Committee assists the Board in overseeing the quality and integrity of the integrated reporting process and ensures compliance with the applicable reporting frameworks, guidelines and best practices which inform the integrated reporting process. Furthermore, the Committee ensures consistency in the financial information presented in the integrated report and the audited consolidated and separate annual financial statements. The Committee recommends the integrated report to the Board for approval.

Information technology (IT) governance

The Committee considered the impact of potentially significant IT governance matters on the Group. The significant risk and impacts thereof are assessed as part of the Group's risk management framework.

The Committee has satisfied itself that these processes and implemented policies are effective and robust by:

- Assessing the effectiveness of risk assessment processes, including the identification of risks such as fraud risks and IT risks and implementation of controls to mitigate the risks;
- Reviewing and aligning all IT strategies across the Group to best practice;
- Providing oversight and monitoring the progress of any significant IT projects, including the Board's approval of significant capital expenditure;
- Providing additional oversight where any instability has been reported on key financial platforms;
- Reviewing the cybersecurity minimum guidelines and assessing the impact of the emerging risk landscape;
- Considering the use of Artificial Intelligence (AI) in the operations and ensuring that the appropriate risk management framework is implemented;
- Ensuring that formalised disaster recovery plans are in place to minimise disruptions in the event of a disaster;
- Ensuring that the Group is compliant with IT laws and applicable rules, codes and standards across all the geographies in which it operates; and
- Ensuring that processes are in place for the management of information so that all personal information is identified and managed appropriately as set out in the applicable legislation and all intellectual property built into the Group's IT systems is protected.

Legal and regulatory requirements

The Committee considered the impact of potential significant matters on the audited consolidated and separate annual financial statements by:

- Reviewing legal matters as presented to the Committee at its scheduled meetings;
- Assessing the adequacy and effectiveness of the Group's processes, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- Reviewing the initiatives undertaken to communicate the code of conduct and monitor compliance therewith;
- Monitoring complaints received through the Group's tip-offs and anonymous whistleblowing service and how they were resolved; and
- Reviewing the reports provided by senior management, internal audit and PwC regarding compliance with legal and regulatory requirements.

The Committee was satisfied that no significant matters were identified that may adversely impact the audited consolidated and separate annual financial statements.

Key focus areas for 2025

Although the Committee will adhere to the approved charter and handle all mandated matters, there are certain areas that will receive special attention as key focus areas, which include:

- Continual focus on financial sustainability and growth in competitive environments;
- Increasing vigilance on monitoring compliance with financial controls and governance processes due to additional pressures from the changing economic landscape;
- Continual focus on the robustness of the internal control framework over financial reporting to support the CEO and CFO responsibility statements;
- Continual focus on governance and regulatory control environments including the continual improvement of the combined assurance processes;
- Continual focus on upcoming changes to the IFRS Accounting Standards and the impact thereof on business operations and financial reporting; and
- Continual focus on IT governance, cybersecurity and the related control environment.

The key focus areas remain unchanged from the prior financial year, as the Committee continually strives for improvement in these areas and in the mandated matters.

Audit and Risk Committee report (continued)

Approval

The performance of the Committee and its members is reviewed annually as part of the effectiveness review performed by the Board. The latest review concluded that the Committee continued to operate effectively and had successfully discharged its duties and responsibilities. Having achieved its objectives, the Committee has recommended the summarised audited consolidated results and the audited consolidated and separate annual financial statements for the year ended 30 June 2024 to the Board, for approval.

S Mayet
Chairman
2 September 2024

Independent auditor's report

To the Shareholders of Motus 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 Motus Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 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

Motus Holdings Limited's consolidated financial statements set out on pages 29 - 132 and 145 - 148 and separate financial statements set out on pages 134 - 148 comprise:

- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the separate statement of comprehensive income for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended;
- the consolidated and separate statements of changes in equity 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

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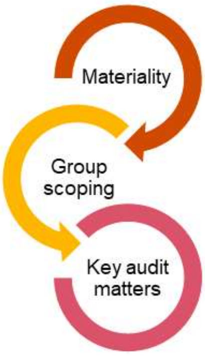
<tr>
<td rowspan="3">
</td>
<td>Overall group materiality

• Overall group materiality: R568,800,000, which represents 0.5% of consolidated revenue.</td>
</tr>
<tr>
<td>Group audit scope

• We performed full scope audits over 10 components due to their financial significance, risk associated with the component or to obtain sufficient coverage across the Group.
• We also performed specified procedures, audits of account balances and analytical review procedures on components not in full scope for audit.</td>
</tr>
<tr>
<td>Key audit matters

• Valuation of contract liabilities
• Impairment assessment of goodwill and intangible assets</td>
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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.

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.

Overall group materiality	**R568,800,000**
How we determined it	0.5% of consolidated revenue
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users of the consolidated financial statements, as it is the key driver of the Group's financial results, and considering the Group operates in a high volume industry. We chose 0.5% based on our professional judgement, after consideration of the range of quantitative materiality thresholds and the other performance metrics applicable.

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.

Every component that contributed significantly to the consolidated revenue, consolidated profit before taxation, consolidated total assets or consolidated total liabilities of the Group was subject to a full scope audit. We performed full scope audits over 10 components based on their financial significance, the risk associated with the component or to obtain coverage across the Group. In order to obtain audit evidence in respect of other components not in full scope, specified procedures were performed by the component team, audit of account balances were performed by the Group team, with analytical review procedures being performed on the remainder of components.
Detailed group audit instructions were communicated to all components in scope for group reporting. These components were audited by component audit teams, who reported the results of procedures performed to the group engagement team. We had various interactions with our component audit teams in which we discussed and evaluated recent developments, the scope of audits, audit risks, materiality and audit approaches and also reviewed selected component working papers.

We discussed the reports of the component teams, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements.

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.

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

Key audit matter	***How our audit addressed the key audit matter***
Valuation of contract liabilities As at 30 June 2024, the Group's consolidated statement of financial position included contract liabilities of R2.9 billion (2023: R3.1 billion). The disclosure related to the service, maintenance and warranty contract liabilities is disclosed in Note 3.8 of the consolidated financial statements The Group issues service, maintenance and warranty contracts for which contract liabilities are raised for unearned funds in terms of the requirements of IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) as the Group is obligated to provide these services over a future specified period based on the contract terms. The contract liabilities recognised are based on the expected earnings curves of the contracts,which require assumptions to be made to determine the stage of completion of the contract, known as burn rates of contracts, these assumptions include: ● Vehicle parts, consumables and labour inflation;	We performed the following audit procedures: ● We obtained an understanding of the control environment in relation to the valuation of contract liabilities; ● Our Information Technology (IT) specialists reviewed the IT general controls of the administration and accounting systems as well as the automated control relating to the interfaces between the IT systems; ● We assessed the accuracy, completeness and validity of input data used in determining the contract liabilities by agreeing the data to the administration system and contracts with the customers on a sample basis. No material exceptions were noted. With the assistance of our actuarial experts we: ● Assessed the methodology and assumptions applied by management for reasonability and appropriateness, taking into consideration incidence of incurred costs to inform the earning pattern;

• Foreign currency movements; • Policy sale dates; and • Contract duration and mileage. Management engaged actuarial experts to determine the adequacy of the future unearned funds that inform the contract liabilities. Due to the complexity of the assumptions and the risk that the quantum of the contract liabilities and consequential revenue recognised is inappropriate, the valuation of the contract liabilities has been identified as a matter of most significance to the current year audit. .	• Assessed the inflation rate applied against projected wage inflation and currency depreciation; • Independently recalculated the unearned fund for all contracts to test reasonability and appropriateness of the contract liabilities; and • Independently recalculated the earned revenue of the current financial year. We noted no matters for further consideration in our evaluation of management's assumptions based on these procedures.
Impairment assessment of goodwill and intangible assets As at 30 June 2024, the Group's consolidated statement of financial position included goodwill with a closing carrying value of R4.6 billion, and intangible assets with a closing carrying value of R1.9 billion. The disclosure related to goodwill and intangible assets is included in notes 2.1 and 2.2 to the consolidated financial statements. Assets that are not subject to amortisation, such as goodwill and intangible assets, are required to be assessed for impairment annually, or more frequently if there is an indicator of impairment in accordance with IAS 36, *Impairment of assets* (IAS 36). Management performed an impairment assessment for goodwill and intangible assets by estimating the recoverable amount of the intangible assets, as well as the recoverable amount of goodwill, using the value-in-use method and comparing this to the carrying values of the cash generating units (CGUs) or groups of CGUs to which the goodwill or indefinite useful lived assets is allocated.	We performed a combination of the following audit procedures depending on the circumstances: • Obtained an understanding of the control environment relating to management's goodwill and intangible assets; • Assessed the appropriateness of the valuation methodology applied by management by comparing it to generally accepted valuation methodology, and found this to be consistent; • Tested the mathematical accuracy of the value-in-use calculation and the discounted cash flow model prepared by management, noting no material exceptions; • Agreed management's cash flow forecasts to approved budgets, noting no material exceptions; • Assessed the reasonableness of the business plans and budgeting process by comparing current year actual results with the prior year budgeted results. No material or unexplained variances were noted; • Compared the projections applied by management to historically achieved sales growth rates to determine the

In determining the value-in-use of the CGUs or groups of CGUs, the following key assumptions were used by management: ● Discount rate; ● Compound annual growth rate in revenue; and ● Terminal value growth rate. Discount rate calculations were aligned to rates as determined by management experts. Future cash flows are estimated based on financial budgets and approved business plans covering a five-year period. The Group's impairment assessment of the goodwill and intangible assets is considered to be a matter of most significance to the current year audit due to the significant judgement applied by management with regard to determining the key assumptions and future cash flows that are included in the value-in-use calculation.	reasonability thereof. No material or unexplained variances noted; ● Compared the terminal value growth rate used by management to long-term inflation rates obtained from independent sources. The independently determined rate was incorporated into our stress testing referred to above and differences were found to immaterial; ● Using our internal valuation expertise, we independently calculated discount rates, taking into account independently obtained data such as the cost of debt, the risk-free rate in relevant territories, market risk premiums, debt/equity ratios as well as the beta of comparable companies. We then compared the calculated weighted average cost of capital to the discount rate used by management. The use of our independently calculated discount rates in management's impairment assessments did not indicate that impairments are required; ● Performed stress testing on the value-in-use model which involved determining the degree to which the key assumptions needed to change in order to trigger an impairment; and ● Recalculated a range of values and compared this to the value calculated by management. Management's value fell within our independently calculated range of values.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Motus Audited consolidated and separate annual financial statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit and Risk Committee Report and the Certificate by 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 document titled "Motus Integrated Report for the year ended 30 June 2024", which is expected to made available to us after this 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.
- 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 Motus Holdings Limited for one year.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: TJ Howatt
Registered Auditor
Johannesburg, South Africa
2 September 2024

Consolidated statement of financial position

as at 30 June 2024	Note	Audited 2024 Rm	Audited Restated (IFRS 17) 2023[1] Rm	Audited Restated (IFRS 17) 2022[1] Rm
Assets				
Non-current assets		**20 321**	20 209	13 157
Goodwill	2.1	**4 639**	4 481	1 628
Intangible assets	2.2	**1 851**	2 091	331
Investments in associates and joint ventures	2.3	**270**	277	268
Property, plant and equipment	3.1	**8 078**	8 188	7 201
Investment properties	3.2	**112**	121	130
Right-of-use assets	3.3.1	**3 162**	3 410	2 046
Derivative financial assets	4.3	**-**	30	30
Investments and other financial instruments[1]	3.5	**469**	6	6
In-substance insurance contracts[1]	3.6	**222**	252	314
Deferred tax	7.2	**1 518**	1 353	1 203
Current assets		**41 599**	46 070	29 126
Vehicles for hire	3.4	**4 818**	3 920	3 677
Investments in associates and joint ventures	2.3	**1**	-	1
Inventories	3.7.1	**27 379**	32 302	18 966
Trade and other receivables	3.7.2	**7 451**	7 143	4 646
Derivative financial assets	4.3	**39**	398	654
Investments and other financial instruments	3.5	**12**	-	-
Taxation	7.1	**170**	265	189
Cash resources	6.2	**1 729**	2 042	993
Assets classified as held-for-sale	11	**727**	376	657
Total assets		**62 647**	66 655	42 940
Equity and liabilities				
Capital and reserves				
Stated capital	5.1	**21 042**	21 042	21 104
Shares repurchased[2]	5.2	**(281)**	(434)	(587)
Common control reserve		**(19 407)**	(19 407)	(19 347)
Hedge accounting reserve	4.3	**(71)**	594	400
Other reserves		**337**	751	(586)
Retained income		**16 338**	15 081	12 940
Attributable to owners of Motus		**17 958**	17 627	13 924
Non-controlling interests	2.4	**179**	135	121
Total equity		**18 137**	17 762	14 045

[1] *IFRS 17 was adopted in the current financial year, and accordingly, in-substance insurance contracts have been recognised for the cell captive arrangements between the Group and the cell captive insurers. The previous investment in preference share arrangements with the cell captive insurers has been derecognised. The comparative amounts have been restated. Refer to note 1.3 – Accounting policies for additional information.*

[2] *Relates to treasury shares.*

Consolidated statement of financial position (continued)

as at 30 June 2024	Note	Audited 2024 Rm	Audited 2023 Rm	Audited 2022 Rm
Liabilities				
Non-current liabilities		**13 492**	16 045	8 089
Contract liabilities[1]	3.8	**1 704**	1 838	1 823
Lease liabilities	3.3.2	**2 795**	3 065	1 882
Interest-bearing debt	6.1	**8 086**	9 940	3 856
Provisions	3.7.5.1	**452**	699	444
Other financial liabilities		**7**	7	6
Deferred tax	7.2	**448**	496	78
Current liabilities		**31 018**	32 848	20 806
Contract liabilities[1]	3.8	**1 226**	1 248	1 198
Lease liabilities	3.3.2	**738**	703	465
Trade and other payables	3.7.3	**11 652**	13 306	11 028
Floorplans from suppliers	3.7.4	**8 973**	10 968	4 988
Provisions	3.7.5.1	**510**	416	539
Other financial liabilities		**31**	30	56
Derivative financial liabilities	4.3	**221**	122	131
Taxation	7.1	**180**	241	228
Interest-bearing debt	6.1	**4 802**	4 144	1 306
Floorplans from financial institutions	6.1	**2 685**	1 670	867
Total liabilities		**44 510**	48 893	28 895
Total equity and liabilities		**62 647**	66 655	42 940

[1] *Relates to vehicle service, maintenance and warranty contracts.*

Consolidated statement of profit or loss

for the year ended 30 June 2024	Note	Audited 2024 Rm	Audited Restated (IFRS 17) 2023[1] [2] Rm
Revenue[1]	8.1	**113 764**	106 538
– Revenue from sale of goods and rendering of services[1]		**113 369**	106 117
– Insurance revenue[1]		**395**	421
Operating expenses[2]	8.2.1	**(105 961)**	(98 402)
Operating income	8.2.2	**465**	-
Insurance service expenses[2]	3.6	**(53)**	(77)
Insurance finance income[2]	3.6	**57**	70
Movements in expected credit losses	3.7.2	**38**	(46)
Earnings before interest, taxation, depreciation and amortisation		**8 310**	8 083
Depreciation and amortisation	8.3.1	**(2 852)**	(2 400)
Share of results from associates and joint ventures	2.3	**45**	40
Operating profit before capital items and net foreign exchange movements		**5 503**	5 723
Impairment of property, plant and equipment, net of profit/(losses) on disposal	8.3.2	**(27)**	17
Other capital costs	8.4	**-**	(51)
Net foreign exchange movements	4.3	**(69)**	20
Operating profit before financing costs		**5 407**	5 709
Finance costs	8.5.1	**(2 265)**	(1 399)
Finance income	8.5.2	**76**	47
Profit before tax		**3 218**	4 357
Income tax expense	7.1	**(739)**	(947)
Attributable profit for the year		**2 479**	3 410
Attributable profit to:			
Owners of Motus		**2 436**	3 354
Non-controlling interests		**43**	56
Attributable profit for the year		**2 479**	3 410
Earnings per share (cents)			
– Basic	8.6	**1 450**	2 008
– Diluted	8.6	**1 400**	1 928

[1] *Revenue now includes insurance revenue, which has been recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated. Refer to note 1.3 – Accounting policies for additional information.*

[2] *Insurance service expenses and insurance finance income have been recognised as a result of the adoption of IFRS 17. The comparative amounts for operating expenses, insurance service expenses and insurance finance income have been restated. Refer to note 1.3 – Accounting policies for additional information.*

Consolidated statement of other comprehensive income

for the year ended 30 June 2024	Note	Audited 2024 Rm	Audited 2023 Rm
Attributable profit for the year		**2 479**	3 410
Other comprehensive (losses)/income		**(773)**	2 519
Exchange (losses)/gains arising on translation of foreign operations		**(412)**	1 402
Movements in hedge accounting reserve (including the effects of taxation)		**(361)**	1 117
– Effective portion of the fair value of the cash flow hedges		**(62)**	1 189
– Extension of open hedging instruments		**(296)**	246
– Re-classification to profit or loss		**(14)**	4
– Deferred tax relating to the hedge accounting reserve movements		**11**	(322)
Total comprehensive income for the year		**1 706**	5 929
Total comprehensive income for the year attributable to:			
Owners of Motus		**1 674**	5 864
Non-controlling interests	2.4	**32**	65
Total comprehensive income for the year		**1 706**	5 929

All amounts recognised in other comprehensive (losses)/income may be subsequently re-classified to profit or loss.

Consolidated statement of cash flows

for the year ended 30 June 2024	Note	Audited 2024 Rm	Audited Restated 2023[1] Rm
Cash flows from operating activities			
Cash receipts from customers		**112 964**	105 093
Cash paid to suppliers and employees[1]		**(106 825)**	(104 310)
Cash generated from operations before interest, dividends and taxation paid[1]	9.1	**6 139**	783
Finance costs paid	8.5.1	**(2 297)**	(1 320)
Finance income received	8.5.2	**76**	44
Dividend income received	9.2	**393**	377
Taxation paid	7.1	**(778)**	(1 071)
		3 533	(1 187)
Cash flows from investing activities			
Cash outflow on the acquisition of businesses	2.6	**(514)**	(4 693)
Cash inflow on the disposal of businesses	2.7	**-**	56
Payment of contingent consideration arising on the acquisition of business		**-**	(4)
Capital expenditure – property, plant and equipment, investment properties, intangible assets and assets classified as held-for-sale	9.3	**(808)**	(572)
Expansion of property, plant and equipment, investment properties, intangible assets and assets classified as held-for-sale	9.3	**(334)**	(293)
Replacement capital expenditure – property, plant and equipment, investment properties, intangible assets and assets classified as held-for-sale	9.3	**(474)**	(279)
– Replacement of property, plant and equipment, investment properties, intangible assets and assets classified as held-for-sale	9.3	**(713)**	(719)
– Proceeds on disposal of property, plant and equipment, investment properties, intangible assets and assets classified as held-for-sale	9.3	**239**	440
Movements in investments in associates and joint ventures		**50**	35
– Proceeds on disposal		**-**	8
– Share of dividends		**50**	26
– Loans repaid		**-**	1
Additions to investments	3.5	**(293)**	-
Proceeds on sale of investments		**6**	-
Advances of other financial assets		**(1)**	(1)
		(1 560)	(5 179)

[1] *The movements related to vehicles for hire is now disclosed as part of cash generated from operations before interest, dividends and taxation paid. The comparative amounts have been restated to align with the current year. Refer to note 1.6 – Restatement of prior year disclosures for additional information.*

Consolidated statement of cash flows (continued)

for the year ended 30 June 2024	Note	Audited 2024 Rm	Audited Restated 2023[1] Rm
Cash flows from operating and investing activities		**1 973**	(6 366)
Cash flows from financing activities			
Repurchase of own shares		**-**	(101)
Dividends paid to shareholders of Motus		**(1 096)**	(1 239)
Dividends paid to non-controlling interests		**(35)**	(52)
Incremental interest sold to non-controlling interests		**21**	-
Advances/(repayments) of loans from non-controlling interests and associates		**-**	(1)
– Advances of loans from non-controlling interests and associates		**31**	-
– Repayments of loans from non-controlling interests and associates		**(31)**	(1)
Repayments of lease liabilities	3.3.2	**(806)**	(669)
Advances/(repayments) of floorplans from financial institutions[1]	6.1	**893**	664
– Advances of floorplans from financial institutions[1]	6.1	**16 089**	11 562
– Repayments of floorplans from financial institutions[1]	6.1	**(15 196)**	(10 898)
(Repayments)/ advances of banking facilities	6.1	**(1 728)**	7 699
– Advances of banking facilities	6.1	**41 782**	50 139
– Repayments of banking facilities	6.1	**(43 510)**	(42 440)
		(2 751)	6 301
Decrease in cash and cash equivalents		**(778)**	(65)
Effects of exchange rate changes on cash and cash equivalents		**(94)**	265
Cash and cash equivalents at the beginning of the year		**921**	721
Cash and cash equivalents at the end of the year	6.3	**49**	921

[1] *Advances and repayments of floorplans from financial institutions have been disaggregated. The comparative amounts have been restated to align with the current year. Refer to note 1.6 – Restatement of prior year disclosures for additional information.*

Consolidated statement of changes in equity

for the year ended 30 June 2024	Stated capital Rm	Shares repurchased Rm	Common control reserve Rm	Hedge accounting reserve Rm	Share-based payment reserve Rm	Foreign currency translation reserve Rm	Statutory reserve Rm	Premium paid on the purchase of non-controlling interests Rm	Total other reserves Rm	Retained income Rm	Attributable to owners of Motus Rm	Non-controlling interests Rm	Total equity Rm
Opening balance as at 1 July 2022	21 104	(587)	(19 347)	400	206	116	15	(923)	(586)	12 940	13 924	121	14 045
Total comprehensive income for the year	-	-	-	1 117	-	1 393	-	-	1 393	3 354	5 864	65	5 929
– Attributable profit for the year	-	-	-	-	-	-	-	-	-	3 354	3 354	56	3 410
– Other comprehensive income	-	-	-	1 117	-	1 393	-	-	1 393	-	2 510	9	2 519
664 350 shares repurchased and cancelled at an average of R93,32 per share	(62)	-	-	-	-	-	-	-	-	-	(62)	-	(62)
418 795 shares repurchased at an average of R93,12 per share	-	(39)	-	-	-	-	-	-	-	-	(39)	-	(39)
Issue of 2 171 313 treasury shares at an average price of R88,43 per share as settlement of share-based equity	-	192	-	-	(192)	-	-	-	(192)	-	-	-	-
Share-based equity costs charged to profit or loss (including the effects of taxation)	-	-	-	-	101	-	-	-	101	-	101	-	101
Dividends paid to Motus and non-controlling shareholders	-	-	-	-	-	-	-	-	-	(1 239)	(1 239)	(52)	(1 291)
Amounts transferred to inventory from hedge accounting reserve (including the effects of taxation)	-	-	-	(923)	-	-	-	-	-	-	(923)	-	(923)
Transfers between reserves	-	-	(60)	-	31	-	1	-	32	28	-	-	-
Other movements	-	-	-	-	4	-	(1)	-	3	(2)	1	1	2
Closing balance as at 30 June 2023	**21 042**	**(434)**	**(19 407)**	**594**	**150**	**1 509**	**15**	**(923)**	**751**	**15 081**	**17 627**	**135**	**17 762**
Total comprehensive income for the year	-	-	-	(361)	-	(401)	-	-	(401)	2 436	1 674	32	1 706
– Attributable profit for the year	-	-	-	-	-	-	-	-	-	2 436	2 436	43	2 479
– Other comprehensive loss	-	-	-	(361)	-	(401)	-	-	(401)	-	(762)	(11)	(773)
Issue of 1 725 364 treasury shares at an average price of R88,68 per share as settlement of share-based equity	-	153	-	-	(153)	-	-	-	(153)	-	-	-	-
Incremental interest sold to non-controlling interests	-	-	-	-	-	-	-	(26)	(26)	-	(26)	47	21
Share-based equity costs charged to profit or loss (including the effects of taxation)	-	-	-	-	82	-	-	-	82	-	82	-	82
Dividends paid to Motus and non-controlling shareholders	-	-	-	-	-	-	-	-	-	(1 096)	(1 096)	(35)	(1 131)
Amounts transferred to inventory from hedge accounting reserve (including the effects of taxation)	-	-	-	(304)	-	-	-	-	-	-	(304)	-	(304)
Transfer between reserves[1]	-	-	-	-	83	-	-	-	83	(83)	-	-	-
Other movements	-	-	-	-	-	-	1	-	1	-	1	-	1
Closing balance as at 30 June 2024	**21 042**	**(281)**	**(19 407)**	**(71)**	**162**	**1 108**	**16**	**(949)**	**337**	**16 338**	**17 958**	**179**	**18 137**
Note	**5.1**	**5.2**		**4.3**								**2.4**	

[1] *This transfer between reserves relates to the remaining portion of vested plans in the share-based payment reserve of R83 million which was transferred to retained income.*

Segment financial position

as at 30 June 2024	Group 2024 Rm	Group 2023 Rm	Import and Distribution 2024 Rm	Import and Distribution 2023 Rm	Retail and Rental 2024 Rm	Retail and Rental 2023 Rm	Mobility Solutions 2024 Rm	Mobility Solutions 2023 Rm	Aftermarket Parts 2024 Rm	Aftermarket Parts 2023 Rm	Head Office and Eliminations 2024 Rm	Head Office and Eliminations 2023 Rm
Financial position												
Assets												
Goodwill and intangible assets	**6 490**	6 572	**2**	4	**1 801**	1 546	**10**	12	**4 666**	4 993	**11**	17
Carrying value of associates and joint ventures (excluding loans to associates)	**198**	204	**-**	-	**36**	32	**67**	55	**89**	113	**6**	4
Property, plant and equipment	**8 078**	8 188	**634**	628	**6 542**	6 822	**172**	160	**673**	518	**57**	60
Investment properties	**112**	121	**112**	121	**-**	-	**-**	-	**-**	-	**-**	-
Right-of-use assets	**3 162**	3 410	**45**	23	**1 951**	2 058	**-**	1	**1 166**	1 328	**-**	-
Investments and other financial instruments[1]	**481**	6	**4**	4	**-**	-	**463**	-	**-**	6	**14**	(4)
In-substance insurance contracts[1]	**222**	252	**-**	-	**-**	-	**222**	252	**-**	-	**-**	-
Vehicles for hire	**4 818**	3 920	**1 842**	931	**2 937**	2 988	**1 942**	1 000	**-**	-	**(1 903)**	(999)
Inventories	**27 379**	32 302	**5 619**	6 960	**17 668**	21 094	**315**	417	**3 822**	3 897	**(45)**	(66)
Trade and other receivables[2]	**7 451**	7 143	**2 050**	2 265	**4 349**	4 112	**318**	366	**1 955**	2 063	**(1 221)**	(1 663)
Derivative financial assets[2]	**39**	428	**19**	396	**-**	-	**-**	-	**1**	2	**19**	30
Operating assets	**58 430**	62 546	**10 327**	11 332	**35 284**	38 652	**3 509**	2 263	**12 372**	12 920	**(3 062)**	(2 621)
– South Africa[3]	**32 177**	35 070	**10 327**	11 332	**17 109**	19 797	**3 509**	2 263	**4 346**	4 267	**(3 114)**	(2 589)
– International	**26 339**	27 568	**-**	-	**18 175**	18 855	**-**	-	**8 112**	8 745	**52**	(32)
– Eliminations between geographic regions[3]	**(86)**	(92)	**-**	-	**-**	-	**-**	-	**(86)**	(92)	**-**	-
Liabilities												
Contract liabilities[4]	**2 930**	3 086	**-**	-	**86**	110	**2 844**	2 976	**-**	-	**-**	-
Lease liabilities	**3 533**	3 768	**45**	25	**2 225**	2 339	**-**	-	**1 263**	1 404	**-**	-
Provisions	**962**	1 115	**235**	292	**367**	410	**247**	253	**84**	82	**29**	78
Trade and other payables[5]	**11 652**	13 306	**4 009**	3 553	**7 092**	8 883	**682**	571	**2 475**	2 354	**(2 606)**	(2 055)
Floorplans from suppliers[5]	**8 973**	10 968	**-**	-	**8 973**	10 968	**-**	-	**-**	-	**-**	-
Other financial liabilities	**38**	37	**-**	-	**32**	33	**-**	-	**-**	-	**6**	4
Derivative financial liabilities[5]	**221**	122	**216**	18	**-**	-	**-**	-	**5**	4	**-**	100
Operating liabilities	**28 309**	32 402	**4 505**	3 888	**18 775**	22 743	**3 773**	3 800	**3 827**	3 844	**(2 571)**	(1 873)
– South Africa	**13 899**	14 976	**4 505**	3 888	**6 665**	7 709	**3 773**	3 800	**1 534**	1 428	**(2 578)**	(1 849)
– International	**14 410**	17 426	**-**	-	**12 110**	15 034	**-**	-	**2 293**	2 416	**7**	(24)
Net working capital	**13 061**	14 362	**3 228**	5 758	**5 585**	4 945	**(296)**	(41)	**3 214**	3 522	**1 330**	178
– South Africa[3]	**9 280**	12 338	**3 228**	5 758	**3 168**	4 464	**(296)**	(41)	**1 900**	1 972	**1 280**	185
– International	**3 867**	2 116	**-**	-	**2 417**	481	**-**	-	**1 400**	1 642	**50**	(7)
– Eliminations between geographic regions[3]	**(86)**	(92)	**-**	-	**-**	-	**-**	-	**(86)**	(92)	**-**	-
Core debt	**11 159**	12 042	**3 630**	4 692	**4 690**	4 252	**(3 706)**	(4 270)	**3 965**	4 564	**2 580**	2 804
– South Africa	**9 683**	11 554	**3 630**	4 692	**3 931**	5 016	**(3 706)**	(4 270)	**1 821**	1 857	**4 007**	4 259
– International	**1 476**	488	**-**	-	**759**	(764)	**-**	-	**2 144**	2 707	**(1 427)**	(1 455)
Net debt	**13 844**	13 712	**3 921**	4 692	**6 255**	5 412	**(2 877)**	(3 760)	**3 965**	4 564	**2 580**	2 804
– South Africa	**11 042**	12 315	**3 921**	4 692	**4 170**	5 267	**(2 877)**	(3 760)	**1 821**	1 857	**4 007**	4 259
– International	**2 802**	1 397	**-**	-	**2 085**	145	**-**	-	**2 144**	2 707	**(1 427)**	(1 455)
Net capital expenditure	**(3 029)**	(1 849)	**(1 446)**	(224)	**(1 216)**	(1 640)	**(1 126)**	(64)	**(290)**	(140)	**1 049**	219
– South Africa	**(2 678)**	(1 535)	**(1 446)**	(224)	**(1 001)**	(1 392)	**(1 126)**	(64)	**(148)**	(74)	**1 043**	219
– International	**(351)**	(314)	**-**	-	**(215)**	(248)	**-**	-	**(142)**	(66)	**6**	-
Non-current assets (including equity investment in associates, excluding investments, in-substance insurance contracts, deferred tax and other financial instruments)	**18 040**	18 525	**793**	776	**10 330**	10 458	**249**	228	**6 594**	6 952	**74**	111
– South Africa	**7 619**	8 035	**793**	776	**5 091**	5 558	**249**	228	**1 408**	1 362	**78**	111
– International	**10 421**	10 490	**-**	-	**5 239**	4 900	**-**	-	**5 186**	5 590	**(4)**	-
United Kingdom	**8 463**	8 848	**-**	-	**3 389**	3 372	**-**	-	**5 078**	5 476	**(4)**	-
Other regions (Australia and Asia)[6]	**1 958**	1 642	**-**	-	**1 850**	1 528	**-**	-	**108**	114	**-**	-

[1] *IFRS 17 was adopted in the current financial year, and accordingly, in-substance insurance contracts have been recognised for the cell captive arrangements between the Group and the cell captive insurers. The previous investment in preference share arrangements with the cell captive insurers has been derecognised. The comparative amounts have been restated. Refer to note 1.3 – Accounting policies for additional information.*

[2] *Derivative financial assets have been disaggregated from trade and other receivables to enhance disclosure. The comparative amounts have been amended to align with the current disclosure.*

[3] *The impact of eliminations between geographies has been disaggregated to enhance disclosure. The comparative amounts have been amended to align with the current disclosure.*

[4] *Relates to vehicle service, maintenance and warranty contracts.*

[5] *Derivative financial liabilities and floorplans from suppliers have been disaggregated from trade and other payables to enhance disclosure. The comparative amounts have been amended to align with the current disclosure.*

[6] *Retail and Rental operates in Australia and Aftermarket Parts operates in Asia.*

Segment profit or loss

for the year ended 30 June 2024	Group		Import and Distribution		Retail and Rental		Mobility Solutions		Aftermarket Parts		Head Office and Eliminations	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Profit or loss												
Revenue[1]	**113 764**	106 538	**19 275**	24 596	**91 836**	84 404	**2 567**	2 520	**14 387**	12 406	**(14 301)**	(17 388)
– South Africa[1]	**61 778**	65 867	**19 275**	24 596	**46 576**	48 506	**2 567**	2 520	**7 547**	7 605	**(14 187)**	(17 360)
– International	**52 809**	41 555	**-**	-	**45 260**	35 898	**-**	-	**7 663**	5 685	**(114)**	(28)
United Kingdom	**39 671**	31 851	**-**	-	**33 323**	27 513	**-**	-	**6 462**	4 366	**(114)**	(28)
Other regions (Australia and Asia)[2]	**13 138**	9 704	**-**	-	**11 937**	8 385	**-**	-	**1 201**	1 319	**-**	-
– Eliminations between geographic regions	**(823)**	(884)	**-**	-	**-**	-	**-**	-	**(823)**	(884)	**-**	-
Earnings before interest, taxation, depreciation and amortisation	**8 310**	8 083	**1 324**	1 768	**4 262**	4 078	**1 431**	1 310	**1 805**	1 493	**(512)**	(566)
– South Africa	**5 362**	5 887	**1 324**	1 768	**2 524**	2 727	**1 431**	1 310	**579**	644	**(496)**	(562)
– International	**2 942**	2 218	**-**	-	**1 738**	1 351	**-**	-	**1 220**	871	**(16)**	(4)
– Eliminations between geographic regions	**6**	(22)	**-**	-	**-**	-	**-**	-	**6**	(22)	**-**	-
Depreciation, amortisation and impairments net of recoupments	**(2 879)**	(2 383)	**(547)**	(353)	**(1 711)**	(1 542)	**(175)**	(190)	**(582)**	(462)	**136**	164
– South Africa	**(2 010)**	(1 667)	**(547)**	(353)	**(1 220)**	(1 102)	**(175)**	(190)	**(203)**	(186)	**135**	164
– International	**(869)**	(716)	**-**	-	**(491)**	(440)	**-**	-	**(379)**	(276)	**1**	-
Operating profit before capital items and net foreign exchange movements	**5 503**	5 723	**780**	1 416	**2 585**	2 550	**1 274**	1 141	**1 240**	1 043	**(376)**	(427)
– South Africa	**3 405**	4 250	**780**	1 416	**1 315**	1 643	**1 274**	1 141	**398**	473	**(362)**	(423)
– International	**2 092**	1 495	**-**	-	**1 270**	907	**-**	-	**836**	592	**(14)**	(4)
– Eliminations between geographic regions	**6**	(22)	**-**	-	**-**	-	**-**	-	**6**	(22)	**-**	-
Finance costs	**(2 265)**	(1 399)	**(799)**	(515)	**(1 639)**	(1 110)	**(83)**	(77)	**(484)**	(369)	**740**	672
– South Africa	**(1 602)**	(1 035)	**(799)**	(515)	**(935)**	(709)	**(83)**	(75)	**(229)**	(206)	**444**	470
– International	**(663)**	(364)	**-**	-	**(704)**	(401)	**-**	(2)	**(255)**	(163)	**296**	202
Finance income	**76**	47	**195**	127	**238**	150	**-**	-	**18**	3	**(375)**	(233)
– South Africa	**24**	25	**195**	127	**16**	9	**-**	-	**2**	1	**(189)**	(112)
– International	**52**	22	**-**	-	**222**	141	**-**	-	**16**	2	**(186)**	(121)
Other capital costs	**-**	(51)	**-**	-	**-**	(28)	**-**	-	**-**	(23)	**-**	-
– South Africa	**-**	(52)	**-**	-	**-**	(28)	**-**	-	**-**	(24)	**-**	-
– International	**-**	1	**-**	-	**-**	-	**-**	-	**-**	1	**-**	-
Profit/(losses) before tax	**3 218**	4 357	**95**	1 142	**1 157**	1 552	**1 192**	1 058	**782**	646	**(8)**	(41)
– South Africa	**1 718**	3 293	**95**	1 142	**392**	900	**1 192**	1 060	**173**	243	**(134)**	(52)
– International	**1 494**	1 086	**-**	-	**765**	652	**-**	(2)	**603**	425	**126**	11
– Eliminations between geographic regions	**6**	(22)	**-**	-	**-**	-	**-**	-	**6**	(22)	**-**	-
Income tax expense	**(739)**	(947)	**(24)**	(200)	**(321)**	(406)	**(200)**	(202)	**(183)**	(160)	**(11)**	21

[1] *Revenue in the comparative period has been restated due to the adoption of IFRS 17. Refer to note 1.3 – Accounting policies for additional information.*

[2] *Retail and Rental operates in Australia and Aftermarket Parts operates in Asia.*

Segment profit or loss (continued)

for the year ended 30 June 2024	Group 2024 Rm	Group 2023 Rm	Import and Distribution 2024 Rm	Import and Distribution 2023 Rm	Retail and Rental 2024 Rm	Retail and Rental 2023 Rm	Mobility Solutions 2024 Rm	Mobility Solutions 2023 Rm	Aftermarket Parts 2024 Rm	Aftermarket Parts 2023 Rm	Head Office and Eliminations 2024 Rm	Head Office and Eliminations 2023 Rm
Additional information												
Revenue by nature												
Sale of goods[1]	101 716	95 405	19 211	24 530	81 650	75 190	5	11	14 347	12 326	(13 497)	(16 652)
– New vehicle sales	51 727	49 472	15 082	20 864	46 743	42 199	-	-	-	-	(10 098)	(13 591)
– Pre-owned vehicle sales	23 933	23 327	1 746	1 281	23 770	23 277	5	11	-	-	(1 588)	(1 242)
– Parts and other goods sales[1]	26 056	22 606	2 383	2 385	11 137	9 714	-	-	14 347	12 326	(1 811)	(1 819)
Rendering of services[1]	11 653	10 712	64	66	10 186	9 214	2 228	2 137	40	80	(865)	(785)
– Vehicle workshops, service, maintenance and warranty[1]	6 877	6 096	42	44	5 709	4 871	1 409	1 440	-	-	(283)	(259)
– Vehicle rental	2 934	2 636	-	-	2 650	2 430	624	497	-	-	(340)	(291)
– Fees on vehicles, parts and services sold[1]	1 842	1 980	22	22	1 827	1 913	195	200	40	80	(242)	(235)
Insurance revenue[1]	395	421	-	-	-	-	334	372	-	-	61	49
Total revenue	113 764	106 538	19 275	24 596	91 836	84 404	2 567	2 520	14 387	12 406	(14 301)	(17 388)
Categorised as follows:												
– Revenue recognised at a point in time	108 962	101 978	19 253	24 574	89 051	81 853	293	291	14 387	12 406	(14 022)	(17 146)
– Revenue recognised over a period of time (vehicle service, maintenance and warranty revenue)	1 451	1 481	-	-	135	121	1 316	1 360	-	-	-	-
– Vehicle and property rental	2 956	2 658	22	22	2 650	2 430	624	497	-	-	(340)	(291)
– Insurance revenue	395	421	-	-	-	-	334	372	-	-	61	49
Intergroup revenue	-	-	(12 924)	(16 256)	(866)	(658)	(515)	(476)	(57)	(47)	14 362	17 437
External revenue	113 764	106 538	6 351	8 340	90 970	83 746	2 052	2 044	14 330	12 359	61	49
Depreciation, amortisation and impairments, net of recoupments	(2 879)	(2 383)	(547)	(353)	(1 711)	(1 542)	(175)	(190)	(582)	(462)	136	164
– Depreciation and amortisation	(2 852)	(2 400)	(544)	(352)	(1 682)	(1 534)	(175)	(184)	(587)	(468)	136	138
– Losses/(profit) on disposals and impairments	(27)	17	(3)	(1)	(29)	(8)	-	(6)	5	6	-	26
(Costs)/income included in profit before tax												
Fair value movements on preference share arrangements[2]	295	98	-	-	-	-	295	98	-	-	-	-
Total employee costs	(9 764)	(8 680)	(445)	(448)	(6 241)	(5 699)	(568)	(568)	(2 321)	(1 787)	(189)	(178)
Operating lease charges	(279)	(221)	(16)	(12)	(251)	(199)	(2)	-	(29)	(10)	19	-
Insurance service expenses[3]	(53)	(77)	-	-	-	-	(72)	(89)	-	-	19	12
Insurance finance income[3]	57	70	-	-	-	-	57	70	-	-	-	-
Movements in expected credit losses	38	(46)	39	6	(21)	(48)	-	2	-	(7)	20	1
Share of results from associates and joint ventures	45	40	-	-	5	6	18	15	22	18	-	1
Net foreign exchange movements	(69)	20	(79)	115	1	(2)	-	-	3	(15)	6	(78)
Margins (%)												
Operating margin	4,8	5,4	4,0	5,8	2,8	3,0			8,6	8,4		

[1] *Revenue now includes insurance revenue, which has been recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated. Refer to note 1.3 – Accounting policies for additional information.*

[2] *The fair value movements on the preference share arrangements with cell captive insurers have been derecognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 1.3 – Accounting policies for additional information.*

[3] *Insurance service expenses and insurance finance income have been recognised as a result of the adoption of IFRS 17. The comparative amounts for insurance service expenses and insurance finance income have been restated to align with the new disclosure requirements. Refer to note 1.3 – Accounting policies for additional information.*

Notes to the consolidated annual financial statements

INDEX

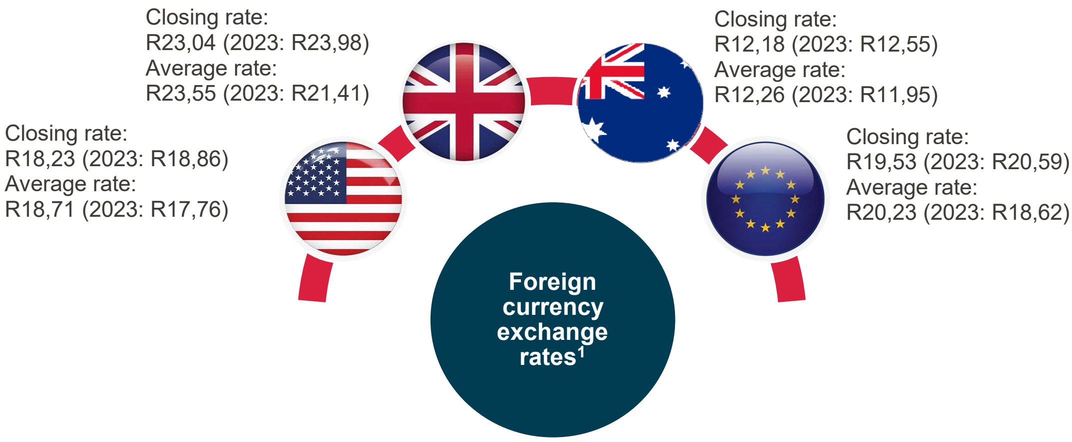
1. Accounting framework and critical judgements

1.1 Basis for preparation

The audited consolidated and separate annual financial statements have been prepared in accordance with IFRS Accounting Standards and its interpretations adopted by the International Accounting Standards Board in issue and effective for the Group at 30 June 2024 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act and the JSE Listings Requirements.

The preparation of the audited consolidated and separate annual financial statements are in conformity with the IFRS Accounting Standards which require the use of certain critical accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the audited consolidated and separate annual financial statements have been disclosed in note 1.4 – Critical accounting judgements, estimates and assumptions.

The audited consolidated and separate annual financial statements are presented in South African Rand (ZAR), the presentation currency of the Group and all amounts are rounded to the nearest million, except where otherwise indicated. Foreign currency exchange rates used in the preparation and converting into Rand are set out below:



[1] *Average rates represent the average rates for the financial year.*

The foreign currency translation reserve consists of the accumulation of the exchange rate differences that occur when translating the foreign subsidiaries from their functional currency into the Group's presentation currency. On disposal of the investment, the accumulated foreign currency translation reserve related to the foreign subsidiary is recognised in profit or loss.

The reduction of an investment in a foreign subsidiary that does not result in loss of control is not treated as a disposal, however the carrying value of the Group's interest and the non-controlling interest is adjusted to reflect the changes in the relative interest in the foreign subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the subsidiary.

The Company's acquisition of Motus Capital Proprietary Limited, Motus Corporation Proprietary Limited, and Motus Group Limited in prior years met the definition of a common control transaction, as all the group of entities were ultimately controlled by the same party before and after the combination, and that control was not transitory. The IFRS Accounting Standards do not provide guidance on the accounting for common control transactions. In the absence of specific guidance relating to common control transactions, the Group selected an appropriate accounting policy using the hierarchy described in IAS 8.

There was no change in the basis for the net assets received because there was no change in control over the net assets or equity interests from the Company's perspective. Any difference between any proceeds transferred and the carrying amounts of the net assets received was recognised in equity as a common control reserve. No additional goodwill was created.

The audited consolidated and separate annual financial statements have been prepared on the historical cost basis, except for the following significant items included in the consolidated statement of financial position:

Item	Measurement	Note
Derivative financial instruments		
• Forward exchange contracts	Fair value	4.3 – Currency and hedge accounting
• Interest rate derivative contracts	Fair value	6.1 – Interest-bearing debt
Investments in preference shares in banking alliances	Fair value	3.5 – Investments and other financial instruments

Notes to the consolidated annual financial statements (continued)

1. Accounting framework and critical judgements (continued)

1.2 Going concern

The Group's results for the 12 months to 30 June 2024 reflect strong strategic and operational achievements, which supported a resilient financial performance in a challenging and evolving trading environment.

The Group's primary strategies of international expansion and diversification beyond vehicle sales profitability supported the business segments that were more significantly affected by constrained consumers. In addition, organic business initiatives and bolt-on acquisitions assisted the Group's resilient financial performance.

The automotive industry is impacted by various factors, including higher-than-normal vehicle and parts price inflation, volatility in the SA Rand against major currencies, high interest rates, and high cost-of-living in all geographies we operate in. These challenges contributed to a strain on consumer disposable income. The oversupply of vehicles from OEMs has moderated. However, the additional discounts provided to encourage vehicle sales were negatively impacting margins. Increased competition has entered the market through new derivatives, new entrants, and competitive pricing.

The Group has responded well, supported by cost containment, resilient customer demand, supply chain normalisation and continued funding by the banks. The Group continues to innovate, improve efficiency, and provide superior customer experience.

	2024 Rm	2023 Rm	% change
Total equity	**18 137**	17 762	2
Net debt	**13 844**	13 712	1
Core debt	**11 159**	12 042	(7)
Capital structure (Equity%: Net debt%)	**57 : 43**	56 : 44	
Total banking facilities (excluding floorplans)	**17 683**	17 393	2
– Committed	**17 383**	17 093	2
– Uncommitted	**300**	300	-
Cash generated from operations before movements in net working capital and vehicles for hire	**7 563**	7 837	(3)

When managing its cash and banking resources, the Group's objectives are to safeguard its ability to continue as a going concern and strive to create long-term value for stakeholders through strategic clarity, capital allocation, financial discipline, operational excellence, and strict cash utilisation.

The Board has reviewed and approved the Group and Company forecasts prepared by management and the solvency and liquidity, and working capital adequacy tests. The forecast includes a detailed consolidated statement of financial position, profit or loss and cash flows.

Due to the inherent level of uncertainty over key assumptions used in the Group's projections, a sensitivity analysis has been performed to model the impact of adverse trends on the Group's ability to operate as a going concern. The result indicated that the Group remains a going concern in these adverse situations. The projections assumed that the Group would continue to trade with no significant restrictions over the next 12 months.

The Group has access to fixed and variable interest-bearing debt facilities with financial institutions and floorplan facilities with financial institutions and suppliers.

In terms of the banking agreements, the following bank covenants are in place:

- The net debt to Adjusted EBITDA must be below 3,0 times; and
- The Adjusted EBITDA to Adjusted net interest must be above 3,0 times.

The Group has complied with these banking covenants as at 30 June 2024, with net debt to Adjusted EBITDA at 1,9 times (2023: 1,8 times) and Adjusted EBITDA to Adjusted net interest at 3,7 times (2023: 6,4 times).

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

The Group is not currently involved in any significant litigation that could significantly affect the Group's ability to operate as a going concern.

The Group's assets are adequately insured or, in certain instances, self-insured where the Group considers the risks are of such a nature that it can be self-insured without creating undue risk to the Group. The full extent of the insurance cover and self-insurance arrangements have been reviewed by senior management and is considered acceptable.

Based on this review, the Board concluded that there is a reasonable expectation that the Group and Company will continue to meet its obligations as they fall due and that the Group would remain comfortably within the existing bank facility limits, with significant headroom, for at least the next 12 months from the date of approval of these audited consolidated and separate annual financial statements.

The Board considers it appropriate to adopt the going concern assumption in preparing the audited consolidated and separate annual financial statements.

1. Accounting framework and critical judgements (continued)

1.3 Accounting policies

Accounting policies for which no choice is permitted in terms of the IFRS Accounting Standards have been included only if senior management concluded that the disclosure would assist users in understanding the audited consolidated and separate annual financial statements as a whole and considering the significance of the item discussed. Accounting policies that are not applicable from time to time have been removed but will be included if the type of transaction occurs in future or becomes significant to the understanding of the audited consolidated and separate annual financial statements. Accounting policies that refer to "consolidated" or "Group" apply equally to the consolidated annual financial statements and the separate annual financial statements of the Company, where relevant.

The accounting policies applicable to each note, together with the applicable critical judgements, are included in related notes to the audited consolidated and separate annual financial statements and are consistent with the prior financial year with the exception of new and revised policies as required by new and revised IFRS Accounting Standards issued and in effect.

The amendments made to IAS 1, IAS 8 and IAS 12 were applicable to the current financial year and had no significant impact on the results of the Group. The impact of the adoption of IFRS 17 is outlined below.

The new and revised standards not yet in effect in the current financial year and which may impact the Group in the future are outlined in note 13 – New issued standards not yet effective.

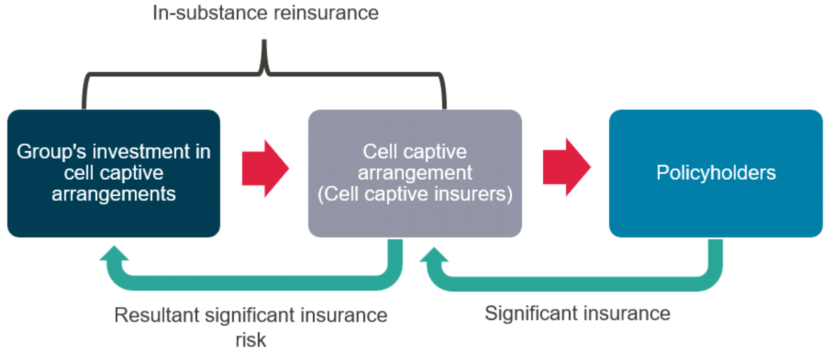
Adoption of IFRS 17

IFRS 17 was introduced to replace IFRS 4, an accounting standard that permitted entities to use a wide variety of accounting practices for insurance contracts. The new standard is expected to provide more transparent reporting regarding the financial position and the related risks associated with the insurance contracts.

The Group has entered into agreements with cell captive insurers whereby it has the right to share in the performance of the portfolio of insurance products that form part of the cell captive arrangements in exchange for the subscription price paid. In addition, the Group has undertaken the obligation to recapitalise and maintain the solvency capital requirements of the cell captive arrangements.

The Group has applied IFRS 17 retrospectively to the cell captive arrangements entered into with insurance companies for the current financial year. The Group offers life and short-term insurance products to its customers (underwritten by registered insurance companies (the cell captive insurers)) through contractual cell captive arrangements with the cell captive insurers.

In terms of IFRS 17, the cell captive arrangements are considered to have transferred significant insurance risk to the Group due to the obligations imposed. The cell captive arrangements create an in-substance insurance contract relationship between the Group and the cell captive insurers.



IFRS 17 requires that the measurement of a group of contracts includes all the future cash flows within the boundary of each contract. It further defines the "coverage period" as the period during which the Group provides insurance contract services and includes all the premiums within the contract boundary of the in-substance insurance contracts.

The Group has performed the eligibility test for the premium allocation approach (PAA) on the in-substance insurance contracts, comparing the resultant carrying value based on the general measurement model (GMM) and the PAA for each group of contracts.

The resultant carrying value, as determined by each of the measurement models, did not differ significantly, and as a result, the Group has elected to apply the PAA methodology.

The remeasurement of the cell captive arrangements under IFRS 17 resulted in a variance in the carrying value when compared to the carrying values previously disclosed under IFRS 9. The required cumulative net adjustment to equity is insignificant and has been recognised as part of the current financial year's results.

1. Accounting framework and critical judgements (continued)

1.3 Accounting policies (continued)

Adoption of IFRS 17 (continued)

The comparative disclosures have been restated retrospectively using the full retrospective approach outlined in IFRS 17. This will improve transparency and comparability for the users of the audited consolidated and separate annual financial statements. The restatements relate to the new lines of disclosure on the consolidated statement of financial position and consolidated statement of profit or loss, and related notes. No cumulative adjustment to equity was made on 1 July 2022.

Impact on the consolidated statement of financial position

The in-substance insurance contracts were recognised for the cell captive arrangements to which IFRS 17 was applied and the investment in the preference share arrangements was derecognised. As mentioned above, the cumulative net adjustment required was insignificant and has been recognised in the current financial year's results.

	2023 Rm	2022 Rm
Investments and other financial instruments, as previously disclosed	258	320
Now disclosed as:		
– Investments and other financial instruments	6	6
– In-substance insurance contracts	252	314

Impact on the consolidated statement of profit or loss

Due to the adoption of IFRS 17, insurance revenue, insurance service expenses and insurance finance income have been presented in the consolidated statement of profit or loss, and the previously disclosed dividend income and related fair value adjustments relating to the investment in preference share arrangements was derecognised. The insurance service result has been disclosed as part of the notes to the consolidated statement of financial position. There was no impact on the earnings before interest, taxation, depreciation and amortisation.

In addition, the other operations of the Group earn revenue, such as:

- Commission earned on the initial sale of the insurance products;
- Policy administration fees earned in the form of binder and outsource functions performed; and
- Parts and workshop revenue earned on vehicle repairs.

This revenue forms part of the revenue from the sale of goods and rendering of services and, upon the adoption of IFRS 17, has subsequently been eliminated.

The following represents an extract of the consolidated statement of profit or loss, as previously disclosed as:

	2023 Rm
Revenue	106 321
Operating expenses	(98 192)
Movements in expected credit losses	(46)
Earnings before interest, taxation, depreciation and amortisation	8 083

Notes to the consolidated annual financial statements (continued)

1. Accounting framework and critical judgements (continued)

1.3 Accounting policies (continued)

Adoption of IFRS 17 (continued)

Impact on the consolidated statement of profit or loss (continued)

The following represents an extract of the consolidated statement of profit or loss, now disclosed as:

	2023 Rm
Revenue	106 538
– Revenue from sale of goods and rendering of services	106 117
– Revenue from sale of goods and rendering of services, as previously disclosed	106 321
– *Less:* Elimination of revenue earned from the initial sale, policy administration and vehicle repairs	(204)
– Insurance revenue	421
Operating expenses	(98 402)
– Operating expenses, as previously disclosed	(98 192)
– *Less*: Dividend income received on preference share arrangements	(272)
– *Add*: Fair value movements on preference share arrangements	62
Insurance service expenses	(77)
Insurance finance income	70
Movements in expected credit losses	(46)
Earnings before interest, taxation, depreciation and amortisation	8 083

Other impacts

The restatement has no impact on earnings per share, headline earnings per share, or dilutive earnings per share, as it only impacted the prior year's qualitative disclosures.

The investment in preference share arrangements with cell insurers was previously regarded as a level 3 financial instrument measured at fair value. Under the requirements of IFRS 17 it is not regarded as a financial instrument.

Refer to note 3.6 – In-substance insurance contracts for additional information, including the judgements applied and assumptions made in adopting IFRS 17.

Notes to the consolidated annual financial statements (continued)

1. Accounting framework and critical judgements (continued)

1.4 Critical accounting judgements, estimates and assumptions

When preparing the audited consolidated and separate annual financial statements, it is necessary that senior management makes several accounting estimates and judgements that affect the results disclosed. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical accounting judgements, estimates and assumptions identified are those that have a risk of resulting in a significant adjustment. The estimates are expectations of the future, or other sources of estimation uncertainty, based on assumptions. These assumptions are to the extent possible supported by historical trends or reasonable expectations.

Accounting judgements are made when applying accounting policies. Critical accounting judgements are the judgements made, that can have a significant impact on the amounts recognised in the audited consolidated and separate annual financial statements.

Senior management believes that the estimates are the most likely outcome of future events. Senior management bases the estimates on historical experience and other assumptions that are reasonable under the given circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Further information on the areas that involve a significant degree of judgement, assumption and estimation can be obtained in the respective notes.

Note		Critical judgement, assumption or estimate
Consolidated annual financial statements		
2.1	– Goodwill	Identification of CGUs as well as the estimation of future cash flows, growth rates and discount rates used when assessing the CGUs for impairment.
2.2	– Intangible assets	Identification of separately identifiable intangible assets and valuation thereof. Identification of CGUs as well as the estimation of the useful lives of the intangible assets. Estimation of future cash flows, growth rates and discount rates used when assessing the indefinite useful life intangible asset for impairment.
2.3	– Investments in associates and joint ventures	Assessment of control over Ukhamba.
3.1	– Property, plant and equipment	Estimation of residual values and useful lives of property, plant and equipment. Estimation of future cash flows, growth rates and discount rates used when assessing the owner-occupied properties for impairment.
3.4	– Vehicles for hire	Estimation of residual values and useful lives of the vehicles for hire.
3.5	– Investments and other financial assets	Estimation of future cash flows, discount rates, allowances for non-controlling interest and illiquidity when determining the fair value of the investments in preference shares in banking alliances.
3.7.1	– Inventories	Estimation in the calculation of the NRV of inventory.
3.7.2	– Trade and other receivables	Forward-looking information utilised in the expected credit loss model.
3.7.4	– Floorplans from suppliers	Assumptions applied in the classification of the floorplans from suppliers and those from financial institutions.
3.7.5.1	– Provisions	Estimation of amount and timing of settlement.
3.8	– Contract liabilities	Estimates of inputs used to determine the stage of completion or the burn rates of the contracts and related revenue recognition. Assumptions applied in the classification of service, maintenance and warranty contracts in terms of IFRS 17 compared to IFRS 15.
4.3	– Currency risk and hedge accounting	Assumptions applied in determining the forecasted purchases and delivery dates.
6.1	– Interest-bearing debt	Assumptions applied in the classification of the floorplans from financial institutions and those from suppliers.
7.2	– Deferred tax	Recoverability of deferred tax assets in respect of future taxable profits.
Separate annual financial statements		
3	– Investment in subsidiaries	Estimation of future cash flows, growth rates and discount rates used when assessing the investments for impairment or reversal of impairment.

Notes to the consolidated annual financial statements (continued)

1. Accounting framework and critical judgements (continued)

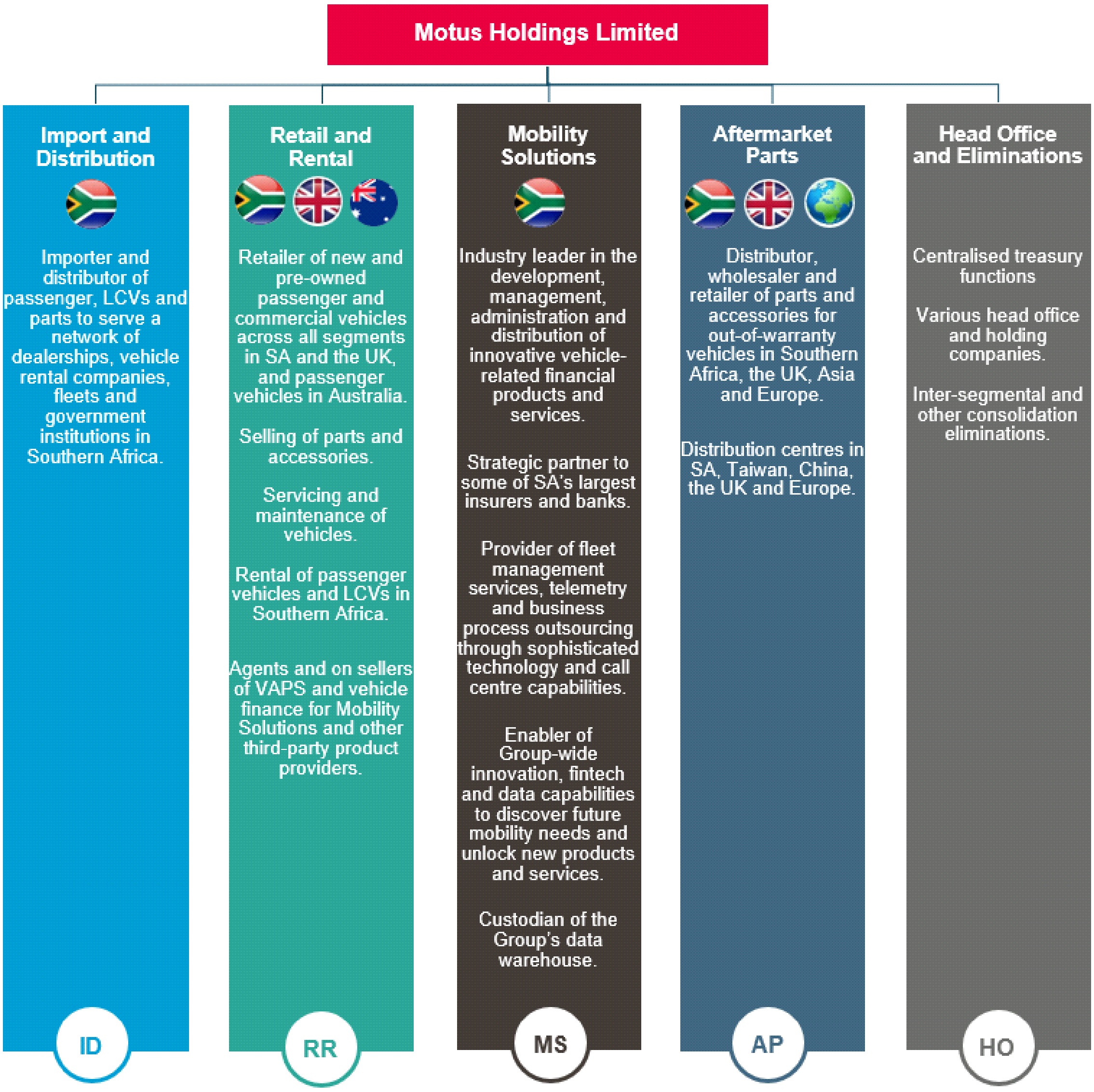
1.5 Basis of preparation of segment information

Operating segments are reported in a manner consistent with the internal reporting requirements of the Group as provided to the chief operating decision-makers, being the CEO and the CFO. The chief operating decision-makers are responsible for allocating resources and assessing the performance of the operating segments.

The operations have been allocated to each operating business segment based on senior management's assessment of their core operating activities, nature of the revenue streams and where they participate in the automotive value chain. Due to the integrated nature of businesses in Retail and Rental, wherein vehicles are sold to the retail dealerships at the end of the rental term, this is regarded as one operating segment and accordingly, no business segments have been aggregated. The allocations between the operating business segments are consistent with that of the prior year.

Segment revenue reflects sales to external parties as well as intersegmental transactions across segments, which are eliminated under Head Office and Eliminations. Revenues are recorded in the country where the sales occur. Revenues between geographical areas within the Group are eliminated in the applicable operating segments. Central costs are allocated to the segment which derives the benefits from the costs.

The products and services of each of the operating segments are described below:



1. Accounting framework and critical judgements (continued)

1.6 Restatement of prior year disclosures

The following has been restated:

- The movements in vehicles for hire are now disclosed as part of the cash generated from operations before interest, dividends and taxation paid and not on the face of the consolidated statement of cash flows; and
- The advances and repayments of floorplans from financial institutions have been disaggregated in the consolidated statement of cash flows.

The restatements had no impact on the earnings per share, headline earnings per share and dilutive earnings per share.

Restatement of the movements in vehicles for hire on the consolidated statement of cash flows

Vehicles for hire have an operating lifecycle averaging 12 months, after which they are sold to dealerships and thereafter sold as pre-owned vehicles. These vehicles are used during the Group's normal operating cycle to generate vehicle rental income.

In the prior financial year, the movements in vehicles for hire were erroneously presented on the face of the consolidated statement of cash flows. The cash flows, as previously presented, did not reflect gross cash flows external to the Group and, as such, should not have been presented as a cash flow on the face of the consolidated statement of cash flows. This has subsequently been corrected and is now included as part of the cash generated from operations before interest, dividends and taxation paid.

The restated disclosure accurately depicts the nature and timing of the movements in vehicles for hire, which is now more closely aligned with the disclosure of the movements in inventories. The restatement also allows for further decluttering on the consolidated statement of cash flows.

The restatement did not impact the cash flows from operating activities, as disclosed in the consolidated statement of cash flows.

The following represents an extract of the consolidated statement of cash flows, as previously disclosed as:

	2023 Rm
Cash flows from operating activities	
Cash receipts from customers	105 093
Cash paid to suppliers and employees	(103 033)
Cash generated from operations before interest, dividends, taxation paid and capital expenditure on vehicles for hire	2 060
Finance costs paid	(1 320)
Finance income received	44
Dividend income received	377
Taxation paid	(1 071)
Cash generated from operations before capital expenditure on vehicles for hire	90
Replacement capital expenditure – vehicles for hire	(1 277)
– Additions	(3 978)
– Proceeds on disposals	2 701
	(1 187)

The following represents an extract of the consolidated statement of cash flows including the restatements, now disclosed as:

	2023 Rm
Cash flows from operating activities	
Cash receipts from customers	105 093
Cash paid to suppliers and employees	(104 310)
Cash generated from operations before interest, dividends and taxation paid	783
Finance costs paid	(1 320)
Finance income received	44
Dividend income received	377
Taxation paid	(1 071)
	(1 187)

Notes to the consolidated annual financial statements (continued)

1. Accounting framework and critical judgements (continued)

1.6 Restatement of prior year disclosures (continued)

Restatement of advances and repayments of floorplans from financial institutions on the consolidated statement of cash flows

In the prior financial year, the Group presented the cash flows relating to advances and repayments of floorplans from financial institutions erroneously on a net basis in accordance with the utilisation of the facilities.

IAS 7 requires that cash flows be presented on a gross basis. In the current financial year, this was restated to include cash flows relating to advances and repayments of floorplans from financial institutions to meet the requirements of IAS 7, increase transparency, provide information to the users of the consolidated annual financial statements for decision-making purposes and improve comparability with other publicly traded entities.

The restatement had no impact on the cash flows from financing activities on the consolidated statement of cash flows.

The restatement on the consolidated statement of cash flows is as follows:

	2023 Rm
Increase in floorplans from financial institutions, as previously disclosed	664
Now disclosed as:	
Advances/(repayments) of floorplans from financial institutions	664
– Advances of floorplans from financial institutions	11 562
– Repayments of floorplans from financial institutions	(10 898)

2. Arising on consolidation

2.1 Goodwill

Goodwill is allocated to the CGU that is expected to benefit from the synergies of the business combination. Goodwill is measured and managed at an operating segment level.

When defining the composition of each CGU, the Group considers various factors such as the nature of operations, interdependence of cash flows generated and how the operations are practically managed and measured.

None of the goodwill arising on the acquisitions during the financial year is expected to be deductible for tax purposes (2023: Rnil million).

2024	Carrying value at the beginning of the year Rm	Acquisition of businesses[1] Rm	Currency adjustments Rm	Carrying value at the end of the year Rm
Rental and Retail	1 283	314	(49)	1 548
South Africa	49	-	-	49
– Mercedes Benz Passenger	49	-	-	49
United Kingdom	652	52	(27)	677
– Motus Commercials[2]	275	52	(13)	314
– Motus Truck and Van	146	-	(5)	141
– Passenger Division	231	-	(9)	222
Australia Passenger Division	582	262	(22)	822
– SWT	246	-	(7)	239
– Ballarat	336	-	(10)	326
– Wagga Wagga	-	262	(5)	257
Aftermarket Parts	3 198	2	(109)	3 091
South Africa	405	2	-	407
– Motus Aftermarket Parts	302	2	-	304
– Vehicle Canopy Operations	103	-	-	103
United Kingdom	2 700	-	(105)	2 595
– FAI	184	-	(7)	177
– MPD	2 516	-	(98)	2 418
Taiwan	93	-	(4)	89
– ARCO Motor Industry	93	-	(4)	89
Carrying value of goodwill	4 481	316	(158)	4 639

[1] *Refer to note 2.5 – Business combinations for additional information relating to the acquisition of businesses.*

[2] *Included in this CGU are the operations acquired as part of the Solway Vehicles Distribution Limited acquisition. This operation was divisionalised into Motus Group (UK) Proprietary Limited subsequent to the acquisition.*

2. Arising on consolidation (continued)

2.1 Goodwill (continued)

2023	Carrying value at the beginning of the year Rm	Acquisition of businesses Rm	Impairment Rm	Currency adjustments Rm	Carrying value at the end of the year Rm
Rental and Retail	1 064	77	(28)	170	1 283
South Africa	-	77	(28)	-	49
– Mercedes Benz Passenger	-	49	-	-	49
– Daimler Truck and Bus	-	14	(14)	-	-
– Richards Bay Multifranchise	-	14	(14)	-	-
United Kingdom	542	-	-	110	652
– Motus Commercials	229	-	-	46	275
– Motus Truck and Van	122	-	-	24	146
– Passenger Division	191	-	-	40	231
Australia Passenger Division	522	-	-	60	582
– SWT	220	-	-	26	246
– Ballarat	302	-	-	34	336
Aftermarket Parts	564	2 198	(24)	460	3 198
South Africa	334	95	(24)	-	405
– Motus Aftermarket Parts	231	95	(24)	-	302
– Vehicle Canopy Operations	103	-	-	-	103
United Kingdom	153	2 103	-	444	2 700
– FAI	153	-	-	31	184
– MPD	-	2 103	-	413	2 516
Taiwan	77	-	-	16	93
– ARCO Motor Industry	77	-	-	16	93
Carrying value of goodwill	1 628	2 275	(52)	630	4 481

Impairment testing

The Group tests its assets, including goodwill, for impairment when there is an indicator of impairment or annually. Impairment of goodwill arises when the recoverable amount of the CGU is less than the carrying value, including the goodwill. The recoverable amount is determined as the greater of the fair value less costs to sell and the value in use.

The Group has determined the recoverable amount using the value in use method in assessing goodwill for impairment purposes. The model uses cash flow projections based on forecasts approved by senior management for a five-year period with an appropriate terminal growth rate. If the recoverable amount of the CGU is less than its carrying value, the impairment loss is first allocated to the goodwill and then to the other assets on a pro rata basis.

2. Arising on consolidation (continued)

2.1 Goodwill (continued)

Impairment testing (continued)

Assumptions used in determining the recoverable amounts

Cash flow projections

The value in use is calculated using the forecast cash inflows and outflows, expected to be derived from the continuing use of the CGU and its ultimate disposal. Cash flow projections, which are approved by senior management, are based on the Group's best estimate of the future cash flows relating to those assets or CGUs, considering the following:

- Expected revenues, EBITDA (including the margin), operating profit (including the margin), working capital requirements and capital expenditure, including replacement capital expenditure on right-of-use assets, using past experience but adjusting for the changes in the economic environment in which the CGU operates;
- Volume growth and price increases;
- The Group's market share assumptions in which the CGU operates; and
- Exchange rates used which are consistent with external sources of information.

Growth rates

Growth rates applied are determined based on future trends within the industry and geographic location. Growth rates can fluctuate from year to year based on the assumptions used to determine these rates. The growth rate assumptions include anticipated inflation rates, price increases, exchange rate fluctuations and expected volume growth.

Where publicly published information relating to the long-term average rates is available, senior management will utilise these when determining the appropriate growth rate for the respective CGUs.

The Group used steady growth rates to extrapolate revenues beyond the forecast period for each of the markets in which each of the respective CGUs operates. A conservative growth rate was applied and was based on sustainable earnings and a growth model into perpetuity.

The CAGR and the terminal growth rate for UK Retail have decreased based on the economic outlook provided by the Society of Motor Manufacturers and Traders (SMMT). The negative impact of the OEM withdrawal in the Ballarat business has subsided, resulting in a marginally higher CAGR. The CAGR in the Motus Aftermarket Parts continues to increase as the business stabilises. The CAGR in MPD and ARCO Motor Industry has decreased from the prior financial year due to the businesses stabilising to sustainable growth levels.

	Compound annual growth rate in revenue prior to terminal period		Terminal growth rate	
	2024 %	2023 %	**2024 %**	2023 %
Rental and Retail				
South Africa				
– Mercedes Benz Passenger	**6,4**	6,5	**5,0**	5,0
United Kingdom				
– Motus Commercials	**1,8**	2,1	**1,8**	1,9
– Motus Truck and Van	**1,8**	2,1	**1,8**	1,9
– Passenger Division	**1,8**	2,1	**1,8**	1,9
Australia Passenger Division				
– SWT	**2,2**	2,0	**2,0**	2,0
– Ballarat	**1,2**	0,6	**2,0**	2,0
– Wagga Wagga	**2,2**		**2,0**	
Aftermarket Parts				
South Africa				
– Motus Aftermarket Parts	**8,0**	4,6	**5,0**	5,0
– Vehicle Canopy Operations	**5,0**	5,0	**5,0**	5,0
United Kingdom				
– FAI	**2,5**	2,5	**2,5**	2,5
– MPD	**2,5**	5,0	**2,5**	2,5
Taiwan				
– ARCO Motor Industry	**2,5**	3,1	**2,5**	2,5

2. Arising on consolidation (continued)

2.1 Goodwill (continued)

Impairment testing (continued)

Assumptions used in determining the recoverable amounts (continued)

Discount rates

The discount rates represent the current market assessment of the risks for each CGU, taking into consideration its geographic location, the time value of money and the individual risks of the underlying assets that have not been incorporated in the cash flow projections. The discount rate calculations, as obtained from an independent expert, are derived from the CGU's market-related weighted average cost of capital and take into account the cost of debt, leases and equity for each CGU on a post-tax basis. The pre-tax discount rate is determined using the abovementioned underlying cash flows for each CGU by excluding the effects of taxation and the value in use that was determined by using the post-tax discount rates.

The cost of equity was arrived at by using the CAPM, which, where necessary, takes into account an equity risk premium and a small stock premium. The CAPM uses market betas of comparable entities in arriving at the cost of equity. The cost of debt is based on the future interest rate benchmarks on the interest-bearing debt the CGU is obliged to service. The cost of leases is based on the incremental borrowing rate applicable to the leases within the CGU.

The funding structure, including the effect of leases, was determined by applying market value weightings based on theoretical target gearing levels, considering industry averages, and using data of comparable entities.

Pre-tax discount rates, on the whole, have increased year-on-year, due to higher risk-free rates and higher market risk premiums. Exceptions are noted in the Motus Commercials and Aftermarket Parts UK CGUs due to increased entity size from last financial year, leading to lower risk premiums, and in Australia, where the risk-free rates are similar to last financial year.

	Pre-tax discount rate	
	2024 %	2023 %
Rental and Retail		
South Africa		
– Mercedes Benz Passenger	**19,3**	17,5
United Kingdom		
– Motus Commercials	**10,4**	11,0
– Motus Truck and Van	**12,5**	11,0
– Passenger Division	**11,1**	10,4
Australia Passenger Division		
– SWT	**12,4**	12,5
– Ballarat	**12,4**	12,1
– Wagga Wagga	**12,4**	
Aftermarket Parts		
South Africa		
– Motus Aftermarket Parts	**21,7**	19,9
– Vehicle Canopy Operations	**23,6**	21,8
United Kingdom		
– FAI	**13,1**	13,9
– MPD	**12,1**	13,8
Taiwan		
– ARCO Motor Industry	**17,0**	16,8

Sensitivity analysis

The estimated recoverable amounts of most CGUs exceeded their carrying values and due to the significant headroom, they are not impacted by a 10% variation in the cash flow projections, growth rates and discount rates when comparing the carrying value to the recoverable amount.

Senior management has used a reasonable possible variation of 10% in the determination of the sensitivity of the key inputs. This has been deemed reasonable based on senior management's expectation of the key inputs to differ from those used and, as such, provides relevant and sufficient guidance on the sensitivity of goodwill.

2. Arising on consolidation (continued)

2.2 Intangible assets

Intangible assets comprises of:

- Customer lists;
- Supplier agreements;
- Computer software; and
- Trademarks and reacquired rights.

Amortisation is recognised in profit or loss so as to write off the cost of assets over their estimated useful lives for definitive useful life assets, using the straight-line method. Intangible assets that have reached the end of their useful lives are derecognised.

The assumptions regarding the estimated useful lives for the financial year were as follows:

- Customer lists vary between three and 15 years.
- Supplier agreements are indefinite.
- Computer software varies between one and ten years.
- Trademarks and reacquired rights vary between three and ten years.

When assessing intangible assets with definite useful lives, the Group uses historical experience and other relevant factors, such as the expected future use of the intangible asset, technological advances, current market benchmarks and contractual rights included in the applicable agreements in assessing the useful lives.

The supplier agreements concluded with the OEM are indefinite in nature and will only be terminated at the request of one of the counterparties. Senior management has assessed the likelihood of such termination based on historical experience with the OEM and the Group's current strategy and has concluded that the likelihood is remote.

Based on the assessments performed, the estimated useful lives of the intangible assets with definite and indefinite useful lives are reasonable and consistent with the prior financial year.

	Customer lists Rm	Supplier agreements Rm	Computer software Rm	Trademarks and reacquired rights Rm	Total Rm
As at 30 June 2024					
Cost	1 722	236	210	140	2 308
Accumulated amortisation and impairments	(256)	-	(128)	(73)	(457)
Carrying value	1 466	236	82	67	1 851
Carrying value at the beginning of the year	1 665	236	105	85	2 091
Movement during the year					
Additions	-	-	12	-	12
Amortisation	(137)	-	(33)	(17)	(187)
Impairments	-	-	(1)	-	(1)
Currency adjustments	(62)	-	(1)	(1)	(64)
Carrying value at the end of the year	1 466	236	82	67	1 851

2. Arising on consolidation (continued)

2.2 Intangible assets (continued)

	Customer lists Rm	Supplier agreements Rm	Computer software Rm	Trademarks and reacquired rights Rm	Total Rm
As at 30 June 2023					
Cost	1 832	236	252	146	2 466
Accumulated amortisation and impairments	(167)	-	(147)	(61)	(375)
Carrying value	1 665	236	105	85	2 091
Carrying value at the beginning of the year	179	-	83	69	331
Movement during the year					
Acquisition of businesses	1 311	236	-	18	1 565
Additions	-	-	55	1	56
Amortisation	(104)	-	(32)	(12)	(148)
Impairments	-	-	(2)	-	(2)
Currency adjustments	279	-	1	9	289
Carrying value at the end of the year	1 665	236	105	85	2 091

Intangible assets that have reached the end of their estimated useful lives are derecognised. During the financial year, the Group derecognised intangible assets with cost and accumulated amortisation and impairment of R94 million (2023: R44 million) which had no impact on profit or loss.

Identification and valuation of separately identifiable assets

As part of the assessment of assets acquired and liabilities assumed, no separately identifiable assets were identified in the current financial year.

Impairment testing

All intangible assets are assessed for impairment where such indicators arise or at least annually for intangible assets with indefinite useful lives. The indicators include assessing the expected future use of the intangible asset, technological advances, current market benchmarks and contractual rights included in the applicable agreements. The intangible assets with definite useful lives are considered on a single standalone basis. Where impairment is required, the intangible asset is written down to the recoverable amount.

Intangible assets with indefinite useful lives are assessed as part of their greater CGU. If the recoverable amount of the CGU, based on the calculated value in use, is less than its carrying value, the impairment loss is first allocated to the goodwill and then to the other assets, including the intangible assets, on a pro rata basis. Refer to note 2.1 – Goodwill for additional information on impairment testing performed on a CGU level.

The carrying value of the supplier agreements recognised as intangible assets with indefinite useful lives include:

	2024 Rm	2023 Rm
Mercedes Benz Passenger	**183**	183
Daimler Truck and Bus	**53**	53
	236	236

2. Arising on consolidation (continued)

2.3 Investments in associates and joint ventures

Associates and joint ventures are those entities in which the Group has significant influence, but not control, over financial and operating policies. The assessment of control relating to associates and joint ventures is reassessed annually. The Group's investments in associates and joint ventures are accounted for using the equity method.

	2024 Rm	2023 Rm
Shares at cost	**38**	40
Share of post-acquisition reserves	**160**	164
Carrying value of associates and joint ventures	**198**	204
Loans advanced to associates and joint ventures[1]	**73**	73
– Less than one year[2]	**1**	-
– Between one and two years	**-**	1
– More than five years[3]	**72**	72
Investments in associates and joint ventures	**271**	277
Maturity profile		
Current assets expected within one year	**1**	-
Non-current assets expected in more than one year	**270**	277
	271	277

[1] *The recoverability of the amounts due has been assessed, considering the nature of the transactions and the underlying performance of the counterparties. The amounts are considered recoverable.*

[2] *The loan relates to advances made to Auto MPA Limitada.*

[3] *This relates to loans advanced to C2 Computer Investments Proprietary Limited by subsidiaries within the Group.*

Refer to notes 4.2 – Liquidity risk and 4.4 – Fair value measurements of financial instruments, for further details on liquidity risk and the fair value hierarchy on the loans advanced to associates and joint ventures.

The Group has assessed the significance of equity-accounted associates and joint ventures. The quantitative factors include the net asset value of the equity-accounted entity and the entity's contribution to the profitability of the Group. The nature of the business was used as a basis for the qualitative factor.

The following equity-accounted associates are significant to the Group:

	Nature of relationship with the Group	Principal place of business	Statutory year-end	Ownership interest/ voting rights held 2024 %	2023 %
Ukhamba Holdings Proprietary Limited	B-BBEE partner who currently owns ordinary and deferred ordinary Motus shares	SA	30 June	**23,45**	23,45
Niterra South Africa Proprietary Limited	Associate that manufactures and sells spark plugs and other parts	SA	31 March[1]	**25,00**	25,00

[1] *The results are adjusted to align with the Group's financial year-end.*

Ukhamba has issued five different classes of shares, namely:

- Class A and B: Represent the previous investment held. These classes of shares are still in effect however, there are no longer voting rights attached.
- Class C: Represents investments in a previous portfolio of shares in various companies.
- Class D and E: Represent an investment in Motus ordinary shares.

The Group owns two types of shares in Ukhamba, namely the Class E shares and 23,45% of the Class C shares. The Class E shares entitle the Group to receive 46,9% of any remaining listed Motus ordinary shares owned by Ukhamba after the sale of shares to settle bank financing and any other obligations due by Ukhamba. The Class C shares entitle the Group to share in any profits of the remaining investments held by Ukhamba.

2. Arising on consolidation (continued)

2.3 Investments in associates and joint ventures (continued)

The Group applies significant judgement when performing the assessment of control over Ukhamba. The assessment takes into consideration any changes made to the MOI and the impact thereof. Senior management has assessed whether the Group has power over the structure and has concluded that the Group does not have control as it does not have a majority of representatives on the board of Ukhamba.

The following is summarised financial information for the significant associates at 100%, based on their respective consolidated management accounts or signed annual financial statements, if available, prepared in accordance with the IFRS Accounting Standards.

	Ukhamba Holdings Proprietary Limited		Niterra South Africa Proprietary Limited	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm
Revenue	**124**	135	**673**	600
Net profit for the year	**111**	128	**73**	60
Other comprehensive loss[1]	**(118)**	(98)	**-**	-
Total comprehensive (loss)/income	**(7)**	30	**73**	60
Total assets	**1 950**	2 133	**528**	601
– Non-current assets	**1 924**	2 087	**45**	55
– Current assets	**26**	46	**483**	546
Total liabilities	**1 178**	1 273	**236**	201
– Non-current liabilities	**1 176**	1 270	**58**	37
– Current liabilities	**2**	3	**178**	164
Total equity	**772**	860	**292**	400
The Group's proportional interest in net assets of associate at the beginning of the year	**594**	625	**100**	101
Share of total comprehensive income	**-**	-	**18**	15
Adjustment relating to the Group's share of investments	**(15)**	4	**-**	-
Dividends received	**(33)**	(35)	**(45)**	(16)
The Group's proportional interest in net assets of associate at the end of the year[2]	**546**	594	**73**	100
Reversal of fair value adjustment on Motus shares and losses that exceed the Group's net interest in the associate[3]	**(546)**	(594)	**-**	-
Carrying value of the interest in the associate at the end of the year	**-**	-	**73**	100

[1] *The other comprehensive loss from Ukhamba relates to the fair value adjustments in the investment held in Motus shares.*

[2] *Refer to the below table for the calculation of the Group's proportionate share of net assets in Ukhamba.*

[3] *The Group does not share in the fair value adjustments in Ukhamba's investment in Motus. The Group is under no obligation to fund future losses.*

The unrecognised losses on Ukhamba for the financial year amounted to R4 million (2023: R4 million). These losses are exclusive of the fair value adjustments relating to the Motus shares, which are reversed on consolidation.

Calculation of proportionate share of net assets in Ukhamba

	2024 Rm	2023 Rm
Fair value of the investment Ukhamba holds in Motus	**1 924**	2 087
Less: Financing payable to Investec	**(760)**	(820)
Net investment	**1 164**	1 267
Attributable to the Group at 46,9%	**546**	594

2. Arising on consolidation (continued)

2.3 Investments in associates and joint ventures (continued)

Contribution from associates and joint ventures

	Significant associates		Individually insignificant associates and joint ventures		Total associates and joint ventures	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
Total comprehensive income for the year attributable to the Group	**18**	15	**27**	25	**45**	40
Carrying value of interest in associates and joint ventures	**73**	100	**125**	104	**198**	204
Number of entities	**2**	2	**9**	10	**11**	12

The following summarised financial information for the Group's interest in individually insignificant associates and joint ventures is based on their respective consolidated management accounts prepared in accordance with the IFRS Accounting Standards:

	Associates		Joint ventures		Total individually insignificant associates and joint ventures	
	2024 Rm	2023 Rm	**2024 Rm**	2023 Rm	**2024 Rm**	2023 Rm
Total comprehensive income for the year attributable to the Group	**26**	22	**1**	3	**27**	25
Carrying value of interest in insignificant associates and joint ventures	**118**	98	**7**	6	**125**	104

Where restrictions exist on the ability to remit funds due to regulatory or economic restrictions in the jurisdictions in which the associate operates, cash dividends are only recognised when dividend income is received. The cumulative unrecognised profits on these associates amounts to R15 million (2023: R20 million).

2.4 Non-controlling interests

The Group has assessed the significance of non-controlling interests. The quantitative factors include the net asset value of the subsidiary and the subsidiaries' contribution to the profitability of the Group. The nature of the business was used as a basis for the qualitative factor.

The following non-controlling interest is significant to the Group:

	Principal place of business	Operating segment	Statutory year-end	Ownership interest held by NCI	
				2024 %	2023 %
ARCO Motor Industry Company Limited	Taiwan	Aftermarket Parts	31 December[1]	**40,0**	40,0

[1] *The results are adjusted to align with the Group's financial year-end.*

2. Arising on consolidation (continued)

2.4 Non-controlling interests (continued)

The following is summarised financial information for the company based on its respective management accounts prepared in accordance with the IFRS Accounting Standards, modified for fair value adjustments made on acquisition and differences in accounting policies. The information is before intercompany eliminations with other entities in the Group.

	ARCO Motor Industry Company Limited	
	2024 Rm	2023 Rm
Revenue	**431**	594
Profit for the year	**82**	118
Other comprehensive (loss)/income	**(18)**	9
Total comprehensive income	**64**	127
Total comprehensive income attributable to non-controlling interests	**26**	51
– Profit attributable to non-controlling interests	**33**	47
– Other comprehensive (loss)/income attributable to non-controlling interests	**(7)**	4
Total assets	**299**	300
– Non-current assets	**11**	12
– Current assets	**288**	288
Total liabilities	**81**	59
– Current liabilities	**81**	59
Total equity	**218**	241
Equity attributable to non-controlling interests	**87**	96
Purchase price allocation attributable to non-controlling interests	**2**	6
Total non-controlling interest	**89**	102

Amounts attributable to non-controlling interests

The following summarised financial information for the Group's non-controlling interests is based on their respective management accounts prepared in accordance with the IFRS Accounting Standards:

	Significant non-controlling interest		Individually insignificant non-controlling interest		Total	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Total comprehensive income attributable to non-controlling interests	**26**	51	**6**	14	**32**	65
Carrying value of non-controlling interests	**89**	102	**90**	33	**179**	135
Number of entities	**1**	1	**5**	3	**6**	4

2. Arising on consolidation (continued)

2.5 Business combinations

Acquisitions during the financial year

The following acquisitions occurred during the financial year:

- Solway Vehicles Distribution Limited was acquired on 3 July 2023 as a wholly-owned subsidiary of Motus Holdings (UK) Limited. The company has four DAF commercial vehicle dealerships that operate in North West England and Southern Scotland. This company forms part of the UK Retail operating segment.
- Nine passenger dealerships were acquired on 10 October 2023 by Australian Automotive Group Proprietary Limited. The dealerships operate in Wagga Wagga in New South Wales, Australia. These multifranchise dealerships form part of the Australia Retail operating segment.
- Franchise stores and a legal entity, which forms part of Aftermarket Parts, were acquired during the financial year.

The Group has assessed the significance of each of the businesses acquired. The quantitative factors included the net asset value of the underlying business, purchase consideration and contribution to the profitability of the Group. The nature of the business was used as the basis for qualitative factors. Based on this assessment, the acquisitions in the UK and Australia Retail operations were deemed significant.

An assessment of control was performed based on whether the Group has control over the financial and operating policies of these businesses acquired. Solway Vehicles Distribution Limited was acquired as a wholly-owned subsidiary, thus obtaining full control of the business. The remaining acquisitions relate to the purchase of the underlying assets and liabilities of the businesses, which were absorbed into the various companies as operating divisions. On this basis, the Group concluded it has control over the acquired businesses.

The fair value of assets acquired and liabilities assumed were as follows:

	UK Retail Rm	Australia Retail Rm	Individually insignificant acquisitions Aftermarket Parts Rm	Total Rm
Assets				
Property, plant and equipment	92	12	2	**106**
Right-of-use assets	9	117	1	**127**
Deferred tax	-	4	-	**4**
Inventories	138	205	5	**348**
Trade and other receivables	77	-	-	**77**
Cash resources	119	-	48	**167**
	435	338	56	**829**
Liabilities				
Lease liabilities	9	117	1	**127**
Deferred tax	13	-	-	**13**
Trade and other payables	65	21	47	**133**
Floorplans from suppliers	-	15	-	**15**
Taxation	18	-	1	**19**
Interest-bearing debt	-	-	2	**2**
Floorplans from financial institutions	-	157	-	**157**
	105	310	51	**466**
Net assets acquired	**330**	**28**	**5**	**363**
Total purchase consideration:	382	290	7	**679**
Cash outflow on acquisition of businesses	263	290	(39)	**514**
Add: Net cash acquired on acquisition	119	-	46	**165**
Goodwill	**52**	**262**	**2**	**316**

2. Arising on consolidation (continued)

2.5 Business combinations (continued)

Reasons for the acquisitions

These acquisitions are strategically in line with the Group's objective of achieving economies of scale and increasing our footprint with selective bolt-on acquisitions in local and international markets that complement the Group's existing networks and structures supporting the recognition of goodwill.

Impact of the acquisitions on the results of the Group

	Actual contributions			Annualised contributions		
	Revenue Rm	EBITDA Rm	Profit after tax[1] Rm	Revenue Rm	EBITDA Rm	Profit after tax[1] Rm
UK Retail	774	57	36	774	57	36
Australia Retail	941	45	21	1 299	63	29
Aftermarket Parts	19	(1)	(1)	34	2	2
	1 734	101	56	2 107	122	67

[1] *Includes the after-tax impact of depreciation on property, plant and equipment and right-of-use assets and finance costs incurred on funding and lease liabilities.*

Had all the acquisitions been consolidated from 1 July 2023, the Group's revenue would have been R114 137 million, EBITDA of R8 331 million and an after-tax profit of R2 490 million.

Separately identifiable intangible assets

The full excess purchase price over the net asset value is recognised as goodwill, as the distribution rights from the suppliers and customer lists only transfer upon certain terms and conditions being met and do not automatically transfer as a part of the acquisition. These assets are not controlled resources that are separable in nature as the rights cannot be sold, transferred, licensed, rented or exchanged separately. Refer to note 2.1 – Goodwill for additional information.

Other details

No critical accounting judgements, estimates and assumptions were made in the determination of the fair value of the assets acquired and liabilities assumed.

The trade and other receivables acquired had a gross contractual amount of R78 million and an expected credit loss allowance of R1 million.

Acquisition costs incurred for the businesses acquired during the financial year amounted to R7 million and have been recognised in profit or loss as part of "Operating expenses".

2. Arising on consolidation (continued)

2.6 Cash outflow on the acquisition of businesses

	2024 Rm	2023 Rm
Non-current assets	**553**	5 081
Goodwill	**316**	2 275
Intangible assets	**-**	1 565
Property, plant and equipment	**106**	193
Right-of-use assets	**127**	1 003
Deferred tax	**4**	45
Current assets	**592**	2 055
Inventories	**348**	1 273
Trade and other receivables	**77**	668
Taxation	**-**	13
Cash resources	**167**	101
Non-current liabilities	**(140)**	(1 469)
Lease liabilities	**(127)**	(1 003)
Provisions	**-**	(69)
Deferred tax	**(13)**	(397)
Current liabilities	**(326)**	(973)
Trade and other payables	**(133)**	(873)
Floorplan from suppliers	**(15)**	-
Taxation	**(19)**	-
Interest-bearing debt	**(2)**	(100)
Floorplan from financial institutions	**(157)**	-
Net assets acquired	**679**	4 694
Cash resources acquired	**(167)**	(101)
Interest-bearing debt assumed	**2**	100
Cash outflow on the acquisition of businesses	**514**	4 693

2.7 Cash inflow on the disposal of businesses

	2024 Rm	2023 Rm
Current assets	**-**	56
Inventories	**-**	55
Trade and other receivables	**-**	1
Cash inflow on the disposal of businesses	**-**	56

No disposals took place during the current financial year.

3. Operating assets and liabilities

3.1 Property, plant and equipment

Property, plant and equipment mainly comprise the following:

- Land, buildings and leasehold improvements;
- Equipment and furniture; and
- Motor vehicles.

The Group's properties are located in SA, the UK and Australia. They mainly relate to retail vehicle dealerships, workshops, depots, distribution centres and administrative buildings, which the Group currently occupies.

Land is stated at cost less accumulated impairment and is not depreciated. All other assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation commences when the assets are ready for their intended use and is recognised in profit or loss. Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

Depreciation is calculated over the following useful lives:

- Land – indefinite;
- Buildings – varies between 20 and 50 years;
- Leasehold improvements – varies between two and 20 years;
- Equipment and furniture – varies between two and 20 years; and
- Motor vehicles – varies between three and five years.

When assessing the useful lives, the Group uses historical experience and other relevant factors, such as the expected future use of the asset, expected wear and tear, technological obsolescence arising from changes or improvements and legal or similar limits on the use of the asset.

To arrive at the residual value of a building in today's values, the usage of the building and its residual value at the end of its useful life need to be assessed and thereafter present valued. The assumptions and techniques utilised in determining the residual value of properties are consistent with those utilised in the impairment of properties.

Residual values are also assessed for plant and equipment. In arriving at the estimated residual values, the Group considers the existing condition of the asset, the expected condition of the assets at the end of its useful life, technological innovations, product lifecycles, maintenance programmes ,and projected disposal values.

The Group reassesses the estimated useful lives, residual values and depreciation methods of the property, plant and equipment annually. Actual useful lives, residual values and depreciation methods can vary from those previously estimated, with the effect of any changes in estimate accounted for on a prospective basis. Based on this assessment, the estimated useful lives, residual values and depreciation methods are reasonable.

	Land, buildings and leasehold improvements Rm	Equipment and furniture Rm	Motor vehicles Rm	Total Rm
As at 30 June 2024				
Cost	7 538	2 885	872	11 295
Accumulated depreciation and impairments	(886)	(1 924)	(407)	(3 217)
Carrying value	6 652	961	465	8 078
Carrying value at the beginning of the year	6 927	928	333	8 188
Movement during the year				
Acquisition of businesses	38	21	47	106
Additions	327	397	311	1 035
Re-classification to assets held-for-sale	(430)	-	-	(430)
Proceeds on disposal	-	(29)	(117)	(146)
(Losses)/ profit on disposal	(11)	(7)	12	(6)
Depreciation	(78)	(333)	(107)	(518)
Impairments	(45)	-	-	(45)
Currency adjustments	(76)	(16)	(14)	(106)
Carrying value at the end of the year	6 652	961	465	8 078

3. Operating assets and liabilities (continued)

3.1 Property, plant and equipment (continued)

	Land, buildings and leasehold improvements Rm	Equipment and furniture Rm	Motor vehicles Rm	Total Rm
As at 30 June 2023				
Cost	7 847	2 679	724	11 250
Accumulated depreciation and impairments	(920)	(1 751)	(391)	(3 062)
Carrying value	6 927	928	333	8 188
Carrying value at the beginning of the year	6 308	697	196	7 201
Movement during the year				
Acquisition of businesses	38	114	41	193
Additions	378	376	202	956
Re-classification to assets held-for-sale	(21)	-	-	(21)
Re-classification from assets held-for-sale as owner-occupied due to the change in intention	39	-	-	39
Re-classification from assets held-for-sale and now sold	286	-	-	286
Proceeds on disposal	(334)	(20)	(71)	(425)
Profit/(losses) on disposal	38	(1)	14	51
Depreciation	(69)	(293)	(74)	(436)
Impairments	(34)	-	-	(34)
Gain on sale and leaseback transferred to right-of-use assets	17	-	-	17
Currency adjustments	281	55	25	361
Carrying value at the end of the year	6 927	928	333	8 188

Refer to note 11 – Assets classified as held-for-sale for further information.

Impairment testing

All properties are assessed on a three-year cyclical basis for impairment or earlier should an impairment indicator arise. The valuations are performed externally and, in some cases, internally using the income approach method. The valuation is also utilised to assess the residual values of the properties and whether depreciation should be recorded. The recoverable amount is determined as the greater of the fair value less costs to sell and the value in use as provided by the valuations for each property.

The Group has considered the factors outlined as part of the residual value assessment in conjunction with the valuations performed and raised impairment losses where the recoverable amounts were lower than the carrying value. The impairment losses related to the following operating segments:

	2024 Rm	2023 Rm
Import and Distribution	**7**	-
Retail and Rental	**38**	30
Mobility Solutions	**-**	4
	45	34

The recoverable amount of the properties impaired in the financial year was R151 million (2023: R99 million).

Impairments were raised in the following geographic locations:

	2024 Rm	2023 Rm
South Africa	**34**	34
United Kingdom	**11**	-
	45	34

3. Operating assets and liabilities (continued)

3.1 Property, plant and equipment (continued)

Impairment testing (continued)

Assumptions used in determining the recoverable amounts	2024 %	2023 %
Rental growth per annum		
The property valuators approximate future escalations in rental income, taking into account various microeconomic and macroeconomic factors in each geographic location. Net rental income used is the current pre-tax rental given normal arm's length market conditions, after deducting property maintenance and running costs. For each individual property, the rate is adjusted for conditions, contractual or other, that are specific to the property under consideration.		
– South Africa	**6,0**	6,0
– Australia	**3,0**	3,0
In the UK, the arm's length rental for the next financial year is determined by gaining comparable rental evidence in the nearby vicinity for properties of a similar size, use and location.		
Average discount rates		
The discount rates represent the medium-term to long-term view of the market conditions for the property portfolio, taking into consideration the geographic location, the time value of money and the individual risks of the properties.		
– South Africa	**10,6**	8,6
– Australia	**5,6**	4,4
In the UK, discounting is not applied as the arm's length rental utilised is for one year.		
Capitalisation rate		
The capitalisation rate is determined by taking into account the quality and geographic location of each individual property under consideration. This rate is determined with reference to market transactions of comparable properties and takes economic risk factors into consideration.		
– South Africa	**9,3 – 13,0**	9,3 – 13,0
– United Kingdom	**6,8 – 8,0**	6,8 – 8,0
– Australia	**5,3 – 7,0**	5,3 – 7,0
Other considerations		
The estimated useful lives of all refurbishments are considered to be five years, and for properties, this is limited to 20 to 25 years. Where properties have been occupied for five years or longer, it is assumed to have been occupied for five years.		

Security

Properties to the value of R489 million (2023: R504 million) have been pledged as security for interest-bearing debt. Refer to note 6.1 – Interest-bearing debt for additional information.

3. Operating assets and liabilities (continued)

3.1 Property, plant and equipment (continued)

Capital commitments

The commitments are predominantly for the construction of buildings to be used by the Group. The proceeds from the disposal of properties and existing banking facilities will finance this expenditure.

	2024 Rm	2023 Rm
Contracted	**145**	370
Authorised by the directors, but not contracted	**259**	148
	404	518

3.2 Investment properties

Investment properties are initially measured at cost and subsequently measured in accordance with the cost model as set out in IAS 16.

Depreciation is calculated on a straight-line basis to write off the cost of each component of an asset to its residual value over its estimated useful life as follows:

- Land – indefinite;
- Buildings – varies between five to 20 years; and
- Carports – 10 years.

When assessing the useful lives, the Group uses historical experience and other relevant factors, such as the expected future use of the properties and the expected wear and tear.

To arrive at the residual value of a building in today's values, the usage of the building and its forecast residual value at the end of its useful life need to be assessed and thereafter present valued. The assumptions and techniques utilised in determining the residual value of investment properties are consistent with those utilised in the impairment of properties.

Residual values are also assessed for the carports. In arriving at estimated residual values, the Group considers the existing condition of the carports, the expected condition of the assets at the end of their useful lives and planned maintenance programmes.

The Group reassesses the estimated useful lives, residual values and depreciation methods of its investment properties annually. Actual useful lives, residual values and depreciation methods can vary from those previously estimated, with the effect of any changes in estimate accounted for on a prospective basis. Based on this assessment, the estimated useful lives, residual values and depreciation methods are reasonable and consistent with the prior financial year.

	2024 Rm	2023 Rm
Cost	**194**	194
Accumulated depreciation and impairments	**(82)**	(73)
Carrying value	**112**	121
Carrying value at the beginning of the year	**121**	130
Movement during the year		
Depreciation	**(9)**	(9)
Re-classification from assets held-for-sale and now sold	**-**	13
Proceeds on disposal	**-**	(15)
Profit on disposal	**-**	2
Carrying value at the end of the year	**112**	121

Rental income amounting to R22 million (2023: R22 million) was earned during the financial year and direct costs of R15 million (2023: R11 million) were incurred.

Refer to note 8.1 – Revenue for further disclosure of the rental income.

3. Operating assets and liabilities (continued)

3.2 Investment properties (continued)

Movement in fair values of investment properties

Investment properties are valued annually by an external expert using the income approach method. These properties include:

	Operating segment	Location	External utilisation rate[1]		Capitalisation rate	
			2024 %	2023 %	**2024 %**	2023 %
Storage facilities	Import and Distribution	South Africa	**65,8**	79,4	**9,5**	10,0 – 10,5

[1] *The external utilisation rate is based on external revenue generated for the financial year.*

These storage facilities are used to store vehicles on behalf of the importers and external parties until they are distributed to the relevant retail dealerships.

The key inputs used in the valuation include:

- Capitalisation rates; and
- Net operating income.

	2024 Rm	2023 Rm
Fair value at the beginning of the year	**260**	215
Movement during the year		
Fair value adjustment of properties	**(11)**	45
Fair value at the end of the year	**249**	260

The higher operational expenditures compared to the prior financial year have decreased the fair value, the extent of which has been lessened by the improvement in the capitalisation rate. The reduction of the capitalisation rate is due to the improvement of the economic conditions where the properties are located.

No individual property is carried at a value that is higher than its fair value.

Sensitivity analysis

Senior management has used a reasonable possible variation of 10,0% of net operating income and 1,5% of capitalisation rate in the determination of the sensitivity of the key inputs. These possible variations have been deemed reasonable based on senior management's expectation analysis of the key inputs to differ to those used and as such provides relevant and sufficient guidance on the sensitivity of fair value of investment properties.

The impact of the sensitivity analysis is as follows:

	Fair value Rm	**Decrease in carrying value Rm**	**Increase in carrying value Rm**
Fair value of investment properties	**249**	**(54)**	**74**

The process and parameters used in determining impairments and residual values are consistent with those used for the properties in SA. Refer to note 3.1 – Property, plant and equipment.

Security

No investment properties have been held as security for the interest-bearing debt.

Capital commitments

There are no commitments in place relating to the investment properties.

3. Operating assets and liabilities (continued)

3.3 Leases

The Group leases land and buildings, equipment and motor vehicles. The lease terms vary between two and 20 years and, in some cases, have the option to renew for an additional period after the end of the contractual term.

The following is applicable for leases falling within the scope of IFRS 16:

- Where leases are renegotiated, either in terms of payment per month, lease term, or both, the liability is remeasured based on the new parameters at an appropriate incremental borrowing rate. The difference between the previous value of the lease liability and the revised value is then adjusted to the lease liability as well as to the right-of-use asset. The revised values will unwind over the lease term with regards to the lease liability and depreciated over the updated useful lives in terms of the right-of-use assets.
- Extension and termination options are included in various lease agreements in the Group. Upon initial recognition, judgement is applied to determine the lease term for these lease contracts taking into consideration whether the Group is reasonably certain to exercise such options. Exercising such options would impact the lease term, impacting the value of the right-of-use assets and lease liabilities recognised.
- Where leases are terminated earlier as agreed or negotiated with the relevant lessor, the remaining right-of-use asset and the related lease liability is derecognised and any termination costs, in terms of penalties, is recognised in profit or loss.
- Where right-of-use assets are impaired in terms of IAS 36, the carrying value is reduced to the recoverable amount. The related lease liability is assessed as to whether the obligation still exists. If the obligation still exists, the lease liability is maintained and will unwind in terms of the expected future lease payments.
- Leases that are either short-term in nature or less than R100 000 in value (low-value) are not capitalised. However, they are expensed on a straight-line basis through profit or loss.

The Group leases vehicles and properties to external parties. Lessor accounting is applied, and the relevant income is recognised as revenue. Refer to notes 3.2 – Investment properties, 3.4 – Vehicles for hire and 8.1 – Revenue for additional information.

3.3.1 Right-of-use assets

Right-of-use assets are measured at cost, which includes the initial measurement from the lease liability, any lease payments made on or before the commencement date, any direct costs and any estimated rehabilitation costs required by the contract.

Depreciation is calculated on a straight-line basis to write off the cost of the asset over the shorter of the lease term or estimated useful life as follows:

- Land and buildings – varies between two and 20 years;
- Equipment – varies between three and six years; and
- Motor vehicles – varies between two and five years.

Where the lessee has the option to take up ownership of the underlying asset at the end of the lease term and there is reasonable certainty the option will be exercised, the right-of-use asset is depreciated to the end of its useful life. Where the option to take up ownership of the underlying assets is not available, the right-of-use asset is depreciated over the abovementioned useful lives.

When assessing the useful lives, the Group uses historical experience and other relevant factors, such as the expected future use of the asset and legal or similar limits on the use of the asset.

The Group reassesses the estimated useful lives and depreciation methods of its right-of-use assets annually in terms of the related contractual agreements. Actual useful lives and depreciation methods can vary from those previously estimated, with the effect of any changes in estimate accounted for on a prospective basis. Based on this assessment, the estimated useful lives and depreciation methods are reasonable and consistent with the prior financial year.

Notes to the consolidated annual financial statements (continued)

3. Operating assets and liabilities (continued)

3.3 Leases (continued)

3.3.1 Right-of-use assets (continued)

	Land and buildings Rm	Equipment Rm	Motor vehicles Rm	Total Rm
As at 30 June 2024				
Cost	**5 885**	**12**	**296**	**6 193**
Accumulated depreciation and impairments	**(2 816)**	**(6)**	**(209)**	**(3 031)**
Carrying value	**3 069**	**6**	**87**	**3 162**
Carrying value at the beginning of the year	**3 318**	**2**	**90**	**3 410**
Movement during the year				
Acquisition of businesses	**127**	**-**	**-**	**127**
New leases entered into or renegotiated	**489**	**8**	**79**	**576**
Derecognition on termination of lease contracts	**(21)**	**-**	**(1)**	**(22)**
Impairments	**(28)**	**-**	**-**	**(28)**
Depreciation	**(732)**	**(5)**	**(79)**	**(816)**
Currency adjustments	**(84)**	**1**	**(2)**	**(85)**
Carrying value at the end of the year	**3 069**	**6**	**87**	**3 162**

	Land and buildings Rm	Equipment Rm	Motor vehicles Rm	Total Rm
As at 30 June 2023				
Cost	5 622	28	227	5 877
Accumulated depreciation and impairments	(2 304)	(26)	(137)	(2 467)
Carrying value	3 318	2	90	3 410
Carrying value at the beginning of the year	2 012	8	26	2 046
Movement during the year				
Acquisition of businesses	929	-	74	1 003
New leases entered into or renegotiated	700	1	35	736
– New leases entered into or renegotiated	717	1	35	753
– Gain on sale and leaseback transferred from property, plant and equipment	(17)	-	-	(17)
Provision for estimated rehabilitation costs	98	-	-	98
Derecognition on termination of lease contracts	(46)	-	(1)	(47)
Impairment	(30)	-	-	(30)
Depreciation	(697)	(6)	(61)	(764)
Currency adjustments	352	(1)	17	368
Carrying value at the end of the year	3 318	2	90	3 410

Right-of-use assets that have reached the end of their estimated useful lives are derecognised. During the financial year, the Group derecognised right-of-use assets with cost and accumulated amortisation and impairments of R179 million (2023: Rnil million) which had no impact on profit or loss.

Impairment testing

Right-of-use assets are assessed for indicators of impairment. Indicators may include the worsening performance of the underlying business, the deterioration of the location in the case of properties or senior management's intention to exit the lease. The right-of-use asset is tested for impairment on a single standalone basis unless it forms part of a CGU. Where impairment is required, the right-of-use asset is written down to the recoverable amount. The related lease liability will continue to unwind over the remainder of the period of the lease.

Impairments amounting to R28 million (2023: R30 million) were recognised during the financial year. The recoverable amounts on these right-of-use assets amounted to Rnil million (2023: Rnil million) as the Group intends to exit the leases.

3. Operating assets and liabilities (continued)

3.3 Leases (continued)

3.3.2 Lease liabilities

The lease liabilities are the present value of the minimum lease payments using the appropriate incremental borrowing rate or the rate implicit in the lease.

The Group has applied judgement in assessing the incremental borrowing rate taking the following into account:

- The lease terms including extension and termination options;
- Nature of the lease;
- The geography and currencies in which the leases are denominated;
- An appropriate base risk-free rate; and
- Credit spread and credit risk.

	2024 Rm	2023 Rm
Carrying value at the beginning of the year	**3 768**	2 347
Movement during the year		
Acquisition of businesses	**127**	1 003
New leases entered into or renegotiated	**576**	753
Derecognition on termination of lease contracts	**(45)**	(58)
Repayment of lease liabilities	**(806)**	(669)
– Finance costs	**213**	189
– Lease payments	**(1 019)**	(858)
Currency adjustments	**(87)**	392
Carrying value at the end of the year	**3 533**	3 768
Incremental borrowing rates (%)	**2,1 – 12,7**	1,5 – 10,0

	Future lease commitments 2024 Rm	Finance costs 2024 Rm	Net present value 2024 Rm	Net present value 2023 Rm
Current liabilities expected within one year	902	(164)	**738**	703
Non-current liabilities expected in more than one year	3 377	(582)	**2 795**	3 065
– Between one and two years	756	(127)	**629**	612
– Between two and three years	674	(98)	**576**	564
– Between three and four years	506	(72)	**434**	499
– Between four and five years	373	(53)	**320**	391
– More than five years	1 068	(232)	**836**	999
	4 279	(746)	**3 533**	3 768

The Group does not face a significant liquidity risk with regard to its lease liabilities. The Group has sufficient banking facilities available to fund normal trading operations, including these lease liabilities. Refer to note 4.2 – Liquidity risk for further details on liquidity risk.

Notes to the consolidated annual financial statements (continued)

3. Operating assets and liabilities (continued)

3.3 Leases (continued)

3.3.3 Short-term and low-value leases

The Group has entered into various lease agreements on land and buildings, equipment and motor vehicles that fall into the category of short-term leases and those that are deemed as low-value assets:

Underlying asset	Period	Escalations (%)	2024 Rm	2023 Rm
Short-term leases			**(250)**	(203)
– Land and buildings	Less than one year	–	**(206)**	(161)
– Equipment	Less than one year	–	**(1)**	(3)
– Motor vehicles	Less than one year	–	**(43)**	(39)
Low-value leases			**(29)**	(18)
– Equipment	One to four years	5,0 – 7,0	**(29)**	(18)
			(279)	(221)

There are lease charges contingent upon revenue recognised as short-term leases. In the current financial year, these lease charges amounted to R75 million (2023: R71 million).

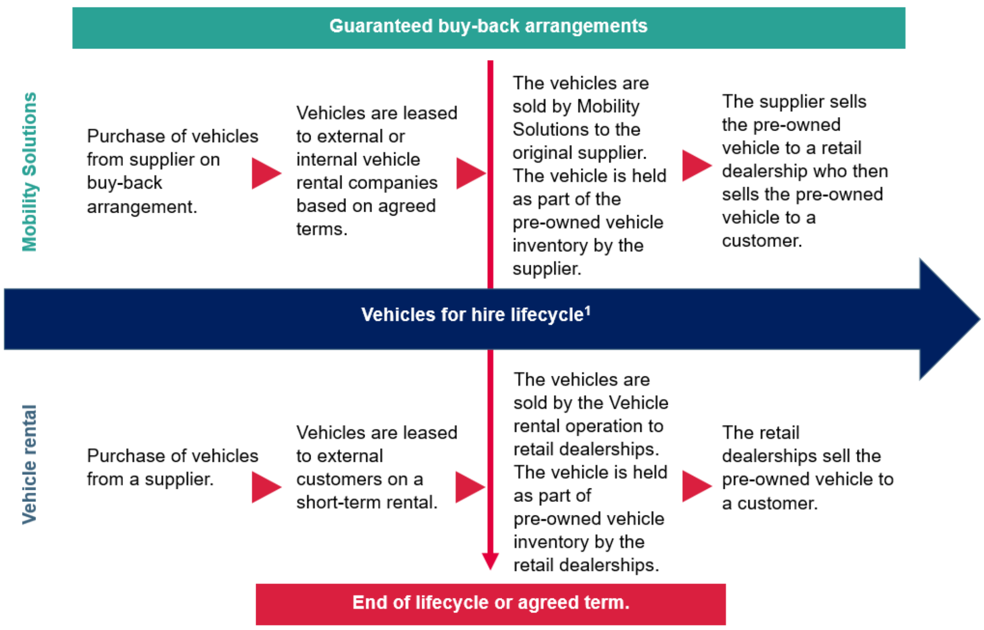
At 30 June 2024 the future non-cancellable minimum operating lease payables for the following financial years are:

	One to five years Rm	Less than one year Rm	2024 Rm	2023 Rm
Land and buildings	(1)	(6)	**(7)**	(1)
Equipment	-	(3)	**(3)**	(7)
Motor vehicles	(1)	(9)	**(10)**	(32)
	(2)	(18)	**(20)**	(40)

3.4 Vehicles for hire

Vehicles for hire have an operating lifecycle averaging 12 months, after which they are then sold to dealerships, where they are sold as part of pre-owned vehicle sales. This lifecycle is the reason vehicles for hire are classified as current assets. While extensions are available, they are not provided for a prolonged period.

The vehicles for hire are leased directly to customers on a short-term basis or to vehicle rental companies. The transaction flow of vehicles for hire is outlined below:



[1] *All transactions internal to the Group are eliminated on consolidation.*

3. Operating assets and liabilities (continued)

3.4 Vehicles for hire (continued)

Depreciation is calculated on a straight-line basis to write off the cost of the vehicle to its residual value over its estimated useful life. In addition, depreciation includes initial losses recognised on the guaranteed buy-backs.

When assessing the useful lives, the Group uses historical experience and other relevant factors, such as the expected future use of the vehicle, expected wear and tear, lease periods agreed with the customers and cyclical demand for short-term leases.

To arrive at the residual value of the vehicle in today's values, the usage of the vehicle and its anticipated retail value at the end of its useful life needs to be assessed and thereafter present valued. The anticipated retail value of the vehicle is estimated with reference to the open market price for a vehicle with similar specifications and mileage.

The Group reassesses the estimated useful lives, residual values and depreciation methods of its vehicles for hire annually. Actual useful lives, residual values and depreciation methods can vary from those previously estimated, with the effect of any changes in estimate accounted for on a prospective basis. Based on this assessment, the estimated useful lives, residual values and depreciation methods are reasonable and consistent with the prior financial year.

	2024 Rm	2023 Rm
Cost	5 692	4 626
Accumulated depreciation	(874)	(706)
Carrying value	4 818	3 920
Carrying value at the beginning of the year	3 920	3 677
Movement during the year		
Additions	5 115	3 978
Proceeds on disposal	(2 894)	(2 701)
Depreciation	(1 322)	(1 043)
Currency adjustments	(1)	9
Carrying value at the end of the year	4 818	3 920

Refer to note 8.1 – Revenue for additional information on the revenue recognised on the vehicle rentals

Security

The carrying value of vehicles for hire that have been encumbered as security are:

	2024 Rm	2023 Rm
Floorplans from suppliers	539	-
Floorplans from financial institutions	738	504
	1 277	504

Refer to notes 3.7.4 – Floorplans from suppliers and 6.1 – Interest-bearing debt for further information.

Notes to the consolidated annual financial statements (continued)

3. Operating assets and liabilities (continued)

3.5 Investments and other financial instruments

	2024 Rm	2023[1] Rm
Preference shares in banking alliances (Level 3 in the fair value hierarchy)	**463**	-
Unlisted investment (Level 3 in the fair value hierarchy)	**-**	6
Other financial assets	**18**	-
– Gross other financial assets	**72**	73
– Expected credit loss allowance	**(54)**	(73)
	481	6
Maturity profile		
Current assets expected within one year	**12**	-
Non-current assets expected in more than one year	**469**	6
	481	6

[1] *The investment in preference share arrangements with the cell captive insurers has been recognised as in-substance insurance contracts due to the adoption of IFRS 17. Refer to note 1.3 – Accounting policies for additional information.*

Refer to notes 4.2 – Liquidity risk and 4.4 – Fair value measurements of financial instruments, for further details on liquidity risk and the fair value hierarchy.

Preference shares in banking alliances

The Group invested in an unlisted preference share in banking alliances. The investment gives the Group the right to share in the portfolio's performance in exchange for the subscription price paid to the vehicle finance providers.

	2024 Rm
Fair value at the beginning of the year	**-**
Movement during the year	
Additional investment	**293**
Fair value movements on preference share arrangements	**170**
– Dividend income received	**(125)**
– Fair value through profit or loss as unrealised gains	**295**
Fair value at the end of the year	**463**

Investment income received from preference shares consists of dividend income and fair value movements. These shares are carried at fair value through profit or loss. The asset has been assessed for impairment based on the forecasted dividends receivable and no expected credit loss is required.

A discounted cash flow projection technique has been applied. Cash flow projections are based on expected dividends receivable, which are determined with reference to the expected profitability of the underlying arrangements. The fair values represent the exit price for the instruments after allowance for non-controlling interest and illiquidity factors.

The fair value measurement is based on significant inputs that are not observable in the market and include:

	2024
Discounted rate (post-tax) based on weighted average cost of capital (%)	**14,8 – 21,2**
Cash flow projections (months)	**50 – 72**

Senior management has used a reasonable possible variation of 1,0% in the key inputs used to determine the sensitivity of the valuations. The variation in the key inputs had an insignificant impact on the carrying value of the investments. These possible variations were deemed reasonable based on management's expectation of changes to the key inputs used and, as such, provide relevant and sufficient guidance on the sensitivity of the fair value of the preference shares.

3. Operating assets and liabilities (continued)

3.5 Investments and other financial instruments (continued)

Other financial assets

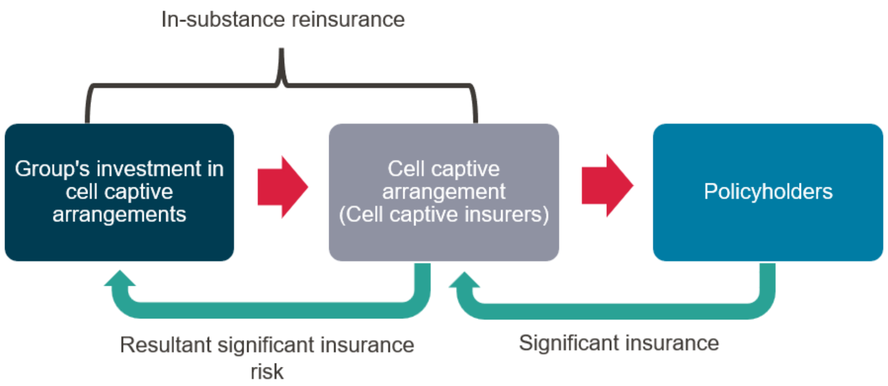
The other financial assets consist of loans advanced for Corporate Social Investment initiatives. The carrying value of these assets represents the Group's maximum credit risk exposure. Senior management has assessed the recoverability of the amounts due, considering the nature of the transactions and the underlying performance of the counterparties. Based on these assessments, the expected credit loss allowance has been reversed on one of the loans.

3.6 In-substance insurance contracts

The Group has entered into agreements with cell captive insurers whereby it has the right to share in the performance of the portfolio of insurance products that form part of the cell captive arrangements in exchange for the subscription price paid. In addition, the Group has undertaken the obligation to recapitalise and maintain the solvency capital requirements of the cell captive arrangements.

The Group offers life and short-term insurance products to its customers (underwritten by cell captive insurers) through contractual cell captive arrangements.

In terms of IFRS 17, the cell captive arrangements are considered to have transferred significant insurance risk to the Group due to the contractual requirements imposed on the Group to maintain the solvency capital requirement of the cells. The cell captive arrangements create an in-substance insurance contract relationship between the Group and the cell captive insurers.



Simultaneously, the Group has entered into agreements (binder and outsourcing agreements) with the cell captive insurers whereby the Group undertakes to perform the policy administrative duties functions as:

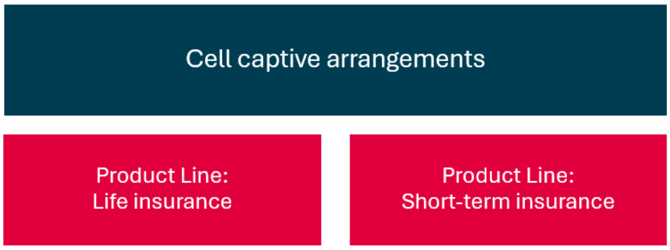
- Entering into, adjusting and renewing of policies;
- Determining the wording of policies;
- Determining the premium payable;
- Determining the value of the benefits; and
- Settling claims based on the claim payment process determined by the cell captive insurers.

The subscription price of each in-substance insurance contract is tracked separately. It is not recognised as part of insurance revenue or insurance service expenses and is considered an investment component as defined by IFRS 17. If the preference shares are redeemed, the subscription will be terminated simultaneously, provided that all insurance liabilities have been settled.

3. Operating assets and liabilities (continued)

3.6 In-substance insurance contracts (continued)

The contracts have been aggregated into life and short-term portfolios as these have similar risks and are managed together. However, since these contracts were not issued within a year, they are not included in the same group for measurement purposes.



For disclosure purposes, the life insurance is not significant to the Group and is aggregated with the short-term insurance. Each contract has been recognised since the commencement of the coverage period for each contract.

None of the abovementioned contracts have been considered onerous or are expected to become significantly onerous in the foreseeable future. The assessment was based on the historical profitability and future cash flow projections of the cell captive arrangements.

The contract boundary, as defined, was determined based on the Group’s substantive rights and obligations outlined in the cell captive arrangements. In some cases, the contract boundary exceeds one year.

The Group has performed the PAA eligibility test, comparing the carrying value of the in-substance insurance contracts based on GMM and PAA to each group of contracts.

For the eligibility test performed, the Group considered variances in the carrying value throughout the full coverage period of each contract. The variances noted over the coverage period for each contract do not significantly impact the Group’s results. The resultant carrying value, as determined by each of the measurement models, did not differ significantly, and as a result, the Group elected to apply the PAA methodology to all the contracts.

The following considerations were taken into account in the PAA methodology:

- The contracts are not considered to be onerous, as outlined above.
- Claims are typically settled within three months, and as a result, discounting was not applied to all cash flows.
- Insurance acquisition costs are defined as those costs relating to the selling, underwriting and establishing of a group of contracts. The Group has not incurred any insurance acquisition costs.

The Group's methodology for determining the LIC risk adjustment involves constructing claims predictions using standard Chain-Ladder techniques (Mack model). The output from the predictions is used to generate a distribution of the incurred claims, from which we establish the best estimate and the standard deviation of claims. The Group then determines the appropriate risk margin as the difference between the 75th percentile and the best estimate.

Management has used a reasonable possible variation of 1,0% in the key inputs used to determine the sensitivity of the valuations. The variation in the key inputs had an insignificant impact on the carrying value. These possible variations were deemed reasonable based on management’s expectation of changes to the key inputs used and, as such, provide relevant and sufficient guidance on the sensitivity of the carrying value.

Notes to the consolidated annual financial statements (continued)

3. Operating assets and liabilities (continued)

3.6 In-substance insurance contracts (continued)

The in-substance insurance contracts consist of two components, the ARC and the LIC as follows:

	ARC Rm	LIC[1] Rm	2024 Rm
Carrying value at the beginning of the year	252	-	**252**
Movement during the year			
Insurance service results	211	(72)	**139**
– Insurance revenue	395	-	**395**
– Insurance service expenses	-	(53)	**(53)**
– Expenses incurred with the cell owner	(184)	(19)	**(203)**
Insurance finance income	57	-	**57**
Transfers between reserves	(72)	72	**-**
Dividend income received	(226)	-	**(226)**
Carrying value at the end of the year	222	-	**222**

[1] *Includes the estimates of the future cash flows and the risk adjustment. The risk adjustments are insignificant to the Group.*

	ARC Rm	LIC Rm	2023 Rm
Carrying value at the beginning of the year	314	-	314
Movement during the year			
Insurance service results	228	(88)	140
– Insurance revenue	421	-	421
– Insurance service expenses	(1)	(76)	(77)
– Expenses incurred with the cell owner	(192)	(12)	(204)
Insurance finance income	70	-	70
Transfer between reserves	(88)	88	-
Dividend income received	(272)	-	(272)
Carrying value at the end of the year	252	-	252

Insurance revenue is earned from the in-substance insurance contracts in the form of premiums received. The premiums are recognised over the coverage period, which coincides with the duration of the contract in which the Group undertakes to provide insurance services. Insurance revenue is reduced by costs incurred that are not contingent on claims and include insurer, binder fees, and policyholder-related insurance costs.

Insurance services expenses include the costs directly related to claims made by the underlying policyholders and estimates relating to future cash flows and risk adjustments.

Insurance finance income relates to the income earned on the assets allocated to the cell captive arrangements.

3. Operating assets and liabilities (continued)

3.6 In-substance insurance contracts (continued)

Insurance risk

The Group manages its insurance risk exposure from the cell captive arrangements through its fiduciary obligations under the binder and outsourcing agreements with the cell captive insurers.

The fiduciary obligations include having an appropriate risk management system and controls in place to support the adequate management and administration of the policies entered into, varied or renewed, including having IT systems in place which include maintenance of back-ups, formulating and testing on a regular basis a disaster recovery plan and business continuity procedures.

A divisional sub-committee consisting of senior management and independent actuaries has been mandated to monitor each cell captive arrangement's overall performance and solvency and capital requirements on a quarterly basis. The Group has also engaged the services of an independent actuarial firm to assess its insurance risk annually. The divisional sub-committee considers and addresses any risks identified.

This oversight provided by the divisional sub-committee helps ensure the cell captives maintain adequate solvency and capital levels and reserves to meet their obligations.

Concentration risk

The Group's product offering primarily focuses on short-term insurance products covering mechanical repairs, with life insurance products being insignificant. These products are sold with vehicles at retail dealerships alongside other VAPS.

While this focus creates concentration risk, it complements the automotive value chain in which the Group participates and leverages the Group's expertise. Additionally, the detailed oversight provided by the divisional sub-committee ensures the Group's exposure is minimised, contributing to financial stability and resilience.

Financial risk

Credit risk

While the cell captive insurers retain the direct credit risk exposure to non-payment of premiums by policyholders, this could indirectly impact the Group through lower profitability and dividend income receivable from the cell captive arrangements.

Through the binder and outsourcing agreements, the Group has some influence over the credit control policies and processes employed by the cell captive insurers to mitigate policyholder non-payment risk. This includes underwriting considerations, payment enforcement provisions, and strict controls over coverage cancellation for non-payment by the policyholder.

However, the Group does not have complete control over managing this credit risk exposure, as the cell captive insurers retain ultimate responsibility as the primary insurance provider.

Robust financial monitoring controls in conjunction with the applicable solvency requirements are employed to ensure the cell insurers maintain adequate capital required and liquidity to fund approved dividend distributions to the Group.

The carrying value of the in-substance insurance contracts represents the Group’s maximum credit exposure at the end of the reporting period.

Liquidity risk

While the Group's in-substance insurance contract position is an overall asset, liquidity risk exposures still exist within the individual cell captive arrangements where mismatches between the timing of cash inflows and outflows required to settle insurance liabilities arise within the underlying insurance contracts. The cash inflows are received as and when the premiums become due, and the cash outflows are settled once the claim requirements have been met. Each claim is evaluated against the insured events outlined in the policy, and where the criteria are met, the claim will be approved for settlement.

Through the investment mandates with the cell captive insurers, the Group has an indirect influence on the asset-liability management practices employed by the cell captive insurers to ensure sufficient liquidity. An investment mandate was established as part of the cell captive agreements whereby the type of investments, financial institutions, and minimum investment terms were agreed upon.

However, the cell captive insurers retain ultimate responsibility for managing their own liquidity positions as set out by regulatory requirements.

The Group does not have full control over the liquidity risk management within each cell captive arrangement, but the binder and outsourcing agreements allow it to monitor and provide guidance on liquidity considerations like asset allocation, cash flow modelling, and stress testing.

A key source of liquidity risk for the Group relates to any potential recapitalisation requirements if the cell captive arrangement becomes undercapitalised. In such scenarios, the Group may need to contribute additional funds. Based on the Group's previous experience, this has been insignificant.

3. Operating assets and liabilities (continued)

3.6 In-substance insurance contracts (continued)

Liquidity risk (continued)

The Group and cell captive insurers perform sensitivity analyses on liquidity forecasts to assess the potential recapitalisation demands under various stressed claims runoff and new business scenarios. These analyses inform the Group's capital management and dividend policies for the cell captive arrangements.

In an extreme or onerous scenario, the Group may elect to defer or reduce dividend income distributions from the cell captive arrangements to meet the recapitalisation requirements and manage liquidity demands.

Interest rate risk

The Group is not significantly exposed to interest rate risk from its in-substance insurance contracts with the cell captive insurers.

The cells do not contain any explicit interest rate sensitivity, as they represent a share in the performance of the underlying insurance portfolio rather than interest-bearing instruments.

The Group earns investment income on the assets allocated to the cell captive arrangements at prevailing interest rates. The short-term maturities of the assets limit the Group's exposure to interest rate movements.

Additionally, the Group does not apply discounting to the cash flows in the LIC for the underlying insurance policies due to the claim settlement period being less than one year.

Currency risk

The Group is not exposed to currency risk as none of the balances are denominated in foreign currency.

3.7 Net working capital

Assets that the Group expects to realise, or intends to sell or use in its normal operating cycle, would include inventory and trade and other receivables. Liabilities that the Group expects to settle in its normal operating cycle would include trade and other payables, floorplans from suppliers and provisions. The operating cycles for these assets and liabilities are generally not more than 12 months, except for long-term provisions.

3.7.1 Inventories

The cost of inventory is determined as follows:

- Vehicles – specific cost; and
- Parts, accessories, finished goods, work in progress, fuels and oils – weighted average cost.

	2024 Rm	2023 Rm
New vehicles	**14 305**	18 500
Goods in transit	**1 209**	1 030
Pre-owned vehicles	**4 148**	4 653
Demonstration vehicles	**2 238**	2 530
Parts, accessories and finished goods	**5 267**	5 378
Work in progress, fuels and oils	**212**	211
	27 379	32 302
Inventories carried at net realisable value included above	**7 579**	8 622
Inventories expensed to profit or loss[1]	**89 054**	82 571
Inventories (reversal)/write-down expensed to profit or loss[1]	**(158)**	90

[1] *Inventories (reversal)/write-down was disaggregated to enhance disclosure. The comparative amounts have been amended to align with the current financial disclosures.*

Net realisable value assessment of inventory

A provision is raised against new, pre-owned and demonstration vehicles and parts, accessories and finished goods for loss in the value of inventory held, likely to be incurred through obsolescence, damage and future expected movement in NRV.

This is assessed as follows:

- New, pre-owned and demonstration vehicles – the carrying value is compared to the expected selling value. The selling value is estimated with reference to the recent sales history and market acceptance for the vehicle less its cost to sell.
- Parts, accessories and finished goods – the ageing of parts, accessories and finished goods are assessed and appropriate percentage write-downs are allocated based on past experience.

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.1 Inventories (continued)

Net realisable value assessment of inventory (continued)

Additional considerations include:

New vehicles	Generally, the retail dealerships' policy is not to raise provisions on new vehicle inventory, as various OEMs have a vested interest in gaining market share. The market share rankings are published by the automotive council applicable to the jurisdiction, with monthly comparisons between the brands. The automotive councils include The Automotive Business Council (naamsa) in SA, the SMMT in the UK and the Federal Chamber of Automotive Industries (FCAI) in Australia. When inventory is moving slower than desired, or there is an anticipated decrease in demand, OEMs often assist dealerships, which essentially lowers the selling price to the customer to improve sales. This approach has proven to be an industry norm which is expected to remain in place for the foreseeable future.	RR
	The importers will provide the abovementioned assistance to the retail dealerships and raise the appropriate provisions against new vehicle inventory based on the ageing and movement of the exchange rate against the major trading currencies. If there is a significant depreciation of the Rand compared to major currencies, a higher provision may be necessary.	ID
Pre-owned and demonstration vehicles	The Group applies the “priced right to sell” principle across all pre-owned and demonstration vehicles, which ensures the retailing of the vehicles at a reasonable margin in the open market. Where the cost of pre-owned vehicles is higher than the current open market price, a provision is raised accordingly. All businesses are required to compare the current pricing versus the open market price using various methods, including the application of the relevant guides with respect to published trade and retail prices in the jurisdictions they operate in.	ID RR MS
Parts, accessories and finished goods	Generally, the Group's policy is to provide for parts, accessories and finished goods based on their ageing. Most parts do not have an expiry date like perishable products, however, they could become obsolete when a new vehicle model is launched while the business has ageing parts of older models. Parts inventory is generally supplied and priced by the various approved suppliers. These parts are sold in the dealerships or aftermarket parts stores or utilised in service, maintenance and warranty repair jobs within our workshops at the prices set by the OEMs, including a reasonable margin. The parts are also utilised and sold in the panelshops at the OEMs' prices and, in some cases, with a settlement discount when required.	ID RR AP

Based on the application of the Group provisions and through the application of appropriate inventory management, the Group concludes that inventory is adequately valued.

Security

The carrying value of vehicle inventory that has been encumbered as security is:

	2024 Rm	2023 Rm
Floorplans from suppliers	**7 041**	9 237
Floorplans from financial institutions	**1 433**	1 053
	8 474	10 290

Refer to notes 3.7.4 – Floorplans from suppliers and 6.1 – Interest-bearing debt for further information.

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.2 Trade and other receivables

Senior management considers the carrying value of the trade and other receivables to approximate its fair value, as the carrying value is based on contractual rights and obligations and is short-term in nature. Refer to note 4 – Financial management and instruments for the Group's financial risk management policies.

	2024 Rm	2023 Rm
Trade receivables	**5 752**	5 462
– Gross receivables	**6 105**	5 837
– Expected credit loss allowance	**(353)**	(375)
Prepayments[1]	**698**	652
Value added taxation[2]	**124**	133
Volume incentives, rebates and commissions receivable[3]	**411**	515
Municipal deposits, recoveries and other sundry receivables[3]	**466**	381
	7 451	7 143

[1] *The prepayments mainly relate to production rebate certificates used to reduce import duties and other prepayments for insurance, service and other contracts. These are expensed when utilised or over the period of the contract and do not exceed 12 months.*

[2] *Value added taxation assets and liabilities are offset where there is a legally enforceable right to offset and where it relates to taxes levied by the same revenue authority and legal entity.*

[3] *These amounts have been assessed for expected credit losses and are considered fully recoverable.*

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Counterparty credit limits are in place and are reviewed and approved by senior management within the business.

Trade receivables consist of a large, widespread customer base and each business monitors the financial position of its customers on an ongoing basis. The creditworthiness of each customer is assessed when credit is first extended and is reviewed regularly thereafter. The granting of credit is controlled by the application of account limits. Where considered appropriate, use is made of credit guarantee insurance.

The carrying value of trade and other receivables represents the maximum credit exposure at 30 June 2024 and was not provided as collateral for any security.

The movement in the expected credit loss allowance for the current financial year was:

	2024 Rm	2023 Rm
Carrying value at the beginning of the year	**(375)**	(311)
Movement during the year		
Acquisition of businesses	**(1)**	(7)
Movements of the expected credit losses charged to profit or loss	**19**	(46)
– Amounts reversed to profit or loss	**322**	237
– Amounts charged to profit or loss	**(303)**	(283)
Currency adjustments	**4**	(11)
Carrying value at the end of the year	**(353)**	(375)
Expected credit loss ratio (%)	**5,8**	6,4

The movement in the expected credit loss allowance primarily relates to non-credit impaired trade receivables.

Notes to the consolidated annual financial statements (continued)

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.2 Trade and other receivables (continued)

Credit risk (continued)

Reconciliation of movements in expected credit losses

	2024 Rm	2023 Rm
Movements in expected credit losses on trade and other receivables	**19**	(46)
Movements in expected credit losses on other financial assets[1]	**19**	(1)
Movements in expected credit losses on loans to associates and joint ventures	**-**	1
Movements in expected credit losses recognised in profit or loss	**38**	(46)

[1] *Refer to note 3.5 – Investments and other financial instruments for additional information.*

Credit risk exposure

Each operating segment has credit terms which are appropriate to the industry in which it operates. The terms are:

New, pre-owned and demonstration vehicles	Vehicles supplied by the importers to external retail dealerships are generally secured by a dealer floorplan with a financial institution. The financial institution will settle the obligation on behalf of the dealership. The average credit period on these sales ranges from 30 to 90 days.	ID
	Full settlement or confirmation of financing from a respected financial institution is required before delivery for all vehicles sold to external customers. The financial institution will settle the obligation on behalf of the customer within seven days of delivery. These measures minimise the credit risk exposure.	RR
Parts, workshop, panelshop, vehicle service, maintenance, warranty and vehicle rentals	This credit risk exposure is mitigated and managed by stringent background checks and credit limits for all customers, continuous review of credit limits, a monthly review of trade receivables ageing, as well as legal action against defaulting customers. The average credit period on these sales is 30 days however, extended credit terms may be negotiated during the account application process. Apart from certain corporate customers, all vehicle services need to be settled before the vehicle is released to the customer.	ID RR AP
	Customers are required to pay a deposit and the required fees upfront on short-term vehicle rentals before the vehicle is released. Any additional costs, such as fuel, tolls and accident damage repair costs, are deducted from the deposit, and any excess funds are refunded to the customer. Where the deposit is insufficient to cover the additional costs, the customer is notified and where necessary, legal action is taken. Where the dealerships undertake repair work under a service, maintenance and warranty contract, authorisation must be obtained before commencing the work. Charges that fall outside the scope of the contract must be settled by the customer before releasing the vehicle.	RR
	The credit risk exposure on the sale of vehicle service, maintenance, and warranty contracts in Mobility Solutions is minimised as the contracts are sold in conjunction with the initial vehicle sale or are paid in advance.	MS

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.2 Trade and other receivables (continued)

Expected credit loss model

The Group has adopted the simplified approach in terms of IFRS 9 whereby the lifetime ECL is recognised on the trade receivables. The Group does not offer credit terms beyond 12 months, therefore, the 12-month ECL would be the same as the lifetime ECL. The ECL on trade receivables is assessed upfront and on an ongoing basis using a provision matrix with reference to past default experience, an analysis of the customers' current financial position and supportable forward-looking information. Any changes in the general economic environment have little impact on the ECL due to the short-term nature of the credit terms provided. There has been no change in the estimation techniques applied in determining the ECLs from the prior financial year.

The following forward-looking information was utilised to estimate the ECL:

- The geography and industry in which the customers operate for example customers based in other African countries and panelshop customers are considered to be riskier.
- The current and expected future economic conditions in the jurisdiction in which we operate.
- The type of customer is considered for example, government institutions in certain geographies we operate in are considered riskier when compared to corporate customers.
- The period overdue and the time taken to settle the amounts due, older accounts are considered a higher risk.
- Past default experience of the operating segment for example Mobility Solutions which has a very low default experience.

The Group considers a receivable to be in default from 90 days past due, taking into consideration the average terms offered to the customer and the forward-looking information used to determine the ECL.

The ECL allowance has reduced overall due to the credit controls implemented across all the operating segments, which have ensured that a significant portion of the amounts due remain within the agreed-upon terms. These customers are regarded as low-risk customers requiring a minimal ECL. The customers related to the businesses acquired in UK Retail are considered low-risk customers, decreasing the loss ratio.

The Group writes off a trade receivable when there is information indicating that the customer has defaulted and is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the customer has been placed under liquidation or has entered into bankruptcy proceedings or where the Group has exercised all legal possibilities.

Senior management does not consider there to be any significant credit risk exposure not already covered by the ECL allowance. There is no significant concentration of risk in respect of any particular customer or industry segment nor is there a single customer whose revenue streams exceed 5,0% of the Group’s revenue.

Notes to the consolidated annual financial statements (continued)

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.2 Trade and other receivables (continued)

Expected credit loss matrix

The Group's expected credit loss matrix has been aggregated into the operating segments. The considerations taken into account include:

- The customer risk profiles within each segment are similar in nature;
- The aggregation is reflective of how the businesses are managed; and
- Enabling comparability with businesses with similar nature and risks.

The table below analyses the resulting credit loss impairment into the operating segments.

	Gross receivables[1] 2024 Rm	ECL allowance[1] 2024 Rm	Loss ratio 2024 %	Gross receivables[1] 2023 Rm	ECL allowance[1] 2023 Rm	Loss ratio 2023 %
Total[2]	**6 105**	**353**	**5,8**	5 837	375	6,4
– Current (not past due)[2]	**4 682**	**53**	**1,1**	4 397	52	1,2
– 30 days past due	**958**	**66**	**6,9**	930	54	5,8
– 60 days past due	**245**	**51**	**20,8**	219	32	14,6
– 90 days past due	**220**	**183**	**83,2**	291	237	81,4
Import and Distribution[3]	**489**	**43**	**8,8**	397	83	20,9
– Current (not past due)	**441**	**26**	**5,9**	299	26	8,7
– 30 days past due	**20**	**4**	**20,0**	44	7	15,9
– 60 days past due	**15**	**1**	**6,7**	3	-	-
– 90 days past due	**13**	**12**	**92,3**	51	50	98,0
Retail and Rental	**3 917**	**251**	**6,4**	3 608	232	6,4
– Current (not past due)	**3 049**	**21**	**0,7**	2 799	20	0,7
– 30 days past due	**564**	**62**	**11,0**	517	45	8,7
– 60 days past due	**167**	**45**	**26,9**	134	28	20,9
– 90 days past due	**137**	**123**	**89,8**	158	139	88,0
Mobility Solutions	**154**	**5**	**3,2**	197	5	2,5
– Current (not past due)	**125**	**5**	**4,0**	179	5	2,8
– 30 days past due	**24**	**-**	**-**	12	-	-
– 60 days past due	**1**	**-**	**-**	1	-	-
– 90 days past due	**4**	**-**	**-**	5	-	-
Aftermarket Parts	**1 544**	**54**	**3,5**	1 635	55	3,4
– Current (not past due)	**1 066**	**1**	**0,1**	1 120	1	0,1
– 30 days past due	**350**	**-**	**-**	357	2	0,6
– 60 days past due	**62**	**5**	**8,1**	81	4	4,9
– 90 days past due	**66**	**48**	**72,7**	77	48	62,3

1 *The gross receivables are inclusive of VAT applicable in the various jurisdictions and the ECL allowance excludes VAT.*

2 *This includes Head Office and Eliminations trade receivables amounting to R1 million (2023: Rnil million) and expected credit loss allowance of Rnil million (2023: Rnil million).*

3 *Payments received from defaulting customers in the current year reduced the expected credit loss ratio, compared to the prior financial year.*

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.3 Trade and other payables

Senior management considers the carrying value of the trade and other payables to approximate its fair value, as the carrying value is based on contractual rights and obligations and is short-term in nature. Refer to note 4 – Financial management and instruments for the Group's financial risk management policies.

	2024 Rm	2023 Rm
Trade payables	**7 540**	8 878
Value added taxation[1]	**508**	421
Payroll accruals	**1 190**	1 243
Accruals	**2 309**	2 616
Sundry payables	**105**	148
	11 652	13 306

[1] *Value added taxation assets and liabilities are offset where there is a legally enforceable right to offset and where it relates to taxes levied by the same revenue authority and legal entity.*

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The credit period taken for trade purchases ranges between 30 and 90 days (2023: 90 days) and varies between suppliers. For most suppliers, interest is not charged on the trade payables. The Group has financial risk management policies in place to ensure that all the payables are within the pre-agreed credit terms.

3.7.4 Floorplans from suppliers

Some of the Group's vehicle inventory and vehicles for hire are financed by floorplans provided by suppliers or financial institutions. The Group assesses the underlying finance providers and the terms and conditions provided to determine whether the facility should be recognised as a floorplan from a supplier or a floorplan from a financial institution. Where the finance provider is an external financial institution and not associated with the OEMs, it is regarded as a floorplan from a financial institution. Refer to note 6.1 – Interest-bearing debt for additional information. All other floorplans provided or underwritten by the OEMs are regarded as floorplans from suppliers.

	2024 Rm	2023 Rm
Interest-free floorplan from suppliers	**4 407**	6 945
Interest-bearing floorplan from suppliers	**4 566**	4 023
	8 973	10 968
Effective interest rates (%)	**5,3 – 11,8**	2,1 – 12,5

Floorplans from suppliers consist of interest-bearing and interest-free facilities provided by the OEMs' finance providers or underwritten by the OEMs. The terms and conditions are outlined by the finance provider and, in some instances, take into account the vehicle model.

The vehicle inventory and vehicles for hire encumbered as security for these facilities are:

	2024 Rm	2023 Rm
Vehicles for hire	**539**	-
Inventories	**7 041**	9 237
	7 580	9 237

Refer to notes 4.2 – Liquidity risk and 4.4 – Fair value measurement of financial instruments, for further details on liquidity risk and the fair value hierarchy.

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.5 Provisions and contingent liabilities

3.7.5.1 Provisions

Warranty provision

Present obligations arising under warranties sold as part of the initial vehicle sale which are not funded by the OEMs, are recognised and measured as provisions.

Onerous contracts, legal and other claims

Present obligations arising under onerous contracts, legal and other claims are recognised and measured as provisions.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable cost of meeting the obligation under the contract exceeds the expected economic benefits.

Where the Group and its legal advisors believe that the legal and other claims are likely to succeed and that there is a probable outflow that can be reliably measured, a provision has been raised. There is no current or pending legal and other claims that are considered likely to have a significant adverse effect on the Group.

Rehabilitation provision

Present obligations of estimated costs arising from lease agreements whereby the Group is liable for the restoration of the property to the conditions set out in the lease agreements are recognised and measured as provisions.

Other provisions

Other provisions consist mainly of claims handling provisions, service fees, utility and property-related provisions, other insurance provisions, present obligations arising under roadside assistance contracts, and other costs such as advertising, sustainability and promotional costs.

	Warranty Rm	Onerous contracts, legal and other claims Rm	Rehabilitation Rm	Other Rm	2024 Rm	2023 Rm
Carrying value at the beginning of the year	286	378	188	263	**1 115**	983
Movement during the year						
Acquisition of businesses	-	-	-	-	**-**	69
Charged to profit or loss	18	11	9	(68)	**(30)**	97
– Amounts raised	59	68	11	86	**224**	375
– Unused amounts reversed	(41)	(57)	(2)	(154)	**(254)**	(278)
Amounts utilised	(61)	(19)	(4)	(27)	**(111)**	(150)
Provision for costs recognised in terms of lease agreements	-	-	-	-	**-**	98
Currency adjustments	(3)	-	(10)	1	**(12)**	18
Carrying value at the end of the year	240	370	183	169	**962**	1 115
Current liability expected within one year	108	227	27	148	**510**	416
Non-current liabilities expected in more than one year	132	143	156	21	**452**	699
	240	370	183	169	**962**	1 115

Provisions, by their nature, are obligations of uncertain timing and amount. The Group uses historical experience and current economic conditions when assessing the estimated amount and timing of the provisions to be raised. Specific uncertainties regarding the provisions recognised include the duration of the contracts, vehicle mileages, expected parts price increases, eventual costs to be incurred in respect of lease rehabilitation obligations and the final value and timing of when claim settlements are agreed to by the counterparties.

3. Operating assets and liabilities (continued)

3.7 Net working capital (continued)

3.7.5 Provisions and contingent liabilities (continued)

3.7.5.2 Contingent liabilities

The Group does not recognise contingent liabilities in the consolidated statement of financial position until future events indicate that it is probable that an outflow of resources will take place, and a reliable estimate can be made, at which time a provision is raised.

Letters of credit and other guarantees

	2024 Rm	2023 Rm
Letters of credit	**2 374**	3 181
Guarantees	**264**	273
	2 638	3 454

The letters of credit and guarantees are issued by financial institutions on behalf of the Group to suppliers. The letters of credit relate to confirmed orders for the purchase of inventory from foreign suppliers. The Obligor Companies have, in turn, signed corresponding guarantees to the financial institutions supporting these letters of credit. Refer to note 16 – Contingent liabilities and contingent assets in the Company's annual financial statements for additional information.

The Group has elected to treat financial guarantees issued between subsidiary companies as an in-substance equity contribution and is eliminated on consolidation.

There are no financial guarantee contracts in place that require recognition in the consolidated statement of financial position as they are eliminated on consolidation.

Litigation

	2024 Rm	2023 Rm
The Group has received summons for claims	**-**	1

The Group and its legal advisors believe that these claims are unlikely to succeed. Where the Group believes that there is a probable outflow that can be reliably measured, a provision has been raised. There is no current or pending litigation that is considered likely to have a significant adverse effect on the Group.

3.8 Contract liabilities

Contract liabilities relate to the vehicle service, maintenance and warranty contracts, which are sold with vehicles to cover the cash cost of future expenditure over specified periods. The customer pays upfront in full as part of the cost of the vehicle or as a separate standalone purchase and this obligation is released over the period of the performance obligations. Actuarial experts are used to determine the inputs required to establish the adequacy of the contract liability, the resulting revenue to be recognised and the final liability.

Revenue from vehicle service, maintenance and warranty contracts is long-term in nature (two to five years) and is recognised as the vehicle is serviced, maintained or repaired over the life of the contract (over-time). The value of the revenue recognised is the cost of the work done plus the estimated margin. The estimated margin is adjusted to cater for the cost of expected future expenditure based on historical trends and includes annual forecasted inflationary adjustments.

The balance of the unearned revenue is recognised in profit or loss on termination when the contract expires. Funds for which there are insufficient claims history are recognised in profit or loss to the extent of the claims cost incurred without any profits being attributed. At the end of the contract, any remaining profits are recognised in profit or loss.

The Group has assessed whether the maintenance contracts give rise to insurance risk and fall within the scope of IFRS 17. The following considerations were included in the assessment:

- The terms and conditions, including the fees and scope of work, are standardised across all policies. No customisations are permitted.
- The dealerships are compensated for the vehicle maintenance work carried out, provided the necessary approvals are obtained. Where the repairs do not fall within the scope of the maintenance contract, the customer will be liable to settle the costs with the dealership.
- The primary purpose of the contract is to cover the costs of approved vehicle maintenance over the agreed-upon period.
- The cost and timing of these services can be estimated upfront and considered when establishing the fees.

Based on the abovementioned conditions, the Group applied the exemption outlined in IFRS 17 and accounted for the maintenance contracts in terms of IFRS 15. Service and manufacturer warranty contracts were not considered as they do not fall within the defined scope of IFRS 17.

3. Operating assets and liabilities (continued)

3.8 Contract liabilities (continued)

The inputs and assumptions are established by actuaries and agreed to by the Mobility Solutions FRRC, which has an independent Chairman who is an actuary. Significant assumptions made to determine the stage of completion of the contract, known as burn rates of contracts, include:

- Vehicle parts, consumables and labour inflation;
- Foreign currency movements;
- Policy sale date; and
- Contract duration and mileage.

The vehicle service, maintenance and warranty contracts are all based on the same assumptions and measurement basis and have not significantly changed from the prior financial year.

	2024 Rm	2023 Rm
Carrying value at the beginning of the year	**3 086**	3 021
Movement during the year		
Amounts recognised in revenue	**(1 451)**	(1 481)
– Prior year contracts	**(1 313)**	(1 342)
– Current year contracts	**(138)**	(139)
New business written	**1 297**	1 532
Currency adjustments	**(2)**	14
Carrying value at the end of the year	**2 930**	3 086
Maturity profile		
Current liability expected within one year	**1 226**	1 248
Non-current liabilities expected in more than one year	**1 704**	1 838
– Between one and two years	**833**	859
– Between two and three years	**487**	476
– Between three and four years	**251**	272
– Between four and five years	**99**	180
– More than five years	**34**	51
	2 930	3 086

Refer to note 8.1 – Revenue, for recognition of revenue related to the satisfaction of performance obligations.

4. Financial management and instruments

4.1 Financial risk factors

The treasury activities are aligned with the Group’s AL Committee strategies and decentralised business model. The AL Committee is a board sub-committee responsible for recommending best practice assets and liabilities risk management, with its main objectives being the management of market and liquidity risk. The AL Committee meets every quarter and follows a comprehensive risk management process. The treasury department implements the risk management policies and directives recommended by the AL Committee and provides financial risk management services to the various divisional businesses. The treasury department coordinates access to domestic and international financial markets. The treasury department monitors and manages the financial risks relating to the operations of the Group through internal risk reports, which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency, interest rate and credit risk) and liquidity risk.

The oversight and management of currency and interest rate risk is performed mainly on a centralised basis by the treasury department by applying the Group's hedging policies and guidelines. The Group seeks to minimise the effects of these risks by matching assets and liabilities as far as possible and by using derivative financial instruments to hedge the risk exposures.

The Group's objectives, policies and processes for measuring and managing these risks are detailed in the following notes:

		Financial risk factors			
		Currency risk	Interest rate risk	Credit risk	Liquidity risk
2.3	– Investment in associates and joint ventures			✓	
3.3.2	– Lease liabilities				✓
3.5	– Investments and other financial instruments			✓	
3.7.2	– Trade and other receivables			✓	
3.7.3	– Trade and other payables	✓	✓		✓
3.7.4	– Floorplans from suppliers	✓	✓		✓
4.2	– Liquidity risk				✓
4.3	– Currency risk and hedge accounting	✓		✓	
6.1	– Interest-bearing debt	✓	✓	✓	✓
6.2	– Cash resources	✓	✓	✓	✓

4.2 Liquidity risk

Liquidity risk arises should the Group have insufficient funds or marketable assets available to fulfil its future cash flow obligations. The Group's liquidity risk management framework is designed to identify, measure and manage liquidity risk such that sufficient liquid resources are always available to fund operations and commitments.

The responsibility for liquidity risk management has been mandated to the AL Committee, which has developed an appropriate liquidity risk management framework for the management of the Group’s short-term, medium-term and long-term funding requirements. The Group manages liquidity risk by monitoring rolling quarterly forecasted cash flows in compliance with bank covenants and ensuring that adequate unutilised borrowing facilities are maintained. Appropriate probability factors are applied to the cash flow forecasts.

The financial liabilities will be funded by the sale of inventory and vehicles for hire as well as the utilisation of financial assets.

The undiscounted cash flows of the Group's financial assets fall into the following maturity profiles:

2024	Contractual cash flows[1] Rm	Less than one year Rm	One to five years Rm	More than five years Rm
Loans to associates and joint ventures	73	1	-	72
Investments and other financial assets	481	12	6	463
– Preference shares in banking alliances	463	-	-	463
– Other financial assets	18	12	6	-
Trade and other receivables[2]	6 629	6 629	-	-
Derivative financial assets	39	39	-	-
Cash resources	1 729	1 729	-	-
	8 951	**8 410**	**6**	**535**

[1] *The carrying value of the financial assets approximates the contractual cash flows.*

[2] *Trade and other receivables exclude VAT amounting to R124 million (2023: R133 million) and prepayments amounting to R698 million (2023: R652 million) as these are not financial instruments.*

4. Financial management and instruments (continued)

4.2 Liquidity risk (continued)

2023	Contractual cash flows Rm	Less than one year Rm	One to five years Rm	More than five years Rm
Loans to associates and joint ventures	73	-	1	72
Investments and other financial assets[1]	6	-	-	6
Trade and other receivables	6 358	6 358	-	-
Derivative financial assets	428	398	30	-
Cash resources	2 042	2 042	-	-
	8 907	8 798	31	78

[1] *The previous investment in preference share arrangements with cell insurers is now accounted for under IFRS 17 and is not regarded as a financial instrument. The remaining investment relates to the investment in unlisted shares.*

The undiscounted cash flows of the Group's financial liabilities fall into the following maturity profiles:

2024	**Carrying value Rm**	**Contractual cash flows Rm**	**Less than one year Rm**	**One to five years Rm**	**More than five years Rm**
Lease liabilities[1]	**3 533**	**4 279**	**902**	**2 309**	**1 068**
Trade and other payables[2]	**9 849**	**9 849**	**9 849**	**-**	**-**
Floorplans from suppliers	**8 973**	**8 973**	**8 973**	**-**	**-**
Other financial liabilities[3]	**38**	**38**	**31**	**7**	**-**
Derivative financial liabilities	**221**	**221**	**221**	**-**	**-**
Interest-bearing borrowings[1]	**15 573**	**17 209**	**8 490**	**8 719**	**-**
– Interest-bearing debt	**12 888**	**14 524**	**5 805**	**8 719**	**-**
– Floorplans from financial institutions	**2 685**	**2 685**	**2 685**	**-**	**-**
	38 187	**40 569**	**28 466**	**11 035**	**1 068**

[1] *Refer to notes 3.3.2 – Lease liabilities and 6.1 – Interest-bearing debt for additional information on the maturity profiles.*
[2] *Trade and other payables exclude VAT amounting to R508 million (2023: R421 million), payroll accruals amounting to R1 190 million (2023: R1 243 million) and sundry payables amounting to R105 million (2023: R148 million) as these are not financial instruments.*
[3] *Relates to loans from associates and non-controlling interests.*

2023	Carrying value Rm	Contractual cash flows Rm	Less than one year Rm	One to five years Rm	More than five years Rm
Lease liabilities	3 768	4 577	885	2 469	1 223
Trade and other payables	11 494	11 494	11 494	-	-
Floorplans from suppliers	10 968	10 968	10 968	-	-
Other financial liabilities	37	37	30	7	-
Derivative financial liabilities	122	122	122	-	-
Interest-bearing borrowings	15 754	18 324	6 902	11 422	-
– Interest-bearing debt	14 084	16 654	5 232	11 422	-
– Floorplans from financial institutions	1 670	1 670	1 670	-	-
	42 143	45 522	30 401	13 898	1 223

Notes to the consolidated annual financial statements (continued)

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting

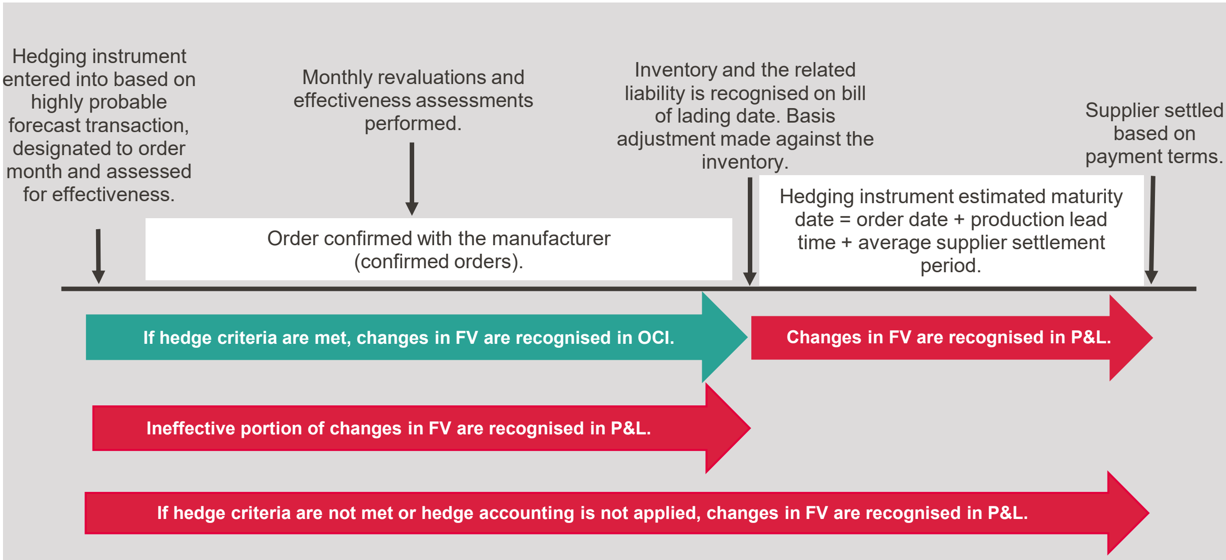
Currency risk

An integral part of our operations relate to the importing of vehicles and parts inventory. The cost of the imported inventory is settled in foreign currency and the variation in these cash flows due to exchange rate fluctuations gives rise to the Group's most significant exposure to foreign currency risk. The duties levied on these imports are settled in Rand. However, the value is based on the foreign currency-denominated value of the imported inventory, giving rise to foreign currency risk on the anticipated cash flows. The Group is also exposed to currency risk as a result of exporting goods and obtaining foreign funding. The magnitude of this risk is not as significant as the risk associated with the importation of vehicles and parts.

The Group's policy is to minimise this exposure and volatility on the inventory costing by maintaining, at minimum, a fully covered foreign exchange risk position with respect to committed orders and shipments. The Group has entered into certain FECs and options authorised by the AL Committee to cover currency risk relating to recognised liabilities and confirmed orders arising from obligations relating to imported inventory as at 30 June and highly probable forecasted transactions not yet due. The day-to-day management of foreign currency risk is performed on a decentralised basis by the various business units by applying the Group's hedging policies and guidelines as directed.

The Group does not use derivative financial instruments for speculative purposes.

The hedging transaction cycle on the importation of vehicles and parts inventory includes:



Notes to the consolidated annual financial statements (continued)

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting (continued)

The guidelines and policies outline the following requirements:

<table>
<tr><th>Division</th><th>Currency</th><th>Minimum hedging required</th><th>Maximum hedging allowed</th></tr>
<tr><td>Hyundai Automotive South Africa Proprietary Limited</td><td>US Dollar and Euro</td><td>All recognised liabilities and confirmed orders.
Seven-month rolling basis for highly probable forecast transactions.[1]</td><td rowspan="5">Nine-month rolling basis for highly probable forecast transactions.</td></tr>
<tr><td rowspan="2">Kia South Africa Proprietary Limited</td><td>US Dollar</td><td>All recognised liabilities and confirmed orders.
Seven-month rolling basis for highly probable forecast transactions.[1]</td></tr>
<tr><td>Euro</td><td>All recognised liabilities and confirmed orders.</td></tr>
<tr><td>Motus Vehicles Distributor Proprietary Limited</td><td>Euro</td><td>All recognised liabilities and confirmed orders.
Seven-month rolling basis for highly probable forecast transactions.[1]</td></tr>
<tr><td>Brietta Trading Proprietary Limited</td><td>US Dollar and Japanese Yen</td><td>All recognised liabilities and confirmed orders.</td></tr>
<tr><td rowspan="2">Aftermarket Parts</td><td>US Dollar and Euro</td><td>All recognised liabilities and confirmed orders.</td><td rowspan="2">100% of the six-month rolling basis for highly probable forecast transactions.
All confirmed orders.</td></tr>
<tr><td>Other currencies</td><td>All recognised liabilities.</td></tr>
</table>

[1] *During the year, the AL Committee decided to allow flexible dispensation where volatility in major trading currencies is prevalent.*

As part of the South African Reserve Bank's Active Currency Management regulations, the maturity date of foreign currency hedging instruments is limited to 12 months ahead at any point in time.

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting (continued)

The details of these contracts are as follows:

2024	Final maturity date	Foreign amount (millions)	Average exchange rate	Contract value[1] Rm	Market value Rm	Derivative assets Rm
Currency risk						
FECs designated in hedge accounting relationships				2 358	2 373	15
– US Dollar	Mar-2025	114	18,35	2 098	2 111	13
– Euro	Mar-2025	13	19,62	253	255	2
– Japanese Yen	Nov-2024	60	0,12	7	7	-
FECs not designated in hedge accounting relationships				488	503	15
– US Dollar	Mar-2025	30	18,34	559	563	4
– Euro	Apr-2025	3	19,56	65	65	-
– Australian Dollar[2]	Aug-2024	(3)	12,81	(32)	(30)	2
– Chinese Renminbi	Nov-2024	25	2,53	63	64	1
– Japanese Yen	Nov-2024	19	0,12	2	2	-
– British Pound[2]	Sep-2024	(7)	24,35	(169)	(161)	8
Net FECs				2 846	2 876	30
Interest rate risk						
IRDCs designated in hedge accounting relationships[3]						9
Current assets expected in less than one year						39

2024	Final maturity date	Foreign amount (millions)	Average exchange rate	Contract value[1] Rm	Market value Rm	Derivative liabilities Rm
Currency risk						
FECs designated in hedge accounting relationships				7 013	6 843	170
– US Dollar	Jan-2025	277	18,74	5 185	5 085	100
– Euro	Mar-2025	85	20,69	1 764	1 698	66
– Japanese Yen	Dec-2024	516	0,12	64	60	4
FECs not designated in hedge accounting relationships				1 724	1 686	38
– US Dollar	Feb-2025	62	18,73	1 166	1 144	22
– Euro	Mar-2025	22	20,40	456	443	13
– Chinese Renminbi	Oct-2024	32	2,59	83	81	2
– Japanese Yen	Dec-2024	127	0,12	16	15	1
– British Pound	Sep-2024	-	23,74	3	3	-
Net FECs				8 737	8 529	208
Revaluation of structured products						13
Current liabilities expected in less than one year						221

[1] *The contract value is based on the actual foreign amount, not the calculated amount rounded to the nearest million.*

[2] *This relates to FECs hedging future dividends receivable from foreign subsidiaries.*

[3] *Refer to note 6.1 – Interest-bearing debt for additional information.*

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting (continued)

2023	Final maturity date	Foreign amount (millions)	Average exchange rate	Contract value Rm	Market value Rm	Derivative assets Rm
Currency risk						
FECs designated in hedge accounting relationships				6 477	6 811	334
– US Dollar	Jan-2024	250	17,95	4 479	4 728	249
– Euro	Dec-2023	99	19,91	1 973	2 058	85
– Japanese Yen	Jul-2023	188	0,13	25	25	-
FECs not designated in hedge accounting relationships				1 324	1 388	64
– US Dollar	Feb-2024	47	17,90	849	900	51
– Euro	Jan-2024	17	20,04	347	360	13
– Australian Dollar	Sep-2023	7	12,64	88	88	-
– Chinese Renminbi	Nov-2023	11	2,58	29	29	-
– Japanese Yen	Jul-2023	45	0,13	6	6	-
– British Pound	Aug-2023	-	23,05	5	5	-
Net FECs				7 801	8 199	398
Interest rate risk						
IRDCs designated in hedge accounting relationships						30
						428
Maturity profile						
– Current assets expected in less than one year						398
– Non-current assets expected in more than one year						30
						428

2023	Final maturity date	Foreign amount (millions)	Average exchange rate	Contract value Rm	Market value Rm	Derivatives liabilities Rm
Currency risk						
FECs designated in hedge accounting relationships				907	892	15
– US Dollar	Sep-2023	4	19,42	78	76	2
– Euro	Nov-2023	35	21,07	747	736	11
– Japanese Yen	Dec-2023	591	0,14	82	80	2
FECs not designated in hedge accounting relationships				529	520	9
– US Dollar	Dec-2023	1	19,60	12	12	-
– Euro	Nov-2023	9	21,10	188	185	3
– Australian Dollar	Sep-2023	19	12,82	241	239	2
– Chinese Renminbi	Nov-2023	25	2,74	68	65	3
– Japanese Yen	Dec-2023	142	0,14	20	19	1
Net FECs				1 436	1 412	24
Revaluation of structured products						98
Current liabilities expected in less than one year						122

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting (continued)

	2024 Rm	2023 Rm
Changes in the fair value of the hedged item for calculating the hedge ineffectiveness	**369**	1 215
Changes in the fair value of the hedging instrument for calculating the hedge ineffectiveness	**340**	1 170

Refer to note 3.7.5.2 – Contingent liabilities for further details on future commitments relating to the hedging instruments above. The letters of credit relate to the future irrevocable commitments made by the importers for future purchases of inventory.

The FECs are regarded as level 2 financial instruments which are fair valued using future estimated cash flows based on forward exchange rates (from observable forward exchange rates at the end of the financial year) and contract forward rates.

Hedge accounting

The Group has elected to apply cash flow hedge accounting to the FECs, hedging the importation of new vehicles and IRDCs hedging the impact of interest rate volatility. The Group has elected not to apply cash flow hedge accounting to the other foreign currency exposures outlined above as no formal hedge documentation is maintained. Refer to note 6.1 – Interest-bearing debt for additional information on the IRDCs.

The hedged item is defined as the designated future cash flows, denominated in a foreign currency, arising from the highly probable forecasted purchase of vehicles. The complete fair value, including any contract forward points on the designated FECs, is defined as the hedging instrument.

The highly probable forecast purchases are based on the expected cash outflows on the settlement of the foreign liability. The expected cash outflows are determined with reference to expected order quantities and order dates, production lead times and the average settlement period specified by the supplier.

Hedge effectiveness is assessed at:

- Each designation date;
- Each reporting date;
- When the underlying hedged item is recognised in inventory; and
- When there was a significant change in the circumstances of the relationship.

For hedges of foreign currency risk, the Group entered into hedging relationships where the critical terms of the hedging instrument and hedged item are aligned. These critical terms include the denominated currency, the nominal value and the expected payment or maturity date. This matching of the critical terms demonstrates the economic relationship and the hedge ratio of 1:1, and the Group, therefore, assesses effectiveness qualitatively.

Misalignment in the critical terms between the hedged item and the hedging instrument may, however, arise from deliveries taking place sooner than expected or unforeseen delays. Where the critical terms are not aligned, the economic relationship is assessed quantitatively.

The potential sources of hedge ineffectiveness include:

- Differences between the maturity date of the hedging instrument and the expected cash flow date of the hedged item;
- Extension of the hedging instruments where orders are delayed;
- Early drawdowns on hedging instruments where orders are delivered earlier than anticipated; and
- The impact of changes in credit risk of either the Group or the financial institution.

Hedge ineffectiveness is recognised in profit or loss. If significant hedge ineffectiveness is identified that undermines the economic relationship, hedge accounting is discontinued. Hedge accounting will not be discontinued where ineffectiveness is temporary or insignificant.

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting (continued)

Hedge accounting (continued)

The hedge accounting reserve consists of the effective portion of gains and losses on hedging instruments designated as cash flow hedges, net of tax. In the current year, the hedge accounting reserve consists of gains or losses relating to FECs and IRDCs.

	Cost of hedging reserve[1] Rm	IRDCs[1] Rm	FECs Rm	2024 Rm	2023 Rm
Carrying value at the beginning of the year	(4)	27	571	**594**	400
Movement during the year					
– Effective portion of the fair value of the cash flow hedges	(1)	(1)	(60)	**(62)**	1 189
– Amounts transferred to inventory (including the effects of taxation)	-	-	(304)	**(304)**	(923)
– Gross amounts recognised in inventory	-	-	(416)	**(416)**	(1 265)
– Deferred tax relating to amounts recognised in inventory	-	-	112	**112**	342
– Extension of open hedging instruments	-	-	(296)	**(296)**	246
– Re-classification to profit or loss	3	(17)	-	**(14)**	4
– Deferred tax relating to the hedge accounting reserve movements	-	-	11	**11**	(322)
Carrying value at the end of the year	(2)	9	(78)	**(71)**	594

[1] *Refer to note 6.1 – Interest-bearing debt for additional information relating to the cost of hedging and IRDCs.*

It is anticipated that the liabilities associated with the hedged items will be realised within the next 12 months. When the new vehicle is sold, the related effective portion of the gains or losses is recognised in profit or loss as part of the cost of the vehicle.

Exchange rate sensitivity

Senior management has used a reasonable possible variation of 10% on the forward exchange rate and applicable contract forward rate in determining the after-tax impact on profit or loss and other comprehensive income. The 10% variation is based on senior management's assessment of a reasonable possible change in the market value with reference to the relevant foreign exchange rates in the foreseeable future.

	Profit or loss		Other comprehensive income	
	Appreciation of 10% Rm	Depreciation of 10% Rm	Appreciation of 10% Rm	Depreciation of 10% Rm
US Dollar	**(125)**	**125**	**(525)**	**525**
Euro	**(37)**	**37**	**(143)**	**143**
Australian Dollar	**2**	**(2)**	**-**	**-**
Chinese Renminbi	**(11)**	**11**	**-**	**-**
Japanese Yen	**(1)**	**1**	**(5)**	**5**
British Pound	**12**	**(12)**	**-**	**-**
2024	**(160)**	**160**	**(673)**	**673**
2023	(63)	63	(432)	432

4. Financial management and instruments (continued)

4.3 Currency risk and hedge accounting (continued)

Other derivative instruments

Foreign exchange gains or losses comprise translation differences arising from foreign currency-denominated balances such as trade receivables, trade payables, Customer Foreign Currency accounts and interest-bearing debt, changes in the fair value of derivative instruments that are not formally designated in a hedge relationship (which include FECs relating to the importation of parts, duties and other structured products), and ineffectiveness from cash flow hedges formally designated in hedge accounting relationships.

	2024 Rm	2023 Rm
Changes in the fair value of the cash flow hedges not formally designated in hedge accounting relationships[1]	**83**	(86)
Ineffective portion of the fair value of the cash flow hedges formally designated in hedge accounting relationships	**9**	12
Translation of foreign currency-denominated balances:		
– Trade and other receivables	**5**	(8)
– Trade and other payables	**(58)**	15
– Cash resources	**(30)**	(4)
– Interest-bearing debt[1]	**(83)**	91
– Floorplans from financial institutions	**5**	-
	(69)	20

[1] *Includes the impact of a cross-currency swap relating to a foreign intergroup loan, which has now been settled.*

Re-classifications from the hedge accounting reserve to profit or loss relating to the IRDCs are included in finance costs and finance income. Refer to note 8.5 – Finance costs and finance income for additional information. There have been no re-classifications relating to FECs.

4.4 Fair value measurements of financial instruments

4.4.1 Fair value hierarchy

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active, or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

4. Financial management and instruments (continued)

4.4 Fair value measurements of financial instruments (continued)

4.4.2 Fair value of financial instruments

Where the Group's financial assets and liabilities are not fair valued and are carried at amortised cost, they approximate their fair values. All financial instruments, except for the derivatives designated in hedge accounting relationships, are valued through profit or loss. The Group has no financial assets and liabilities which are regarded as level 1 financial instruments.

	At fair value level 2 Rm	At fair value level 3 Rm	At amortised cost Rm	Carrying value 2024 Rm	Carrying value 2023 Rm
Financial assets					
Loans to associates and joint ventures	-	-	73	**73**	73
Investments and other financial assets[1]	-	463	18	**481**	6
– Preference shares in banking alliances	-	463	-	**463**	-
– Unlisted investment	-	-	-	**-**	6
– Other financial assets	-	-	18	**18**	-
Trade and other receivables	-	-	6 629	**6 629**	6 358
Derivative financial assets	39	-	-	**39**	428
Cash resources	-	-	1 729	**1 729**	2 042
	39	463	8 449	**8 951**	8 907
Financial liabilities					
Lease liabilities	-	-	3 533	**3 533**	3 768
Trade and other payables	-	-	9 849	**9 849**	11 494
Floorplans from suppliers	-	-	8 973	**8 973**	10 968
Other financial liabilities	-	-	38	**38**	37
Derivative financial liabilities	221	-	-	**221**	122
Interest-bearing borrowings	-	-	15 573	**15 573**	15 754
– Interest-bearing debt	-	-	12 888	**12 888**	14 084
– Floorplans from financial institutions	-	-	2 685	**2 685**	1 670
	221	-	37 966	**38 187**	42 143

[1] *The previous investment in preference share arrangements with cell insurers is now accounted for under IFRS 17 and is not regarded as a financial instrument. The remaining investment relates to the investment in unlisted shares.*

When the fair value of financial instruments recorded in the consolidated statement of financial position cannot be measured based on quoted prices in an active market, it is measured using discounted cash flow valuation techniques. The inputs to these models are taken from observable markets, but where this is not feasible, a degree of judgement is required in establishing these fair values. Discount rates are calculated with reference to observable market data. Assumed profitability is based on historical performances adjusted for expected growth.

The significant financial instruments measured at fair value referred to in the current and prior year include:

Financial instrument	Hierarchy	Notes
Derivative financial instruments		
• Forward exchange contracts	Level 2	4.3 – Currency and hedge accounting
• Interest rate derivative contracts	Level 2	6.1 – Interest-bearing debt
Investment in preference shares in banking alliances	Level 3	3.5 – Investment and other financial instruments

Transfers between hierarchy levels

There were no transfers between the fair value hierarchies during the current and prior financial years.

5. Shareholders' interest

5.1 Stated capital

The Company's authorised stated capital comprises the following classes of shares, which remains unchanged from the prior financial year:

Ordinary shares

Authorised: 394 999 000 ordinary shares of no par value

Each ordinary share is entitled to one vote and to participate in the dividend distribution. These shares are traded on the JSE Limited and A2X Exchange trading platforms under the share code MTH. The ordinary shares held by a wholly-owned subsidiary have no voting rights attached to them while being under its control.

Deferred ordinary shares

Authorised: 10 000 000 deferred ordinary shares of no par value

The deferred ordinary shares are unlisted, entitled to one vote per share and not entitled to participate in the dividend distribution. They have been issued to Ukhamba, the Group's B-BBEE partner and have the right to repayment of the par value thereof *pari passu* with holders of ordinary shares but have no further right to participate in the profits or assets of the Company. The shares convert on a one-for-one basis into ordinary shares annually at a fixed number of 831 469 shares. The last conversion will occur in June 2025, any shares not converted into ordinary shares will be converted into redeemable preference shares in 2025.

Non-redeemable preference shares

Authorised: 40 000 000 non-redeemable preference shares of no par value

These are preference shares that are non-redeemable, cumulative, non-participating, no par value preference shares in the stated capital of the Company. Preference shares carry one vote per share. Each preference share ranks higher than ordinary shares with regard to the dividends and repayment of capital. There are no non-redeemable preference shares in issue, nor is there currently any authority given to the Directors to issue any non-redeemable preference shares until at least the next AGM.

Redeemable preference shares

Authorised: 2 000 000 redeemable preference shares of no par value

Preference shares that are redeemable, non-participating, no par value preference shares in the stated capital of the Company. Redeemable preference shares do not confer on the holder the right to vote at meetings of the Company, except where a dividend or any part of any such dividend on such share or redemption payment remains in arrears and unpaid or to amend the preference rights, limitations and other terms associated with such preference shares. Each preference share ranks higher than ordinary shares with regard to the dividends and repayment of capital. There are no redeemable preference shares in issue, nor is there currently any authority given to the Directors to issue any redeemable preference shares until at least the next AGM.

Directors' and prescribed officers' interests in issued stated capital

The directors' report outlines the aggregate shareholdings of the directors and prescribed officers in the issued ordinary stated capital of the Company.

Issued and fully paid stated capital

	2024 Rm	2023 Rm
179 131 978 (2023: 178 300 509) ordinary shares of no par value	**21 042**	21 042
2 710 546 (2023: 3 542 015) deferred ordinary shares of no par value	**-**	-
Stated capital	**21 042**	21 042

5. Shareholders' interest (continued)

5.1 Stated capital (continued)

Ordinary shares in issue	Number of shares	Rm
Opening balance as at 1 July 2022	178 133 390	21 104
Cancellation of shares repurchased at an average of R93,32 per share	(664 350)	(62)
Conversion of deferred ordinary shares	831 469	-
Closing balance as at 30 June 2023	178 300 509	21 042
Conversion of deferred ordinary shares	831 469	-
Closing balance as at 30 June 2024	**179 131 978**	**21 042**

Shareholders approved a special resolution granting a general authority for the Group to repurchase ordinary shares, to a maximum of 10,0% (2023: 10,0%) of shares in issue, at the previous AGM held. All repurchases are subject to the JSE Listings Requirements and the provisions set out in the Companies Act. Approval to renew this general authority will be sought at the upcoming AGM.

Deferred ordinary shares in issue	Number of shares	Rm
Opening balance as at 1 July 2022	4 373 484	-
Conversion of shares into ordinary shares	(831 469)	-
Closing balance as at 30 June 2023	3 542 015	-
Conversion of shares into ordinary shares	(831 469)	-
Closing balance as at 30 June 2024	**2 710 546**	**-**

5.2 Shares repurchased

The treasury shares are repurchased by a wholly-owned subsidiary of the Company for the settlement of employee incentive schemes and are held at cost in the consolidated statement of financial position. These shares are treated as a deduction from the issued and weighted average number of shares and the value of these shares is treated as a reduction of equity. Dividends received on treasury shares by the subsidiary are eliminated on consolidation.

	Number of shares	Rm
Opening balance as at 1 July 2022	6 635 634	587
418 795 shares repurchased at an average of R93,12 per share	418 795	39
Issue of treasury shares as settlement of share-based equity at an average of R88,43 per share	(2 171 313)	(192)
Closing balance as at 30 June 2023	4 883 116	434
Issue of treasury shares as settlement of share-based equity at an average of R88,68 per share	(1 725 364)	(153)
Closing balance as at 30 June 2024	**3 157 752**	**281**

Refer to note 10.2 – Employee incentive schemes for additional information.

5. Shareholders' interest (continued)

5.3 Dividends paid

Interim

In the current year, a gross dividend of 235 cents (2023: 300 cents) per ordinary share was paid on 2 April 2024. The ordinary dividend was subject to the local dividend tax of 20% and the net ordinary dividend for those shareholders who are not exempt from paying tax, was therefore 188 cents (2023: 240 cents) per share.

Final

A gross dividend of 285 cents (2023: 410 cents) per ordinary share is payable on 7 October 2024. The ordinary dividend is subject to the local dividend tax of 20% and the net ordinary dividend for those shareholders who are not exempt from paying tax, is therefore 228 cents (2023: 328 cents) per share.

The Company’s income tax number is 983 671 2167.

6. Interest-bearing funding

6.1 Interest-bearing debt

The interest-bearing debt comprises sustainability-linked facilities and non-sustainability-linked facilities with various financial institutions.

Those local facilities that are sustainability-linked comprises syndicated facilities entered into with local banks. The local facilities, amounting to R7,3 billion, are Rand-denominated ESG facilities, which will focus on the own-use fuel consumption of the Group, water and electricity consumption, and gender equality to drive diversity and inclusion. The targets for each indicator were defined by the Group and agreed with the financial institutions. If the Group meets the targets, the interest rate applicable will be reduced. However, if the targets are not met, a penalty will be applied, resulting in an increase in the interest rate applicable. Where the Group does not meet the target but achieves the minimum threshold, no adjustments will be made to the applicable interest rate. For the sustainability-linked facilities, each target is measured individually, and the ultimate result per sustainability-linked facility will be assessed collectively. The indicators are measured annually and verified by external parties.

The Group has not recognised an embedded derivative, as these targets are within the control of the Group.

During the year, the Group extinguished the foreign denominated facilities from the previous consortium of banks and concluded new foreign denominated financing agreements with a new consortium of banks with facilities amounting to £150 million. The facilities are repayable in three years with an option to extend for an additional two years on approval from the consortium.

The remainder of the banking facilities relates to bilateral loans held with financial institutions and other in-country facilities in the geographies we operate in.

The components of the debt facilities are as follows:

	Current variable interest rates[1]		Carrying value	
	2024 %	2023 %	**2024 Rm**	2023 Rm
Long-term				
Bank term loans	**10,0 – 10,1**	6,7 – 10,1	**3 200**	3 440
Revolving credit loans			**4 486**	6 300
– Rand-denominated loans	**9,7 – 10,0**	6,5 – 10,0	**2 450**	4 750
– Foreign currency-denominated loans[2]	**6,5 – 7,2**	1,6 – 6,5	**2 036**	1 550
15-month notice loans	**9,6 – 9,7**	6,2 – 9,7	**400**	200
Total long-term debt			**8 086**	9 940
Short-term				
Bank term loans	**3,5 – 10,1**	6,7 – 10,1	**77**	293
Revolving credit loans			**10**	58
– Rand-denominated loans	**9,7 – 10,0**	6,5 – 10,0	**2**	55
– Foreign currency-denominated loans	**6,5 – 7,2**	1,6 – 6,5	**8**	3
Other short-term debt			**4 715**	3 793
– Call borrowings	**9,4 – 9,7**	6,1 – 9,7	**3 033**	2 670
– 15-month notice loans	**9,6 – 9,7**	6,1 – 9,7	**2**	2
– Bank overdrafts	**2,2 – 26,5**	1,8 – 15,8	**1 680**	1 121
Total short-term debt			**4 802**	4 144
Floorplans from financial institutions			**2 685**	1 670
– Rand-denominated floorplans	**9,8 – 10,5**	10,1 – 10,3	**1 359**	761
– Foreign currency-denominated floorplans	**6,2 – 7,6**	6,2 – 7,4	**1 326**	909
Total short-term interest-bearing borrowings			**7 487**	5 814
Interest-bearing borrowings			**15 573**	15 754

[1] *Reflects the current variable interest rates applicable to interest-bearing debt. Additional information on the IRDCs is outlined below.*

[2] *The foreign currency-denominated revolving credit loans includes R220 million (2023: R400 million) which is secured by property, plant and equipment and assets held-for-sale of R777 million (2023: R801 million).*

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

(Repayments)/advances of banking facilities

	2024 Rm	2023 Rm
Banking facilities at the beginning of the year	**12 963**	4 890
– Total interest-bearing borrowings	**15 754**	6 029
– Less: Bank overdrafts	**(1 121)**	(272)
– Less: Floorplans from financial institutions	**(1 670)**	(867)
Movement during the year		
Extinguishment of facilities as a result of the refinancing	**-**	-
– Repayments of previously held facilities	**(1 874)**	-
– Advances of new facilities	**1 874**	-
Translation of foreign currency-denominated facilities charged to profit or loss	**76**	(91)
Movement in accrued interest[1]	**(42)**	75
– Finance costs charged	**2 042**	1 206
– Finance costs paid	**(2 084)**	(1 131)
Currency adjustments	**(61)**	390
(Repayments)/ advances of banking facilities	**(1 728)**	7 699
– Advances of banking facilities	**41 782**	50 139
– Repayments of banking facilities	**(43 510)**	(42 440)
Banking facilities at the end of the year	**11 208**	12 963
– Total interest-bearing borrowings	**15 573**	15 754
– Less: Bank overdrafts	**(1 680)**	(1 121)
– Less: Floorplans from financial institutions	**(2 685)**	(1 670)

[1] *Finance costs charged and finance costs paid have been disaggregated to enhance disclosure.*

The Group follows a centralised cash management process, including cash management systems to minimise risk and related finance costs across bank accounts. The cash management systems ensure that any excess cash held in the businesses is transferred through sweeping processes to the treasury departments in the various jurisdictions.

The Group has established a global multi-currency notional pool with J.P. Morgan Chase and Co. and select international subsidiaries within the Group. These subsidiaries have accounts in appropriate currencies for their business and deposit excess funds in their accounts, making these funds available to the Group. The subsidiaries earn interest according to their position, while the Group benefits as it is able to extract this value in a currency of its choice to be used elsewhere in the Group.

The consolidated borrowing position of the Group is assessed daily, and the banking facilities are repaid or drawn down on a short-term basis.

Maturity analysis of interest-bearing borrowings carrying value by geographical location

	2028 onward Rm	2027 Rm	2026 Rm	2025 Rm	2024 Rm
South Africa	**1 000**	**-**	**5 050**	**5 275**	**11 325**
International	**-**	**1 816**	**220**	**2 212**	**4 248**
	1 000	**1 816**	**5 270**	**7 487**	**15 573**

	2027 onward Rm	2026 Rm	2025 Rm	2024 Rm	2023 Rm
South Africa	2 281	5 367	742	4 275	12 665
International	-	-	1 550	1 539	3 089
	2 281	5 367	2 292	5 814	15 754

Notes to the consolidated annual financial statements (continued)

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

Maturity analysis of interest-bearing borrowings contractual cashflows by geographical location

	2028 onward Rm	2027 Rm	2026 Rm	2025 Rm	2024 Rm
South Africa	**1 024**	**100**	**5 297**	**6 143**	**12 564**
International	**-**	**1 945**	**353**	**2 347**	**4 645**
	1 024	**2 045**	**5 650**	**8 490**	**17 209**

	2027 onward Rm	2026 Rm	2025 Rm	2024 Rm	2023 Rm
South Africa	2 535	5 719	1 510	5 294	15 058
International	-	-	1 658	1 608	3 266
	2 535	5 719	3 168	6 902	18 324

Maturity analysis of interest-bearing borrowings carrying value by denominated currency

	2028 onward Rm	2027 Rm	2026 Rm	2025 Rm	2024 Rm
SA Rand	**1 000**	**-**	**5 050**	**4 824**	**10 874**
British Pound	**-**	**1 816**	**-**	**611**	**2 427**
Australian Dollar	**-**	**-**	**220**	**1 335**	**1 555**
US Dollar	**-**	**-**	**-**	**394**	**394**
Other[1]	**-**	**-**	**-**	**323**	**323**
	1 000	**1 816**	**5 270**	**7 487**	**15 573**

[1] *Other relates to interest-bearing debt primarily denominated in Chinese Renminbi, Kenyan Shilling, Tanzanian Shilling and Zambian Kwacha.*

	2027 onward Rm	2026 Rm	2025 Rm	2024 Rm	2023 Rm
SA Rand	2 281	5 367	742	4 350	12 740
British Pound	-	-	1 151	445	1 596
Australian Dollar	-	-	399	524	923
US Dollar	-	-	-	97	97
Other	-	-	-	398	398
	2 281	5 367	2 292	5 814	15 754

Refer to note 4.2 – Liquidity risk, for further disclosure related to interest-bearing debt with regards to liquidity risk.

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

Interest rate risk

Borrowings issued at variable rates expose the Group to cash flow and interest rate risk, while fixed rate borrowings expose the Group to fair value interest rate risk. Cash flow interest rate risk arises from movements in market rates. To mitigate this risk, the Group enters into various derivative contracts in line with the recommendations provided by the AL Committee.

The IRDCs are regarded as level 2 financial instruments which are fair valued using the present value of estimated future cash flows over the term of the IRDCs, based on future interest rates (from observable forward-looking interest rates at the end of the financial year), including the margin applied by the financial institutions.
The Group has entered into the following IRDCs:

2024	**Maturity date**	**Notional value Rm**	**Variable interest rates %**	**Derivative interest rates %**	**Derivative assets Rm**
IRDCs designated in hedge accounting relationships					
– IRDC 8 (swap)[1]	**Dec-2024**	**250**	**9,8**	**7,9**	**3**
– IRDC 9 (cap)[2]	**Dec-2024**	**250**	**9,8**	**8,0**	**2**
– IRDC 10 (cap)[2]	**Dec-2024**	**250**	**9,8**	**8,0**	**2**
– IRDC 11 (collar)[3]	**Dec-2024**	**250**	**9,8**	**6,0 – 8,0**	**2**
		1 000			**9**

[1] *This IRDC is an interest rate swap whereby the Group will receive interest at the variable interest rates on notional values and oblige it to pay interest at the derivative interest rate, which is fixed, on the same amount.*

[2] *These IRDCs are interest rate caps whereby the Group continues to pay interest based on the variable interest rate, should the variable interest rate exceed the derivative interest rates (the strike rate), the Group will receive interest from the financial institution based on the differential. The agreed strike rate is therefore the maximum interest rate.*

[3] *This IRDC is an interest rate collar whereby the minimum interest rate (the floor strike rate) and maximum interest rate (the cap strike rate) are defined. Should the variable interest rate exceed the cap strike rate, the Group will receive interest from the financial institution based on the differential. If the variable interest rate falls below the floor strike rate, the Group will pay interest to the financial institution based on the differential or the floor strike rate.*

2023	Maturity date	Notional value Rm	Variable interest rates %	Derivative interest rates %	Derivative assets Rm
IRDCs designated in hedge accounting relationships					
– IRDC 8 (swap)	Dec-2024	250	10,0	7,9	9
– IRDC 9 (cap)	Dec-2024	250	10,0	8,0	7
– IRDC 10 (cap)	Dec-2024	250	10,0	8,0	7
– IRDC 11 (collar)	Dec-2024	250	10,0	6,0 – 8,0	7
		1 000			30

	2024 Rm	2023 Rm
Changes in the fair value of the hedged item for calculating the hedge ineffectiveness	**(2)**	6
Changes in the fair value of the hedging instrument for calculating the hedge ineffectiveness	**(2)**	6

On inception of IRDC 9, IRDC 10 (the interest rate caps) and IRDC 11 (the interest rate collar), the Group paid a premium of R16 million. The intrinsic value of the IRDCs is the present value of the interest payments that the Group is expected to receive based on the expected interest rates over the life of the IRDCs. The intrinsic value is recognised in other comprehensive income. The remaining portion between the premium paid and the intrinsic value is recognised in the cost of hedging reserve. The cost of hedging will be realised to profit or loss over the life of the IRDCs. Refer to notes 8.5 – Finance costs and finance income and 4.3 – Currency and hedge accounting, for additional information.

If interest rates had been 0,5% higher or lower, holding all other variables constant, the Group's other comprehensive income would decrease or increase by R30 million (2023: R14 million).

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

Interest rate risk (continued)

The hedged item is defined as the designated future cash flows arising from the quarterly interest payable on the applicable interest-bearing debt. The hedged item is not designated to a specific category of debt outstanding but rather the designated future cash flows arising on interest-bearing debt. Any debt arising from future refinancing will be entered into with similar terms and conditions. The complete fair value, including any margins, on the designated IRDCs, is defined as the hedging instrument.

Hedge effectiveness is assessed at:

- Each designation date;
- Each reporting date;
- When the underlying hedged item is recognised; and
- When there was a significant change in the circumstances of the relationship.

For hedges of interest rate risk, the Group entered into hedging relationships where the critical terms of the hedging instrument and hedged item are aligned. These critical terms include the nominal amounts outstanding and the expected quarterly interest payments due. This matching of the critical terms demonstrates the economic relationship and the hedge ratio of 1:1 and the Group, therefore, assesses effectiveness qualitatively. Where the critical terms are not aligned, the economic relationship is assessed quantitatively.

The potential sources of hedge ineffectiveness include:

- Modification in hedged item; and
- A change in credit risk of either party.

Hedge ineffectiveness is recognised in profit or loss as part of "Finance costs" or "Finance income". If significant hedge ineffectiveness is identified that disputes the economic relationship, hedge accounting is discontinued. Hedge accounting will not be discontinued where ineffectiveness is temporary or insignificant.

The effect of credit risk does not dominate the value changes that result from the economic relationship, as the derivative contracts have been entered into with reputable financial institutions.

The effective portion of gains and losses on the IRDCs designated as cash flow hedges is recognised in other comprehensive income. Refer to note 4.3 – Currency risk and hedge accounting for additional information. Changes in the fair value of IRDCs that are not formally designated in a hedge relationship are recognised immediately in profit or loss as part of "Finance costs" and "Finance income".

Interest rate sensitivity

The interest rate profile is based on the interest-bearing borrowings, as noted above and includes interest-bearing floorplans from suppliers.

If interest rates had been 0,5% higher or lower, holding all other variables constant, the Group’s profit or loss would decrease or increase by R64 million (2023: R82 million). This is attributable to the Group’s exposure to interest rates on its variable rate borrowings and payables, which have not been fixed through the use of IRDCs.

This analysis was prepared assuming that the amount outstanding at the end of the financial year was outstanding for the entire year.

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

Floorplans from financial institutions

Floorplans from financial institutions consist of interest-bearing facilities provided by the financial institutions. The financial institutions outline the terms and conditions and, in some instances, take into account the vehicle model. The amounts due are settled once the underlying vehicle has been sold or as outlined in the terms and conditions set by the financial institution.

	Vehicles for hire Rm	Inventories Rm	Carrying value of encumbered assets 2024 Rm	Carrying value of debt secured 2024 Rm
Import and Distribution[1]	-	-	**-**	**291**
Retail and Rental	-	1 433	**1 433**	**1 565**
– Rand-denominated floorplans	-	207	**207**	**239**
– Foreign currency-denominated floorplans	-	1 226	**1 226**	**1 326**
Mobility Solutions	738	-	**738**	**829**
	738	1 433	**2 171**	**2 685**

[1] *These facilities are secured by letters of credit issued by financial institutions on behalf of the importers to suppliers. Refer to note 3.7.5.2 – Contingent liabilities for additional information.*

	Vehicles for hire Rm	Inventories Rm	Carrying value of encumbered assets 2023 Rm	Carrying value of debt secured 2023 Rm
Retail and Rental	-	1 053	1 053	1 160
– Rand-denominated floorplans	-	218	218	251
– Foreign currency-denominated floorplans	-	835	835	909
Mobility Solutions	504	-	504	510
	504	1 053	1 557	1 670

Advances/(repayments) of floorplans from financial institutions

	2024 Rm	2023 Rm
Floorplans from financial institutions at the beginning of the year	**1 670**	867
Movement during the year		
Acquisition of businesses	**157**	-
Translation of foreign currency-denominated facilities charged to profit or loss	**(5)**	-
Currency adjustments	**(30)**	139
Advances/(repayments) of floorplans from financial institutions	**893**	664
– Advances of floorplans from financial institutions	**16 089**	11 562
– Repayments of floorplans from financial institutions	**(15 196)**	(10 898)
Floorplans from financial institutions at the end of the year	**2 685**	1 670

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

Borrowing facilities

In terms of the MOI, the borrowing powers of the Group are unlimited. The Group's borrowing facilities include:

	2024 Rm	2023 Rm
Total direct borrowing facilities	**22 372**	20 830
– Banking facilities[1]	**17 683**	17 393
– Floorplan facilities (total)	**4 689**	3 437
Less: Utilised facilities	**(15 577)**	(16 094)
– Banking facilities	**(12 888)**	(14 084)
– Floorplan facilities from financial institutions	**(2 685)**	(1 670)
– Floorplan facilities from suppliers[2]	**(4)**	(340)
Unutilised borrowing facilities	**6 795**	4 736
– Banking facilities	**4 795**	3 309
– Floorplan facilities (total)	**2 000**	1 427
The total available banking facilities are:	**6 524**	5 351
– Unutilised banking facilities	**4 795**	3 309
– Available cash resources	**1 729**	2 042

[1] *The banking facilities comprise of committed facilities amounting to R17 383 million (2023: R17 093 million) and uncommitted facilities amounted to R300 million (2023: R300 million).*

[2] *These facilities relate to floorplan facilities from financial institutions which are underwritten by OEMs and form part of the total value in note 3.7.4 – Floorplans from suppliers.*

Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns, growth and benefits for shareholders and other stakeholders. The Group maintains an appropriate mix of equity, equity-like instruments and debt in order to optimise the WACC within an appropriate risk profile. Capital allocation is compared to the expected ROIC, WACC and the resulting shareholders' wealth created for that division or business and appropriate gearing ratios. The ROIC for the current financial year is 10,8%.

As is consistent with others in the industry, the Group monitored capital based on the following target capital structure under normal trading conditions where significant acquisitions have not taken place.

	Minimum %	Maximum %
Equity to net debt structure	**55 : 45**	**65 : 35**

	2024 Rm	2023 Rm
Interest-bearing borrowings	**15 573**	15 754
Less: Cash resources	**(1 729)**	(2 042)
Net debt	**13 844**	13 712
Total equity	**18 137**	17 762
Capital structure (Equity%: Net debt%)	**57 : 43**	56 : 44

6. Interest-bearing funding (continued)

6.1 Interest-bearing debt (continued)

Bank covenants

In terms of the requirements set out in the banking facility agreements and the Group's treasury policies, the targets set for the Group, which remain unchanged from the prior year, are:

	Bank facility agreement threshold Times	Internal threshold Times	2024 Times	2023 Times
Net debt to Adjusted EBITDA	Below 3,0	Below 2,0	**1,9**	1,8
Adjusted EBITDA to Adjusted net interest	Above 3,0	Above 4,0	**3,7**	6,4

6.2 Cash resources

	2024 Rm	2023 Rm
Deposits and funds on call	**1 715**	2 023
Cash on hand	**14**	19
	1 729	2 042
Effective interest rates on deposits and funds on call (%)	**0,7 – 8,5**	0,0 – 7,8

Finance income received on deposits and funds on call held with the Group's South African ESG fund coordinators is subject to the ESG requirements outlined in note 6.1 – Interest-bearing debt.

Credit risk

It is the Group's policy to deposit short-term cash with reputable financial institutions or counterparties authorised by the AL Committee. In most cases, these financial institutions must have investment-grade credit ratings assigned by international or recognised credit rating agencies.

The carrying value of these cash resources represents the maximum credit exposure on 30 June 2024. None of the financial assets above were given as collateral for any security provided. The Group has assessed the availability of the cash resources and has noted that all balances are liquid and readily convertible.

Senior management considers that the carrying amount of the cash resources closely approximates their fair value due to their short-term nature.

For further details on liquidity risk and the fair value hierarchy, refer to notes 4.2 – Liquidity risk and 4.4 – Fair value measurement of financial instruments, respectively.

6.3 Cash and cash equivalents

Cash and cash equivalents are the Group's short-term cash resources and bank overdrafts readily converted into cash under the cash management facility. Cash and cash equivalents is calculated as follows:

	2024 Rm	2023 Rm
Cash resources	**1 729**	2 042
Bank overdrafts	**(1 680)**	(1 121)
	49	921

Refer to notes 6.1 – Interest-bearing debt and 6.2 – Cash resources for additional information.

Notes to the consolidated annual financial statements (continued)

7. Taxation

7.1 Current tax

	2024 Rm	2023 Rm
Income tax	**(840)**	(1 094)
– Current year	**(794)**	(1 031)
– Prior year under provision	**(45)**	(45)
– Capital gains tax	**(1)**	(18)
Deferred tax	**101**	147
– Current year	**61**	83
– Prior year under provision	**38**	65
– Reversal of impairment of deferred tax assets	**2**	12
– Tax rate adjustments	**-**	(13)
	(739)	(947)

Reconciliation of effective tax rate

	2024 %	2023 %
South African normal tax rate	**27,0**	27,0
Adjusted for		
– Dividends received and fair value adjustments	**(4,2)**	(1,9)
– Profit on sale of properties	**(0,2)**	(0,1)
– Impairment of non-financial assets	**0,3**	0,3
– Impairment of goodwill	**-**	0,3
– Assessed losses	**(0,3)**	(3,0)
– Prior year under provision/(overprovision)	**0,2**	(0,5)
– Reversal of impairment of deferred tax assets	**(0,1)**	(0,3)
– Tax rate adjustments	**-**	0,3
– Foreign tax rate differential	**(0,3)**	(1,2)
– Other[1]	**0,9**	1,0
Effective tax rate[2]	**23,3**	21,9

[1] *Other includes learnership allowances received and other non-deductible expenses such as legal fees and donations.*

[2] *Effective tax is calculated on profit before tax excluding the share of results from associates and joint ventures.*

The corporate tax rates applicable to various jurisdictions the Group operates in are:

	2024 %	2023 %
South Africa	**27,0**	27,0
United Kingdom	**25,0**	25,0
Australia	**30,0**	30,0
Botswana	**22,0**	22,0
China	**25,0**	25,0
Kenya	**30,0**	30,0
Lesotho	**25,0**	25,0
Malawi	**30,0**	30,0
Namibia	**32,0**	32,0
eSwatini (formerly Swaziland)	**27,5**	27,5
Taiwan	**20,0**	20,0
Tanzania	**30,0**	30,0
Zambia	**30,0**	30,0

Notes to the consolidated annual financial statements (continued)

7. Taxation (continued)

7.1 Current tax (continued)

Taxation paid

	2024 Rm	2023 Rm
Amounts receivable/(payable) at the beginning of the year	**24**	(39)
Acquisition of businesses	**(19)**	13
Charge to profit or loss	**(840)**	(1 094)
Amounts recognised in share-based equity	**45**	72
Currency adjustments	**2**	1
Amounts payable/(receivable) at the end of the year	**10**	(24)
	(778)	(1 071)
The amounts payable/(receivable) at the end of the year comprises:		
Current tax assets	**(170)**	(265)
Current tax liabilities	**180**	241
	10	(24)

Current tax assets and liabilities are offset where there is a legally enforceable right to offset and where it relates to taxes levied by the same revenue authority and legal entity.

7.2 Deferred tax

A deferred tax asset is recognised to the extent that it is probable that future taxable profits, based on approved forecasts, will be available against which the unused tax losses and unused credits can be utilised. Future taxable profits are estimated based on approved forecasts, which include estimates and assumptions regarding the following:

- Economic growth;
- Interest rates;
- Inflation rates;
- Taxation rates;
- Currency risk;
- Market share; and
- Competitive forces.

Deferred tax assets are reviewed at the end of the financial year and are impaired where subsidiaries do not show signs of profitability currently or in the foreseeable future. It is expected that the assessed losses will be utilised within five years based on the projected taxable income.

The Group's deferred tax assets primarily arise from contract liabilities in Mobility Solutions, assessed losses, provisions and other timing differences in profitable subsidiaries. As these amounts become deductible, they are replaced with new amounts that are deductible in the future. The profitability of these subsidiaries has been assessed and the deferred tax assets are considered recoverable.

Deferred tax raised in the foreign tax jurisdictions is at the tax rate applicable to those jurisdictions.

	2024 Rm	2023 Rm
Balance receivable at the beginning of the year	**857**	1 125
Movement during the year		
Net acquisition of businesses	**(9)**	(352)
Charge from profit or loss	**101**	147
Amounts recognised in share-based equity	**(16)**	(32)
Amounts recognised in hedge accounting reserve	**11**	(322)
Amounts recognised on the transfer to inventory from hedge accounting reserve	**112**	342
Currency adjustments	**14**	(51)
Balance receivable at the end of the year	**1 070**	857
The balance receivable at the end of the year comprises:		
Deferred tax assets	**1 518**	1 353
Deferred tax liabilities	**(448)**	(496)
	1 070	857

7. Taxation (continued)

7.2 Deferred tax (continued)

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset and where it relates to taxes levied by the same revenue authority and legal entity.

Analysis of deferred tax

	2024 Rm	2023 Rm
Property, plant and equipment	**(300)**	(247)
Investment properties	**(12)**	(14)
Right-of-use assets	**(714)**	(816)
Intangible assets	**(480)**	(536)
Vehicles for hire	**14**	16
Inventories	**302**	692
Contract liabilities	**352**	362
Lease liabilities	**826**	915
Trade and other payables	**285**	108
Provisions	**323**	349
Net derivative instruments	**50**	(46)
Tax losses[1]	**417**	97
Other	**7**	(23)
	1 070	857

[1] *The increase in tax losses is due to subsidiaries generating taxable losses as a result of the various factors negatively impacting the South African automotive industry in the current financial year. These losses are considered temporary in nature, and it's anticipated to be reduced going forward. These subsidiaries were historically profitable and are forecasted to generate taxable profits in the future.*

There are no deductible temporary differences, unused tax losses, unused tax credits or permanent differences that will expire from tax authorities.

Estimated tax losses

	2024 Rm	2023 Rm
Unused tax losses available for set-off against future taxable income	**2 016**	836
Tax losses recognised during the year	**(1 543)**	(360)
Remaining tax losses not recognised	**473**	476

Deferred tax assets on assessed losses are only recognised when it has been ascertained that there will be sufficient taxable profit in the future periods that will be available, based on approved forecasts, against which the assessed losses can be utilised. Where uncertainty exists, the losses are not recognised.

8. Profit or loss

8.1 Revenue

Included in revenue are invoiced sales, net of discounts, to customers for:

	Applicable standard
Vehicles and parts	*IFRS 15*
Workshop and panelshop	*IFRS 15*
Vehicle service, maintenance and warranty contracts	*IFRS 15*
Commissions and fees on vehicles, parts and VAPS sold	*IFRS 15*
Rentals on vehicles for hire and properties	*IFRS 16*
Insurance revenue	*IFRS 17*

Where the Group acts as a principal, the total value of the transaction is included in revenue. Where the Group acts as an agent for the sale of vehicles, parts and VAPS and is remunerated on a commission basis based on the agreed-upon fee structures.

Revenue earned on the sale of good and rendering of services

Revenue recognised at a point in time

Revenue where performance conditions are fulfilled at a point in time, is recognised as follows:

- Sales of vehicles – once the payment from the customer has been secured and the vehicle has been delivered;
- Sales of parts – once the parts have been delivered;
- Workshop and panelshop sales – when the work has been completed;
- Commissions and fees on vehicles or parts sold – once payment from the customer has been secured and the vehicles or parts have been delivered; and
- Commissions and fees on VAPS – when the sales contract is concluded.

Revenue recognised over a period of time

Revenue from vehicle service, maintenance and warranty contracts is long-term in nature (two to five years) and is recognised as the vehicle is serviced, maintained or repaired over the life of the plan (over-time). The value of the revenue recognised is the cost of the work done plus the estimated margin. The estimated margin is adjusted to cater for the cost of expected future expenditure based on historical trends and includes annual forecasted inflationary adjustments. The Group makes use of actuarial experts to ascertain the inputs and assumptions needed to determine the final contract liabilities required and the revenue to be recognised as a result.

The balance of the unearned revenue is recognised in profit or loss on termination when the contract expires. Contracts for which there are insufficient claims history are recognised in profit or loss to the extent of the claims cost incurred without any profits being attributed. At the end of the contracts, any remaining profits are recognised in profit or loss.

There are no significant financing arrangements applicable to the Group's revenue. Revenue recognised at a point in time has short payment terms and revenue recognised over a period of time has the funds received in advance. Refer to note 3.8 – Contract liabilities for further details.

8. Profit or loss (continued)

8.1 Revenue (continued)

Returns and refunds

Returns and refunds are uncommon in the Group. They generally occur as a result of legislative requirements in specific jurisdictions specific terms and conditions outlined in the relevant contracts.

Refunds of vehicles and parts to customers are generally backed by a corresponding right of recovery from the OEMs, the exception to this would be for pre-owned vehicles and the Group's exposure would be limited to the lost margin as a result of the lost sale. No right of return liability has been recognised due to the limited exposure.

Specific considerations include:

New, pre-owned and demonstration vehicles	Vehicles sold by the importers to external dealers can be returned due to damages or the incorrect vehicle having been supplied. There is a very short-time limit for a refund on a returned vehicle. Returns for vehicles sold as a principal by retail dealerships to external customers are generally imposed by legislation in the applicable jurisdictions. The dealership will repair the vehicle, and in rare circumstances, the vehicle can be returned and substituted with another vehicle, or a refund made.
Parts, workshop, vehicle service, maintenance and warranty	For parts supplied, returns must be made within a short-term period with the undamaged parts being returned in their original packaging. Once returned the part can be substituted or the customer is refunded. Returns on the workshop and panelshop revenue are unlikely. In rare circumstances, a discounted price may be offered to the customer. It is rare that there will be any returns on vehicle service, maintenance and warranty contracts, as these are sold with the underlying vehicle. Revenue is only recognised as costs are incurred through the payment to the dealership performing the service.

Revenue earned on the vehicle and property rentals

Vehicle rental revenue is based on the contractual rate per day over the rental period. Due to the nature of the business, refunds are unlikely, and in most cases, the vehicle is most likely to be substituted with a similar product without a refund being required.

Guaranteed buy-back arrangements, where control has not been transferred to the purchaser, are accounted for as an operating lease. These arrangements relate to vehicles rented to vehicle rental operations. No revenue is recognised, and the loss is recognised upfront in profit or loss. Vehicle rental revenue from external operating leases is recognised in Mobility Solutions, on a straight-line basis over the term of the relevant lease.

Property rental revenue is recognised based on the terms and conditions outlined in the agreements.

Insurance revenue

Insurance revenue is earned from the in-substance insurance contracts in the form of premiums received. The premiums are recognised over the coverage period, which coincides with the duration of the contract in which the Group undertakes to provide insurance services. Insurance revenue is reduced by costs incurred that are not contingent on claims of the underlying contracts. Refer to note 3.6 – In-substance insurance contracts for further information.

8. Profit or loss (continued)

8.1 Revenue (continued)

Revenue by nature

	2024 Rm	2023 Rm
Sale of goods[1]	**101 716**	95 405
– New vehicle sales	**51 727**	49 472
– Pre-owned vehicle sales	**23 933**	23 327
– Parts and other goods sales[1]	**26 056**	22 606
Rendering of services[1]	**11 653**	10 712
– Workshop, vehicle service, maintenance and warranty[1]	**6 877**	6 096
– Vehicle rental	**2 934**	2 636
– Fees on vehicles, parts and services sold[1 2]	**1 842**	1 980
Revenue from sale of goods and rendering of services[1]	**113 369**	106 117
Insurance revenue[1]	**395**	421
	113 764	106 538
Classified as follows:		
– Revenue recognised at a point in time	**108 962**	101 978
– Revenue recognised over a period of time (vehicle service, maintenance and warranty revenue)	**1 451**	1 481
– Vehicle and property rental	**2 956**	2 658
– Insurance revenue	**395**	421

1 *Revenue now includes insurance revenue, which has been recognised as a result of the adoption of IFRS 17. The comparative amounts have been restated. Refer to note 1.3 – Accounting policies for additional information.*

2 *Included in fees on vehicles, parts and services sold is the rental income earned from the investment properties.*

At 30 June 2024, the future non-cancellable minimum vehicle and property rental income for the following financial years are:

	One to five years Rm	Less than one year Rm	2024 Rm	2023 Rm
Property	62	25	**87**	111
Vehicles	2	2	**4**	5
	64	27	**91**	116

Revenue earned from the Group's associates and joint ventures and the revenue earned between subsidiaries is disclosed in note 10.4 – Related parties.

Disclosure in terms of operating segments and geographic locations is included in the segment profit or loss.

8. Profit or loss (continued)

8.2 Operating expenses and operating income

8.2.1 Operating expenses

	2024 Rm	2023 Rm
Cost of sales	**(90 038)**	(84 851)
– Purchase of goods	**(84 151)**	(92 903)
– Change in inventories[1]	**(4 903)**	10 332
– Inventories reversal/(write-down)[1]	**158**	(90)
– Cost of outsourced services[2]	**(1 142)**	(2 190)
Auditor's remuneration[3]	**(69)**	(70)
– Audit-related services	**(68)**	(67)
– Non-audit-related services	**(1)**	(3)
Fair value movements on preference share arrangements[4]	**-**	98
Total employee costs	**(9 764)**	(8 680)
– Employee costs (including directors' remuneration)	**(8 859)**	(7 850)
– Contributions to retirement funds	**(553)**	(489)
– Contributions to medical aid and other funds	**(299)**	(280)
– Share-based equity costs charged to profit or loss	**(53)**	(61)
Profit recognised on termination of lease contracts	**-**	11
– Loss on derecognition of right-of-use assets	**-**	(47)
– Profit on derecognition of lease liabilities	**-**	58
Impairment of right-of-use assets	**(28)**	(30)
Remeasurement of contingent consideration	**-**	20
Operating lease charges[5]	**(279)**	(221)
Business acquisition costs	**(7)**	(35)
Other operating expenses[3 6]	**(5 776)**	(4 644)
	(105 961)	(98 402)

1 *Inventories reversal/(write-down) was disaggregated to enhance disclosure. The comparative amounts have been amended to align with the current financial disclosures. Refer to note 3.7.1 – Inventories for additional information.*

2 *Cost of outsourced services includes the labour costs and other services outsourced, such as specialised repairs and fitments, painting and panel work.*

3 *Non-audit-related services were disaggregated to align with the requirements of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants.*

4 *The fair value movements on the preference share arrangements with cell captive insurers have been derecognised as a result of the adoption of IFRS 17. The comparative amounts have been restated to align with the new disclosure requirements. Refer to note 1.3 – Accounting policies for additional information.*

5 *Refer to note 3.3.3 – Short-term and low-value leases for additional information on operating lease charges.*

6 *Other operating expenses include expenses relating to business operational costs, including donations, storage, freight and transportation, insurance premiums, repairs and maintenance, local and foreign travel, vehicle, marketing, telecommunication expenses, property-related and IT costs.*

8. Profit or loss (continued)

8.2.2 Operating income

	2024 Rm	2023 Rm
Fair value movements on preference share arrangements	**295**	-
– Dividend income	**125**	-
– Fair value movements as unrealised gains	**170**	-
Operating lease income	**64**	-
Profit recognised on termination of lease contracts	**23**	-
– Loss on derecognition of right-of-use assets	**(22)**	-
– Profit on derecognition of lease liabilities	**45**	-
Other operating income[1]	**83**	-
	465	-

1 *Other operating income consists of gross royalties and licence fees earned.*

8.3 Depreciation, amortisation, impairments and recoupments

8.3.1 Depreciation and amortisation

	2024 Rm	2023 Rm
Intangible assets	**(187)**	(148)
Property, plant and equipment	**(518)**	(436)
Investment properties	**(9)**	(9)
Right-of-use assets	**(816)**	(764)
Vehicles for hire	**(1 322)**	(1 043)
	(2 852)	(2 400)

For additional information, refer to notes 2.2 – Intangible assets, 3.1 – Property, plant and equipment, 3.2 – Investment properties, 3.3.1 – Right-of-use assets and 3.4 – Vehicles for hire.

8.3.2 Impairment of property, plant and equipment, net of profit/(losses) on disposal

	2024 Rm	2023 Rm
Impairments	**(46)**	(36)
– Intangible assets	**(1)**	(2)
– Property, plant and equipment	**(45)**	(34)
Profit/(losses) on sale	**19**	53
– Property, plant and equipment	**(6)**	51
– Investment properties	**-**	2
– Assets classified as held-for-sale	**25**	-
	(27)	17

For additional information, refer to notes 2.2 – Intangible assets, 3.1 – Property, plant and equipment, 3.2 – Investment properties and 11 – Assets classified as held-for-sale.

8.4 Other capital costs

	2024 Rm	2023 Rm
Impairment of goodwill	**-**	(52)
Impairment of investments in associates and joint ventures	**-**	(7)
Profit on disposal of investments in associates and joint ventures	**-**	8
	-	(51)

8. Profit or loss (continued)

8.5 Finance costs and finance income

8.5.1 Finance costs

	2024 Rm	2023 Rm
Finance costs on facilities, including floorplans from financial institutions and suppliers	**(2 046)**	(1 201)
Finance costs on lease liabilities	**(213)**	(189)
Changes in the fair value of the cash flow hedges not designated in hedge accounting relationships	**(1)**	-
Changes in the fair value of the cash flow hedges designated in hedge accounting relationships	**(2)**	(6)
Release of cost of hedging from other comprehensive income	**(3)**	(3)
	(2 265)	(1 399)
Reconciliation to finance costs paid		
Total finance costs	**(2 265)**	(1 399)
Less: Changes in the fair value of the cash flow hedges not designated in hedge accounting relationships	**1**	-
Less: Changes in the fair value of the cash flow hedges designated in hedge accounting relationships	**2**	6
Less: Release of cost of hedging from other comprehensive income	**3**	3
Less: Effect of discounting on the other financial assets	**2**	-
Less: Movement in accrued interest in interest-bearing debt and trade and other payables	**(40)**	70
	(2 297)	(1 320)

Refer to notes 3.3.2 – Lease liabilities, 3.7.4 – Floorplans from suppliers, 4.3 – Currency risk and hedge accounting and 6.1 – Interest-bearing debt, for further for additional information.

8.5.2 Finance income

	2024 Rm	2023 Rm
Finance income earned on cash resources	**76**	44
Changes in the fair value of the cash flow hedges not designated in hedge accounting relationships	**-**	3
	76	47
Reconciliation to finance income received		
Total finance income	**76**	47
Less: Changes in the fair value of the cash flow hedges not designated in hedge accounting relationships	**-**	(3)
	76	44

Refer to notes 6.1 – Interest-bearing debt, for further details on the underlying debt instruments and note 6.2 – Cash resources for further details of the cash resources.

8. Profit or loss (continued)

8.6 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of Motus by the weighted average number of ordinary shares in issue during the financial year, net of shares repurchased and the Group's share of an associate's (Ukhamba) holding in Motus shares.

Headline earnings per share

The presentation of headline earnings per share is mandated under the JSE 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, net of shares repurchased and the share of an associate's (Ukhamba) holding in Motus shares, is adjusted for the dilutive effect of potential ordinary shares under the share incentive schemes and Ukhamba's obligation to deliver shares. Potential ordinary shares are treated as dilutive when they are expected to be issued and would decrease basic earnings per share. The effect of antidilutive potential ordinary shares is excluded from the calculation of diluted earnings per share. No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

Earnings and headline earnings for basic and diluted earnings per share

The profit used in the calculation of the basic earnings per share is as follows:

	2024 Rm	2023 Rm
Profit attributable to the owners of Motus for basic earnings	**2 436**	3 354
Headline earnings (see reconciliation on the following page)	**2 484**	3 416

The weighted average number of ordinary shares used in the calculations is as follows:

	2024 Million	2023 Million
Weighted average number of ordinary shares for basic	**168**	167
Weighted average number of ordinary shares for diluted	**174**	174

Notes to the consolidated annual financial statements (continued)

8. Profit or loss (continued)

8.6 Earnings per share (continued)

Reconciliation of number of shares in issue to the weighted average number of shares

	Weighted average number of shares 2024 Units	Shares in issue 2024 Units	Weighted average number of shares 2023 Units	Shares in issue 2023 Units
Opening balance at the beginning of the year	**166 502 235**	**176 959 408**	173 142 267	175 871 240
– Ordinary shares in issue	**177 957 442**	**178 300 509**	184 896 360	178 133 390
– Deferred ordinary shares in issue	**4 357 538**	**3 542 015**	5 193 563	4 373 484
– Shares repurchased	**(5 140 468)**	**(4 883 116)**	(6 275 379)	(6 635 634)
– Shares of Motus held by an associate, at the effective ownership percentage[1]	**(10 672 277)**		(10 672 277)	
Movement during the year				
Reset of weighting on opening balances	**(215 104)**		(7 943 304)	
– Ordinary shares in issue	**343 067**		(6 762 970)	
– Deferred ordinary shares in issue	**(815 523)**		(820 079)	
– Shares repurchased	**257 352**		(360 255)	
Cancellation of ordinary shares in issue			(191 894)	(664 350)
Conversion of deferred ordinary shares to ordinary shares	**-**	**-**	-	-
– Conversion of deferred ordinary shares to ordinary shares (impact on ordinary shares)	**20 446**	**831 469**	15 946	831 469
– Conversion of deferred ordinary shares to ordinary shares (impact on deferred ordinary shares)	**(20 446)**	**(831 469)**	(15 946)	(831 469)
Shares repurchased			(121 973)	(418 795)
Issue of treasury shares as settlement of share-based equity	**1 254 163**	**1 725 364**	1 617 139	2 171 313
Closing balance at the end of the year	**167 541 294**	**178 684 772**	166 502 235	176 959 408
– Ordinary shares in issue	**178 320 955**	**179 131 978**	177 957 442	178 300 509
– Deferred ordinary shares in issue	**3 521 569**	**2 710 546**	4 357 538	3 542 015
– Shares repurchased	**(3 628 953)**	**(3 157 752)**	(5 140 468)	(4 883 116)
– Shares of Motus held by an associate, at the effective ownership percentage[1]	**(10 672 277)**		(10 672 277)	

[1] *The shares are held by Ukhamba, being ordinary shares and deferred ordinary shares at the Group's effective ownership percentage of 46,9% of the Motus class of shares. The value remains constant as the deferred ordinary shares convert to ordinary shares.*

Refer to note 5 – Shareholders' interest for further details on movements of ordinary and deferred ordinary shares as well as shares repurchased.

Reconciliation of the weighted average number of shares to the diluted number of shares

	2024 Million	2023 Million
Weighted average number of ordinary shares	**168**	167
Ordinary shares pledged to Investec through the Ukhamba structure	**5**	5
Potential issue of shares to settle the obligations of the share incentive schemes	**1**	2
Weighted average number of diluted shares	**174**	174

Notes to the consolidated annual financial statements (continued)

8. Profit or loss (continued)

8.6 Earnings per share (continued)

	2024 Cents	2023 Cents
Basic earnings per share	**1 450**	2 008
Diluted basic earnings per share	**1 400**	1 928
Headline earnings per share	**1 479**	2 046
Diluted headline earnings per share	**1 428**	1 963

Headline earnings per share

	Profit attributable to the owners of Motus Rm	Headline adjustments Before tax Rm	Headline adjustments Tax and NCI Rm	2024 Rm	2023 Rm
Earnings used in the calculation of basic earnings per share	2 436			**2 436**	3 354
Adjusted for:					
– Impairment of goodwill (IAS 36)		-	-	**-**	52
– Impairment of investments in associates and joint ventures (IAS 36)		-	-	**-**	7
– Impairment of property, plant and equipment (IAS 36)		45	(3)	**42**	34
– Impairment of intangible assets (IAS 36)		1	-	**1**	2
– Impairment of right-use-assets (IAS 36)		28	(7)	**21**	21
– Profit on disposal of investments in associates and joint ventures (IAS 28)		-	-	**-**	(8)
– Profit on disposal of property, plant and equipment (IAS 16)		6	1	**7**	(43)
– Profit on disposal of investment properties (IAS 40)		-	-	**-**	(2)
– Profit on disposal of assets classified as held-for-sale (IFRS 5)		(25)	2	**(23)**	-
– Adjustments included in result of associates and joint ventures		-	-	**-**	(1)
Headline earnings	2 436	55	(7)	**2 484**	3 416

	2024	2023
Equity attributable to owners of Motus (Rm)	**17 958**	17 627
Ordinary shares in issue net of shares repurchased (millions)	**176**	173
NAV per ordinary share (cents)	**10 203**	10 189

Refer to notes 2.1 – Goodwill, 2.2 – Intangible assets, 2.3 – Investments in associates and joint ventures, 3.1 – Property, plant and equipment, 3.2 – Investment properties, 3.3.1 – Right-of-use assets and 11 – Assets classified as held-for-sale for additional information.

9. Cash flows

9.1 Cash generated from operations before interest, dividends and taxation paid

	2024 Rm	2023 Rm
Operating profit before financing costs	**5 407**	5 709
Adjusted for:		
– Movements in expected credit losses of other financial assets	**(19)**	1
– Movements in expected credit losses of loans to associates and joint ventures	**-**	(1)
– Dividend income[1]	**(125)**	(98)
– Fair value movements as unrealised gains[1]	**(170)**	-
– Share-based equity costs	**53**	61
– Costs recovered on share-based equity	**-**	4
– Profit recognised on termination of lease contracts	**(23)**	(11)
– Impairment of right-of-use assets	**28**	30
– Remeasurement of contingent consideration	**-**	(20)
– Depreciation, amortisation, impairments and recoupments	**2 852**	2 400
– Share of results from associates and joint ventures	**(45)**	(40)
– Impairment of property, plant and equipment, net of (profit)/losses on disposal	**27**	(17)
– Net foreign exchange movements	**69**	(20)
– Impairment of goodwill	**-**	52
– Impairment of investments in associates and joint ventures	**-**	7
– Profit on disposal of investments in associates and joint ventures	**-**	(8)
– Movement in in-substance insurance contracts[1]	**(196)**	(210)
– Movement in contract liabilities	**(154)**	51
– Movement in provisions	**(141)**	(53)
Cash generated from operations before movements in net working capital and vehicles for hire	**7 563**	7 837
Movements in net working capital	**797**	(5 777)
– Decrease/(increase) in inventories	**4 449**	(9 996)
– Increase in trade and other receivables	**(454)**	(1 279)
– Decrease in derivative financial assets	**374**	175
– (Decrease)/increase in trade and other payables	**(1 591)**	736
– (Decrease)/increase in floorplans from suppliers	**(1 691)**	4 713
– Decrease in derivative financial liabilities	**(290)**	(126)
Cash generated from operations before interest, dividends, taxation paid and movements in vehicles for hire	**8 360**	2 060
Movements in vehicles for hire[2]	**(2 221)**	**(1 277)**
– Additions	**(5 115)**	(3 978)
– Proceeds on disposals	**2 894**	2 701
Cash generated from operations before interest, dividends and taxation paid	**6 139**	783

[1] *The prior year has been restated due to the adoption of IFRS 17. Refer to note 1.3 – Accounting policies for additional information.*

[2] *The movements related to vehicles for hire is now disclosed as part of cash generated from operations before interest, dividends and taxation paid. The comparative amounts have been restated to align with the current year. Refer to note 1.6 – Restatement of prior year disclosures for additional information.*

9. Cash flows (continued)

9.2 Dividend income received

	2024 Rm	2023 Rm
Dividend income on preference shares in banking alliances	**125**	98
Dividend income on preference shares with cell captive insurers	**226**	272
Movement in dividend accruals	**42**	7
	393	377

Refer to notes 3.5 – Investments and other financial assets and 3.6 – In-substance insurance contracts for further information.

9.3 Capital expenditure

	Property, plant and equipment Rm	Intangible assets Rm	Assets classified as held-for-sale Rm	2024 Rm
Expansion capital expenditure	(331)	(3)	-	**(334)**
Replacement capital expenditure	(558)	(9)	93	**(474)**
– Gross replacement capital expenditure	(704)	(9)	-	**(713)**
– Proceeds on disposals	146	-	93	**239**
	(889)	(12)	93	**(808)**

	Property, plant and equipment Rm	Investment properties Rm	Intangible assets Rm	2023 Rm
Expansion capital expenditure	(264)	-	(29)	(293)
Replacement capital expenditure	(267)	15	(27)	(279)
– Gross replacement capital expenditure	(692)	-	(27)	(719)
– Proceeds on disposals	425	15	-	440
	(531)	15	(56)	(572)

Notes to the consolidated annual financial statements (continued)

10. Our people

10.1 Directors' and prescribed officers' remuneration

	Salary R000	Bonus R000	Retirement and medical aid contributions R000	Other benefits R000	Directors' fees paid R000	2024[1] R000	Expected value of long-term incentive awards made in 2024[2] R000
Executive directors							
– OS Arbee	12 048	15 874	603	394		**28 919**	**-**
– OJ Janse van Rensburg	6 334	8 540	522	186		**15 582**	**12 800**
– KA Cassel	4 894	5 482	520	358		**11 254**	**4 545**
Total	23 276	29 896	1 645	938		**55 755**	**17 345**
Non-executive directors							
– MJN Njeke					1 850	**1 850**	
– A Tugendhaft					1 250	**1 250**	
– S Mayet					1 282	**1 282**	
– JN Potgieter					807	**807**	
– F Roji					949	**949**	
– LJ Sennelo					84	**84**	
– R van Wyk					686	**686**	
– MG Mokoka					117	**117**	
Total	-	-	-	-	7 025	**7 025**	**-**
Prescribed officers							
– R Gottschick	3 430	2 848	532	290		**7 100**	**2 679**
– NE Simelane	3 146	1 816	304	2		**5 268**	**2 190**
Total	6 576	4 664	836	292		**12 368**	**4 869**

[1] *The non-executive directors are remunerated by the Company and the executive directors and prescribed officers are remunerated by a subsidiary.*

[2] *This is a future expected value over a period of three and four years and is subject to certain performance and employment conditions being met.*

10. Our people

10.1 Directors' and prescribed officers' remuneration (continued)

	Salary R000	Bonus R000	Retirement and medical aid contributions R000	Other benefits R000	Directors' fees paid R000	2023 R000	Expected value of long-term incentive awards made in 2023 R000
Executive directors							
– OS Arbee	11 261	15 958	654	386		28 259	13 012
– OJ Janse van Rensburg	6 005	10 080	451	180		16 716	7 000
– KA Cassel	4 647	5 277	455	340		10 719	4 328
Total	21 913	31 315	1 560	906		55 694	24 340
Non-executive directors							
– MJN Njeke					1 072	1 072	
– A Tugendhaft					1 180	1 180	
– S Mayet					1 077	1 077	
– F Roji					659	659	
– GW Dempster					2 048	2 048	
– PJS Crouse					450	450	
– NB Duker					525	525	
Total	-	-	-	-	7 011	7 011	
Prescribed officers							
– R Gottschick	265	3 206	43	15		3 529	2 125
– NW Lynch	3 608	3 959	430	314		8 311	2 305
– NE Simelane	2 964	1 901	286	2		5 153	1 208
– C Venter	2 035	-	284	876		3 195	-
Total	8 872	9 066	1 043	1 207		20 188	5 638

10. Our people (continued)

10.2 Employee incentive schemes

The Group has offered an incentive scheme, in the form of CSPs to select employees whereby participants are entitled to receive Motus shares based on the conditions of the scheme. These conditions include achieving financial performance targets, the participant's individual performance and remaining employed with the Group for the entire vesting period. The financial performance targets include achieving headline earnings per share targets relative to a peer group of JSE-listed companies, ROIC targets relative to WACC and operating within defined debt covenants. Participants who resign or are dismissed will forfeit any CSPs that have not vested.

The schemes are measured at fair value at the grant date using a Black-Scholes pricing model. When determining the inputs into the pricing model, a combination of publicly available information and senior management assumptions are used. The assumptions are based on experience with previous schemes and the Group's anticipated performance. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimated number of shares, which will eventually vest.

At the end of each financial year, the Group will assess the number of shares it expects to vest based on the current market conditions and the Group's current performance. Where adjustments are required, this is recognised in profit or loss so that the cumulative expense reflects the impact of the revised assessment, with a corresponding adjustment to equity.

Currently, CSPs are the only incentive scheme in effect, with the last unexercised SARs, which have expired at the end of the current financial year.

10.2.1 Conditional share plan

Select employees have been awarded CSPs which are conditional awards to receive shares subject to the abovementioned performance and employment conditions being met.

The inputs into the pricing model are established at the grant dates, which have not subsequently changed, were as follows:

	CSPs 2020	CSPs 2021 3 – year	CSPs 2021 4 – year	CSPs 2022	CSPs 2023
Volatility (%)	40,00	-	-	-	**-**
Weighted average share price (Rand)	30,45	107,34	107,34	124,58	**90,50**
Weighted average fair value (Rand)	25,52	93,78	89,66	105,12	**75,82**
Expected life (years)	3,21	3,00	4,00	3,00	**3,00**
Average risk-free rate (%)	4,15	-	-	-	**-**
Expected dividend yield (%)	5,50	4,50	4,50	5,66	**5,90**
Allocation date	01 Jul 20	16 Sep 21	16 Sep 21	16 Sep 22	**16 Sep 23**
Vesting date	15 Sep 23	15 Sep 24	15 Sep 25	15 Sep 25	**15 Sep 26**

There is no weighted average exercise price on the CSPs.

Details of conditional awards taken up that will vest by year of grant

	Remaining number of conditional awards 2024 Units	Remaining number of conditional awards 2023 Units
CSPs 2020	**-**	2 028 214
CSPs 2021 3 – year	**804 165**	848 874
CSPs 2021 4 – year	**127 681**	127 681
CSPs 2022	**574 907**	598 181
CSPs 2023	**785 734**	-
Unexercised awards at the end of the year	**2 292 487**	3 602 950

10. Our people (continued)

10.2 Employee incentive schemes (continued)

10.2.1 Conditional share plan (continued)

Movement in the number of conditional awards granted

	Number of conditional awards 2024 Units	Number of conditional awards 2023 Units
Unexercised conditional awards granted at the beginning of the year	**3 602 950**	4 221 217
– Awarded during the year	**815 098**	598 181
– Exercised during the year	**(1 541 940)**	(1 006 255)
– Forfeited during the year	**(583 621)**	(210 193)
Unexercised conditional awards at the end of the year	**2 292 487**	3 602 950

The CSPs for the executive directors and prescribed officers are set out below:

	Conditional awards	Forfeited during the year	Vested during the year	Balance
Executive directors				
OS Arbee				
– CSPs 2020	288 884	(72 221)	(216 663)	**-**
– CSPs 2021 3 – year	169 752	-	-	**169 752**
– CSPs 2022	111 857	-	-	**111 857**
– CSPs 2023	140 255	-	-	**140 255**
OJ Janse van Rensburg				
– CSPs 2020	264 840	(66 210)	(198 630)	**-**
– CSPs 2021 3 – year	90 757	-	-	**90 757**
– CSPs 2022	60 143	-	-	**60 143**
– CSPs 2023	75 455	-	-	**75 455**
KA Cassel				
– CSPs 2020	167 808	(41 952)	(125 856)	**-**
– CSPs 2021 3 – year	56 088	-	-	**56 088**
– CSPs 2022	37 179	-	-	**37 179**
– CSPs 2023	46 648	-	-	**46 648**
Prescribed officers				
R Gottschick				
– CSPs 2022	11 960	-	-	**11 960**
– CSPs 2023	22 906	-	-	**22 906**
NE Simelane				
– CSPs 2021 3 – year	15 247	-	-	**15 247**
– CSPs 2022	10 366	-	-	**10 366**
– CSPs 2023	13 016	-	-	**13 016**

10. Our people (continued)

10.2.2 Share appreciation rights

The selected participants received annual grants of SARs, which were conditional rights to receive shares equal to the difference between the Motus share price and the original grant price. All the vesting requirements of the SARs have been met and the eligible participants have the option to take up the rights until the expiration date.

The inputs into the pricing model are established at the grant dates, which have not subsequently changed, were as follows:

	SARs 2019
Volatility (%)	34,30
Weighted average share price (Rand)	72,05
Weighted average exercise price (Rand)	72,05
Weighted average fair value (Rand)	17,31
Expected life (years)	4,27
Average risk-free rate (%)	7,22
Expected dividend yield (%)	5,50
Allocation date	04 Sep 2019
Vesting date	15 Sep 2022
Expiry date	30 Jun 2024

The volatilities were determined by calculating the historical volatility of Motus' share price over the prior three years. The expected life is determined by the rules of the schemes, which dictate the final expiry date.

Details of rights by year of grant

	Number of rights 2024 Units	Average award price 2024 Rand	Number of rights 2023 Units	Average award price 2023 Rand
SARs 2019	-	-	925 451	72,05
Unexercised rights at the end of the year	-	-	925 451	72,05

Movement in the number of rights

	Number of rights 2024 Units	Average award price 2024 Rand	Number of rights 2023 Units	Average award price 2023 Rand
Unexercised rights granted at the beginning of the year	**925 451**	**72,05**	4 165 918	76,12
– Exercised during the year	**(887 614)**	**72,05**	(3 219 045)	77,20
– Forfeited during the year	**(37 837)**	**72,05**	(21 422)	89,67
Unexercised rights at the end of the year	-	-	925 451	72,05

10. Our people (continued)

10.2 Employee incentive schemes (continued)

10.2.3 Net gains on employee incentive schemes

	2024 R000	2023 R000
OS Arbee	**36 689**	47 749
OJ Janse van Rensburg	**19 119**	26 184
KA Cassel	**12 114**	20 528
NW Lynch[1]		9 841
C Venter		27 790
	67 922	132 092

[1] *Due to changes within the businesses, Mr NW Lynch is no longer considered a prescribed officer for the period under review.*

10.3 Key management

The Directors of the Group and certain members of senior management have been classified as key management personnel.

Remuneration paid to key management personnel is as follows:

	2024 Rm	2023 Rm
Salaries and allowances	**56**	53
Bonuses	**52**	57
Company contributions	**6**	5
Share-based equity costs	**29**	34
Other benefits	**2**	3
	145	152
Number of key management personnel	**13**	14
Net gain on share options and cash retention bonuses	**102**	152

Details relating to the remuneration of the directors and prescribed officers, as well as information pertaining to the directors and prescribed officers' interest in the stated capital of the Company, share options outstanding and benefits in terms of share options exercised, are disclosed in the directors' report and notes 10.1 – Directors' and prescribed officers' remuneration and 10.2 – Employee incentive schemes.

The Group has a vast number of operations where the Group's personnel may be transacting. Transactions entered into with key management personnel were on terms and conditions no more favourable than those available to other employees, customers or suppliers and include transactions in respect of the employee option plans, contracts of employment and reimbursement of expenses, as well as other transactions. All key management are required to report any such transactions with the Group in excess of R100 000.

The total value of the goods and services supplied to or from key management, on an arm's length basis amounted to:

	2024 Rm	2023 Rm
Total value of the goods and services supplied to or from key management	**5**	7

During the financial year, the Group paid for direct services amounting to R7 million (2023: R4 million) on an arm's length basis to a firm of attorneys in which Mr A Tugendhaft has an interest.

10. Our people (continued)

10.4 Related parties

Subsidiaries, associates, joint ventures, the Group's pension and provident funds, and key management personnel are considered to be related parties. Refer to note 10.3 – Key management for disclosure of transactions with key management personnel. During the financial year, the Company and its subsidiaries, associates and joint ventures, in the ordinary course of business, entered into various sale and purchase transactions with each other including:

- Sale of vehicles and parts between importers, dealerships, vehicle rental and Mobility Solutions;
- Sale of value-added products between the importers, dealerships and Mobility Solutions;
- Servicing and repairing of vehicles under vehicle service, maintenance, warranty and insurance policies by the dealerships;
- Administration by Mobility Solutions of the vehicle contracts and insurance policies sold by the importers and dealerships;
- Rental revenue on vehicles and properties; and
- Administration fees, interest and dividends.

These transactions give rise to intergroup receivables, payables and loan accounts. These transactions, along with the associated balances, are eliminated on consolidation and, as such, are not disclosed.

Subsidiaries

Details of interests in principal subsidiaries are disclosed in Annexure A – Interests in subsidiaries, associates and joint ventures.

Interest of directors in contracts

The Directors have confirmed that they had no interest in any transaction of any significance with the Group or any of its subsidiaries. Accordingly, a conflict of interest with regard to directors' interest in contracts does not exist.

Associates and joint ventures

Details of investments in associates and joint ventures that are significant to the Group are disclosed in note 2.3 – Investments in associates and joint ventures.

The revenue earned from transactions concluded with associates and joint ventures is included in the Group's external revenue.

The loans due to associates and joint ventures are included in other financial liabilities and are repayable on demand.

The abovementioned transactions and balances are insignificant to the Group.

11. Assets classified as held-for-sale

Assets classified as held-for-sale include Retail dealership properties in SA, Australia and the UK that do not currently align with the Group's long-term strategies. The disposal of these owner-occupied properties will likely occur within the next 12 months and, therefore, have been classified as held-for-sale. Exceptions with this timing may arise due to circumstances beyond the seller's control, such as regulatory approvals. The proceeds on the disposals are expected to exceed or equal the carrying value of the assets. Assets that are classified as held-for-sale are not depreciated. There are no businesses which have been classified as held-for-sale.

	2024 Rm	2023 Rm
Carrying value at the beginning of the year	**376**	657
Movement during the year		
Re-classification from property, plant and equipment	**430**	21
Re-classification to property, plant and equipment as owner-occupied due to the change of intention	**-**	(39)
Proceeds on disposal	**(93)**	-
Profit/(losses) on disposal	**25**	-
Re-classification to property, plant and equipment and now sold	**-**	(286)
Re-classification to investment properties and now sold	**-**	(13)
Currency adjustments	**(11)**	36
Carrying value at the end of the year	**727**	376

Security

Assets classified as held-for-sale has been held as security for interest-bearing debt to the value of R288 million (2023: R297 million). Refer to 6.1 – Interest-bearing debt for additional information.

12. Events after the reporting period

Dividends

Subsequent to the financial year-end, a final dividend of 285 cents (2023: 410 cents) per ordinary share is declared on 2 September 2024 and is payable on 7 October 2024. The total dividend for the year amounted to 520 cents (2023: 710 cents).

Director appointments

The following Board and sub-committee changes were announced during the financial year, however, will take effect subsequent to the end of the financial year:

- Mr OS Arbee, who reached retirement age during the year, will retire as CEO and from the Board and its sub-committees with effect from 31 October 2024.
- Mr OJ Janse van Rensburg, currently the CFO, has been appointed as CEO with effect from 1 November 2024.
- Ms B Baijnath has been appointed as CFO designate with effect from 1 August 2024, and as CFO and to the Board as an Executive Director with effect from 1 November 2024.

There were no material subsequent events, apart from those mentioned above, that occurred from the end of the financial year to the date of these audited consolidated and separate annual financial statements.

13. New issued standards not yet effective

The following new and revised IFRS Accounting Standards could have an impact on the Group's future audited consolidated and separate annual financial statements. These standards are effective from the 2025 financial year and beyond and the impact on the financial results is still being assessed.

Standard	Effective date	Scope
Amendments to IAS 1 – *Presentation of Financial Statements*	01 January 2024 (applicable to 2025)	The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement. • That a right to defer must exist at the end of the reporting period. • That classification is unaffected by the likelihood that an entity will exercise its deferral right. • That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification. • The disclosures required when a liability arising from a loan agreement is classified as non-current and the Group's right to defer the settlement is contingent on compliance with future covenants within 12 months.
Amendments to IFRS 16 – *Leases*	01 January 2024 (applicable to 2025)	The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in the sale and leaseback transaction to ensure the seller-lessee does not recognise an amount of the gain or loss that relates to the right of use it retains.
Amendments to IAS 12 – *Income Taxes*	01 January 2024 (applicable to 2025)	The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements global minimum tax (Globe). Such tax legislation and the income taxes arising from it are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The basic concept of this legislation is that where a subsidiary has an effective tax rate below 15%, then the holding company may apply a top up tax in the local jurisdiction. However, the subsidiary jurisdiction may implement legislation that imposes a top up tax on that subsidiary to get its effective tax rate up to 15%. In doing so, it would deny the holding company's jurisdiction the right to apply its top up tax. The amendments also allow an entity to apply an exemption to elect whether to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense or income related to Pillar Two income taxes, in the periods when the legislation is effective. The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

13. New issued standards not yet effective (continued)

Standard	Effective date	Scope
Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures*	01 January 2024 (applicable to 2025)	The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers agree to settle the amounts due to suppliers on behalf of the entity. The entity in turn, agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying value of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.
Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates*	01 January 2025 (applicable to 2026)	The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

13. New issued standards not yet effective (continued)

Standard	Effective date	Scope
IFRS 18 – Presentation and Disclosures in Financial Statements	01 January 2027 (applicable to 2028)	IFRS 18 replaces IAS 1 and responds to investors' demand for better information about the entity's financial performance. The new requirements include: • Required totals, subtotals and new categories in the statement of profit or loss; • Disclosure of management-defined performance measures or "MPMs"; and • Guidance on aggregation and disaggregation. Some of the requirements previously included in IAS 1 have been moved into IAS 8, and limited amendments have been made to IAS 7 and IAS 34. Retrospective application is required in both the annual financial statements and interim financial statements.
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	01 January 2027 (applicable to 2028)	IFRS 19 is an optional election for subsidiaries without the public accountability of a parent who prepares consolidated financial statements that are available to the public. This enables entities to provide reduced disclosures compared to the requirements of the IFRS Accounting Standards. Entities that elect IFRS 19 are still required to apply recognition, measurement, and presentation requirements of other standards. An entity applying IFRS 19 is required to disclose that fact as part of its basis for preparation. Retrospective application is required unless IFRS 19 or another IFRS Standard permits or requires otherwise.

Separate annual financial statements

Notes included in the audited consolidated annual financial statements pertaining to related parties, going concern and subsequent events are applicable to the Company financial statements.

Contents

The reports and statements set out below comprise the separate annual financial statements for the year ended 30 June 2024, which have been audited by the Group's independent external auditor, PwC.

Statement of financial position

as at 30 June 2024	Note	Audited 2024 Rm	Audited Restated 2023[1] Rm	Audited Restated 2022[1] Rm
Assets				
Non-current assets		**16 398**	16 470	14 377
Investment in subsidiaries	3	**16 398**	16 470	14 377
Current assets		**48**	69	70
Loan due by a subsidiary	4	**25**	68	69
Other receivables	5	**2**	-	-
Cash resources	6	**21**	1	1
Total assets		**16 446**	16 539	14 447
Equity and liabilities				
Capital and reserves				
Stated capital	7	**21 042**	21 042	21 104
Retained losses		**(4 950)**	(4 929)	(6 961)
Total equity		**16 092**	16 113	14 143
Liabilities				
Non-current liabilities		**295**	346	247
Financial guarantees[1]	9	**295**	346	247
Current liabilities		**59**	80	57
Financial guarantees[1]	9	**53**	74	50
Provisions	10	**3**	4	2
Other payables	11	**3**	2	5
Total liabilities		**354**	426	304
Total equity and liabilities		**16 446**	16 539	14 447

[1] *The financial guarantees provided by the Company as part of the Obligor arrangement and in its own capacity were recognised in the statement of financial position during the current financial year and the comparative balances were restated accordingly. Refer to note 2 – Restatement of prior year disclosures for additional information.*

Statement of comprehensive income

for the year ended 30 June 2024	Note	Audited 2024 Rm	Audited 2023 Rm
Revenue	12	**1 159**	3 370
Operating expenses	13	**(30)**	(28)
Operating profit and profit before tax		**1 129**	3 342
Income tax expense	14	**-**	-
Profit after tax and total comprehensive income for the year		**1 129**	3 342

There have been no movements in other comprehensive income in the current and prior financial year.

Statement of cash flows

for the year ended 30 June 2024	Note	Audited 2024 Rm	Audited Restated 2023[1] Rm
Cash flows from operating activities			
Cash paid to suppliers		**(32)**	(29)
Cash utilised by operations before interest, dividends and taxation paid	15	**(32)**	(29)
Dividend income received	12	**1 159**	3 370
		1 127	3 341
Cash flows from investing activities			
Increase in investment in subsidiary	3	**-**	(1 970)
Repayments/(advances) on loan due by a subsidiary[1]	4	**43**	1
Advances on loan due by a subsidiary[1]	4	**(131)**	(961)
Repayments on loan due by a subsidiary[1]	4	**174**	962
		43	(1 969)
Cash flows from financing activities			
Repurchase of own shares		**-**	(62)
Dividends paid to shareholders of Motus		**(1 150)**	(1 310)
		(1 150)	(1 372)
Increase in cash resources		**20**	-
Cash resources at the beginning of the year		**1**	1
Cash resources at the end of the year	6	**21**	1

[1] *The prior period has been restated to disaggregate the repayments and advances on the loan due by a subsidiary. Refer to note 2 – Restatement of prior year disclosures for additional information.*

Statement of changes in equity

for the year ended 30 June 2024	Stated capital Rm	Retained losses Rm	Total equity Rm
Opening balance as at 1 July 2022	21 104	(6 961)	14 143
Total comprehensive income for the year	-	3 342	3 342
664 350 shares repurchased and cancelled at an average of R93,32 per share	(62)	-	(62)
Dividends paid to shareholders of Motus	-	(1 310)	(1 310)
Closing balance as at 30 June 2023	**21 042**	**(4 929)**	**16 113**
Total comprehensive income for the year	-	1 129	1 129
Dividends paid to shareholders of Motus	-	(1 150)	(1 150)
Closing balance as at 30 June 2024	**21 042**	**(4 950)**	**16 092**
Note	**7**		

Notes to the annual financial statements

Index

Notes to the annual financial statements (continued)

1. Accounting policies

The Company has adopted the accounting policies as outlined in the audited consolidated annual financial statements.

2. Restatement of prior year disclosures

Measurement and recognition of financial guarantees in the statement of financial position

In the current financial year, the Company recognised financial guarantees provided as part of the obligor arrangement and financial guarantees provided in its own capacity, at fair value in the statement of financial position in accordance with the requirements of IFRS 9. The financial guarantees are initially recognised at fair value at inception and subsequently measured at the higher of :

- The amount determined in accordance with the ECL model under IFRS 9; and
- The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Since there has been no significant increase in the Group's credit risk, a one-year probability of default is used to determine the lifetime ECL. The Company has elected to treat the financial guarantees as a capital contribution on initial recognition. The capital contribution is recognised as part of investment in subsidiaries in the statement of financial position.

In the prior financial year, the Company erroneously omitted the recognition of the financial guarantees in the Company's statement of financial position. The comparative information has been restated as a result.

The error had no impact on the statement of profit or loss, the statement of cash flows and the statement of changes in equity.

The restatements in the statement of financial position are as follows:

	2023 Rm	2022 Rm
As previously disclosed:		
Investment in subsidiaries	16 050	14 080
Financial guarantees	-	-
Now disclosed as:		
Investment in subsidiaries	16 470	14 377
Financial guarantees	420	297
– As recognised in non-current liabilities	346	247
– As recognised in current liabilities	74	50

Expanded disclosures on the loan due by a subsidiary in the statement of cash flows

In the prior year, the Company disclosed the gross repayments and advances on the loan due by a subsidiary in the notes to the audited annual financial statements; however, erroneously presented this on a net basis on the statement of cash flows. IAS 7 requires the presentation of cash flows on a gross basis, and as such, the audited annual financial statements have been restated to present the gross cash flows on the face of the statement of cash flows.

The Company complies with the centralised cash management process of the Group, and as such, any excess cash held is transferred to the treasury department. The loan due by a subsidiary facilitated these transfers.

In the current financial year, this disclosure was expanded to separately include the repayments and advances on the loan due by a subsidiary on the statement of cash flows in order to increase transparency, provide information to the users of the audited annual financial statements, and improve comparability of the statement of cash flows with other publicly traded entities.

The restatement did not impact the cash flows from investing activities, as disclosed in the statement of cash flows.

The error had no impact on the statement of financial position, the statement of profit or loss and the statement of changes in equity.

The restatements in the statement of cash flows are as follows:

	2023 Rm
Repayments on loan due by a subsidiary, as previously disclosed	1
Now disclosed as:	
Repayments/(advances) on loan due by a subsidiary	1
– Advances on loan due by a subsidiary	(961)
– Repayments on loan due by a subsidiary	962

3. Investment in subsidiaries

The investments are carried at cost less accumulated impairments.

	Motus Capital Proprietary Limited Rm	Motus Corporation Proprietary Limited Rm	Motus Group Limited Rm	Motus South Africa Investment Proprietary Limited Rm	Capital contribution to subsidiaries Rm	2024 Rm
Investment at cost	6 710	2 973	8 808	7 849	348	**26 688**
Accumulated impairments	(527)	(1 021)	(6 046)	(2 696)	-	**(10 290)**
	6 183	1 952	2 762	5 153	348	**16 398**
Carrying value at the beginning of the year	6 183	1 952	2 762	5 153	420	**16 470**
Movement during the year						
Guarantees issued	-	-	-	-	107	**107**
Guarantees extinguished	-	-	-	-	(173)	**(173)**
Currency adjustments on guarantees	-	-	-	-	(6)	**(6)**
Carrying value at the end of the year	6 183	1 952	2 762	5 153	348	**16 398**

	Motus Capital Proprietary Limited Rm	Motus Corporation Proprietary Limited Rm	Motus Group Limited Rm	Motus South Africa Investment Proprietary Limited Rm	Capital contribution to subsidiaries Rm	2023 Rm
Investment at cost	6 710	2 973	8 808	7 849	420	26 760
Accumulated impairments	(527)	(1 021)	(6 046)	(2 696)	-	(10 290)
	6 183	1 952	2 762	5 153	420	16 470
Carrying value at the beginning of the year	4 213	7 105	2 762	-	297	14 377
Movement during the year						
Recapitalisation of subsidiary	1 970	-	-	-	-	1 970
Proportionate reallocation of investments	-	(5 153)	-	5 153	-	-
Guarantees issued	-	-	-	-	103	103
Currency adjustments on guarantees	-	-	-	-	20	20
Carrying value at the end of the year	6 183	1 952	2 762	5 153	420	16 470

Investments in subsidiaries are assessed for impairment where an indicator of such impairment is evident. These indicators could include the decline in the share price and the resulting decline in the market capitalisation of the Company or the decline of the financial performance of the underlying subsidiaries, among other factors. In such an event, the recoverable amount for each investment is calculated based on the higher of the fair value less cost to sell and value in use. The carrying value of the investment will be reduced in instances where the recoverable amount is lower than the carrying value.

The critical judgements utilised to determine value in use are as follows:

- Future cash flows of the underlying subsidiaries;
- The discount rate applicable to the underlying subsidiaries, taking into consideration entity-specific and geographical costs of debt, leases and equity; and
- The terminal growth rate based on current growth patterns applicable to the underlying subsidiaries.

The Company has not reversed any impairments previously raised, as there has been no significant change in the estimates used to determine the recoverable amounts of the investments and the underlying structures since the last impairment was recognised.

4. Loan due by a subsidiary

	2024 Rm	2023 Rm
Carrying value at the beginning of the year	**68**	69
(Repayments)/advances on loan due by a subsidiary	**(43)**	(1)
– Advances on loan due by a subsidiary	**131**	961
– Repayments on loan due by a subsidiary	**(174)**	(962)
Carrying value at the end of the year	**25**	68

The Motus Group Limited loan bears no interest and is unsecured with no fixed terms of repayment. Senior management assessed the recoverability of the loan and concluded that no ECL allowance is required as the loan can be recovered in cash if needed.

5. Other receivables

Senior management considers that the carrying value of the other receivables closely approximates their fair value, as the carrying value is based on contractual rights and obligations which are short-term in nature. Refer to note 4 – Financial management for the Group's financial risk management policies.

	2024 Rm	2023 Rm
Prepayments	**2**	-

6. Cash resources

	2024 Rm	2023 Rm
Deposits and funds at call	**21**	1
Effective interest rates (%)	**5,8**	2,3 – 5,8

Credit risk

The Company complies with the mandate set out by the AL Committee and deposits short-term cash with reputable financial institutions.

The carrying value of these cash resources represents the maximum credit exposure on 30 June 2024. None of the financial assets above were given as collateral for any security provided.

Senior management considers that the carrying value of the cash resources closely approximates their fair value due to their short-term nature.

7. Stated capital

	2024 Rm	2023 Rm
Ordinary stated capital issued	**21 042**	21 042

For further disclosures on stated capital refer to note 5.1 – Stated capital in the audited consolidated annual financial statements.

8. Deferred tax

Arising on the acquisition of investments in subsidiaries are taxable temporary differences amounting to R4 396 million. The unrecognised taxable temporary difference has subsequently been reduced to R2 091 million (2023: R2 091 million) due to impairments raised in the prior financial years. These taxable temporary differences have not been recognised as the Company has applied the exception in terms of IAS 12.

9. Financial guarantees

Financial guarantees are contracts that require the Company to make payments to reimburse the counterparty for losses incurred where a subsidiary or the Company has defaulted on payments due on one of the various facilities.

	2024 Rm	2023 Rm
Fair value at the beginning of the year	**420**	297
Movement during the year		
Guarantees issued	**107**	103
Guarantees extinguished	**(173)**	-
Currency adjustments on guarantees	**(6)**	20
Fair value at the end of the year	**348**	420
Maturity profile[1]		
Current liabilities expected within one year	**53**	74
Non-current liabilities expected in more than one year	**295**	346
	348	420

[1] *Financial guarantees, expected within one year, relate to guarantees over facilities that are reviewed annually or where the underlying facility is expected to be settled within the next 12 months. The remainder of the financial guarantees are regarded as non-current.*

The financial guarantees are initially recognised at fair value at inception and subsequently measured at the higher of:

- The amount determined in accordance with the ECL model under IFRS 9; and
- The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Since there has been no significant increase in the Group's credit risk, a one-year probability of default is used to determine the lifetime ECL. The lifetime probability of default, which would always exceed the one-year probability of default, was used to determine the fair value. As a result, the fair value will remain higher than the ECL on subsequent measurement. Financial guarantees are derecognised when the underlying obligation is discharged, cancelled, or expires.

The financial guarantees are regarded as a level 3 financial instrument. The fair value was determined considering the following non-observable inputs:

- The relevant terms and conditions of the underlying facilities;
- Applicable risk-free curves at inception from publicly published information;
- Applicable recovery rates;
- Credit spread and credit risk at the inception for each of the underlying facilities; and
- Expected utilisation of the underlying facilities.

The non-observable inputs have remained unchanged from the prior financial year.

Management has used a reasonable possible variation of 0,1% in the credit risk implied to determine the sensitivity of the valuations. The variation had an R22 million (2023: R27 million) impact on the carrying value of the financial guarantees. This possible variation was deemed reasonable based on management's expectation of changes to the credit risk implied and, as such, provided relevant and sufficient guidance on the sensitivity of the carrying value.

The maturity profile for the maximum credit exposure is aligned with the maturity profile of the underlying facilities. The maximum credit exposure for the Company is:

	2024 Rm	2023 Rm
– In its own capacity	**1 279**	1 095
– As part of the obligor arrangement	**15 806**	15 529
	17 085	16 624
Maturity profile		
– Current portion expected within one year	**6 029**	6 184
– Non-current portion expected in more than one year	**11 056**	10 440
	17 085	16 624

10. Provisions

	2024 Rm	2023 Rm
Carrying value at the beginning of the year	**4**	2
Movement during the year		
Charged to profit or loss	**3**	5
Amounts utilised	**(4)**	(3)
Carrying value at the end of the year	**3**	4

11. Other payables

Senior management considers the carrying value of other payables to approximate their fair values, as the carrying value are based on contractual rights and obligations and are short-term in nature. Refer to note 4 – Financial management and instruments for the Group's financial risk management policies.

	2024 Rm	2023 Rm
Accruals	**3**	2

12. Revenue

The Company earns dividend income from its investments in subsidiaries and associates and is recognised when the Company's right to receive payment has been established.

	2024 Rm	2023 Rm
Dividends received from subsidiaries	**1 126**	3 335
– Motus Capital Proprietary Limited	**372**	90
– Motus Corporation Proprietary Limited	**100**	850
– Motus Group Limited	**129**	1 331
– Motus South Africa Investment Proprietary Limited	**525**	1 064
Dividends received from associate	**33**	35
– Ukhamba Holdings Proprietary Limited[1]	**33**	35
	1 159	3 370

[1] *Refer to note 2.3 – Investment in associates and joint ventures in the notes to the audited consolidated annual financial statements for additional information.*

13. Operating expenses

	2024 Rm	2023 Rm
Administration fees paid to a subsidiary	**(9)**	(8)
– Motus Corporation Proprietary Limited	**(9)**	(8)
Other operating expenses	**(21)**	(20)
	(30)	(28)

14. Income tax expense

Reconciliation of effective tax rate

	2024 %	2023 %
South African normal tax rate	**27,0**	27,0
Adjusted for		
– Dividends received	**(27,0)**	(27,0)
Effective tax rate	**-**	-

15. Cash utilised by operations before interest, dividends and taxation paid

	2024 Rm	2023 Rm
Operating profit and profit before tax	**1 129**	3 342
Adjusted for:		
– Dividend income[1]	**(1 159)**	(3 370)
– Movement in provisions	**(1)**	2
Cash utilised by operations before changes in net working capital	**(31)**	(26)
Increase in other receivables	**(2)**	-
Increase/(decrease) in other payables	**1**	(3)
Cash utilised by operations before interest, dividends and taxation paid	**(32)**	(29)

[1] *Dividend income is recognised as part of revenue in profit or loss.*

16. Contingent liabilities and contingent assets

The Company and the rest of the Obligor Companies have signed guarantees in an obligor arrangement over the Group's interest-bearing debt. In addition, the Company has signed guarantees in its own capacity. The interest-bearing debt excludes the foreign currency-denominated revolving credit loan in Australia and the foreign currency-denominated floorplans from financial institutions of operations in the UK and Australia. The Obligor Companies, in turn, have signed the same guarantees. Therefore, the Company would have both a contingent liability and a contingent asset due to the recovery from other Obligor Companies.

	2024 Rm	2023 Rm
The contingent liabilities are as follows:		
Group obligor guarantees		
Interest-bearing debt for the Group	**15 573**	15 754
Less: Cash resources for the Group	**(1 729)**	(2 042)
Less: Foreign currency-denominated revolving credit loan	**(220)**	(400)
Less: Foreign currency-denominated floorplans from financial institutions	**(1 326)**	(909)
Add: Loan due by subsidiary (held in the Company)	**25**	68
Add: Cash resources for the Company	**21**	-
Group interest-bearing debt as guaranteed by the Company	**12 344**	12 471
Additional guarantee obligations issued as part of the obligor arrangement	**174**	181
Guarantees over the letter of credit facilities by the Obligor Companies	**2 228**	2 789
	14 746	15 441
Additional guarantee obligations of the Company	**464**	518
Total contingent liabilities	**15 210**	15 959
The contingent assets are as follows:		
Recovery of contingent liabilities from subsidiaries	**14 746**	15 441

Refer to note 9 — Financial guarantees for additional information regarding the financial guarantees recognised.

17. Directors' remuneration

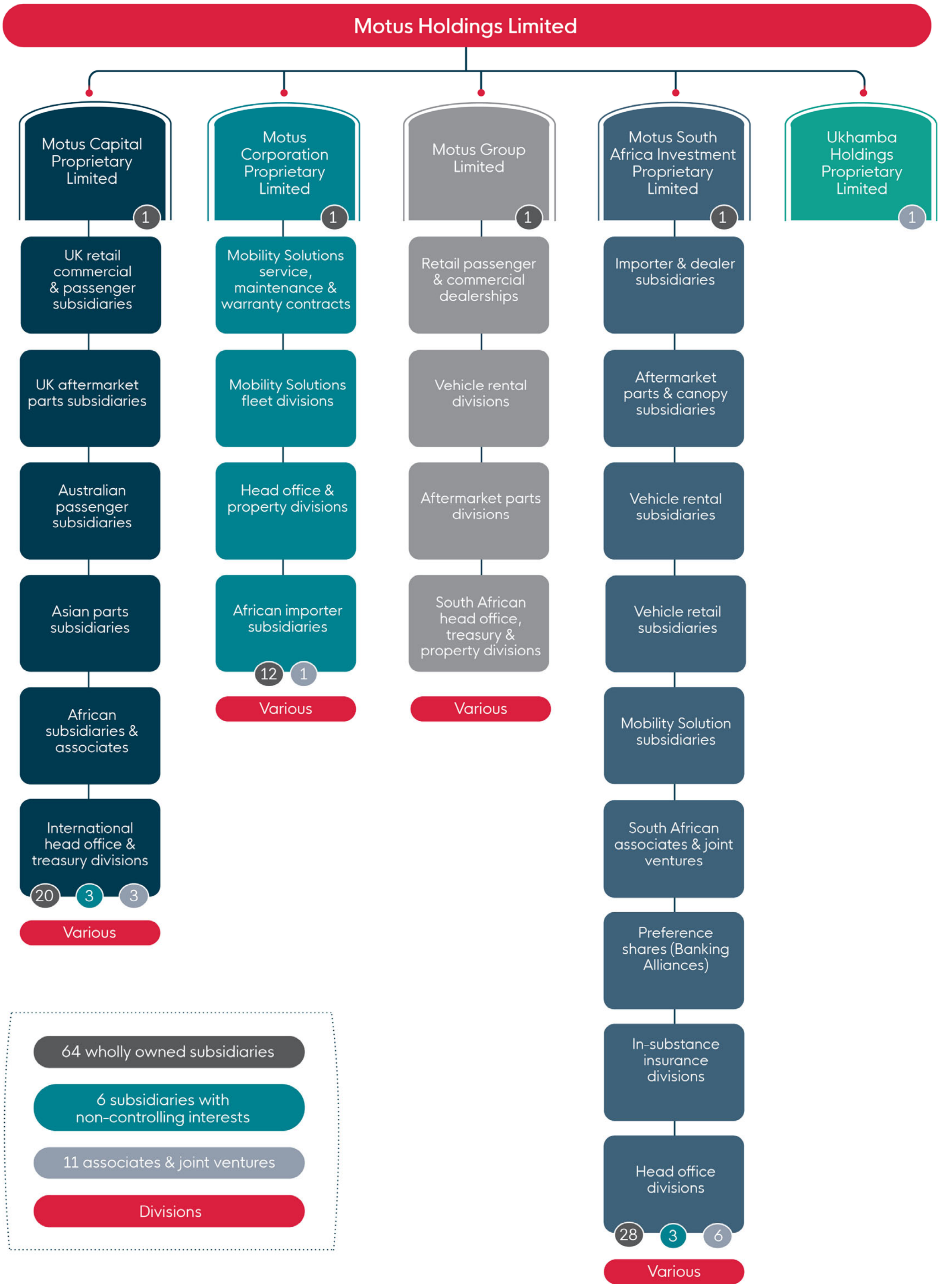
Refer to notes 10.1 – Directors' and prescribed officers' remuneration and 10.2 — Employee incentive schemes in the audited consolidated annual financial statements for details regarding directors' and prescribed officers' remuneration.

18. Events after the reporting period

Refer to note 12 — Events after the reporting period in the audited consolidated annual financial statements for details regarding events after the reporting period.

Annexure A – Interests in subsidiaries, associates and joint ventures

The Group is a diversified international group of companies that is a non-manufacturing service provider to the automotive sector. The audited consolidated annual financial statements include the accounts of Motus Holdings Limited and all of its subsidiaries, associates and joint ventures as at 30 June 2024.



Annexure A – Interests in subsidiaries, associates and joint ventures (continued)

The principal subsidiaries and associates of the Company and their activities are:

Subsidiary	Place of principal business	Ownership interest %	Nature of business
Motus Capital Proprietary Limited	Various	**100**	Motus Capital Proprietary Limited is a registered domestic treasury management company (DTMC). It holds the interest in our operations in Southern Africa (excluding SA), Dubai, the UK, Australia, China and Taiwan. Details on the businesses included are provided below.
Motus Corporation Proprietary Limited	SA	**100**	Motus Corporation Proprietary Limited sells service, maintenance and warranty products, earns rental income from its properties and vehicles for hire, and holds investments in various subsidiaries. The company also performs centralised and head office functions on behalf of the Group. Its subsidiaries import and distribute passenger vehicles, LCVs, motorcycles and other automotive products in Southern and East Africa.
Motus Group Limited	SA	**100**	Motus Group Limited comprises of vehicle retail dealers, vehicle rental operations, aftermarket parts operations, property investments and treasury functions. Details on the businesses included are provided below.
Motus South Africa Investment Proprietary Limited	SA	**100**	Motus South Africa Investment Proprietary Limited holds investments in subsidiaries, associates, joint ventures and preference shares with banking alliances and cell captive insurers from which it earns dividend income. Its subsidiaries, associates and joint ventures import and distribute passenger, light and heavy commercial vehicles and automotive products, including canopies in Southern Africa. Further details on the composition of Motus South Africa Investment Proprietary Limited's subsidiaries are provided below.
Ukhamba Holdings Proprietary Limited	SA	**23,45**	Ukhamba Holdings Proprietary Limited is an investment holding company holding investments in various listed shares, including the Company's ordinary and deferred ordinary shares. Ukhamba is the Group's strategic B-BBEE partner.

Annexure A – Interests in subsidiaries, associates and joint ventures (continued)

The principal operating subsidiaries of Motus Capital Proprietary Limited and their activities are:

Subsidiary	Place of principal business	Ownership interest %	Nature of business
Motus Group (UK) Limited	UK	**100**	Motus Group (UK) Limited participates in the passenger and commercial vehicle market. The commercial vehicles range from light to extra-heavy commercial vehicles. It sells new and pre-owned vehicles as well as related services, including parts and servicing.
Automotive Distribution Centre Limited	UK	**100**	Automotive Distribution Centre Limited is a business-to-business parts distributor based in the UK, which primarily supplies passenger and LCV parts to other distributors, motor factors and workshops in the UK. It also exports to other distributors worldwide from the distribution centre in Poland.
Motor Parts Direct Limited	UK	**100**	Motor Parts Direct Limited is a business-to-business parts distributor based in the UK, which primarily supplies passenger and LCV parts to workshops in and around the UK.
Australian Automotive Group Proprietary Limited	Australia	**100**	Australian Automotive Group Proprietary Limited retails new and pre-owned passenger vehicles as well as related parts and servicing in Sydney and Wagga Wagga, New South Wales.
SWT Group Proprietary Limited	Australia	**100**	SWT Group Proprietary Limited retails new and pre-owned passenger vehicles as well as related parts and servicing in Traralgon and Ballarat, Victoria.
ARCO Motor Industry Company Limited	Taiwan	**60**	ARCO Motor Industry Company Limited is an international wholesale distributor of a range of aftermarket parts.
Motus Trading Shanghai Company Limited	China	**100**	Motus Trading Shanghai Company Limited is an international distribution centre of aftermarket parts that sources parts in Asia and wholesales internationally.

The principal business of Motus Group Limited includes the following divisions:

Division	Nature of business
Vehicle Retail	The Vehicle Retail business comprises new and pre-owned motorcycles, passenger, light, medium and heavy (including extra-heavy) commercial vehicle dealerships as well as related services, including parts, servicing and the sale of VAPS in SA. The retail dealerships represent the major OEM brands.
Vehicle Rental	The Vehicle Rental operations comprises of Europcar and Tempest, Auto Pedigree and Autoworx operations.
Aftermarket Parts	The Aftermarket Parts business markets and distributes quality automotive parts and accessories and DIY products through selected channels. The business comprises the following franchises: AAAS (formerly Midas), ADCO, Afintapart, Alert Engine Parts, Auto Care and Diagnostics, Battery Hub, CBS, EPB Parts Direct, Ferobrake, Motolek, Motor Spare Stop, Parts Incorporated Africa, RiteWay Distributors, Suburban Motor Spares and Team Car Spares.
Finance	Provides the treasury function of the Group.

Annexure A – Interests in subsidiaries, associates and joint ventures (continued)

The principal operating subsidiaries of Motus South Africa Investment Proprietary Limited and their activities are:

Subsidiary	Place of principal business	Ownership interest %	Nature of business
Hyundai Automotive South Africa Proprietary Limited	SA	**100**	Hyundai Automotive South Africa Proprietary Limited is an importer and distributor of Hyundai vehicles and parts for Southern Africa. The Group has established a network of dealerships in Southern Africa.
Kia South Africa Proprietary Limited	SA	**100**	Kia South Africa Proprietary Limited is an importer and distributor of Kia vehicles and parts for SA.
Motus Vehicles Distributor Proprietary Limited	SA	**100**	Motus Vehicles Distributor Proprietary Limited imports and distributes Renault motor vehicles and parts in SA.
Brietta Trading Proprietary Limited	SA	**100**	Brietta Trading Proprietary Limited is an importer and distributor of Mitsubishi vehicles and parts for SA as well as selected African countries.

Associates and joint ventures in the Group's activities

Details of associates and joint ventures are outlined in note 2.3 – Investment in associates and joint ventures in the audited consolidated annual financial statements.

Non-controlling interest in the Group's activities

Subsidiaries with non-controlling shareholding are outlined in note 2.4 – Non-controlling interests in the audited consolidated annual financial statements.

Annexure B – Shareholders' analysis

1. Spread of registered ordinary shareholders

In accordance with the JSE Listings Requirements, the spread of registered ordinary shareholders as at 30 June 2024 is as follows:

Spread of listed holdings

	Number of shareholders	% of total shareholders	Number of shares 000	% of ordinary shares listed
1 – 1 000	**4 336**	**77,39**	**746**	**0,42**
1 001 – 10 000	**752**	**13,42**	**2 618**	**1,46**
10 001 – 100 000	**362**	**6,46**	**12 041**	**6,72**
Over 100 000	**153**	**2,73**	**163 727**	**91,40**
Total	**5 603**	**100,00**	**179 132**	**100,00**

Distribution of shareholders (listed ordinary shares)

	Number of shareholders	Number of shares 000	% of ordinary shares listed
Public shareholders	**5 595**	**121 914**	**68,06**
Non-public shareholders	**8**	**57 218**	**31,94**
– Shareholder holding more than 10%	**2**	**53 042**	**29,61**
– Shareholder entitled to appoint a director	**-**	**-**	**-**
– Directors and prescribed officers	**5**	**1 018**	**0,57**
– Treasury shares	**1**	**3 158**	**1,76**
Total	**5 603**	**179 132**	**100,00**

Shareholder type

	Number of shares 000	% of voting shares net of treasury shares
Financial institutions, pension and provident funds	**108 264**	**60,58**
Unit trusts	**27 851**	**15,59**
Individuals	**10 075**	**5,64**
Directors and prescribed officers	**1 018**	**0,57**
Corporate holdings	**28 766**	**16,10**
Listed ordinary shares (net of treasury shares)	**175 974**	**98,48**
Unlisted deferred ordinary shares	**2 711**	**1,52**
Total voting shares in issue (net of treasury shares)	**178 685**	**100,00**
Treasury shares	**3 158**	
Total shares in issue	**181 843**	

Share price performance

	2024	2023
Market prices (cents)		
– Closing	**9 239**	10 018
– High	**10 860**	13 509
– Low	**7 992**	8 860
Total market capitalisation at closing prices (Rm)	**16 550**	17 862
Value of shares traded (Rm)	**11 113**	10 635
Percentage of market capitalisation traded (%)	**67**	60

Annexure B – Shareholders' analysis (continued)

2. Substantial investment management and beneficial interests

Through regular analysis of registered ordinary holdings, and with reference to the provisions set out in section 56 of the Companies Act, shareholders who held ordinary shares of the Company equal to or in excess of 2,0% of the issued share capital as at 30 June 2024 is as follows:

		Number of shares 000	% of listed stated capital
Ordinary listed shares[1]			
– Public Investment Corporation	South Africa	**32 997**	**18,42**
– Ukhamba Holdings Proprietary Limited[2]	South Africa	**20 045**	**11,19**
– Coronation Fund Managers	South Africa	**17 670**	**9,86**
– M&G Investment Management	United Kingdom	**11 841**	**6,61**
– Wooddale Investments	South Africa	**7 501**	**4,19**
– Fairtree Capital	South Africa	**6 516**	**3,64**
– M&G Investment Management	South Africa	**6 495**	**3,63**
– Vanguard Group	United States of America	**5 712**	**3,19**
– Lynch Family Holding	South Africa	**4 817**	**2,69**
– LSV Asset Management	United States of America	**4 207**	**2,35**
Deferred ordinary shares			
– Ukhamba Holdings Proprietary Limited[2]	South Africa	**2 711**	**-**

[1] *Excluding treasury shares held by Motus Group Limited.*

[2] *In total, Ukhamba owns 12,74% of the voting shares in the Group.*

The direct and indirect interests of directors and prescribed officers in the shares of the Company are outlined in the directors' report.

Glossary of terms

This glossary of terms defines and clarifies the terminology relating to the audited consolidated and separate annual financial statements.

Legislation

the Companies Act	the Companies Act, 2008 (Act No. 71 of 2008), as amended, or any law that may replace it wholly or in part, from time to time.
JSE Listings Requirements	the Listings Requirements of the JSE Limited.
King IV™	King IV Reporting on Corporate Governance for South Africa, 2016. The copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.
the Income Tax Act	the Income Tax Act, 1962 (Act No. 58 of 1962), as amended, or any law that may replace it wholly or in part, from time to time.

Accounting standards

International Financial Reporting Standards or IFRS® Accounting Standards	the International Financial Reporting Standards formulated by the International Accounting Standards Board.
US GAAP	Generally Accepted Accounting Principles are a collection of commonly followed accounting rules and standards for financial reporting. The specifications of GAAP, which is the standard adopted by the U.S. Securities and Exchange Commission (SEC), include definitions of concepts and principles, as well as industry-specific rules.
IAS 1	IAS 1 – *Presentation of Financial Statements*.
IAS 7	IAS 7 – *Statement of Cash Flows*.
IAS 8	IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.
IAS 12	IAS 12 – *Income Taxes*.
IAS 16	IAS 16 – *Property, Plant and Equipment.*
IAS 19	IAS 19 – *Employee Benefits*.
IAS 28	IAS 28 – *Investments in Associates and Joint Ventures*.
IAS 36	IAS 36 – *Impairment of Assets*.
IAS 37	IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.
IAS 40	IAS 40 – *Investment Property*.
IFRS 2	IFRS 2 – *Share-based Payment*.
IFRS 3	IFRS 3 – *Business Combinations*.
IFRS 4	IFRS 4 – *Insurance Contracts*.
IFRS 9	IFRS 9 – *Financial Instruments*.
IFRS 15	IFRS 15 – *Revenue from Contracts with Customers*.
IFRS 16	IFRS 16 – *Leases*.
IFRS 17	IFRS 17 – *Insurance Contracts*.

Entities

Ukhamba	Ukhamba Holdings Proprietary Limited.
MPD	Motor Parts Direct Limited.

Glossary of terms (continued)

Defined terms

the Directors	The appointed directors of Motus Holdings Limited board in terms of the requirements of the Companies Act.
the Board	The board of directors of Motus Holdings Limited.
the Company	Motus Holdings Limited, the listed holding company.
the Group	Motus Holdings Limited and its consolidated subsidiaries, associates and joint ventures.
the Obligor Companies	The obligor companies comprise Motus Capital Proprietary Limited, Motus Corporation Proprietary Limited, Motus Group Limited, Motus Holdings Limited, Motus South Africa Investment Proprietary Limited and Hyundai Automotive South Africa Proprietary Limited.
the Executive Committee	Management who have the authority and responsibility for planning, directing and controlling the activities of the Group.
Key management personnel	Key management personnel are directors and executives having authority and responsibility for planning, directing and controlling the activities of the Group.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
Senior management	Senior management are employees who manage the day-to-day activities in the Group in support of the Executive Committee.
SA or South Africa	The Republic of South Africa.
the UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
MOI	Memorandum of Incorporation, as defined in the Companies Act.
AGM	Annual general meeting, as defined in the Companies Act.
FRRCs	Finance Risk and Review Committees.
Sub-committees	• AL or AL Committee – Assets and Liabilities Committee • AR or AR Committee or the Committee – Audit and Risk Committee • NOM or NOM Committee – Nomination Committee • REM or REM Committee – Remuneration Committee • SES or SES Committee – Social, Ethics and Sustainability Committee
Prescribed officer	Prescribed officers include any person, irrespective of title or designation, that: • Exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the Group; or • Regularly participates, to a material degree, in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the Group.
Significance	Significance is determined by referring to qualitative and quantitative factors. Qualitative factors include providing the users of the audited consolidated and separate annual financial statements with relevant information that assists with their decision-making process. These include both the nature of the transactions together with the contributions to amounts reported. Quantitative factors measure the transactions with reference to the Group's internal materiality threshold of 5,0% of annual profit before tax.
LCVs	Light commercial vehicles include all single-cab and double-cab vehicles and vans weighing less than 3 500kg.
HCVs	Heavy commercial vehicles include all commercial vehicles weighing more than 3 500kg.

Glossary of terms (continued)

Defined terms (continued)

VAPS	Value-added products and services include offerings such as service and maintenance plans, extended warranties, scratch and dent cover, credit shortfall, credit life, deposit cover, tyre and rim protection, vehicle debt protection and roadside assistance.
CGUs	Cash-generating units are defined as the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets.
CAPM	Capital asset pricing model.
CAGR	The compound annual growth rate is defined as the mean annual growth rate of the projected cash flows over five years.
B-BBEE	Broad-based black economic empowerment as defined by Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended, or any law that may replace it wholly or in part, from time to time.
Joint ventures or JVs	Joint ventures are joint arrangements whereby the joint venturers that have joint control of the arrangement have rights to the entity's net assets.
Joint arrangement	Joint arrangements are contractual agreements between two or more parties to undertake an economic activity under joint control.
Assessment of control	An assessment of control is performed annually for each entity within the Group, including those acquired during the financial year. In performing this assessment, senior management determines whether or not the Group has control over the entity based on whether the Group has the practical ability to direct the significant activities unilaterally. The following factors are considered during the assessment: • The ability of the Group to unilaterally appoint the majority of board members of the entity; • Composition of the entity's board and board appointees of the Group; • Any contractual or legal rights conferred upon the Group by the entity or any other shareholder of the entity to direct its activities; and • The Group's shareholding in the investee relative to that of the external shareholders.
Incremental borrowing rate	The entity's incremental borrowing rate is defined as the interest rate at which the entity can borrow funds to obtain an asset with a similar value to the right-of-use asset, over a similar term to the lease term, with similar security to the lease and in a similar economic environment.
Cell captive arrangements	Cell captives, formed by cell insurers, are designed to segregate the risks and assets of different participants within separate "cells." Each "cell" operates as an individual insurance entity but under the umbrella of a single insurance company's structure. This arrangement allows multiple investors to benefit from the advantages of cell captive insurance while legally isolating their liabilities from the other cell captives.
ECL	Expected credit losses represent a probability-weighted provision for impairment losses which the Group recognises on its financial assets carried at amortised cost as outlined in IFRS 9.
OEMs	Original Equipment Manufacturers.
NRV	Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
FECs	Forward exchange contracts are agreements between two parties to effect a currency transaction, usually involving a currency pair not readily accessible on forex markets traded over the counter with reputable financial institutions.
IRDCs	Interest rate derivative contracts are financial contracts whose value is based on some underlying interest rate or interest-bearing liability, which may include interest rate options and interest rate swaps.
ESG	Environmental, Social and Governance as defined by King IV™.

Glossary of terms (continued)

Defined terms (continued)

SARs	Share appreciation rights are conditional rights to receive shares equal to the difference between the Motus market price and the grant price upon vesting subject to performance and employment conditions.
CSPs	Conditional share plans are awards to receive Motus shares upon vesting subject to performance and employment conditions.
Black-Scholes pricing model	The Black-Scholes pricing model is a model used to determine the fair value of conditional awards using the strike price, current market price and vesting period.
Operating assets	Operating assets are all assets less loans receivable, taxation assets, cash resources and assets classified as held-for-sale.
Operating liabilities	Operating liabilities are all liabilities less interest-bearing debt, floorplans from financial institutions and taxation liabilities.
Net working capital or NWC	Net working capital includes inventories, trade and other receivables, derivative instruments, less provisions, trade and other payables and floorplans from suppliers.
Debt	Debt includes interest-bearing borrowings and lease liabilities less cash resources.
Interest-bearing borrowings	Interest-bearing borrowings include interest-bearing debt and floorplans from financial institutions. Lease liabilities are excluded.
Core debt	Core debt includes interest-bearing borrowings less floorplans from financial institutions and cash resources.
Net debt	Net debt includes interest-bearing borrowings less cash resources.
Net capital expenditure	Net capital expenditure includes expansion and net replacement expenditure of property, plant and equipment, investment properties, intangible assets, vehicles for hire and assets classified as held-for-sale.
Operating expenses	Operating expenses include operational expenditures such as cost of sales, total employee costs, operating leases and other operational costs. Other operational costs include auditor's remuneration, impairment of right-of-use assets, remeasurement of contingent consideration, business acquisition costs and other items. Other items include expenses relating to business operational costs, including donations, storage, freight and transportation, insurance premiums, repairs and maintenance, local and foreign travel, vehicle, marketing, telecommunication, property-related and IT costs.
Operating income	Operating income includes operational income such as fair value gains on preference share arrangements including dividend income, operating lease income, profit recognised on the termination of lease contracts, and other operational income. Other operating income includes gross royalties and licence fees earned.
EBITDA	Earnings before interest, taxation, depreciation, amortisation and share of results from associates and joint ventures, including the impacts of IFRS 17.
EBITDA margin (%)	EBITDA divided by revenue.
Depreciation, amortisation and impairments, net of recoupments	Depreciation and amortisation includes depreciation and amortisation of property, plant, equipment, investment properties, intangible assets, right-of-use assets and vehicles for hire. Impairments include impairments on property, plant, equipment, investment properties and intangible assets. Recoupments include profit or losses on the sale of property, plant, equipment, investment properties, intangible assets and assets classified as held-for-sale.
Operating profit before capital items and net foreign exchange movements	Operating profit is the earnings before capital items, net foreign exchange movements for items that do not qualify for cash flow hedge accounting including non-hedged items, net finance costs and taxation.

Glossary of terms (continued)

Defined terms (continued)

Other capital costs	Other capital costs are items of income and expenditure relating to the: • Impairment of goodwill and investments in associates and joint ventures; and • Profit or loss on the sale of investments in subsidiaries, associates, joint ventures and other businesses.
Operating margin (%)	Operating profit before capital items and net foreign exchange movements divided by revenue.
Net asset value per share or NAV	Net asset value per share is the equity attributable to the owners of Motus divided by the total ordinary shares in issue, net of shares repurchased.
Return on invested capital or ROIC (%)	The return divided by invested capital. The return is the aggregate of a post-tax operating profit for the last 12 months. Post-tax operating profit is calculated as: • Operating profit before capital items and net foreign exchange movements. • *Less* share of results from associates and joint ventures, which already includes the impact of tax. • *Less* the impact of tax using a blended tax rate. • *Add* share of results from associates and joint ventures. The blended tax rate is an average of the actual tax rates applicable in the various jurisdictions in which the Group operates. Invested capital is a 12-month average of total equity plus debt.
Weighted average cost of capital or WACC (%)	The weighted average cost of capital is the last 12-month average of the monthly calculated weighted average cost of capital. The monthly weighted average cost of capital is calculated by multiplying the cost of each invested capital component by its proportionate share of invested capital and then aggregating the results. The cost of debt and equity is determined with reference to the prevailing rates in the various jurisdictions in which the Group operates.
Adjusted EBITDA	Adjusted EBITDA is calculated as: • EBITDA. • Adjusted for the impact of net foreign exchange movements. • Adjusted for the impact of share of results from associates and joint ventures. • *Less* the pre-tax profit attributable to non-controlling interests. • *Add* the EBITDA relating to businesses acquired, grossed up for a full year where the underlying acquisitions only contributed for a portion of the year. • *Less* EBITDA relating to businesses disposed of during the current year. • *Less* adjustments relating to the impacts on the EBITDA that arose on the application of IFRS 16. The adjustments include the reversal of profit on terminations of lease contracts and impairment of right-of-use assets and the inclusion of lease payments.
Adjusted net interest	Adjusted net interest is calculated as: • Finance cost. • *Less* finance income. • *Less* facility set-up costs incurred. • *Less* adjustments relating to the impacts on finance costs and income that arose on the application of IFRS 16. The adjustments include the reversal of the finance cost on lease liabilities.

Glossary of terms (continued)

Defined terms specifically linked to IFRS 17

Contract boundary	The contract boundary is defined as follows: Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when: • The entity has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or • The entity has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.
Coverage period	The period during which the Group provides insurance contract services. This period includes the insurance services that relate to all the premiums within the boundary of the insurance contract.
Chain-Ladder technique	The Chain-Ladder technique is a method used in actuarial science to estimate future insurance claims based on historical claims data. It organises the data into a runoff triangle, with each row representing claims from a specific time period and each column showing how these claims develop over subsequent periods. By analysing patterns in this triangle, the Chain-Ladder technique projects how current and future claims will develop, helping insurers determine the reserves needed to cover these claims. It assumes that past development patterns will continue into the future.
Liability for incurred claims or LIC	The liability for incurred claims represents the Group's obligation to investigate and pay valid claims for insured events that have already been incurred, including events that have occurred but for which claims have not been reported and other incurred insurance service expenses.
Asset for remaining coverage or ARC	ARC comprises the initial investment made, and premiums received by the cell captive insurers less all the expenses incurred that are not directly attributable to the LIC. These costs include insurer, binder fees, and policyholder-related insurance costs.
Mack Model	The Mack model is a statistical method used in actuarial science to estimate the reserves needed for future insurance claims. It builds on the Chain-Ladder technique by calculating development factors from historical claims data to project future claims. The Mack model also assesses the uncertainty in these estimates, providing both the expected future claims and the variability around this expectation. This helps insurers ensure they have adequate reserves to cover claims, accounting for potential fluctuations.

Corporate information

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Incorporated in the Republic of South Africa
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[1] *Independent non-executive.*
[2] *Non-executive.*
[3] *Executive.*