Grayston Drive Autos (RF) Limited

(Registration Number : 2018/315240/06)

Annual financial statements
for the year ended 31 March 2024
Audited

In terms of S 29(1)(e)(ii) of the Companies Act 71 of 2008 as amended, we confirm that the preparation of the following financial statements is the responsibility of Justin Ludick, CA (SA), CGMA®, Transaction Manager.

The following financial statements have been audited in compliance with the requirements of the Companies Act 71 of 2008 as amended S 30(2)(b).

Grayston Drive Autos (RF) Limited

(Registration Number : 2018/315240/06)

Annual financial statements

for the year ended 31 March 2024

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Company information

for the year ended 31 March 2024

Directors	KW van Staden (Independent Non-Executive) DP Towers (Independent Non-Executive) GT Sayers (Independent Non-Executive) K Heydenrych (Non-Executive) HS Tradonsky (Alternate Non-Executive)
Date of incorporation	25 May 2018
Registration number	2018/315240/06
Period covered by financial statements	01 April 2023 to 31 March 2024
Nature of business and principal activities	Pursuant to the Secured Note Programme: To issue debt instruments, and/or to use funds borrowed or raised from such debt instruments to acquire assets of any kind; and/or enter into hedging transactions to mitigate its credit, interest and other risks; and/or collateralise its debt instruments in respect of each asset or hedging transaction.
Secretary	Investec Group Data (Pty) Ltd (Reg. No. 1937/009329/07)
Independent Auditor	PricewaterhouseCoopers Inc.
Bankers	Investec Bank Limited
Registered Office	c/o Company Secretarial Investec Limited 100 Grayston Drive Sandown Sandton 2196
Postal address	c/o Company Secretarial Investec Limited PO Box 785700 Sandton 2146

Grayston Drive Autos (RF) Limited

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the annual financial statements of Grayston Drive Autos (RF) Limited, comprising the statement of financial position at 31 March 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), its interpretations adopted by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Debt Listings Requirements, and the South African Companies Act.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for the reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of annual financial statements

The annual financial statements of Grayston Drive Autos (RF) Limited, as identified in the first paragraph, from pages 15 to 35 were approved by the board of directors on 30 July 2024:

Director: HS Tradonsky
Date: 30 July 2024

Director: KW van Staden
Date: 30 July 2024

Declaration by the Company Secretary

In terms of section 88(2)(e) of the South African Companies Act No 71 of 2008, as amended ("the Act"), I hereby certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, for the period ended 31 March 2024, all such returns as are required in terms of the Act and that all such returns are true, correct and up to date.

INVESTEC
GROUP DATA PROPRIETARY LIMITED
AS SECRETARIES

AUTHORISED SIGNATORIES

Grayston Drive Autos (RF) Limited

Directors' report

for the year ended 31 March 2024

The directors have pleasure in submitting their report on the activities of the company for the period 01 April 2023 to 31 March 2024.

Nature of business

To acquire the rights, title and interest in and to vehicle instalment loans using a securitisation structure, with funds being raised via the issue of debt instruments which are listed, and to manage the assets so acquired. These assets provide the security for the debt instruments.

Operating results and financial position

The results of the Company's operations and cash flows for the period, and its financial position at 31 March 2024, are set out in the annual financial statements and require no further comment.

Share capital

Details of authorised and issued share capital are disclosed in note 6 to the financial statements.

Directorate

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

Directors	Directorate Type	Apointment	Resigned
DP Towers	Independent Non-Executive	25 May 2018	
KW van Staden	Independent Non-Executive	27 March 2019	
GT Sayers	Independent Non-Executive	11 August 2020	
K Heydenrych	Alternate Non-Executive	01 August 2023	
HS Tradonsky	Alternate Non-Executive	27 March 2019	
WJ Janse van Rensburg	Alternate Non-Executive	15 March 2021	01 August 2023

Interest of the director and officers

None of the directors and officers have any interest in the issued share capital or any of the contracts entered into by the Company. Directors emoluments are disclosed in Note 17.2.

Dividends

No dividends were declared or paid during the current and prior period.

Going concern

Grayston Drive Autos (RF) Limited has been set up as an insolvency remote special purpose vehicle. Secured creditors have agreed to certain subordination, non-petition, and enforcement clauses. Interest is accrued on the subordinated Subordinated loan but limited in terms of (1) the transaction documents and the insolvency remote legal set-up and (2) the available cash in accordance with the Priority of Payments. In the event that there is insufficient cash available for the payment of any unpaid claims/liabilities at the end of the company's life, the unpaid portions are forfeited by those secured creditors. Any losses do not therefore amount to an act of insolvency. Please refer to note 21 for further detail.

Furthermore, in accordance with the transaction documents, when all assets have been expunged, all secured creditors will waive their claims against the Company. Because of this legal set-up, the Company's outgoing cash flows are limited to both its assets and the yield on these assets and it therefore continues to operate as a going concern.

Change of auditors

As announced on SENS on 12 December 2023, PricewaterhouseCoopers Incorporated ("PwC") was appointed as the Company's external auditor, for the financial year ending 31 March 2024, replacing KPMG Incorporated ("KPMG"). The appointment of PwC complies with paragraphs 6.22 and 6.23 of the Debt Listings Requirements. The change in audit firm was initiated by the (subsequently repealed) rule on mandatory audit firm rotation.

Auditor

PricewaterhouseCoopers Inc is the appointed auditor in accordance with section 90 of the Companies Act of South Africa.

HTradonsky

Director | **Director**

Grayston Drive Autos (RF) Limited

Audit Committee Report

for the year ended 31 March 2024

Members of the Audit Committee

The members of the Audit Committee ("the committee") are all independent non-executive directors and comprises:

GT Sayers
DP Towers
KW Van Staden

The chairman of the Board, serves on the Audit Committee, but another independent non-executive director acts as chairman thereof. Given that the Company is a special purpose vehicle incorporated as an Issuer in a securitisation scheme (as regulatory defined), the afore-going is considered acceptable and reasonable.

The Audit Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act No. 71 of 2008 as amended and Regulation 42 of the Companies Regulation, 2011.

Meetings held by the Audit Committee

The Audit Committee performs the duties laid upon it by Section 94(7) of the Companies Act No. 71 of 2008 as amended, by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors. The committee has met on the following dates during the year:

Date	Attendees
28 June 2023	DP Towers GT Sayers KW van Staden
21 February 2024	DP Towers GT Sayers KW van Staden

Expertise and experience of the finance function

The servicing, accounting and administration of the Company's assets are performed and prepared by Investec Bank Limited (jointly hereinafter "Management"). The Internal Audit function does not directly report to the audit committee, but highlights any matters relevant to the Company's annual financial statements via the Servicer and the Administrator to the Audit Committee.

The on-going secretarial administration of the Company's statutory records is done by Investec Group Data Proprietary Limited.

Independence of the external auditor

The Company's auditor is PricewaterhouseCoopers Inc.

The Audit Committee satisfied itself, through enquiry, that the external auditor is independent as defined by the Companies Act No. 71 of 2008 as amended and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided in terms of the Companies Act No. 71 of 2008 as amended that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit Committee, in consultation with the Servicer and the Administrator, agreed to the terms of the external auditor's engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as parallel interaction with the Servicer, timing of the audit, the extent of the work required and the scope.

Grayston Drive Autos (RF) Limited

Audit Committee Report

for the year ended 31 March 2024 (continued)

Discharge of responsibilities

The Audit Committee is satisfied that, in respect of the financial year under review, it has discharged its duties and responsibilities in accordance with its terms of reference and in terms of the Companies Act No. 71 of 2008 as amended. The Board concurred with the assessment.

The Audit Committee performed the following activities during the year under review:

- Approved the contents of the Audit Committee's terms of reference approval
- Approved the external auditor's fees for the 2024 audit;
- Approved any other services provided by the auditors and
- Considered the independence and objectivity of the external auditor.

Annual Financial Statements

Following the review by the committee of the annual financial statements of Grayston Drive Autos (RF) Limited for the year ended 31 March 2024 and based on the information provided to it, the committee considers that, in all material respects, the Company complies with the provisions of the Companies Act No 71 of 2008, as amended, IFRS Accounting Standards and that the accounting policies applied are appropriate.

The committee concurs with the Board of Directors and management that the adoption of the going-concern status in preparation of the annual financial statements is appropriate.

The committee recommended the Company's 2024 annual financial statements for approval by the Board on 30 July 2024.

On behalf of the Audit Committee:

Chairman: Audit Committee

Independent auditor's report

To the Shareholder of Grayston Drive Autos (RF) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Grayston Drive Autos (RF) Limited (the Company) as at 31 March 2024, and its financial performance and its 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

Grayston Drive Autos (RF) Limited's financial statements set out on pages 15 to 35 comprise:

- the statement of financial position as at 31 March 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview

Overall materiality • Overall materiality: R 17,483,854 which represents 1% of total assets
Key audit matters • Valuation of expected credit losses on loans and receivables

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the 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 materiality	R17,483,854
How we determined it	1% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the benchmark against which the position of the Company is most commonly measured by users, as the Company is asset driven. We chose 1% which is consistent with quantitative materiality thresholds used for entities with a public profile.

How we tailored our audit scope

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

Key audit matters

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

Key audit matter	*How our audit addressed the key audit matter*
Valuation of expected credit losses on loans and receivables The disclosures with respect to this key audit matter are contained in the following notes to the financial statements: ● Accounting policies, "*Identification and measurement of impairment*" and "*Use of estimates and judgement";* ● Note 2, "*Intercompany receivables"; and* ● Note 18, "*Risk management*". Loans and receivables and the related expected credit losses ('ECL') are material to the financial statements. The Company reported total gross loans and receivables ceded to the Company subject to ECL at 31 March 2024 amounting to R800,602,205 with a related ECL of R3,073,616. For the year ended 31 March 2024, the company recognised expected credit loss impairment charges on loans and receivables of R3,073,616. The valuation of ECL on loans and receivables has been determined to be a matter of most significance to the current year audit as a result of the subjectivity involved in its determination, and the consequent elevation in the risk of material misstatement. The determination of the ECL, and the related disclosures is subjective due to the factors mentioned below. ● The modelling of ECL based on certain management assumptions and estimation of probabilities of default ("PD"), loss given default ("LGD") and exposures at default ("EAD");	Our audit procedures focused on key areas of significant judgement and estimation uncertainty in determining ECL on loans and receivables. In performing such procedures, we utilised our internal actuarial, quantitative and economic expertise. Our procedures comprised a combination of evaluating the key controls and performing substantive procedures as further explained relative to the key judgements below. **Modelled ECL impairment losses** ● We obtained an understanding of management's data, methodologies and assumptions used in the ECL models; ● We assessed the key controls over model governance, including the controls over the implementation of new ECL models (where relevant) and changes to current ECL models. No control deficiencies were identified; ● For selected ECL models, we tested the key IT general controls, including change management controls and application controls relating to the IT systems that support the modelled ECL processes. No control deficiencies were identified; ● We tested the completeness and accuracy of data inputs into the models by agreeing a sample of data inputs back to information sourced by management from internal systems and external data providers, or by testing data interface controls between these systems. No material exceptions were noted; ● For selected ECL models, we independently

- Determination of the range of forward-looking probability weighted macro- economic scenarios;
- Assessment of the staging due to a significant increase in credit risk ("SICR");
- Adequacy of post model adjustments; and
- Assessment of ECL on Stage 3 exposures.

ECL models: Management applies significant levels of judgement in modelling ECL particularly as it relates to:

- The application of certain accounting policies, identifying modelling assumptions and selecting appropriate data used in the PD, LGD and EAD models; and

Identifying key model assumptions and techniques, including the determination of write-off points.

Multiple forward-looking macroeconomic scenarios: Judgement is applied in determining the appropriateness of the economic scenarios and incorporation of forward-looking information ('FLI') as well as the determination of probability weightings assigned to each of the scenarios and the identification of inputs and assumptions used to estimate their impact.

Staging/assessment of significant increase in credit risk: Allocation of assets recognised in stages 1, 2 and 3, including the determination of the triggers for an asset moving between stages.

Post model adjustments: Adequacy and completeness of post model adjustments recognised based on evolving risks and significant uncertainty faced with respect to the economic outlook.

Assessment of ECL raised on Stage 3 exposures: Where the measurement of the ECL on individual Stage 3 assets is dependent on the subjectivity and estimation of recoverable amounts based on various recovery strategies, the valuation of related collateral and timing of cash flows.

Credit risk disclosures: The disclosure associated

recalculated ECL estimates or benchmarked the model calculations for material portfolios and independently reperformed the PD, EAD and LGD parameters, to test the assumptions and appropriateness of the judgement applied in the ECL calculations. No material exceptions were noted;

- We evaluated the reasonableness of the write-off points applied relative to the requirements of IFRS 9 by comparing them to historical post write-off recoveries where applicable. No material exceptions were noted; and
- We evaluated whether post write-off recoveries have been excluded from the LGD calculation and therefore do not impact on the ECL.

Incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation

- We tested the key controls relating to management's review and approval of macroeconomic forecasts and variables incorporated within the models. No control deficiencies were identified;
- Using our economic expertise, we independently assessed the appropriateness of the macroeconomic scenario forecasts and the probability weightings applied by management by benchmarking these against third-party data. This assessment included developments related to the current uncertain geopolitical and economic outlook. No material exceptions were noted; and
- Using our financial modelling, actuarial and quantitative expertise, we assessed the correlation of the forecasted macroeconomic factors to the ECL and tested the impact of the macroeconomic changes on the ECL (under each macroeconomic scenario). This includes the impact of the macroeconomic scenarios on PDs, LGDs and SICR. No material exceptions were noted

Staging of loans

- We tested the key controls relating to the staging of loans and receivables – including:

with the ECL on exposures relies on credit data inputs and explains management judgements, estimates and assumptions used in determining the ECL.	- Controls over changes in the staging due to a significant increase or reduction in credit risk and over the monitoring of assets in each stage. No control deficiencies were identified; - Manual overrides to staging outcomes. No control deficiencies were identified; and - Data accuracy and completeness. No material exceptions were noted. • We assessed the appropriateness of the SICR methodologies and model calibrations with reference to IFRS 9 and tested the resultant stage allocations. No material exceptions were noted; and • We tested the performance of the SICR approach by considering historic volumes of accounts moving into arrears and the forward-looking view of default risk. No material exceptions were noted **Post model adjustments** • We obtained an understanding of the model limitations to evaluate the completeness and appropriateness of the related adjustments. No material exceptions were noted; • We assessed the governance processes that the company has put in place to review and approve post model adjustments. No control deficiencies were identified; and • We assessed the validity of management's rationale for releasing each component of the overlay and considered whether there were any material risks which the expected credit loss models did not cater for, and which would have required management to recognise an overlay. No material exceptions were noted **Assessment of ECL raised on Stage 3 exposures** • We tested management’s processes and key controls over judgements used to determine whether specific exposures are credit impaired. No control deficiencies were identified; and

	• For a sample of stage 3 exposures, we performed independent credit reviews and performed an independent assessment of management's probability weighted scenarios. We evaluated the reasonability of the estimate of the recoverable amount and timing of expected future cash flows used in measuring ECL based on independently determined collateral or exit values, cash flow assumptions and exit strategies. No material exceptions were noted **Disclosures related to credit risk** • We assessed the appropriateness of the ECL related disclosures for exposures in the financial statements in accordance with IFRS 7. No material exceptions were noted; and • We evaluated whether the credit risk disclosures are consistent with the ECL information tested as part of our audit procedures (which included the ECL data, models, estimates and macro-economic forecasts). No material exceptions were noted **Overall stand-back assessment** • We performed a stand-back assessment of the ECL provision and coverage at an overall level and by stage to determine if provision levels were reasonable by considering the overall credit quality of the portfolios, risk profile and the impacts of the current economic conditions. No material exceptions were noted; and • We performed peer benchmarking where available to assess overall staging and provision coverage levels. No material exceptions were noted

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Grayston Drive Autos (RF) Limited annual financial statements for the year ended 31 March 2024 Audited", which includes the Directors' Report, the Audit Committee Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Grayston Drive Autos (RF) Limited for 1 year.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: S Akoojee
Registered Auditor
Johannesburg, South Africa
30 July 2024

The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Grayston Drive Autos (RF) Limited

Statement of Financial Position

as at 31 March 2024

	Notes	2024	2023
Assets		**R**	**R**
Cash and cash equivalents	*3*	956,019,162	5,100,088
Trade and other receivables		1,861,850	-
Intercompany receivable	*2*	797,528,589	-
Taxation receivable		1,917,029	244,460
Deferred tax asset	*5*	848,133	-
Total assets		**1,758,174,763**	**5,344,548**
Equity and liabilities			
Equity		**1,873,345**	**5,032,156**
Share capital	*6*	100	100
Retained earnings		1,873,245	5,032,056
Cash flow hedge reserve		-	-
Liabilities		**1,756,301,418**	**312,392**
Trade and other payables	*10*	1,296,936	312,392
Accrued interest payable	*9*	20,240,590	-
Deferred income		1,338,392	-
Derivative financial instruments	*4*	8,012,707	-
Instalment sales backed securities	*7*	1,500,000,000	-
Subordinated loan	*8*	225,412,793	-
Total equity and liabilities		**1,758,174,763**	**5,344,548**

Grayston Drive Autos (RF) Limited

Statement of Comprehensive Income

for the year ended 31 March 2024

	Notes	**2024** **R**	**2023** **R**
Interest income using effective interest method	*11*	70,410,598	13,721,715
Interest expense	*12*	(61,954,648)	(12,913,564)
Other interest expense	*12*	(514,410)	-
Net interest income		**7,941,540**	**808,151**
Other income	*11*	485,361	299,207
Other operating expenses	*13*	(1,667,716)	(963,598)
Fair value adjustment on derivatives	*13*	(8,012,707)	-
Expected credit loss impairment charge	*2*	(3,073,616)	10,724,597
(Loss)/Profit before taxation		**(4,327,138)**	**10,868,357**
Taxation	*14*	1,168,327	(2,934,457)
(Loss)/Profit for the year		**(3,158,811)**	**7,933,900**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of changes in fair value	*4*	-	(7,998,615)
Cash flow hedges - reclassified to profit or loss	*4*	-	7,998,615
		-	-
Total comprehensive (loss)/income for the year		**(3,158,811)**	**7,933,900**

Grayston Drive Autos (RF) Limited

Statement of Changes in Equity

for the year ended 31 March 2024

	Notes	Ordinary share capital	Preference share capital	Retained earnings	*Represented Cash flow hedge reserve	Total
		R	R	R	R	R
Balance at 31 March 2022		**100**	**-**	**(2,901,844)**	**(9,368,122)**	**(12,269,866)**
Total comprehensive income for the period						
Profit for the year		-	-	7,933,900	-	**7,933,900**
Other comprehensive income						
Release of Cash flow hedge reserve *		-	-	-	9,368,122	**9,368,122**
Balance at 31 March 2023		**100**	**-**	**5,032,056**	**-**	**5,032,156**
Total comprehensive income for the period						
Loss for the year		-	-	(3,158,811)	-	**(3,158,811)**
Balance at 31 March 2024		**100**	**-**	**1,873,245**	**-**	**1,873,345**

*Cash flow hedge reserve has been restated as it has previously been shown gross.

Grayston Drive Autos (RF) Limited

Statement of Cash Flows

for the year ended 31 March 2024

	Notes	2024	2023
		R	R
Cash flows from operating activities			
Profit/(Loss) before taxation*		(4,327,138)	10,868,357
Adjusted for:			
Mark to Market on Swap		8,012,707	-
Expected credit loss impairment charge		3,073,616	(10,724,597)
Changes in working capital:			
(Increase) in trade and other receivables		(1,861,850)	-
Increase/(Decrease) in accrued interest payable		20,240,590	(26,523,946)
Increase/(Decrease) in deferred income		1,338,392	(4,910,365)
Increase/(Decrease) in trade and other payables		984,544	(2,454,779)
		27,460,861	(33,745,330)
Taxation paid		(1,352,376)	(426,543)
Net cash inflow/(outflow) in operating activities		**26,108,485**	**(34,171,873)**
Cash flows from investing activities			
Purchase of Intercompany receivables		(1,054,881,885)	-
Repayment of Intercompany receivables		254,279,681	2,064,012,418
Net cash (outflow)/inflow from investing activities		**(800,602,204)**	**2,064,012,418**
Cash flows from financing activities			
Repayment of instalment sales backed securities	*7*	-	(2,136,604,790)
Proceeds from issuance of notes	*7*	1,500,000,000	-
Repayment towards swap		-	(245,555,210)
Subordinated loan repaid		-	(81,857,150)
Subordinated loan acquired	*8*	225,412,793	-
Net cash inflow/(outflow) from financing activities		**1,725,412,793**	**(2,464,017,150)**
Net increase/(decrease) in cash and cash equivalents for the period		**950,919,074**	**(434,176,605)**
Cash and cash equivalents at beginning of the period		**5,100,088**	**439,276,693**
Cash and cash equivalents at end of the period	*3*	**956,019,162**	**5,100,088**

** Included within profit before tax is interest received on loans of R 55,905,398 (2023: R 8,166,510), interest received on transaction account of R 14,505,200 (R 5,555,205), interest paid on notes of R 34,965,677 (2023: R 4,436,149) and interest paid on the subordinated loan of R 6,748,381 (2023: R478,800).*

Grayston Drive Autos (RF) Limited

Notes to the financial statements

for the year ended 31 March 2024

1. Significant accounting policies

1.1 Reporting entity

Grayston Drive Autos (RF) Limited (the 'Company') is domiciled in South Africa. The Company's registered office is at 100 Grayston Drive, Sandown, Sandton, 2196. These financial statements comprise the Company's annual financial statements. The Company is primarily involved in acquiring the right, title and interest in and to vehicle instalment loan assets with funds raised directly or indirectly by issue of debt instruments, and to manage the assets so acquired.

1.2 Basis of preparation

The company's financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), its interpretations adopted by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Debt Listings Requirements, and the South African Companies Act.

The financial statements have been prepared in accordance with the going concern principle under the historical cost basis, except for the revaluation of financial instruments, financial instruments held at amortised cost and instruments held at fair value. The financial statements are presented in South African Rand, which is the Company's functional currency.

The financial numbers for the Company have been rounded to the nearest Rand for the purposes of the financial statements.

1.3 Use of estimates and judgement

The preparation of the financial statements in conformity with IFRS® Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the classification of financial instruments. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key areas in which judgement is applied include:

The nature of any assumptions made, when calculating carrying amounts relating to any estimated tax which could be payable as a result of decisions by tax authorities in respect of any such transactions and events whose treatment for tax purposes is uncertain.

The Company recognises an Intercompany Receivable, however, the determination of Expected Credit Losses ("ECL") is assessed using the look through approach against the underlying assets that are carried at amortised cost. This involves the assessment of future cash flows that is judgmental in nature.

Further information in relation to this can be found in Note 18.

The fair value movements of the Swap are determined by assessment of future cash flows which are judgmental in nature.

Further information in relation to this can be found in Note 20.

1.4 Financial assets and financial liabilities

1.4.1 Recognition

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual obligations of the instrument.

Grayston Drive Autos (RF) Limited

Notes to the financial statements

for the year ended 31 March 2024 (continued)

1. Significant accounting policies (continued)

1.4.2 Measurement

Financial instruments are initially measured at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Subsequent to initial recognition, these instruments are measured as set out below:

Intercompany receivable
Intercompany receivables are measured at amortised cost using the effective interest method. Fair value of these financial assets approximates carrying amount.

Cash and cash equivalents
Cash and cash equivalents comprise of cash on hand, demand deposits and petty cash. Cash and cash equivalents are carried at amortised cost in the statement of financial position, which approximates fair value.

Derivative financial instruments
Derivative financial instruments are recognised on the statement of financial position at fair value. Change to fair value movements are subsequently recognised in profit or loss.

Instalment sales backed securities
These financial liabilities are carried at amortised cost. Fair value of these financial liabilities approximates carrying amount.

Subordinated loan
The Subordinated loan liability is carried at amortised cost. Fair value of this financial liability approximates carrying amount.

1.4.3 Classification

The Company classifies its financial assets into one of the following categories:
● amortised cost;
● at fair value through profit or loss, and within this category as:
  - held for trading; or
  - those designated to the category at inception.

The Company classifies its Instalment sales backed securities as measured at amortised cost and derivative financial instruments at fair value through profit or loss.

1.4.4 Derecognition

Financial instruments qualify for derecognition if they meet the derecognition criteria set out in IFRS 9 Financial Instruments: Recognition and Measurement.

The Company derecognises a financial asset when, and only when:
● The contractual rights to the cash flows arising from the financial asset have expired or have been forfeited by the Company; or
● It transfers the financial asset including substantially all of the risks and rewards of ownership of the asset; or

It transfers the financial asset, neither retaining nor transferring substantially all of the risks and rewards of ownership of the asset, but no longer retains control of the asset.

A financial liability is de-recognised when, and only when, the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

The difference between the carrying amount of a financial liability or financial asset (or part there-of) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

Grayston Drive Autos (RF) Limited

Notes to the financial statements

for the year ended 31 March 2024 (continued)

1. Significant accounting policies (continued)

1.4.5 Offsetting

Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a currently enforceable legal right to offset exists.

1.4.6 Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

The financial liabilities shown on the face of the SOFP have been disaggregated into the capital and accrued interest expense portions in order to more accurately reflect the liquidity profile of the company's payment structure. The combined amortised cost balance of these liabilities are shown in Notes 7 and 8, whilst the accrued interest expense is shown in its individual components in Note 9.

1.4.7 Fair value measurement

IFRS 13 Fair value measurement, defines fair value as being a market-based measurement and sets out in a single IFRS a framework for the measurement of fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value measurements for financial assets and financial liabilities are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used. The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1. Significant accounting policies (continued)

1.4.8 Identification and measurement of impairment

Intercompany loans

At each reporting date, the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group or financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes:
● significant financial difficulty of the borrower or issuer;
● default or delinquency by a borrower;
● the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
● indications that a borrower or issuer will enter bankruptcy;
● the disappearance of an active market for a security; or
● observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Company considers evidence of impairment for loans and receivables at both a specific and a collective level. Loans and receivables are first assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than is suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and any subsequent decrease in the impairment loss is reversed through profit or loss.

Cash and Cash Equivalent

Cash and cash equivalents are held with Investec Bank which is considered to be a reputable bank with a high credit rating and no history of default. Hence, the ECL on cash and cash equivalents is determined to be immaterial. The National Scale Deposit Ratings of Investec Bank Limited are as follows: Fitch: F1+(zaf), Moodys: P-1.za, S&P: za.A-1+, GCR: A1+(ZA).

1.5 Non-derivative financial liabilities

All financial liabilities, other than those at fair value through profit or loss, are classified as non-trading financial liabilities. Non-trading financial liabilities, which include instalment sales backed securities and trade and other payables, are measured at amortised cost using the effective interest method.

1.6 Hedge accounting

The company does not apply hedge accounting.

1.7 Income

Other fee income

Fee income comprise of lending fees charged to clients and is recognised on the accrual basis when the service is rendered. Lending fees are within the scope of IFRS 15, these are fees that are not an integral part of the effective interest rate of the loan as they are received over time.

1. Significant accounting policies (continued)

1.8 Taxation

Taxation expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised by the Company in accordance with the applicable accounting standards. The recognition of these assets is based on the probability of future taxable income being available to utilise the deferred tax asset.

The Company's management uses its judgement to determine the recognition of deferred tax assets ,considering factors such as future taxable profits and reversals of existing deductible temporary differences.

Management has assessed the Company's ability to generate sufficient taxable profits in the near future and is satisfied that the Company will be able to utilise the full deferred tax asset raised against the expected future taxable profit. The company will continue to monitor the relevant factors that affect the recognition and measurement of the deferred tax assets and will adjust as necessary.

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

1.10 Operating Segments

The board of directors has been identified by the Company as the Chief Operating Decision Maker ("CODM"), who are responsible for assessing the performance and allocation of resources of the Company.

The Company reports a single operating segment with the purpose of acquiring the right, title, and interest in residential home loan assets using funds raised directly or indirectly through the issuance of debt instruments and to manage the assets acquired. To raise funds, the Company has issued tranches of Instalment sales backed securities into the market.

The CODM regularly reviews the operating results of the Company as presented in the statement of comprehensive income to manage performance and allocate resources across the segment. Resource allocation is limited to cash available in the statement of financial position and statement of cash flows results to service payments as defined by the legal agreements.

1.11 Standards and interpretations issued but not yet effective

There are no standards and interpretations issued but not yet effective which are expected to have a material impact on the Company. The following Standards will be taken into consideration:

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. These new requirements are expected to impact all reporting entities. IFRS 18 and the consequential amendments to other standards is effective for reporting periods beginning on or after 1 January 2027.

Amendments to IFRS 9 Amendments to Classification and Measurement of Financial Instruments and IFRS 7 disclosures
The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. The amendments are effective for annual periods starting on or after 1 January 2026.

Grayston Drive Autos (RF) Limited

Notes to the financial statements

for the year ended 31 March 2024

2. Intercompany receivable

At the funding date of 31 July 2023, Investec Bank Limited (IBL) sold a portion of its vehicle instalment loan assets to Grayston Drive Autos (RF) Limited (Grayston Drive Autos). However, since IBL is also the provider of the subordinated loan, the substance of the transaction was that the accounting derecognition criteria to transfer the significant risks and rewards of ownership were not met. Thus an intercompany receivable is recognised for the consideration paid for these assets to IBL. The cash flows arising from these assets are directly attributable to the vehicle instalment loan assets and thus the following disclosure is appropriate and useful to the users of these financial statements as the carrying amount of the receivable will fluctuate in line with the vehicle instalment loan balances.

	2024 R	2023 R
Loans and receivables ceded to Grayston Drive Autos		
Gross amount outstanding	800,602,205	-
Expected credit loss	(3,073,616)	-
	797,528,589	**-**
Expected credit loss		
Portfolio allowance for expected credit loss	3,073,616	-
	3,073,616	**-**
Reconciliation of allowances for expected credit loss		
Opening balance	-	10,724,597
Charged to the statement of comprehensive income	(3,073,616)	(10,724,597)
- Stage 1	(965,729)	-
- Stage 2	(1,694,136)	-
- Stage 3	(413,751)	-
	(3,073,616)	**-**
Reconciliation of movement on expected credit loss for the period		
Opening Balance	-	10,724,597
Transfer In	3,073,616	-
Transfer Out	-	(10,724,597)
Closing Balance	**3,073,616**	**-**

3. Cash and cash equivalents

Cash and cash equivalents consist of:		
Current account - Investec Bank Limited	956,019,062	5,099,988
Petty cash	100	100
	956,019,162	**5,100,088**

Interest on the current account is earned at Prime Rate.

4. Derivative financial instruments

On the 31st of July 2023, Grayston Drive Autos (RF) Limited has entered into a JIBAR for prime swap with IBL to mitigate the interest rate risk resulting from the mismatch of interest rates on the prime rate linked loans and advances and the JIBAR linked notes payable. The notional value of the interest rate swap is R 1,500,000,000 (2023: R 0) as at the latest reset date prior to year end. The fair value of derivatives can change significantly from year to year to due changes in economic conditions. Both the Prime and JIBAR rates have moved in the current year . This change in rates and consequently the change in the interest rate outlook (i.e. change in the Prime curve and JIBAR curve) combined with the long dated stream of cash flows that are present valued has resulted in a significant move in the fair value of the derivative.

The Financial Stability Board (FSB) is reforming major interest rate benchmarks used globally. The goal is to improve market efficiency and reduce systemic risk by replacing existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs). The South African Reserve Bank (SARB) plans to move away from JIBAR and adopt the South African Rand Overnight Index Average (ZARONIA) as the new reference rate. ZARONIA was published on 2 November 2022 for observation purposes, and 3 November 2023 SARB confirmed that the observation period for ZARONIA ended and that market participants can now use it in financial contracts. The Market Practitioners Group (MPG) has designated ZARONIA as the successor rate to JIBAR. The transition from JIBAR to ZARONIA is expected to take several years, and the MPG will provide more information about the timeline and process. IBL is currently evaluating the transition and is developing a strategy to ensure readiness and the company will adopt the approach executed by IBL.

Statement of financial position		
Fair value of swap	**(8,012,707)**	**-**
Statement of comprehensive income		
Cash flow hedges - effective portion of changes in fair value	-	(7 998 615)
Cash flow hedges - reclassified to profit or loss	-	7,998,615
Other comprehensive income	-	-

5. Deferred tax asset

The deferred tax balance arises due to temporary differences associated with:		
Expected credit loss	486,767	-
Deferred income	361,366	-
Deferred tax asset	**848,133**	**-**
Reconciliation of deferred tax balance		
Opening balance	-	6,522,734
Recognised in profit or loss		
Expected credit loss	486,767	(1,553,776)
Deferred income	361,366	(1,325,799)
Recognised in OCI		
Derivative Financial Instruments	-	(3,643,159)
Closing balance	**848,133**	**-**

Grayston Drive Autos (RF) Limited

Notes to the financial statements
for the year ended 31 March 2024 (continued)

	2024 R	2023 R
6. Share capital		
Ordinary share capital		
Authorised		
1 000 ordinary shares at R1 each	**1 000**	**1 000**
Issued		
100 ordinary share at R1	**100**	**100**

All of the issued shares are held by Grayston Drive Autos Owner Trust.

Preference share capital

	2024 R	2023 R
Authorised		
100 cumulative redeemable preference shares at no par value		
Issued		
1 cumulative redeemable preference shares at no par value	**0**	**0**

The unissued shares are under the control of the Directors until the next annual general meeting and are fully paid up.

7. Instalment sales backed securities

	Class A1 Notes R	Class A2 Notes R	Class B1 Notes R	Class B2 Notes R	Total R
2024					
Balance at the beginning of the period	-	-	-	-	-
Notes issued to Investors	600,000,000	600,000,000	150,000,000	150,000,000	**1,500,000,000**
Redemption of notes	-	-	-	-	-
Balance of notes outstanding at end of the year	**600,000,000**	**600,000,000**	**150,000,000**	**150,000,000**	**1,500,000,000**
Accrued Interest	11,002,193	2,494,372	2,807,260	636,744	16,940,569
Amortised cost value	**611,002,193**	**602,494,372**	**152,807,260**	**150,636,744**	**1,516,940,569**
2023					
Balance at the beginning of the period	1,811,604,790	-	325,000,000	-	**2,136,604,790**
Redemption of notes	(1,811,604,790)	-	(325,000,000)	-	**(2,136,604,790)**
Balance of notes outstanding at end of the year	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Amortised cost value	-	-	-	-	-

The instalment sales backed securities are measured at amortised cost. The notes bear interest at the 3 Month JIBAR rate plus the spread as determined in the Applicable Pricing Supplement for each class and tranche of notes. For as long as the notes are in issue, interest on the floating rate notes is payable quarterly in arrears on the 20th of January, April, July and October. The interest rate, charge and accrued balance per tranche of notes was as follows:

2024		Spread over 3 Month Jibar	Interest expense R	Accrued interest R
Class A1	3M Jibar	130 bps	38,859,666	11,002,193
Class A2	3M Jibar	123 bps	2,494,372	2,494,372
Class B1	3M Jibar	150 bps	9,915,464	2,807,260
Class B2	3M Jibar	143 bps	636,744	636,744
			51,906,246	**16,940,569**

2023		Spread over 3 Month Libor/Jibar	Interest expense R	Accrued interest R
Class A1	3M USD Libor	175 bps	2,913,506	-
Class A2	3M Jibar	220 bps	1,522,643	-
			4,436,149	-

8. Subordinated loan	2024 R	2023 R
Subordinated loan	225,412,793	-
Accrued interest payable	3 300 021	-
Amortised cost value	**228,712,814**	-

Grayston Drive Autos (RF) Limited entered into an agreement with Investec Balance Limited (IBL), whereby IBL would provide the Subordinated loan to the instalment sales backed securities notes issues.

The principal amounts of R 116,000,000 (31 July 2023), R 102,180,669 (15 March 2024) and R 7,232,124 (27 March 2024) subordinated loans were advanced by IPB. Interest payable on the Subordinated loan is payable on quarterly payment dates based on a 3-month JIBAR plus 3.75% (31 July 2023); 5% (15 March 2024) and 5% (27 March 2024) margin per annum in accordance with the Priority of Payments. The Subordinated loans are scheduled to mature on 20 July 2038.

In April 2022, the subordinated loan was repaid in full amounting to R 81,857,150.

9. Accrued interest payable	2024 R	2023 R
Subordinated loan	3,300,021	-
Instalment sales backed securities	16,940,569	-
	20,240,590	-

Grayston Drive Autos (RF) Limited

Notes to the financial statements

for the year ended 31 March 2024

		2024 R	2023 R
10.	**Trade and other payables**		
	Accrued expenses	843 308	312 392
	Sundry Accruals	453 628	-
		1,296,936	**312,392**
11.	**Interest income**		
	Interest income calculated using the effective interest rate method:		
	Intercompany receivables	55,905,398	8,166,510
	Current account - Investec Bank Limited	14,505,200	5,555,205
		70,410,598	**13,721,715**
	Other income		
	Lending Fees - Services rendered overtime	472 234	299 207
	Interest and Penalties on Tax received	13 127	-
		485,361	**299,207**
12.	**Interest expense**		
	Instalment sales backed securities		
	- Class A1	38,859,666	2,913,506
	- Class A2	2,494,372	-
	- Class B1	9,915,464	1,522,643
	- Class B2	636,744	-
	Subordinated loan	10,048,402	478,800
	Cash flow hedges- reclassified to profit or loss	-	7,998,615
		61,954,648	**12,913,564**
	Other interest expense		
	Realised interest on swap	514,410	-
		62,469,058	**12,913,564**
13.	**Other operating expenses**		
	Other operating expenses include the following:		
	Servicing fee (Refer to Note 15)	447,983	123,908
	Administration fee (Refer to Note 15)	75,458	61,911
	Auditors fee	603,259	517,328
	Sundry expenses	541,016	260,451
		1,667,716	**963,598**
	Fair Value Adjustment on Derivatives	8,012,707	-
		9,680,423	**963,598**
14.	**Taxation**		
	South African normal tax		
	- current tax	(320,194)	54,882
	- deferred tax	(848,133)	2,879,575
	Net taxation charge	**(1,168,327)**	**2,934,457**

Reconciliation of effective tax rate

	%	2024 R	2023 R
Income before taxation		(4 327 138)	10 868 357
Tax using the corporation tax rate	27.00%	(1,168,327)	2,934,457
Total Tax Charge	**27.00%**	**(1,168,327)**	**2,934,457**

15. Servicing and administration fees - Investec Bank Limited

Investec Bank Limited has been appointed under the terms of a servicing agreement and an administration agreement as servicer and administrator respectively for Grayston Drive Autos (RF) Limited.

Investec Bank Limited charges fees for its services under the servicing agreement to the extent permitted by and in accordance with the Priority of Payments. Such fees are charged at 0.075% (exclusive of VAT) of the outstanding principal balance of the assets as at each monthly determination date.

Investec Bank Limited charges fees for it's administrative services under the administration agreement to the extent permitted by and in accordance with the Priority of Payments. The administration fee is charged at R75 000 (exclusive of VAT) per annum, calculated daily.

In the event that insufficient cash is available for payment for all or part of any servicer or administration fee, Grayston Drive Autos (RF) Limited incurs no obligation to pay that portion of the fee in respect of which no cash is available.

16. Indemnities

Grayston Drive Autos (RF) Limited has indemnified Grayston Drive Autos Security SPV (Security SPV) in respect of any claims made against the Security SPV arising out of a guarantee provided by Security SPV to the secured creditors of Grayston Drive Autos (RF) Limited.

Cession and pledge

Grayston Drive Autos (RF) Limited has ceded and pledged its right, title and interest in and to the vehicle instalment loan assets held to the Security SPV as security for the guarantee provided by the Security SPV.

17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company, in the ordinary course of business, enters into various transactions with related parties.

17.1 Investec Bank Limited

Investec Bank Limited is the Parent entity of Grayston Drive Autos (RF) Limited. In accordance with the requirements of IFRS 10, Consolidated Financial Statements , Investec Bank Limited consolidates Grayston Drive Autos (RF) Limited. This is because Investec Bank Limited is exposed to variability of returns from Grayston Drive Autos (RF) Limited and has the ability to affect these returns through the power it has.

The following transactions took place and balances existed between Investec Bank Limited and Grayston Drive Autos (RF) Limited:

Servicing and administration fees

Investec Bank Limited is the appointed servicing and administration agent to Grayston Drive Autos (RF) Limited, details of which are set out in Note 15 above. Fees payable to Investec Bank Limited under these agreements during the period amounted to:

	2024 R	**2023** R
Servicing fee	447,983	123,908
Administration fee	75,458	61,911
- Petty cash	100	100
- Bank current account	956,019,062	5,099,988

Subordinated loan

Investec Bank Limited (through its ICIB division) has provided the Subordinated loan to Grayston Drive Autos (RF) Limited (refer to Note 8) which serves as credit enhancement to the notes. Interest is charged on the Subordinated loan in accordance with the Priority of Payments. Interest for the period amounted to R 10,048,402 (2023: R 478,800).

17.1 Investec Bank Limited (Continued)

Intercompany receivables

During the financial year, the entity purchased additional participating assets (vehicle instalment loans) from Investec Bank Limited (Seller) for an amount of R 1,054,881,885. The total balance of loans at year end is R 800,602,205 (refer to note 2) and repayments amounted to R 254,279,681. The expected credit losses arising from these assets recognised in the current year is R 3,073,616 (2023: R0).

	2024	**2023**
	R	**R**
Gross amount outstanding	800,602,205	-
Impairment allowance	3,073,616	-

Interest rate swap

Grayston Drive Autos (RF) Limited has entered into a JIBAR for prime swap with IBL to mitigate the interest rate risk resulting from the mismatch of interest rates on the prime rate linked loans & advances and the JIBAR linked notes payable. The swap required no initial investment. However, interest of R 514,410 (2023: R 7,998,615) was paid to Investec Bank Limited in the current year (refer to note 12).

17.2 Other related party transactions

Quadridge Trust Services Proprietary Limited

All the directors of the Company are employed by external companies and are remunerated by their respective employer on a separate basis. There were no remuneration or benefits paid directly to the directors of the Company, by the Company or any other Company within the same group of companies, as defined by the Companies Act during the current or prior years. Three directors are employees of and remunerated by Quadridge Trust Services Proprietary Limited (third party service provider) on a separate basis. The Investec Bank Limited representative directors are not remunerated for their services by the Company.

The Trustee Services are assigned to Quadridge Trust Services Proprietary Limited for the financial year ended 31 March 2024 and in prior periods. The trustees fees of Grayston Drive Autos over the past two financial years are as follows:

	2024	**2023**
	R	**R**
Quadridge Trust Services Proprietary Limited	104,083	223,861

Grayston Drive Autos Owner Trust

The Trust was established solely to be a beneficial shareholder of all of the ordinary shares in Grayston Drive Autos (RF) Limited. The Trust is managed by Quadridge Trust Services Proprietary Limited. No payments were made to Grayston Drive Autos Owner Trust during the current year.

Grayston Drive Autos Security SPV

The Security SPV was incorporated for the purposes of holding and realising security for the benefit of Secured Creditors, including Noteholders of Grayston Drive Autos (RF) Limited. No payments were made to the Security SPV during the current year.

Grayston Drive Autos Security SPV Owner Trust

Grayston Drive Autos Security SPV Owner Trust is the sole beneficial shareholder of all the ordinary shares of Grayston Drive Autos Security SPV. No payments were made to the Security SPV during the current year.

Grayston Drive Autos (RF) Limited

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for the year ended 31 March 2024

18. Risk management

In common with all other businesses, the Company is exposed to financial risks. These risks are managed as part of the normal operations of the Company and the Board of Directors oversees the effectiveness of the risk management processes carried out by Investec Bank Limited.

The collectability of amounts due is subject to credit, liquidity and interest rate risks and will generally fluctuate in response to, among other things, market interest rates, general economic conditions and the financial standing of borrowers.

The more important financial risks to which the Company is exposed are described below:

Liquidity risk

Liquidity risk is the risk that the Company may have insufficient cash to meet its financial obligations, specifically in the short-term.

The maturity bucketing of the intercompany receivables are shown exclusive of future dated interest, however, cash flows are monitored regularly to ensure that cash resources are adequate to meet the Company's requirements.

Maturities of financial liabilities

2024	Less than 1 month R	Between 1 and 3 months R	Between 3 months and 1 year R	Between 1 and 5 years R	More than 5 years R	Total R
Instalment Sales securities*	-	36,294,041	109,408,586	582,300,000	869,062,808	**1,597,065,436**
Subordinated loan	-	-	-	-	225,412,793	**225,412,793**
Accrued interest	-	20,240,590	-	-	-	**20,240,590**
Derivative financial instruments	-	-	-	-	8,012,707	**8,012,707**
Trade and other payables	-	1,296,936	-	-	-	**1,296,936**
Deferred income	-	-	-	-	1,338,392	**1,338,392**
	-	**57,831,567**	**109,408,586**	**582,300,000**	**1,103,826,700**	**1,853,366,854**

2023	Less than 1 month R	Between 1 and 3 months R	Between 3 months and 1 year R	Between 1 and 5 years R	More than 5 years R	Total R
Instalment Sales securities*	-	-		-	-	**-**
Subordinated loan	-	-	-	-	-	**-**
Accrued interest	-	-	-	-	-	**-**
Derivative financial instruments	-	-	-	-	-	**-**
Trade and other payables	-	312,392	-	-	-	**312,392**
Deferred income	-	-	-	-	-	**-**
	-	**312,392**	**-**	**-**	**-**	**312,392**

The maturity analysis for financial liabilities represents the basis for effective management of exposure to structural liquidity risk. The table above shows the undiscounted cash flows (including interest) for all financial liabilities on a contractual basis on the earliest date on which the Company can be required to pay.

Grayston Drive Autos is a revolving structure, i.e. no capital is repaid on the instalment sales backed securities (notes). When the Company receives capital repayments on the Instalment sales backed loans which are short term in nature, the capital received from the clients is utilised to top up the loans (assets) to the required amounts to match the value of notes (liabilities). To ensure that the Company has adequate level of cash to meet its funding requirements at any given point, amounts received from the issue of notes and capital received on the loans are invested in an account that earns the same rate as the interest received on intercompany loans. Thus, this ensures that the Company always has adequate interest to pay its noteholders. Furthermore, Cash flows are monitored on a monthly basis through the Priority of Payments to ensure that cash resources are adequate to meet the necessary requirements.

Instalment Sales securities *
The maturity analysis incorporates, on an undiscounted basis, all cash flows relating to and future coupon payments that show the remaining contractual maturities.

Instalment Sales securities	1-2 years	2-3 years	3-5 years	Total
2024	145,575,000	145,575,000	291,150,000	582,300,000
2023	-	-	-	-

Subordinated Loan
Amounts relating to the Subordinated Loan have been shown without the impact of future dated interest. This is as a result of how the deal has been structured with interest on the Subordinated loan being serviced as one of the last items on the priority of payments. Should there not be sufficient cash as at each priority of payment date, the interest on the subordinated loan will not be paid.

Derivative financial instruments
Derivative financial instruments are reported in the more than 5 year bucket due to the variables used to calculate the Mark-to-Market on the Final Redemption Date of the deal which is 20 July 2038. This is the current MTM on the derivative as calculated at the 31 March 2024 using IBL agreed variables.

Grayston Drive Autos (RF) Limited

Notes to the financial statements

for the year ended 31 March 2024

18. Risk management (continued)

Interest rate risk

Interest rate risk arises when potential changes in relevant interest paid to investors and the rates earned on loans to borrowers and investments, occur at different times, at different rates and with varying degrees of uncertainty. Due to the Company's assets being linked to the prime rate, and the notes linked to the 3 Month Jibar rate, the Company is exposed to interest rate risk. This exposure is mitigated through the interest rate swap entered into with Investec Bank Limited, as derivative counterparty.

The interest rate swap is a Level 2 financial instrument as the swap is not listed in an active market, however the fair value is calculated on directly observable market inputs.

There were no transfers between any of the fair value hierarchy levels during the current year.

Any movements in fair value of the derivative are recognised in profit or loss.

Below is a sensitivity analysis reflecting how a 1% upward/downward movement in the interest rate would impact future profit:

	2024			2023		
Sensitivity	**-1%**	**Interest (Paid)/Received**	**1%**	**-1%**	**Interest (Paid)/Received**	**1%**
Interest expense on Instalment sales backed securities		51,906,246			4,436,149	
Impact on profit or loss	519,062		(519,062)	44,361		(44,361)
Interest expense on subordinated loan		10,048,402			478,800	
Impact on profit or loss	100,484		(100,484)	4,788		(4,788)
Derivative financial instruments		8,012,707			-	
Impact on profit or loss	80,127		(80,127)	-		-
Interest Income on Intercompany receivable		(55,905,398)			(8,166,510)	
Impact on profit or loss	(559,054)		559,054	(81,665)		81,665
Cash and cash equivalents		(14,505,200)			(5,555,205)	
Impact on profit or loss	(145,052)		145,052	(55,552)		55,552
Sensitivity net of the above items:	(4,432)		4,432	(88,068)		88,068
Sensitivity after tax:	(3,236)		3,236	(64,289)		64,289

Operational risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, personnel, technology and other external causes.

Prime responsibility for managing this risk is outsourced in terms of the Servicing Agreement and Administration Agreement to Investec Bank Limited. The Directors of the Company and the trustees are responsible for monitoring the performance of Investec Bank Limited in this regard.

Credit risk

Credit risk represents the financial risk to the Company as a result of a default by the counterparty, that is, the failure of the counterparty to comply with its obligations to service the outstanding debt. The Company is directly exposed to the underlying cashflows of the vehicle instalment sales which is disclosed as Intercompany Receivables and therefore the Company is directly exposed to the risks associated with the underlying counterpart. Credit risk is defined in terms of Investec Bank Limited's credit policies and procedures manual, which establishes sound credit risk management processes. The procedures and processes of Grayston Drive Autos (RF) limited have been outsourced to Investec Bank Limited as part of the Servicing Agreement and are monitored by the Credit Committee of Investec Bank Limited. Further disclosure on this is available as part of the Investec Bank Limited AFS for 31 March 2024 as published.

The obligations of each borrower to Grayston Drive Autos (RF) Limited in respect of repayment of a loan are secured by the vehicles of such borrowers. As at 31 March 2024, the value of the collateral held is R 683,377,703 (2023: R 0). Due to the short term nature of the underlying assets, Grayston Drive Autos (RF) Limited acknowledges the lower value of these assets which is depreciated over 60 months to show a more conservative view. As a result, the underlying collateral values disclosed does not fully cover the Intercompany Receivables exposure of R 797,528,589 (2023: R 0).

Collateral	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2024	672,051,253	10,475,623	850,827	683,377,703
2023	-	-	-	-

Definition of default

The company has aligned the IFRS 9 and regulatory definitions of default, credit impaired and non-performing exposure. Assets that are more than 90 days past due, or considered by management as unlikely to pay their obligations in full without realisation of collateral are considered as exposures in default.

Stage 1

All assets that are considered performing and have not had a significant increase in credit risk will be reported as Stage 1 assets. Under IFRS 9 these Stage 1 financial assets have loss allowances measured at an amount equal to a 12-month ECL.

Stage 2

Financial assets are considered to be in Stage 2 when their credit risk has increased significantly since initial recognition. The company is required to hold a loss allowance equivalent to a lifetime ECL in terms of IFRS 9.

The company's primary indicator for Stage 2 assets are distressed loans, potential problem loans and exposures in arrears that require additional attention and supervision from Watchlist committees and are under management review. This comprises exposures that may potentially become distressed as a result of changes in the economic environment or adverse share price movements, or that are vulnerable to volatile exchange rate or interest rate movements or idiosyncratic financial distress, or private clients who have undergone a significant deterioration in financial circumstances.

Assets that have been subject to forbearance are considered to be, at a minimum, Stage 2. Forbearance measures refer to concessions such as modification of the terms and conditions or refinancing that has been granted to a debtor in financial difficulties. These exposures are assessed on a case by case basis to determine whether the proposed modifications will be considered as forbearance. Where the credit committee considers it likely that the client will be able to return to perform against the original contractual obligations within a reasonable timeframe these assets will be considered performing and in Stage 2. Forbearance is distinguished from commercial renegotiations which take place as part of normal business activity and standard banking practice.

In addition to loans under management review, an asset may also move from Stage 1 to Stage 2 if the model calculated probability of default (PD) has significantly increased since origination. This is tested as both a relative and absolute measure, to further inform whether a significant deterioration in lifetime risk of default has occurred. As a backstop, the company does not rebut the presumption in IFRS 9 that all financial assets that are more than 30 days past due have experienced a significant increase in credit risk.

18. Risk management (continued)

Credit risk (continued)
Exposures move back to Stage 1 once they no longer meet the criteria above for a significant increase in credit risk and as cure periods (specifically relating to forborne exposure) are met.

Stage 3
Financial assets will be included in Stage 3 when there is objective evidence of credit impairment. Under IFRS 9, the company assesses a loan as Stage 3 when contractual payments of either principal or interest are past due for more than 90 days, the debtor is assessed as unlikely to pay and credit impaired, or the loan is otherwise considered to be in default, for example due to the appointment of an administrator or in receivership. The company's policy is not to rebut the presumption in IFRS 9 that loans which are more than 90 days past due are in default.

Expected Credit Loss ("ECL")
The Company is directly exposed to the underlying cashflows of the vehicle sale instalments which is disclosed as Intercompany Receivables and therefore the Company is directly exposed to the risks associated with the underlying counterpart and ECL is calculated on this basis of exposure. The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money. As a result, the recognition and measurement of impairment is intended to be more forward-looking and the resulting impairment charge may be more volatile. IFRS 9 will result in an increase in the total level of impairment allowances, since all financial assets if not measured at fair value through profit or loss (FVPL) will be assessed for at least 12-month ECL.

Write-offs
A loan or advance is normally written off, in full, against the related allowance when the proceeds from realising any available security have been received or there is a reasonable amount of certainty that the exposure will not be recovered. Similarly the treatment and recognition of recoveries is unaffected by the implementation of IFRS 9. Any recoveries of amounts previously written off decrease the amount of impairment losses. There were no write offs in the Company in the current and prior periods.

Internal credit rating models and ECL methodology
IBL Internal credit rating models cover all material asset classes. These internal credit rating models are also used for IFRS 9 modelling after adjusting for appropriate differences. These adjustments are due to internal credit models calculating through the economic cycle losses whereas IFRS 9 requires 12-month or lifetime point-in-time losses based on conditions at the reporting date and multiple economic scenario forecasts of the future conditions over the expected lives. The adjustments are thus done to align to IFRS 9 principles.

Key drivers of measurement uncertainty – subjective elements and inputs
The measurement of ECL under IFRS 9 has a continued reliance on expert credit judgement. Key judgemental areas under the implementation of IFRS 9 are highlighted in this document and are subject to robust governance processes. Key drivers of measurement uncertainty include:
- the assessment of a significant increase in credit risk;
- the introduction of a range of forward-looking probability weighted macro-economic scenarios; and
- estimations of probabilities of default, loss given default and exposures at default using models.

In addition to these drivers, some initial judgements and assumptions were required in the design and build of IBL's ECL methodology, which are not considered to have a material impact. This includes the use of income recognition effective interest rates (EIRs) and used as the discount factor in the ECL calculation as well as the use of contractual maturity to assess behavioural lives. In addition where we have experienced limitations on the availability of probability of default origination data for the historic book, a portfolio average has been used in some instances.

Measurement of ECL
ECLs are calculated using three main components:
• a probability of default (PD);
• a loss given default (LGD); and
• the exposure at default (EAD).

Under IFRS 9, the 12-month and lifetime PDs represent the probability of a default occurring over the next 12 months or the lifetime of the financial exposures, respectively, based on conditions existing at the balance sheet date and future forecast macro-economic conditions that affect credit risk.

The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money. The forecast value for the collateral is also affected by the range of forward-looking probability weighted macro-economic scenarios.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a committed facility.

The calculation of the 12-month ECL is based on the 12-month PD and LGD along with the EAD and effective interest rate (EIR) for the asset. Lifetime ECL is calculated using the lifetime PD curve, and the appropriate LGDs and EADs and discount rates derived from the EIR based on the remaining life of the financial asset.

Expert judgement models have also been utilised for certain portfolios where the ECL is found to be minimal, either due to the portfolio's small relative size or the low default nature of these portfolios, such as cash and balances held at central banks.

Management adjustments are infrequently made to modelled output to account for situations where additional information and known or expected risk factors that could not be captured in the modelling process need to be catered for.

Forward-looking macro-economic scenarios

The measurement of ECL also requires the use of multiple economic scenarios to calculate a probability weighted forward-looking estimate. These scenarios are updated at least twice a year, or more frequently if there is a macro-economic shock or significant shift in expectations. The weighting of these scenarios for IFRS 9 as well as the scenarios themselves are discussed and approved by Investec Bank Limited's capital committee, which forms part of the principal governance framework for macro-economic scenarios.

A number of forecast economic scenarios are considered for capital planning, stress testing (including IBL specific stress scenarios) and IFRS 9.

For the company, five macro-economic scenarios are used in the measurement of ECL under IFRS 9. These scenarios incorporate a base case, two upside cases and a two downside cases. The aim of this economic scenario generation process is to provide a view of the current and projected state of the South African economy and the different economic scenarios that could occur in various stressed or improved environments over the next five years for a number of identified variables/risk drivers.

18. Risk management (continued)

An analysis of credit quality by internal rating grade
Investec Bank Limited uses a 25-grade internal rating scale which measures the risk of default to an exposure without taking into account any credit mitigation, such as collateral. This internal rating scale allows the group to measure credit risk consistently across portfolios. The internal rating scale is derived from a mapping to PDs and can also be mapped to external rating agency scales.

PD range	Investec internal rating scale	Indicative external rating scale
less than 0.538%	IB01 – IB12	AAA to BBB-
0.538% – 6.089%	IB13 – IB19	BB+ to B-
greater than 6.089%	IB20 – IB25	B- and below
	Stage 3	D

The internal credit rating distribution below is based on the 12-month PD at 31 March 2024 for gross core loans subject to ECL by stage. The staging classifications are not only driven by the absolute PD, but on factors that determine a significant increase in credit risk, including relative movement in PD since origination. There is therefore not a 100% correlation between the IB rating of an exposure and its stage classification as shown in the table below:

2024

	IB01-IB12	IB13-IB19	IB20-IB25	Stage 3	Total
Gross core loans and advances subject to ECL	**632,579,645**	**148,016,378**	**18,735,979**	**1,270,201**	**800,602,203**
Core loans Stage 1	631,178,752	143,691,302	8,302,597	-	783,172,651
Core loans Stage 2	1,400,893	4,325,076	10,433,382	-	16,159,351
Core loans Stage 3	-	-	-	1,270,201	1,270,201
ECL	**223,634**	**584,562**	**1,851,669**	**413,751**	**3,073,616**
Core loans Stage 1 ECL	221,893	489,602	254,234	-	965,729
Core loans Stage 2 ECL	1,742	94,960	1,597,435	-	1,694,136
Core loans Stage 3 ECL	-	-	-	413,751	413,751
Coverge Ratio	**-0.04%**	**-0.39%**	**-9.88%**	**-32.57%**	**-0.38%**

2023

	IB01-IB12	IB13-IB19	IB20-IB25	Stage 3	Total
Gross core loans and advances subject to ECL	**-**	**-**	**-**	**-**	**-**
Core loans Stage 1	-	-	-	-	-
Core loans Stage 2	-	-	-	-	-
Core loans Stage 3	-	-	-	-	-
ECL	**-**	**-**	**-**	**-**	**-**
Core loans Stage 1 ECL	-	-	-	-	-
Core loans Stage 2 ECL	-	-	-	-	-
Core loans Stage 3 ECL	-	-	-	-	-
Coverge Ratio	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Credit quality analysis

2024	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**ECL**
Intercompany receivable	965,729	1,694,136	413,751	3,073,616

Credit quality analysis

2023	**Stage 1 ECL**	**Stage 2 ECL**	**Stage 3 ECL**	**ECL**
Intercompany receivable	-	-	-	-

The company continuously invests in Instalment sales agreements, up to the required asset level. The maturity buckets for these assets are short term in nature and have been represented as a singular line item.

All Intercompany loans acquired during the period were initially measured in Stage 1. Throughout the year a portion of the loans did deteriorate in credit quality and subsequently transferred to Stage 2 or Stage 3 as shown above.

Cash and Cash Equivalents
Cash and cash equivalents are held with Investec Bank Limited which is considered to be a reputable bank with a high credit rating and no history of default. Hence, the ECL on cash and cash equivalents is determined to be immaterial. The National Scale Deposit Ratings of Investec Bank Limited are as follows: Fitch: F1+(zaf), Moodys: P-1.za, S&P: za.A-1+, GCR: A1+(ZA).

19. Financial assets and liabilities

Analysis of assets and liabilities by measurement basis

2024	Amortised Cost R	Mandatorily at fair value through profit or loss R	Liabilities at amortised cost R	Total R
*Assets **				
Intercompany receivable	797,528,589	-	-	**797,528,589**
Cash and cash equivalents	956,019,162	-	-	**956,019,162**
Trade and other receivables	1,861,850	-	-	**1,861,850**
	1,755,409,601	**-**	**-**	**1,755,409,601**
*Liabilities **				
Instalment sales backed securities	-	-	1,516,940,569	**1,516,940,569**
Subordinated loan	-	-	228,712,814	**228,712,814**
Derivative financial instruments	-	8,012,707	-	**8,012,707**
Deferred income	-	-	1,338,392	**1,338,392**
Trade and other payables	-	-	1,296,936	**1,296,936**
	-	**8,012,707**	**1,748,288,711**	**1,756,301,418**

2023	Amortised Cost R	Mandatorily at fair value through profit or loss R	Liabilities at amortised cost R	Total R
*Assets **				
Intercompany receivable	-	-	-	**-**
Cash and cash equivalents	5,100,088	-	-	**5,100,088**
Trade and other receivables	-	-	-	**-**
	5,100,088	**-**	**-**	**5,100,088**
*Liabilities **				
Instalment sales backed securities	-	-	-	**-**
Subordinated loan	-	-	-	**-**
Derivative financial instruments	-	-	-	**-**
Deferred income	-	-	-	**-**
Trade and other payables	-	-	312,392	**312,392**
	-	**-**	**312,392**	**312,392**

* For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption also applies to demand deposits and variable rate financial instruments.

20. Fair values of financial instruments

Valuation models

For derivative financial instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company entity and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa such as interest rate swaps, fair values take into account both credit valuation adjustment (CVA) and debit valuation adjustment (DVA) when market participants take this into consideration in pricing the derivatives.

The Company's methodology for valuing these asset-backed securities uses a discounted cash flow technique that takes into account the probability of default and loss severity by considering the original underwriting criteria, vintage borrower attributes, LTV ratios, expected vehicle price movements and expected prepayment rates. These features are used to estimate expected cash flows, which are then allocated using the 'waterfall' applicable to the security and discounted at a risk-adjusted rate. The discounted cash flow technique is often used by market participants to price asset-backed securities. However, this technique is subject to inherent limitations, such as estimation of the appropriate risk-adjusted discount rate and different assumptions and inputs would yield different results.

Valuation framework

The Company has an established control framework with respect to the measurement of fair values. This framework includes a Product Control function, which is independent of front office management and reports to the Financial Director; and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements. Specific controls include:

- reperformance of model valuations;
- analysis and investigation of significant daily valuation movements; and

Financial instruments measured at fair value - Fair value hierarchy

	Level 2	Level 2
	R	**R**
	2024	**2023**
Derivative financial instruments	**(8,012,707)**	-

Grayston Drive Autos (RF) Limited

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21. Going Concern

Grayston Drive Autos (RF) Limited has been set up as an insolvency remote special purpose vehicle. Secured creditors have agreed to certain subordination, non-petition, and limited recourse conditions.

Each noteholder agrees that its claims against the Issuer and the Security SPV are subordinated for the benefit of other secured creditors in accordance with the priority of payments, as set out in the relevant transaction documents. The Issuer will not be obliged to make payment of, and noteholders will not be entitled to receive payment of, any amount due and payable by the Issuer under the notes, except in accordance with the priority of payments, unless and until all amounts required to be paid or provided for in terms of the priority of payments in priority thereto have been paid, provided for or discharged in full, and then only to the extent that there are available funds in the priority of payments for that purpose.

Once all the assets of the Issuer have been extinguished, each noteholder abandons all claims it may have against the Issuer in respect of amounts still owing to it but unpaid, and the Issuer's liability to the noteholders shall be completely discharged. Once all the assets of the Issuer have been extinguished, each noteholder abandons all claims it may have against the Issuer in respect of amounts still owing to it but unpaid, and the Issuer's liability to the noteholders shall be completely discharged.

Each Noteholder agrees that only the Security SPV may enforce the security created in favour of the Security SPV by the Security Agreements in accordance with the provisions of the Security Agreements and the Transaction Documents.

The rights of Noteholders against the Issuer will be limited to the extent that the Noteholders will not be entitled to take any action or proceedings against the Issuer to recover any amounts payable by the Issuer to them under or in connection with the Notes.

Because of the legal set-up, the Company's outgoing cash flows are limited to both its assets and the yield on these assets and it therefore continues to operate as a going concern.

Secured Creditors contract with the Issuer on the basis that their claims against the Issuer will be subordinated in accordance with the Priority of Payments, they will not bring an application for the liquidation of the Issuer until 2 years after the payment of all amounts outstanding and owing by the Issuer under the Notes and the other Transaction Documents and agree not to sue the Issuer except through the Security SPV.

22. Events after the reporting date

No material events have occurred between 31 March 2024 and the date of this report.