



NATIONAL SENIOR CERTIFICATE EXAMINATION  
NOVEMBER 2025

**ACCOUNTING: PAPER II**

Time: 2 hours

100 marks

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**INFORMATION BOOKLET**

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**QUESTION 1 RECONCILIATIONS**

**[30 marks; 36 minutes]**

**This question consists of two independent parts, Part A and Part B, which should be treated independently.**

**Part A: Debtors**

**(12 marks; 15 minutes)**

**The following information relates to Eden Garden Centre.**

Eden Garden Centre is a wholesale nursery that buys directly from suppliers on credit. They supply to landscape businesses on account and sell to the general public for cash. Luscious Landscapes is one of their debtors.

		103 Paarl Road Durbanville 8100			
		Luscious Landscapes 5 Annerley Rd, Llandudno, Cape Town		Acc. no: LLAND-25 Statement date: 31 October 2025	
DATE	TRANSACTIONS		DEBIT	CREDIT	BALANCE
Aug	1	Starting balance for this statement			23 750
	29	Invoice X38	6 630		30 380
Sep	1	Credit note CN23		2 340	28 040
	2	Invoice X41	3 800		31 840
	15	Payment received – thank you		30 000	1 840
Oct	7	Invoice X48	12 220		14 060
	15	Payment received – thank you		500	13 560
	31	Interest charged	2 375		15 935
<p><b>Credit terms:</b></p> <ul style="list-style-type: none"> <li>➤ A 10% p.a. interest is charged on debts 60 days and older and charged from the date it becomes overdue (statement date).</li> <li>➤ A 5% discount is granted on any debts (<b>or part thereof</b>) settled within 30 days of purchase.</li> </ul>					

**Glossary:**

- **Nursery:** A place where plants, especially trees, shrubs, and other garden plants, are grown and sold.
- **Landscape/landscaping:** The activity of modifying the visible features of an area of land, often through gardening.

**Part B: Creditors**

**(18 marks; 21 minutes)**

The following information relates to Micro Meals.

- A. Micro Meals received their statement of account from Valhalla's Kitchen, a supplier, for September 2025. The statement was issued on 25 September 2025.**

	100 Kempton Road Isando 8321			
	011 437 8347			
<b>STATEMENT OF ACCOUNT</b>				
<i>Customer details:</i> Micro Meals 15 Civin Drive Edenvale		<b>Date: 25 September 2025</b>		
DATE	DETAILS	DEBIT	CREDIT	BALANCE
Sept 01	Balance			29 200
05	Invoice 810	12 970		42 170
07	Receipt 1052		27 740	14 430
14	Invoice 999	1 500		15 930
20	Invoice 1047	1 080		17 010
24	Invoice 905	4 200		21 210
25	Interest	60		21 270
Terms: 5% discount if paid within 7 days of invoice.				

- B. Extract from the Creditors Ledger of Micro Meals for September 2025**

CREDITORS LEDGER OF MICRO MEALS

Valhalla's Kitchen

C1

DATE	DETAILS	FOL	DEBIT	CREDIT	BALANCE
Sept 01	Balance				29 200
02	Invoice 810	CJ		13 480	42 680
06	Bank Statement	CPJ	27 740		14 940
	Discount received	CPJ	1 460		13 480
26	Invoice 905	CJ		3 780	17 260
28	Invoice 1543	CJ		11 480	28 740

**C. After investigating the discrepancies between the Statement of Account and the account in the Creditor's Ledger, the following was identified:**

- The payment on 6 September related to purchases from August. Thus, Micro Meals did not qualify for a discount.
- Micro Meals recorded Invoice 810 correctly.
- Valhalla's Kitchens omitted a 10% trade discount on Invoice 905.
- Invoice 999 was for one of the sales staff who purchased goods for personal use using an order book from Micro Meals. Micro Meals will recover the funds by deducting them from the October 2025 salary of the employee.
- Invoice 1047 was for goods purchased by the owner for personal use. He swiped his personal credit card at the till point and received a cash slip. Valhalla's Kitchen treated the transaction incorrectly.
- Micro Meals accepts the interest charged on their account.
- Valhalla's Kitchen issued their statement of account on 25 September 2025.

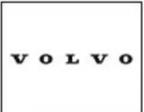
**QUESTION 2 COMPANY ANALYSIS**

**[40 marks; 48 minutes]**

The information below relates to Combined Motor Holdings Limited (CMH) and We Buy Cars Holdings Limited (We Buy Cars).



## Combined Motor Holdings



























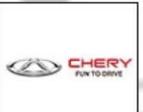


















The leading South African Motor & Car Hire Group

The Combined Motor Holdings Group ('CMH') commenced trading operations in 1976 following the merger of various retail motor dealerships in South Africa. In 1987, the holding company, Combined Motor Holdings Limited ('the Company') was listed on the JSE. CMH owns interests in motor dealerships and car hire and operates throughout South Africa.

[Adapted from: <www.cmh.co.za>]



We Buy Cars Holdings Limited buys and sells vehicles. They pride themselves on having 'the easiest way to sell your car', as they come to you. They also have pods placed strategically across the country that prospective customers may take their cars to.

We Buy Cars Holdings Limited started as a part of the company Transaction Capital Limited. Over the last couple of years, the other business streams of Transaction Capital Limited have not been performing well, so We Buy Cars Holdings Limited decided to list under their own name.

[Adapted from: <www.webuycars.co.za>]

### The numbers add up



**15 000**  
Average Vehicles Bought per Month



**330**  
National Buyers

We're a safe bet.



**104**  
Branches and Buying Pods



**3 000**  
Employees



**24 Years**  
Buying and Selling

**A. Statements of Financial Position for the year (as adapted) for both companies**

	 <b>WE BUY CARS</b>		 <b>CMH GROUP</b>	
<b>ASSETS</b>	<b>2024</b> <b>R' million</b>	<b>2023</b> <b>R' million</b>	<b>2024</b> <b>R' million</b>	<b>2023</b> <b>R' million</b>
Financial assets (Fixed deposit @ 7,5% p.a.)	12	11	164	162
Non-current assets	1 355	1 379	1 830	1 850
Current assets	2 820	2 868	3 191	2 965
Inventories	2 465	2 187	1 966	1 865
Cash and cash equivalents	148	90	815	762
Trade and other receivables	207	591	410	338
<b>TOTAL ASSETS</b>	<b>4 187</b>	<b>4 258</b>	<b>5 185</b>	<b>4 977</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	2 306	2 321	1 368	1 264
Share capital	9 802	6 736	49	46
Retained income	(7 496)	(4 415)	1 319	1 218
Non-current liabilities	977	1 074	789	821
Current liabilities	904	862	3 028	2 892
Trade and other payables	904	856	2 899	2 770
Bank overdraft	0	6	129	122
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 187</b>	<b>4 257</b>	<b>5 185</b>	<b>4 977</b>

**B. Information extracted from and relating to the Statement of Comprehensive Income for both companies**

	 <b>WE BUY CARS</b>		 <b>CMH GROUP</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Turnover *	R23 319 m	R20 018 m	R12 840 m	R12 434 m
Cost of sales **	R22 083 m	R18 936 m	R10 314 m	R10 037 m
Net profit before tax	R610 m	R1 046 m	R557 m	R620 m
Net profit after tax	R343 m	R821 m	R408 m	R443 m
* Percentage of sales on credit	45%	45%	50%	50%
** Percentage of purchases on credit	55%	55%	50%	50%

**C. Other amounts and financial indicators for the year**

	 <b>WE BUY CARS</b>		 <b>CMH GROUP</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Number of shares in issue	375 029 205	333 995 879	74 802 000	74 802 000
Current ratio	3,12 : 1	3,33 : 1	1,05 : 1	1,03 : 1
Acid-test ratio	?	0,79 : 1	0,40 : 1	0,38 : 1
Period stock on hand	?	42,16 days	67,79 days	67,82 days
Average debtor's collection	13,88 days	21,54 days	21,26 days	19,84 days
Average creditor's payment	26,45 days	33,00 days	?	201,49 days
Credit terms allowed to debtors	30 days	30 days	30 days	30 days
Credit terms allowed by creditors	60 days	60 days	90 days	90 days
Earnings per share	91 cents	246 cents	546 cents	592 cents
Dividends per share	25 cents	8 205 cents	386 cents	393 cents
Net asset value	615 cents	695 cents	1 829 cents	1 690 cents
Closing price on JSE	2 952 cents	2 050 cents	2 650 cents	2 813 cents
Debt to equity	0,42 : 1	0,46 : 1	0,58 : 1	0,65 : 1
Return on average shareholder's equity	?	35,37%		
Return on average capital employed	19,47%	31,99%	27,86%	31,18%

**D. Extract (adapted) from Independent Audit Report for We Buy Cars Holdings Limited for 2024****WHAT WE HAVE AUDITED**

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

**OUR OPINION**

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

**OUR CONCERN**

The treatment of IFRS17 relates to the purchase of the Coca-Cola Dome premises and building. This has been referred to SARS for a directive, and all executive and non-executive directors were informed. We Buy Cars Holdings Limited remains a going concern, and any adjustments, if needed, will be recorded in the 2025 financial statements.

**QUESTION 3 BUDGETS**

**[30 marks; 36 minutes]**

**Information relating to Gator Charms Ltd.**

Gator Charms Ltd imports shoe charms from GPT Manufacturers in Vietnam. Shoe charms are little character pins that are made from plastic and can be inserted into holes in fashion shoes. They are the sole distributor of this product in South Africa. They are based in Johannesburg, next to O.R. Tambo International Airport.



All stock is purchased on credit from GPT Manufacturers, and a profit mark-up of 100% on cost is maintained. Gator Charms Ltd uses a fixed-base level of stock.

**A. Extract of Cash Budget for November and December 2025**

	<b>November 2025 R</b>	<b>December 2025 R</b>
<b>RECEIPTS</b>	?	?
Cash sales	?	?
Collection from debtors	791 208	?
Discount received	43 200	?
Interest on investments received	2 700	2 700
<b>PAYMENTS</b>	?	?
Payment to creditors		<b>B</b>
Salaries and wages of workers	540 000	540 000
Director's fees	112 000	116 480
Discount allowed	14 742	?
Insurance	15 000	15 000
Donations of stock	48 000	0
Donations to SOAR Foundation	?	34 300
Depreciation	138 600	138 600
Sundry cash expenses	<b>A</b>	53 040
<b>Cash surplus/(deficit)</b>	?	?
<b>Bank at beginning</b>	?	?
<b>Bank at end</b>	?	?

**B. Debtors' Collection Schedule**

- 40% of sales are cash.

Sales month	Credit sales R	November 2025 R	December 2025 R
September 2025	945 000	141 750	-
October 2025	864 000	172 800	129 600
November 2025	819 000	476 658	?
December 2025	769 500	-	447 849
<b>Total collection from debtors</b>		<b>791 208</b>	<b>?</b>

**C. Sundry cash expenses**

- The monthly cash expenses will decrease by 15% in December 2025.

**D. Payment to creditors**

- GPT Manufacturers, the only creditor, will be paid as follows:
  - 100% will be paid in the month following the purchase to receive a 12% discount.

**E. Donations to SOAR Foundation**

- The SOAR Foundation provides promising learners with opportunities in secondary education.
- Gator Charms Ltd pledges to donate 50 cents from each charm that they sell to the Foundation. This is also printed on the packaging of each charm.
- Each charm is sold at R18.
- The actual sales figure for October 2025 amounted to R1 440 000.
- The actual amount for donations to the SOAR Foundation that were paid over for October 2025 was R33 350.