

MUNACHI (PTY) LTD

(Registration number 2013/128585/07)

Annual Financial Statements
For The Year Ended 28 February 2025

Dram Group

Registered Accounting Officers

Issued 23 July 2025

MUNACHI (PTY) LTD

(Registration number 2013/128585/07)

Financial Statements for the year ended 28 February 2025

The report and statements set out below comprise the financial statement represented to the shareholders:

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MUNACHI (PTY) LTD

(Registration number 2013/128585/07)

GENERAL INFORMATION

| | |
|--------------------------------|---|
| 1. Registration Number | 2013/128585/07 |
| 2. Principal Business | No restriction |
| 3. Directors | MARUFU DEBRA MATSANE MAINA EMMA |
| 4. Public Officer | MATSANE MAINA EMMA |
| 5. Registered Office | 52 HUGGET STREET KEMPTON PARK JOHANNESBURG GAUTENG 1619 |
| 5. Business Address | 52 HUGGET STREET KEMPTON PARK JOHANNESBURG GAUTENG 1619 |
| 5. Postal Address | 52 HUGGET STREET KEMPTON PARK JOHANNESBURG GAUTENG 1619 |
| 6. Accounting Officers | Dram Group P O BOX 2671 HALFWAY HOUSE 1685 |
| 7. Banking | STANDARD BANK LTD |
| 8. Income Tax Reference number | 9072200224 |

23 July 2025

REPORT OF THE INDEPENDENT ACCOUNTING OFFICER TO SHAREHOLDERS: **MUNACHI (PTY) LTD**

REGISTRATION NUMBER: **2013/128585/07**

Report on the Financial Statements

We have reviewed the annual financial statements of MUNACHI (Pty) Ltd, which comprise the balance sheet as at 28 February 2025, and the income statement, statement of changes in equity and cash flow statement of the year then ended, and a summary of significant accounting policies and the other explanatory notes, and the directors' report as set out on pages 5 to 11.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Accounting Officer's Responsibility

A review involves performing procedures to obtain review evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the reviewer's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the reviewer considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. A review also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of MUNACHI (Private) Limited as at 28 February 2025, and its financial performance and its cash flows for year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.



RAPHAEL MAZULA

B.B.A -Acc, CIMA(Ass)

SAIBR MEMBER (SAIBR 762)

DramGroup

MUNACHI (PTY) LTD

Financial Statements for the year ended 28 February 2025

DIRECTOR'S RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, to maintain adequate accounting records and are responsible for the content and integrity of the group and company financial statements and related financial information included in this report. It is their responsibility to ensure that the group and company financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external reviewers are engaged to express an independent opinion on the group and company financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

The directors have reviewed the cash flow forecast for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external reviewers are responsible for independently reviewing and reporting on the company financial statements. The company financial statements have been examined by the group's external reviewers and their report is presented on page 4.

The company financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the board on 23 July 2025 and are signed on its behalf:



MARUFU DEBRA



MATSANE MAINA EMMA

MUNACHI (PTY) LTD

Financial Statements for the year ended 28 February 2025

DIRECTORS REPORT

The directors submit their report for the year ended 28 February 2025

1. Review of activities

Main business and operations

The company is involved in all facets of construction and agriculture activities. The operating results and state of affairs of the company are fully set out in the annual financial statements and do not in our opinion require any further comment.

2. Going concern

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

3. Events after the reporting period

The directors are not aware of any material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to the annual financial statements.

4. Authorised and issued share capital

The company's authorised share capital of 100 par value shares of R1 each remains unchanged during the year.

Issued shares

No shares were issued during the year under review.

5. Non-Current Assets

There were no major changes in the nature of non-current assets of the company during the year.

6. Dividends

No dividends were declared or paid to shareholders during the year.

7. Directors

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

Name

MARUFU DEBRA & MATSANE MAINA EMMA

8. Accountants

Dram Group will continue in office in accordance with section 270(2) of the Companies Act

STATEMENT OF FINANCIAL POSITION

| | Notes | 2025 | 2024 |
|-------------------------------------|-------|-------------------|------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Plant and Equipment | 2 | 4,768,592 | 4,487,256 |
| CURRENT ASSETS | | | |
| Shareholders Loans | 4 | - | - |
| Investment account | | 3,754,476 | - |
| Trade and other receivables | 5 | 1,921,061 | 850,247 |
| Cash and cash equivalents | 6 | 327,776 | 474,947 |
| | | 6,003,313 | 1,325,194 |
| TOTAL ASSETS | | 10,771,905 | 5,812,450 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share Capital | 7 | 100 | 100 |
| Accumulated Loss/Profit | | 1,111,613 | (244,313) |
| Other Reserves | | 6,017,943 | 6,017,943 |
| | | 7,129,656 | 5,773,730 |
| LIABILITIES | | | |
| NON- CURRENT LIABILITIES | | | |
| Shareholders Loans | 3 | 430,433 | 0 |
| CURRENT LIABILITIES | | | |
| Other current liabilities | 8 | - | - |
| Current tax payable | | 82,484 | 37,036 |
| Trade and other payables | 9 | 3,129,332 | 1,685 |
| | | 3,211,816 | 38,721 |
| TOTAL LIABILITIES | | 3,642,249 | 38,721 |
| TOTAL EQUITY AND LIABILITIES | | 10,771,905 | 5,812,450 |
| TOTAL ASSETS - TOTAL EQUITY | | | |

STATEMENT OF COMPREHENSIVE INCOME

| | Notes | 2025 | 2024 |
|--|-------|-------------------|------------------|
| REVENUE | | | |
| Sales | | 25,636,446 | 3,809,470 |
| Interest | | 264,742 | 4,595 |
| | | 25,901,188 | 3,814,065 |
| Cost of Sales | | | |
| Cost of Sales | | 20,164,488 | 3,408,121 |
| | | 20,164,488 | 3,408,121 |
| Operating Expenses | | | |
| Accounting fees | | 129,000 | 55,620 |
| Advertising | | - | - |
| Bad debts | | - | - |
| Bank charges | | 23,171 | 17,768 |
| Cleaning | | - | - |
| Computer Exp | | - | - |
| Depreciation | | 70,838 | 40,137 |
| Donations | | - | - |
| Employee Costs | | 2,411,845 | 134,363 |
| Fuel & Oils | | 65,042 | 32,259 |
| Insurance | | 76,000 | 91,324 |
| Lease -Rental | | 336,593 | 11,077 |
| Motor Vehicle exp | | 10,160 | 38,805 |
| Other expenses | | 1,137,500 | 300,584 |
| Postage & Courier | | - | 610 |
| Printing & Stationery | | 6,423 | 1,793 |
| Promotions | | - | - |
| Rates & Taxes | | 39,186 | 13,900 |
| Repairs & Maintance | | 1,100 | 1,160 |
| Research and development costs | | - | - |
| Security | | - | - |
| Subscriptions & Periodicals | | - | - |
| Telephone & Fax | | 12,937 | 15,327 |
| Training | | - | - |
| Travel | | 60,978 | 25,499 |
| Utilities | | - | - |
| | | 4,380,773 | 780,226 |
| (Loss) Profit for the year | | 1,355,927 | (374,282) |
| Tax | | - | - |
| Total comprehensive (loss) income | | 1,355,927 | (374,282) |

STATEMENT OF CHANGES IN EQUITY

| | Share Capital | Accumulated Loss | Total Equity |
|-------------------------------------|------------------|---------------------|------------------|
| Balance at 01 February 2023 | 100 | 129,969 | 130,069 |
| Changes in Equity | | | |
| Total Comprehensive loss for the yr | - | (374,282) | (374,282) |
| Total changes | - | (374,282) | (374,282) |
| Balance at 01 March 2024 | 100 | (244,313) | (244,213) |
| Changes in Equity | | | |
| | | 6,017,943 | 6,017,943 |
| Total Comprehensive loss for the yr | - | 1,355,927 | 1,355,927 |
| Total changes | - | 1,355,927 | 1,355,927 |
| Balance at 28 February 2025 | 100 | 7,129,556 | 7,129,656 |

STATEMENT OF CASHFLOWS

| | Notes | 2025 | 2024 |
|---|----------|--------------------|--------------------|
| Cash flows from Operating Activities | | | |
| Cash generated from operations | 12 | 3,529,046 | (1,982,459) |
| Finance charges | | | |
| Investment income | | | |
| Taxation refunded/(paid) | 13 | - | 0 |
| Net Cash from operations | | 3,529,046 | (1,982,459) |
| Cash flows from investing activities | | | |
| Purchase of Assets | 2 | (352,174) | - |
| Purchase of Financial Assets | | - | - |
| Proceeds from disposal of asset | | (3,754,476) | - |
| Net Cash from investing activities | | (4,106,650) | - |
| Cash flows from financing activities | | | |
| Proceeds from shareholder's loan | | 430,433 | 1,167,387 |
| Net Cash from financing activities | - | 430,433 | 1,167,387 |
| Net Increase in cash Equivalents | | | |
| Total cash movement for the year | | (147,171) | (815,072) |
| Cash at the beginning of the year | | 474,948 | 1,290,020 |
| Total cash at end of the year | 6 | 327,777 | 474,948 |

NOTES TO THE FINANCIAL STATEMENTS**1. PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on the historical cost and going concern basis and incorporate the following principle accounting policies, which are consistent with those adopted during the previous year.

The financial statements have been prepared in accordance with and comply with South African Statements of GAAP for Small and Medium-sized Entities, and Companies Act of South Africa. The financial statements are presented in Rand

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that effect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which Decemberbe material to the annual financial statements. Significant judgements include:

Financial assets measured at cost and amortised cost.

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date.

In determining whether an impairment loss should be recorded in the statement of comprehensive income, the close corporation makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Taxation

Judgement is required in determining the provisions for income taxes due to the complexity of legislation. There are many transaction and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The close corporation recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1.2 Property and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes,
- and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment(owned or leased)are stated at cost less accumulated depreciation and any impairment losses

Depreciation is provided using the straight-line method to write down the cost,less estimated residual value over the useful life of the property, plant and equipment, which is as follows

| Item | Average useful life |
|----------------------|---------------------|
| Equipment | 20% |
| Furniture & fittings | 10% |
| Motor vehicles | 20% |
| Office Equipment | 20% |
| Computer Equipment | 33% |
| Computer Software | 50% |
| Film Library | 20% |

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated seperately over its useful life

1.3 Financial instruments**Financial instruments at amortised cost**

Financial instruments consists of investments, loans, accounts receivables, bank balances, cash and accounts payable resulting from normal business transactions

Measurement: financial instruments are generally carried at their estimated fair value

In assessing the fair value of financial instruments, the company uses a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices for specific or similar instruments are used for long term debt. Quoted market prices for specific or similar instruments are used for long term debt.

NOTES TO THE FINANCIAL STATEMENTS

1.4 Tax

Current tax assets and liabilities

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

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.6 Government Grants

Government grants are recognised when there is reasonable assurance that:

- the close corporation will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Grant related income are presented as credit in the income statement (seperately)

1.7 Revenue Recognition

Services revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of value added tax, trade discounts and volume rebates

2. PROPERTY, PLANT AND EQUIPMENT

| | 2025 | | | 2024 | | |
|----------------------|--------------------|-----------------------------|-------------------|--------------------|-----------------------------|-------------------|
| | Cost/ Valuation | Accumulated Depreciation | Carrying Value | Cost/ Valuation | Accumulated Depreciation | Carrying Value |
| Buildings | 4,440,000 | - | 4,440,000 | 4,440,000.00 | - | 4,440,000.00 |
| Furniture & fittings | - | - | - | - | - | - |
| Motor vehicles | 469,044 | 140,453 | 328,591 | 116,870.00 | (70,122.00) | 46,748.00 |
| Office Equipment | - | - | - | - | - | - |
| Computer Equipment | 50,796 | 50,795 | 1 | 50,796.00 | (50,288.04) | 507.96 |
| Computer Software | - | - | - | - | - | - |
| Film Library | - | - | - | - | - | - |
| | 4,959,840 | (191,248) | 4,768,592 | 4,607,666 | (120,410) | 4,487,256 |

Reconciliation of property, plant and equipment - 2025

| | Opening Balance | Additions | Total |
|----------------------|--------------------|----------------|------------------|
| Equipment | 4,440,000 | - | 4,440,000 |
| Furniture & fittings | - | - | - |
| Motor vehicles | 116,870 | 352,174 | 469,044 |
| Office Equipment | - | - | - |
| Computer Equipment | 50,796 | - | 50,796 |
| Computer Software | - | - | - |
| Film Library | - | - | - |
| | 4,607,666 | 352,174 | 4,959,840 |

Reconciliation of property, plant and equipment - 2024

| | Opening Balance | Additions | Total |
|----------------------|--------------------|-----------|------------------|
| Equipment | 4,440,000.00 | - | 4,440,000.00 |
| Furniture & fittings | - | - | 0 |
| Motor vehicles | 116,870.00 | - | 116,870 |
| Office Equipment | - | - | 0 |
| Computer Equipment | 50,796.00 | - | 50,796 |
| Computer Software | - | - | 0 |
| Film Library | - | - | - |
| | 4,607,666 | 0 | 4,607,666 |

3. Long term liability

2025

2024

This is the investment by shareholders

4. Other financial assets**At amortised cost**

Shareholders Loans

430,433

6,017,943

This loan is unsecured, interest free abd has no fixed terms of repayment.

Current assets

430,433

6,017,943

At amortised cost

5. Trade and other receivables

Trade receivables

1,921,061

850,247

VAT

-

-

1,921,061

850,247

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances

327,776

474,947

327,776

474,947

7. Shareholder's net investments**2025**

| | Percentage Interest | Shareholders Contr | Retained Income | Loans | Total |
|---------------------|---------------------|--------------------|-----------------|-------|-----------|
| MATSANE, EMMA MAINA | 51% | 51 | 3,636,074 | | 3,636,125 |
| MARUFU, DEBRA | 49% | 49 | 3,493,483 | - | 3,493,532 |
| | | 100 | 7,129,556 | | 7,129,656 |

2024

| | Percentage Interest | Shareholders Contr | Retained Income | Loans | Total |
|---------------------|---------------------|--------------------|-----------------|-------|-----------|
| MATSANE, EMMA MAINA | 51% | 51 | (124,600) | | (124,549) |
| MARUFU, DEBRA | 49% | 49 | (119,714) | - | (119,665) |
| | | | - 244,313 | - | 244,213 |

8. Other financial liabilities**At amortised cost**

Other financial liabilities

-

-

This financial liability is unsecured, interest free abd has no fixed terms of repayment

Current assets

-

-

At amortised cost

9. Trade and other payables

Trade payables

3,129,332

1,685

Accrued accounting fees

-

-

3,129,332

1,685

10. Operating (loss) profit

Operating (loss) profit for the year is stated after accounting for the following:

Operating lease charges

Premises

Contractual amounts

336,593

11,077

Equipment

Contractual amounts

-

-

Depreciation on property, plant and equipment

-

-

Employee costs

-

-

Research and development

-

-

336,593

11,077

2025

2024

11. Taxation

A provision has been made for 2025 tax as the company's profit were above the taxable threshold

2025

2024

12. Cash (used in) generated from operations

| | | |
|------------------------------------|------------------|--------------------|
| (Loss) profit before tax | 1,355,927 | (374,282) |
| Adjustments for: | | |
| Depreciation and amortisation | 70,838 | 40,137 |
| Changes in working capital: | | |
| Trade and other receivables | (1,070,814) | (850,247) |
| Trade and other payables | 3,173,096 | (798,067) |
| | 3,529,046 | (1,982,459) |

13. Tax refunded

| | | |
|----------------------------------|---|---|
| Balance at beginning of the year | - | - |
| Balance at end of the year | - | - |

TAX COMPUTATION

| | |
|---|-----------|
| Net (Loss) profit per income statement | 1,355,927 |
| Assessed loss/profit for 2024 - carried forward | - |
| Assessed loss brought forward | - |
| | <hr/> |
| | <hr/> |
| Tax thereon | - |
| Tax liability | - |
| Amounts owing(prepaid) at the beginning of the year | - |
| Amounts refunded(paid) in respect of prior year | - |
| Amounts owing(prepaid) in respect of prior year | - |
| | <hr/> |
| | <hr/> |
| Amounts owing(prepaid) at the end of the year | - |

15. Key Financial Ratios

a) Liquidity Ratios

| | |
|----|---------------|
| i) | Current Ratio |
| | 1.87 |

Interpretation

The company has R1.87 in liquid assets for every R1 of short-term debt, indicating good short-term financial health.

| | |
|-----|-------------|
| ii) | Quick Ratio |
| | 1.87 |

Interpretation

Since there's no inventory, this is the same as the current ratio. Still healthy, showing strong liquidity.

b) Solvency Ratios

| | |
|----|----------------------|
| i) | Debt to Equity Ratio |
| | 0.51 |

Interpretation

The company uses R0.51 in debt for every R1 of equity, which is moderate and sustainable

| | |
|-----|--------------|
| ii) | Equity Ratio |
| | 0.34 |

Interpretation

34% of assets are financed by debt, meaning the company is not overly leveraged.

c) Profitability Ratios

| | |
|----|---------------------|
| i) | Gross Profit Margin |
| | 2025 |
| | 2024 |

| |
|---------------------|
| Gross Profit Margin |
| 22.15% |
| 10.65% |

| | |
|-----|-------------------|
| ii) | Net Profit Margin |
| | 2025 |
| | 2024 |

| |
|--------|
| 16.91% |
| 20.46% |

| | |
|------|------------------------|
| iii) | Return on Equity (ROE) |
| | 61.44% |

Interpretation

High ROE suggests strong profitability relative to Equity