

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:

CONTENTS

	Page
GENERAL INFORMATION	1
INDEPENDENT ACCOUNTING OFFICER'S REPORT	2
DIRECTOR'S RESPONSIBILITIES & APPROVAL	3
DIRECTOR'S REPORT	4
BALANCE SHEET	5
INCOME STATEMENT	6
STATEMENT OF CHANGES IN EQUITY	7
CASH FLOW STATEMENT	8
NOTES TO THE FINANCIAL STATEMENTS	9

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 presentation¹ 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			
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 separately 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 (separately)

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
<i>This loan is unsecured, interest free abd has no fixed terms of repayment.</i>		
Current assets	430,433	6,017,943

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	-	-
<i>This financial liability is unsecured, interest free abd has no fixed terms of repayment</i>		

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/>
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/>
Amounts owing(prepaid) at the end of the year	-

15. Key Financial Ratios**a) Liquidity Ratios**

	Current Ratio	Interpretation
i)	1.87	The company has R1.87 in liquid assets for every R1 of short-term debt, indicating good short-term financial health.
ii)	1.87	Interpretation Since there's no inventory, this is the same as the current ratio. Still healthy, showing strong liquidity.

b) Solvency Ratios

	Debt to Equity Ratio	Interpretation
i)	0.51	The company uses R0.51 in debt for every R1 of equity, which is moderate and sustainable
ii)	0.34	Interpretation 34% of assets are financed by debt, meaning the company is not overly leveraged.

c) Profitability Ratios

	Gross Profit Margin	Gross Profit Margin
i)	2025	22.15%
	2024	10.65%
ii)	Net Profit Margin	
	2025	16.91%
	2024	20.46%
iii)	Return on Equity (ROE)	Interpretation
	61.44%	High ROE suggests strong profitability relative to Equity