Grant Thornton

National Tyre Services Limited
Annual Financial Statements
31 March 2026

NATURE OF BUSINESS:

National Tyre Services is in the business of retailing and retreading tyres, wheel alignment, wheel balancing and related services.

DIRECTORS:

Tsimba S. F.	(Board Chairman)	(Appointed 31 May 2026)
Marimo T. C.	(Managing Director)	(Appointed 31 May 2026)
Machiya V. W.	(Non - Executive Director)	(Appointed 31 May 2026)
Changonda T. M.	(Non - Executive Director)	(Appointed 31 May 2026)
Ncube M. D. S.	(Non - Executive Director)	(Appointed 31 May 2026)
Mhako D. T.	(Non - Executive Director)	(Appointed 31 May 2026)
Chingwena T. R.	(Non - Executive Director)	(Appointed 31 May 2026)
Moyo R. J.	(Board Chairman)	(Resigned 31 May 2026)
Ushe A. S.	(Acting Managing Director)	(Resigned 31 May 2026)
Shonhiwa S.	(Non - Executive Director)	(Resigned 31 May 2026)
Chingwena M. T.	(Non - Executive Director)	(Resigned 31 May 2026)
Mandimika S. N.	(Administration Director)	(Resigned 31 May 2026)

SECRETARY:

Chivaro T.	(Appointed 31 May 2026)
Mandimika S. N.	(Resigned 31 May 2026)

REGISTERED OFFICE:

Stand No. 4608
Corner Cripps and Seke Road
Graniteside
P.O. Box 3018
HARARE

AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 E.D Mnangagwa Road
Highlands
HARARE

PRINCIPAL BANKERS:

FBC Bank Limited
Stanbic Bank Zimbabwe Limited
FBC Crown Bank
Nedbank Zimbabwe Limited
Steward Bank Limited
ZB Bank Limited
CABS
CBZ Bank Limited
POSB Bank Limited

ATTORNEYS:

Messrs Atherstone & Cook
119 Josiah Chinamano Avenue
P.O. Box 2625
HARARE

Messrs Scanlen & Holderness
13th Floor CABS Centre
74 Jason Moyo Avenue
HARARE

Contents

These financial statements are expressed in United States Dollars (USD).

Responsibilities of Management and Those Charged with Governance for the Financial Statements for the year ended 31 March 2026.

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Company. The external auditors are responsible for independently auditing and reporting on the financial statements.

The Directors have assessed the ability of the Company to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Company to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements set out in this report have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures, and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Company's financial statements which are set out on pages 7 to 40 were, in accordance with their responsibilities, approved by the Board of Directors on ……………………… 2026 and are signed on its behalf by:

…………………………
S. F. Tsimba
Chairman

…………………………………………
T. C. Marimo
Managing Director

These financial statements were prepared under the supervision of:

………………………………
Tawanda Chivaro
Finance Executive

Registered Tax Accountant (Registration No: TA0299)

Grant Thornton

INDEPENDENT AUDITOR'S REPORT

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To the members of National Tyre Services Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the financial statements of National Tyre Services Limited set out on pages 7 to 40, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of the Company's material accounting policies.

In our opinion, because of the significance of the matter described in the *Basis for Adverse Opinion* section of our report, the financial statements do not present fairly, in all material respects, the financial position of National Tyre Services Limited as at 31 March 2026, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Adverse Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates on accounting for the change in functional currency

The Company changed its functional and presentation currency from ZWG to USD effective 1 April 2025. The change in functional currency entails translating all amounts, including comparatives for the year ended 31 March 2025, from Zimbabwe Gold (ZWG) to United States Dollars (USD) in accordance with IAS 21. IAS 21 requires that the ZWG inflation adjusted amounts for the previously stated comparative inflation adjusted financial statements be translated to USD at the closing rate at the date of change in functional currency.

As disclosed in **Note 2.2** to the financial statements, the comparative information for the year ended 31 March 2025, which forms the opening balances as at 1 April 2025, was derived from accounting records maintained in United States Dollars (USD), as if the USD had always been the functional currency of the Company.

Had the financial statements been prepared in compliance with the requirements of IAS 21, many elements of the financial statements would have been materially different.

The effects of this departure are considered material and pervasive to the financial statements as a whole.

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 Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report', 'Corporate governance' and 'Chairman's report', which we obtained prior to the date of this auditor's report. 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 any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 management.
- Conclude on the appropriateness of management's 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 those charged with governance 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 those charged with governance 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, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matter described in the *Basis for Adverse Opinion*, the financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is James Marambire.

Grant Thornton

James Marambire
Partner
Registered Public Auditor (PAAB No: 0846)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

15 September 2026

HARARE

Statement of financial position
as at 31 March 2026

	Notes	2026 USD	2025 USD
ASSETS			
Non-current assets			
Property, plant and equipment	7	10 949 322	11 135 574
Intangible assets	8	276	1 275
Investment property	9	1 999 200	1 920 521
Investments	10	-	2 803
Right of use asset	11	9 868	43 733
Non-current assets		12 958 666	13 103 906
Current assets			
Inventories	12	1 373 408	714 492
Trade and other receivables	13	238 483	211 855
Bank and cash balances	14	26 848	33 970
Current assets		1 638 739	960 317
Total assets		14 597 405	14 064 223
EQUITY, RESERVES AND LIABILITIES			
Equity			
Share capital	15	6	6
Share premium		5	5
Fair value through OCI reserve		63	63
Revaluation reserve		13 802 815	13 802 815
Accumulated losses		(4 793 320)	(3 953 219)
Equity		9 009 569	9 849 670
Non-current liabilities			
Deferred tax liability	16	698 119	736 160
Current liabilities			
Trade and other payables	17	2 782 655	1 389 001
Lease liabilities	18	13 766	63 851
Short-term borrowings	19	1 528 198	1 496 532
Bank overdraft	20	521 968	496 328
Corporate tax payable	21	43 130	32 681
Current liabilities		4 889 717	3 478 393
Total liabilities		5 587 836	4 214 553
Total equity and liabilities		14 597 405	14 064 223

S. F. Tsimba
Chairman

T. C. Marimo
Managing Director

Statement of profit or loss and other comprehensive income
for the year ended 31 March 2026

	Notes	2026 USD	2025 USD
Revenue	22	5 061 546	5 131 000
Cost of sales		(3 396 092)	(3 481 112)
Gross profit		1 665 454	1 649 888
Other income	23	276 770	237 359
Operating expenses	24	(2 469 706)	(2 497 522)
Loss from operations		(527 482)	(610 275)
Net finance costs	25	(350 660)	(372 011)
Loss before tax		(878 142)	(982 286)
Income tax credit/(expense)	26	38 041	(606 922)
Loss for the year		(840 101)	(1 589 208)
Other comprehensive income			
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(840 101)	(1 589 208)

Statement of changes in equity
for the year ended 31 March 2026

	Share capital	Share premium	Revaluation reserve	Fair value through OCI reserve	Accumulated losses	Total
	USD	USD	USD	USD	USD	USD
Balance at 1 April 2024	6	5	13 802 815	63	(2 364 011)	11 438 878
Total comprehensive loss for the year	-	-	-	-	(1 589 208)	(1 589 208)
Balance at 31 March 2025	6	5	13 802 815	63	(3 953 219)	9 849 670
Balance at 1 April 2025	6	5	13 802 815	63	(3 953 219)	9 849 670
Total comprehensive loss for the year	-	-	-	-	(840 101)	(840 101)
Balance as at 31 March 2026	6	5	13 802 815	63	(4 793 320)	9 009 569

Statement of cash flows
for the year ended 31 March 2026

	Notes	2026 USD	2025 USD
Cash flows from operating activities			
Loss before tax		(878 142)	(982 286)
Adjusted for:			
Depreciation of property, plant and equipment	7	199 526	200 659
Depreciation of right of use assets	11	33 865	33 865
Amortisation of intangible assets	8	999	1 207
Profit on disposal of motor vehicles	23	(3 999)	(28 955)
Fair value gain on investment property		(78 679)	-
Loss on lease improvements written off		1 648	-
Loss on investment written off		2 803	-
Finance cost	25	350 660	372 011
Unpaid tax penalty		10 449	-
Operating cash flows before working capital changes		(360 870)	(403 499)
Changes in working capital			
Increase in inventory		(658 916)	(159 482)
(Increase)/Decrease in trade and other receivables		(26 628)	15 088
Increase in trade and other payables		1 393 654	1 044 217
Cash generated from operations		347 240	496 324
Income tax paid		-	-
Finance costs	25	(350 660)	(372 011)
Net cash (utilised in)/generated from operating activities		(3 420)	124 313
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(14 922)	(1 110)
Proceeds from disposal of motor vehicles		3 999	31 331
Net cash (utilised in)/generated from investing activities		(10 923)	30 221
Cash flows from financing activities			
Loan raised	19.1	260 000	2 150 000
Loan repayments	19.1	(228 334)	(2 239 502)
Increase in overdraft		25 640	-
Principal paid on lease liability		(50 085)	(45 149)
Net cash generated from/(utilised in) financing activities		7 221	(134 651)
Net (decrease)/increase in cash and cash equivalents		(7 122)	19 883
Cash and cash equivalents at beginning of the year		33 970	14 087
Cash and cash equivalents at end of year	14	26 848	33 970

Notes to the financial statements
for the year ended 31 March 2026

1 CORPORATE INFORMATION

1.1 Nature of business

National Tyre Services Limited ("the Company") was incorporated in Zimbabwe on 20 October 1961 and operated as a listed entity on the Zimbabwe Stock Exchange until its delisting in November 2025. The main business of the Company, which is incorporated in Zimbabwe (Registration Number 644/61), is that of retailing and retreading of tyres, wheel alignment, wheel balancing and related services.

2 GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS AND GOING CONCERN ASSUMPTION

2.1 Basis of preparation

These financial statements for the year ended 31 March 2026 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Other Business Entities Act (Chapter 24.31), except for non compliance with International Accounting Standard 21 (IAS 21), "The effects of changes in foreign exchange rates" and IFRS 13, "Fair value measurement".

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. The areas were significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 5.

The financial statements have been prepared on a going concern basis. The Directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details regarding the going concern assessment are disclosed in note 30.

2.2 Functional and presentation currency

The Company's functional and presentation currency is the United States Dollar (USD). All amounts presented are rounded to the nearest USD.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

2 GENERAL INFORMATION, STATEMENT OF COMPLIANCE WITH IFRS ACCOUNTING STANDARDS AND GOING CONCERN ASSUMPTION (continued)

2.2 Functional and presentation currency (continued)

As at 31 March 2025, the Directors conducted a thorough assessment of the factors influencing the determination of the entity's functional currency. The assessment considered factors such as primary economic activities, currency of transactions, cash flow patterns, the regulatory environment and long-term stability. They concluded that the United States Dollar (USD) is the appropriate functional currency considering income and expense distribution and long term investment considerations.

Effective 1 April 2025, the Company changed its functional currency from Zimbabwe Gold (ZWG) to the United States Dollar (USD). Accordingly, the comparative balances, which constitute the opening balances for the current financial year, are based on the USD-denominated trial balance extracted from the Company's accounting system.

2.3 Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the dates of transactions or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in profit or loss on a net basis within other gains/losses.

Non monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of fair value gain or loss.

3 NEW OR REVISED STANDARDS AND INTERPRETATIONS

3.1 New standards, amendments and interpretations effective

3.1.1 Amendments to IAS 21 - Lack of exchangeability

The amendments define currency exchangeability and provide guidance on estimating spot exchange rates where a currency is not exchangeable, while requiring additional disclosures on the nature and financial impact of the lack of exchangeability, the exchange rate used, the estimation process, and the related estimation uncertainty and risks.

The amendments were effective for the annual reporting period beginning 1 January 2025.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

3 NEW OR REVISED STANDARDS AND INTERPRETATIONS (continued)

3.1 New standards, amendments and interpretations effective (continued)

3.1.2 Amendments to IFRS 9 - Financial Instruments

The IASB has issued amendments to IFRS 9 'Financial Instruments' to clarify the classification and measurement of financial assets, particularly those with variable or sustainability-linked cash flow features, and to provide additional guidance on assessing whether contractual cash flows meet the solely payments of principal and interest (SPPI) criterion.

The amendments were effective for reporting periods beginning on or after 1 January 2026.

3.1.3 Amendments to IFRS 7 - Financial Instruments: Disclosures

Amendments to IFRS 7 introduce enhanced disclosure requirements relating to financial instruments, including disclosures on financial assets with variable contractual cash flows and additional information on credit risk exposures and risk management practices.

The amendments were effective for reporting periods beginning on or after 1 January 2026.

3.2 New standards, amendments and interpretations not yet effective

3.2.1 IFRS 18 - Presentation and disclosure in financial statements

The requirements include:

- presentation requirements which specify how financial statements should be structured, including the statement of financial position, statement of profit or loss, statement of changes in equity, and statement of cash flows;
- disclosure requirements which include requirements for disclosing management-defined performance measures, specified expenses by nature, and other critical financial information; and
- aggregation and disaggregation requirements which provide guidelines on how to aggregate and disaggregate financial information to enhance clarity and usefulness.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

3.2.2 IFRS 19 - Subsidiaries without public accountability: Disclosures

The standard was issued to simplify the disclosure requirements for subsidiaries that do not have public accountability, making it easier for them to prepare financial statements while still complying with IFRS. A subsidiary can apply IFRS 19 if it does not have public accountability and has a parent that produces consolidated financial statements available for public use under IFRS. The standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Recognition

Property, plant and equipment are initially recognized at cost when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably. Cost includes the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such directly attributable costs may include costs of site preparation, delivery and handling, installation, professional fees, and borrowing costs where applicable. Items of property, plant and equipment are recognized as assets on the date that risks and rewards of ownership are transferred to the entity.

4.1.2 Measurement

Land and buildings owned is stated at revalued amounts. Revalued amounts are fair values based on appraisals prepared by external professional valuers once every two years or more frequently if market factors indicate a material change in fair value. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Plant and machinery, computer equipment, furniture and fittings are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and machinery, computer equipment and furniture and fittings.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.1 Property, plant and equipment (continued)

4.1.2 Measurement (continued)

The following useful lives are applied:

Buildings	40 years
Plant and machinery	5 years
Motor vehicles	5 years
Computer equipment	4 years
Furniture and fittings	3 years

Annual depreciation is charged proportionately over the remaining useful life of an asset where its carrying amount is higher than its residual value. If the carrying amount is lower than the residual value, no depreciation is charged.

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment loss is recognised directly through profit or loss when the carrying amounts of the assets exceed the fair values of the respective assets.

4.1.3 Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

4.2 Intangible assets

Intangible assets comprise of an acquired computer software which was capitalised on the basis of the costs incurred to acquire the specified asset. The costs are amortised over the estimated useful life using the straight line method. Costs associated with developing or maintaining the computer software programme are recognised as expenses when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful life of 4 years.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Intangible assets (continued)

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

4.3 Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model. Investment properties are revalued after every two (2) years with resulting gains and losses recognised in profit or loss.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

4.4 Leases

The entity assesses at contract inception whether a contract contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.4 Leases (continued)

4.4.1 Initial recognition and measurement

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are usually discounted using the incremental borrowing rate. Lease payments included in the lease liability include:

- fixed payments and in-substance fixed payments during the term of the lease;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The right of use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and dismantling costs, less any lease incentives received.

4.4.2 Subsequent measurement

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. Right of use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

Lease liabilities are remeasured when:

- there is a change in the residual value guarantee;
- there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase);
- the Company's assessment of the lease term changes;
- lease modifications occur that are not treated as separated leases;

Any change in the lease liability as a result of these changes also results in a corresponding change in the right of use asset.

The Company accounts for a change in the scope of a lease or the consideration for a lease that was not part of the original terms and conditions of the lease either as a separate lease or by decreasing the carrying amount of the lease liability.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.4 Leases (continued)

4.4.2 Subsequent measurement (continued)

Lease modifications are accounted for as separate leases if the following conditions are met:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Lease modifications that are not accounted for as separate lease modifications are accounted as follows:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. National Tyre Services Limited recognises in profit or loss any gain or loss relating to the partial or full termination of the lease.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

4.5 Inventories

Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value, after making allowance for obsolete inventory. Net realisable value is the expected selling price in the ordinary course of business minus any costs of completion, disposal, and transportation. The basis of determining cost is the weighted average method.

When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

4.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown separate from borrowings in current liabilities on the statement of financial position.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.7 Financial instruments

4.7.1 Financial assets

Recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, at amortised cost or financial assets at fair value through OCI. The classification depends on both;

- the Company's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

The Company's accounting policy for each category of financial asset held is as follows:

Amortised cost

Financial assets are classified at amortised cost if the contractual terms give rise to payments that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows. These assets are subsequently measured at amortized cost using the effective interest method, minus impairment allowances. Interest income and gains and losses from financial assets at amortised cost are recognised in statement of profit or loss as financial income. The Company's financial assets measured at amortised cost include trade and other receivables and cash and cash equivalents.

Financial assets at fair value through other comprehensive income "OCI"

The Company accounts for financial assets at fair value through OCI if the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Upon disposal any balance in the fair value through OCI reserve is reclassified to profit or loss. The Company's financial assets at fair value through OCI consist of timeshare investments.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.7 Financial instruments (continued)

4.7.1 Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either or

  a) the Company has transferred substantially all the risks and rewards of the asset,
  b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.7 Financial instruments (continued)

4.7.2 Financial liabilities

The Company's financial liabilities include trade and other payables and borrowings.

Recognition and measurement

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method "EIR". Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and a reliable estimate of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.8 Taxation

4.8.1 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

4.8.2 Deferred tax

Deferred tax is set aside on the full liability basis in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the tax bases.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred tax liability arises from:

a) the initial recognition of goodwill; or
b) the initial recognition of an asset or liability in a transaction which:
    i) is not a business combination; and
    ii) at the time of the transaction affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

4.8.3 Income tax expense

Income tax expense comprises current tax expense and deferred tax expense and is recognized in profit or loss, except to the extent that it relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax expense represents the amount of income taxes payable or recoverable in respect of taxable profit or loss for the reporting period, calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.8 Taxation (continued)

4.8.3 Income tax expense (continued)

Deferred tax expense (or income) represents the net movement in deferred tax assets and deferred tax liabilities during the reporting period. Deferred tax arises from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding tax bases, as well as from unused tax losses and tax credits, to the extent that recovery is probable.

4.9 Revenue

Revenue arises mainly from sale of goods and rendering of services such as retreading of tyres, retailing of new tyres, tyre fitment and related services.

To determine whether to recognise revenues, the Company follows a 5 step process:

1 Identifying the contract with the customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transactional price to the performance obligations
5 Recognising revenues when/as performance obligation(s) are satisfied.

The Company often enters into customer contracts to supply products and services. The contract is then assessed to determine whether it contains a single combined performance obligation or multiple performance obligations. If applicable the total transaction price is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

4.9.1 Revenue from the sale of goods

Revenue from the sale of goods consisting mainly of tyres is recognised when the Company has satisfied its performance obligation under a contract with the customer. Revenue is recognised when the goods have been delivered to/or collected by the customer, that is, the point when the customer obtains control of the goods.

4.1.2 Revenue from rendering of services

Revenue from rendering services is recognised by reference to the stage of completion of the project or service provided if the amount of revenue can be measured reliably.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.9 Revenue (continued)

Revenue for over-time contracts is recognised on a time-and-materials basis as services are provided and costs are expensed as incurred. Amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as accounts receivable if only the passage of time is required before payment of these amounts will be due or as contract assets if payment is conditional on future performance. For the point-in-time contracts, materials and supplies are recognised as inventory and other directly attributable costs are initially recognised as contract fulfilment assets. These costs are expensed on delivery and acceptance (i.e. when the related revenue is recognised).

4.10 Other income

Other income is recognised on the date when the company has fulfilled its performance obligations and all risks and rewards associated with the transaction have been transferred to the customer.

4.10.1 Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and effective interest rate applicable.

4.10.2 Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

4.10.3 Rental income

Rental income is recognised over the non-cancellable term of the related leases on a straight-line basis.

4.11 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

4.12 Employee benefits

Employee benefits are all forms of consideration given in exchange for services rendered by employees or for the termination of employment. The classification, recognition and measurement of these employee benefits is as follows:

Notes to the financial statements
for the year ended 31 March 2026 (continued)

4 MATERIAL ACCOUNTING POLICIES (continued)

4.12 Employee benefits (continued)

4.12.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The Company's short term employee benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid.

The undiscounted amount of all short-term employee benefits expected to be paid in exchange for service rendered are recognised as an expense or as part of the cost of an asset during the period in which the employee renders the related service. The Company recognizes the expected cost of bonuses only when the Company has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

4.12.2 Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Post-employment benefits comprise retirement benefits that are provided for Company employees through an independently administered defined contribution fund and by the National Social Security Authority (NSSA), which is also a defined contribution fund from the Company's perspective.

Payments to the defined contribution fund and to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service. The Company has no liability for Post- employment Retirement Benefit Funds once the current contributions have been paid at the time the employees render service. During the year the Company contributed to the Company defined contribution fund and to the NSSA scheme.

4.13 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the period in which they are incurred.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

5.1 Trade and other receivables

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. In determining these probabilities and whether an impairment loss should be recorded in profit or loss, the Company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the trade and other receivables.

5.2 Impairment testing

The company assesses its assets for impairment at each reporting date. Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

5.3 Provisions and contingent liabilities

The company reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the company's management as to how it will respond to the litigation, claim or assessment.

5.4 Provision for obsolete stocks

The Company reviews the carrying amount of inventories at each reporting date to determine whether any inventory items are slow moving, damaged or obsolete. The provision for obsolete stocks is based on management's best estimate of the net realisable value of inventory items. The inventory aged analysis is used and a provision percentage rate applied looking at the shelf life of tyres and historical sales patterns.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

5 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

5.5 Useful live and residual values of property, plant and equipment

The Company reviews the estimated useful lives and residual values of property, plant and equipment, and investment property at the end of the reporting period. Remaining useful lives and residual values are reassessed based on business trends, technological developments, asset conditions and management's future plans. The useful lives and residual values so determined involved the exercise of significant levels of judgement based on data that was not readily observable.

6 FINANCIAL RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Liquidity risk;
- Interest rate risk; and
- Credit risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables;
- Bank and cash balances;
- Trade and other payables; and
- Borrowings.

A summary of the financial instruments held by category is provided below:

	2026 USD	2025 USD
Financial assets		
Cash and bank	26 848	33 970
Trade and other receivables	238 483	211 855
	265 331	245 825
Financial liabilities		
Trade and other payables	2 782 655	1 389 001
Borrowings	1 528 198	1 496 532
Overdraft	521 968	496 328
	4 832 821	3 381 861

Notes to the financial statements
for the year ended 31 March 2026 (continued)

6 FINANCIAL RISK MANAGEMENT (continued)

6.1 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with liabilities. The Company operates within Board approved borrowing limits, which are geared for peak and seasonal trading requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

6.2 Interest rate risk

Interest rate risk is the risk of financial loss on a financial asset or liability due to changes in interest rates. The interest rates for both interest receivable and payable from and/or to local financial institutions are generally pegged on fixed interest rates and therefore do not expose the Company to interest rate risk. As at 31 March 2026 the Company had interest bearing loans from local banks and one of its related parties, Radun as disclosed in note 19.

6.3 Credit risk

This refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company conducts credit assessment on these counterparties based on publicly available information and the Company's own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and credit exposure is controlled by counterparty limits that are reviewed and approved regularly. Ongoing credit evaluation is performed on the financial condition of trade receivable.

6.3.1 Expected credit losses

The Company uses an allowance matrix to measure the allowances for expected credit losses of trade receivables from individual customers through a simplified approach. Credit loss rates are determined using a 'survival rate' approach based on the probability of receivables reaching write-off. The Company projects forward looking rates to alter the calculated default rates having considered experience analysis, economic indicators, and management's recovery efforts.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

6 FINANCIAL RISK MANAGEMENT (continued)

6.3 Credit risk (continued)

6.3.1 Expected credit losses (continued)

	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days	Total
	USD	USD	USD	USD	USD	USD
As at 31 March 2026						
Gross carrying amount	127 047	28 812	5 637	1 046	551	163 093
Expected credit loss rate	1.45%	14.82%	20.66%	60.36%	100%	-
Expected credit loss	1 843	4 271	1 165	631	551	8 461
As at 31 March 2025						
Gross carrying amount	58 506	13 664	13 141	8 999	7 016	101 326
Expected credit loss rate	0.09%	0.64%	9.19%	26.70%	100%	-
Expected credit loss	53	87	1 207	2 403	7 016	10 766

Notes to the financial statements
for the year ended 31 March 2026 (continued)

7 PROPERTY, PLANT AND EQUIPMENT

	Land USD	Buildings USD	Lease improvements USD	Plant and machinery USD	Motor vehicles USD	Computer equipment USD	Furniture and fittings USD	Total USD
Carrying amount as at 31 March 2024	**3 408 563**	**7 810 172**	**1 726**	**53 294**	**46 776**	**15 969**	**999**	**11 337 499**
Gross carrying amount-cost/ valuation	3 408 563	7 979 741	1 863	73 666	71 502	26 585	2 185	11 564 105
Accumulated depreciation	-	(169 569)	(137)	(20 372)	(24 726)	(10 616)	(1 186)	(226 606)
Additions	-	-	-		-	1 110	-	1 110
Disposals	-	-	-	-	(7 317)	-	-	(7 317)
Disposals accumulated depreciation	-	-	-	-	4 941	-	-	4 941
Depreciation charge for the year	-	(169 569)	(39)	(14 002)	(12 130)	(4 519)	(400)	(200 659)
Carrying amount as at 31 March 2025	**3 408 563**	**7 640 603**	**1 687**	**39 292**	**32 270**	**12 560**	**599**	**11 135 574**
Gross carrying amount-cost/ valuation	3 408 563	7 979 741	1 863	73 666	64 185	27 695	2 185	11 557 898
Accumulated depreciation	-	(339 138)	(176)	(34 374)	(31 915)	(15 135)	(1 586)	(422 324)
Additions	-	-	-	1 197	2 864	4 437	6 424	14 922
Lease improvements writeoff	-	-	(1 648)	-	-	-	-	(1 648)
Disposals	-	-	-	-	(5)	-	-	(5)
Disposals accumulated depreciation	-	-	-	-	5	-	-	5
Depreciation charge for the year	-	(169 569)	(39)	(13 776)	(11 687)	(3 632)	(823)	(199 526)
Carrying amount as at 31 March 2026	**3 408 563**	**7 471 034**	**-**	**26 713**	**23 447**	**13 365**	**6 200**	**10 949 322**
Gross carrying amount-cost/ valuation	3 408 563	7 979 741	215	74 863	67 044	32 132	8 609	11 571 167
Accumulated depreciation	-	(508 707)	(215)	(48 150)	(43 597)	(18 767)	(2 409)	(621 845)

Land and buildings with a carrying amount of **USD 3 394 619** were pledged as collateral in respect of borrowings which are disclosed in note 20.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

		2026 USD	2025 USD
8	INTANGIBLE ASSETS		
	Computer software		
	As at 1 April	1 275	2 482
	Amortisation charge for the year	(999)	(1 207)
	As at 31 March	276	1 275
	Cost	5 139	5 139
	Accumulated amortisation	(4 863)	(3 864)
	Net book amount	276	1 275
9	INVESTMENT PROPERTY		
	As at 1 April	1 920 521	1 920 521
	Fair value gain	78 679	-
	As at 31 March	1 999 200	1 920 521
10	INVESTMENTS		
	As at 1 April	2 803	2 803
	Write off	(2 803)	-
	As at 31 March	-	2 803

The investments at fair value related to 6 units of unquoted African Sun time shares. The fair value of time shares was based on the market value. The investments were written off in the current year. The investments were written off during the current year following management's agreement to surrender the ownership rights and set them off against the related liability, as the investments had ceased to provide economic benefits and were incurring ongoing maintenance fees.

		2026 USD	2025 USD
11	RIGHT OF USE ASSETS		
	As at 1 April	43 733	77 598
	Depreciation	(33 865)	(33 865)
	As at 31 March	9 868	43 733

Notes to the financial statements
for the year ended 31 March 2026 (continued)

		2026	2025
		USD	USD
12	INVENTORIES		
	Tyres	1 264 202	616 200
	Rubber and patches	83 896	44 050
	Other consumables	45 242	54 242
	Provision for obsolete stock	(19 932)	-
		1 373 408	714 492
13	TRADE AND OTHER RECEIVABLES		
	Trade receivables	163 093	101 326
	Allowance for credit losses (note 6.3.1)	(8 461)	(10 766)
		154 632	90 560
	Other receivables	27 314	64 490
	Prepayments	56 537	56 805
		238 483	211 855

The fair values of trade and other receivables are not materially different from their carrying values as they are expected to be settled within twelve months.

		2026	2025
13.1	Movement in the allowance for credit loss is as follows:		
	As at 1 April	10 766	7 270
	Charge to profit or loss	(2 305)	3 496
	As at 31 March	8 461	10 766

14 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprises of:

	2026	2025
Cash at bank	16 092	24 427
Cash on hand	10 756	9 543
Cash and cash equivalents	26 848	33 970

15 SHARE CAPITAL

	2026	2025
Authorised		
400 000 000 ordinary shares	9	9
Issued and fully paid		
253 872 420 ordinary shares	6	6

Notes to the financial statements
for the year ended 31 March 2026 (continued)

15 SHARE CAPITAL (continued)

The unissued share capital is under the control of directors, subject to limitations imposed by the Companies and other Business Entities Act of Zimbabwe (Chapter 24.31) and the Articles of Association and Memorandum of the Company.

	2026 USD	2025 USD
16 DEFERRED TAX LIABILITY		
Deferred tax liability as at 31 March		
Property, plant and equipment	726 006	768 542
Intangible assets	71	276
Lease liability	(3 545)	(16 442)
Right of use asset	2 541	11 261
Provisions	(26 954)	(27 477)
Deferred tax liability as at 31 March	698 119	736 160
The analysis of deferred tax liability is as follows:		
As at 1 April	736 160	129 238
Charge to profit or loss	(38 041)	606 922
As at 31 March	698 119	736 160
17 TRADE AND OTHER PAYABLES		
Trade payables	438 664	525 031
Other payables	2 343 991	863 970
Total trade and other payables	2 782 655	1 389 001
18 LEASE LIABILITIES		
As at 1 April	63 851	109 000
Finance cost	3 915	8 851
Lease payments	(54 000)	(54 000)
As at 31 March	13 766	63 851

Notes to the financial statements
for the year ended 31 March 2026 (continued)

	2026 USD	2025 USD
19 BORROWINGS		
FBC loan	769 489	844 622
Bellerive	52 149	52 149
Radun Investments	706 560	599 761
Total borrowings	1 528 198	1 496 532

a) FBC loan

A short term loan capped at USD 1 300 000 million was obtained from FBC Bank Limited to finance working capital needs. The loan attracts interest at 18% per annum and matures on 31 October 2026. The facility is secured by land and buildings with a carrying amount of USD 2 526 057.

b) Radun loan

A short term loan facility, capped at USD 400 000, was obtained from Radun investments to finance the purchase of tyres and raw materials. The loan attracts interest at 16.5% per annum. The facility is secured by land and buildings with a carrying amount of USD 868 562.

19.1 Reconciliation of liabilities arising from financing activities

	2026 USD	2025 USD
As at 1 April	1 496 532	1 586 034
Loan proceeds	260 000	2 150 000
Loan repayments	(228 334)	(2 239 502)
As at 31 March	1 528 198	1 496 532

20 BANK OVERDRAFT

	2026 USD	2025 USD
POSB	143 653	-
FBC	378 315	496 328
Total overdraft	521 968	496 328

21 CORPORATE TAX PAYABLE

	2026 USD	2025 USD
As at 1 April	32 681	32 681
Current tax expense	-	-
Penalty charged from ZIMRA assessment	10 449	-
As at 31 March	43 130	32 681

Notes to the financial statements
for the year ended 31 March 2026 (continued)

		2026 USD	2025 USD
22	**REVENUE**		
	Sale of tyres	4 745 110	4 837 604
	Rendering of services	316 436	293 396
		5 061 546	5 131 000
23	**OTHER INCOME**		
	Rental income	180 449	182 468
	Interest	110	46
	Profit on disposal of motor vehicle	3 999	28 955
	Fair value gain on investment property	78 679	-
	Sundry income	13 533	25 890
		276 770	237 359
24	**OPERATING EXPENSES**		
	Staff expenses	1 078 703	1 062 084
	Administration expenses	1 141 890	1 031 805
	Foreign exchange losses	14 723	200 847
	Depreciation and amortization	234 390	202 786
		2 469 706	2 497 522
24.1	**Staff expenses**		
	Staff remuneration	1 002 540	973 696
	Medical aid	76 163	88 388
		1 078 703	1 062 084
24.2	**Administration expenses**		
	Water and rates	161 835	88 045
	Security	134 121	114 685
	Delisting/listing expenses	109 913	47 319
	Motor vehicle fuel	98 811	127 440
	Internet and networking costs	74 265	129 337
	Licences and compliance	63 224	33 155
	Carriage interbranch	48 516	42 227
	Electricity	43 576	53 808
	Bank charges	38 472	16 290
	Insurance	38 321	41 058
	Motor vehicle repairs	29 509	33 816
	Telephones	28 521	34 700
	Other expenses	272 806	269 925
		1 141 890	1 031 805

Notes to the financial statements
for the year ended 31 March 2026 (continued)

	2026 USD	2025 USD
25 FINANCE COSTS		
POSB	25 112	-
FBC	214 835	247 139
Radun	106 798	73 008
FBC Crown	-	16 650
Ecobank	-	26 363
Lease liability finance cost	3 915	8 851
	350 660	372 011

Finance costs comprise interest incurred on the Company's borrowings, including the POSB overdraft facility and the FBC loan, both of which attract interest at 18% per annum, and the Radun loan, which bears interest at 16.5% per annum.

26 INCOME TAX EXPENSE

	2026 USD	2025 USD
Current	-	-
Deferred tax	(38 041)	606 922
	(38 041)	606 922
Tax rate reconciliation		
Loss before tax	(878 142)	(982 286)
Tax at statutory rate of 25.75%	(226 122)	(252 939)
Income not subject to tax	1 030	7 456
Expenses not deductible for tax purposes	198 709	886 650
Expenses deductible for tax purposes	(11 658)	(34 245)
Income tax expense	(38 041)	606 922

27 POST EMPLOYMENT BENEFITS

27.1 National Tyre Services Pension Fund

The Company and its employees contribute to the National Tyre Services Pension Fund. The fund operates a defined contribution plan, the assets of which are held in a separate trustee-administered fund. Contributions during the year were USD 15 211 (2025: USD 14 306).

Notes to the financial statements
for the year ended 31 March 2026 (continued)

27 POST EMPLOYMENT BENEFITS (continued)

27.2 National Social Security Authority

The National Social Security Authority Scheme was promulgated under the National Social Security Authority Act (Chapter 17:04). Contributions amount to 9% of pensionable emoluments subject to a limit of USD 700 per employee. Contributions during the year were USD 49 067.

28 RELATED PARTY INFORMATION

The Company's related parties are as follows:

Related party	Nature of relationship	Nature of transaction
Simply Africa (Private) Limited	Common control	Management fees
Radun Investments	Shareholder	Loan provision
Croco Holdings	Associated party	Loan provision
Croco Motors Private Limited	Associated party	Selling of tyres
Duly Motors Private Limited	Associated party	Selling of tyres
Mr. A. Ushe	Acting Managing director	Remuneration
Mr. S.N. Mandimika	Administration director	Remuneration

	2026 USD	2025 USD
28.1 The Company enters into transactions with related parties, with those entered into during the year summarised below:		
28.1.1 Sales to related parties		
Croco Motors Private Limited	233 762	-
Croco Holdings	55 804	-
Duly Motors Private Limited	203 732	-
	493 298	-
28.1.2 Purchases from related parties		
Croco Holdings	29 874	-

Notes to the financial statements
for the year ended 31 March 2026 (continued)

	2026 USD	2025 USD
28 RELATED PARTY INFORMATION (continued)		
28.2 The following were balances to and from related parties as at the		
28.2.1 Related party receivables		
Croco Motors Private Limited	33 631	-
Croco Holdings	11 044	-
Duly Motors Private Limited	39 049	-
	83 724	-
28.2.2 Related party payables		
Simply Africa	38 774	38 774
Croco Holdings	1 194 559	-
	1 233 333	38 774
28.2.3 Related party loan		
Radun Investments	706 560	599 761

The Radun Investments related party is a loan of USD 400 000 and attracts an interest rate of 16,5% per annum.

28.3 Compensation to key management personnel

Key management personnel are those people having authority and responsibility and are responsible for planning, directing and controlling the activities of the Company, namely the Managing Director. Key management personnel compensation comprises of both short-term employee benefits and post employment benefits. It includes salaries, non-cash benefits, bonuses, and contributions to a defined contribution plan. The following represent transactions with the related party during the year.

	2026 USD	2025 USD
Short term benefits	53 692	107 284
Post-employment benefits	2 148	4 291
	55 840	111 575

Notes to the financial statements
for the year ended 31 March 2026 (continued)

		2026 USD	2025 USD
29	CAPITAL EXPENDITURE COMMITMENTS		
	Authorised but not contracted for	1 884 722	530 994

The capital expenditure will be funded by a combination of the Company's own resources and local borrowings.

30 GOING CONCERN

For the year ended 31 March 2026, the Company incurred a loss before tax of USD 956 821 (2025: USD 982 286). As at 31 March 2026, current liabilities exceeded current assets by USD 3 250 978 (2025: USD 2 518 076), resulting in a current ratio of 0.34:1 (2025: 0.28:1). In addition, the Company has incurred operating losses for the past five consecutive financial years and its working capital position has continued to deteriorate, resulting in increased reliance on borrowings to finance its operations.

In response to these conditions, the Board and management have implemented and continue to implement a number of measures aimed at restoring the Company's financial performance and liquidity. These include:

- Continued shareholder financial support, with over USD 1.1 million provided during the year and a further USD 700 000 provided in the first two months subsequent to year-end to support liquidity and the Company's turnaround.
- Investment in operational capacity, with shareholder approval obtained for approximately USD 450 000 towards the acquisition of motor vehicles and trucks to improve distribution capacity, operational efficiency and profitability.
- The restructuring of the Company's governance through the retirement of the entire Board effective 31 May 2026 and the appointment of a new Board with effect from the same date.
- The appointment of a new Managing Director, Mr Taurai Cosmas Marimo, an experienced business turnaround specialist with a proven track record of leading successful business recovery initiatives.
- The successful restructuring of the Company's borrowing facilities with FBC and POSB, resulting in reduced borrowing costs through lower interest rates and extended repayment terms, which are expected to improve cash flows and profitability.
- The implementation of a workforce rationalisation programme. Employee numbers have been reduced from 192 in January 2026 to 130 by the reporting date, with further reductions planned. This initiative is expected to reduce employment and related operating costs and improve the Company's cost structure.
- The negotiation of a ZAR 30 million stock facility with Sumitomo Rubber South Africa, which is expected to improve inventory availability, strengthen trading activities and support revenue growth, thereby enabling the Company to progressively recover from its loss-making position.

Notes to the financial statements
for the year ended 31 March 2026 (continued)

30 GOING CONCERN (continued)

The Directors have reviewed the Company's cash flow forecasts and the assumptions underpinning the planned restructuring and turnaround initiatives. Based on these assessments, the Directors believe that the successful implementation of the above measures will improve the Company's financial performance and liquidity and enable it to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis because the Directors believe that the mitigating actions described above provide reasonable assurance that the Company will continue to realise its assets and discharge its liabilities in the normal course of business.

31 EVENTS AFTER REPORTING DATE

No adjusting or significant non-adjusting events have occurred between the 31 March 2026 reporting date and the date of authorisation of the financial statements.

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue on 27 August 2026 by the Board of Directors of the Company.

Grant Thornton