VECV South Africa (Pty) Ltd
(Registration number 2016/007012/07)
Annual financial statements
for the year ended 31 March 2025

These annual financial statements were supervised by:
The Directors

Venter De Jager (Pretoria) Incorporated
Chartered Accountants (SA)
Registered Auditor
These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Issued 18 April 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Sale of commercial trucks
Directors	Simmerdeep Singh Gill Anirvan Banerjee Nitin Dabas
Registered office	Block C, Ground Floor 272 West Avenue, Lakefield Office Park Centurion Gauteng 0157
Business address	Block C, Ground Floor 272 West Avenue, Lakefield Office Park Centurion Gauteng 0157
Bankers	Standard Chartered Bank
Auditors	Venter De Jager (Pretoria) Incorporated Chartered Accountants (SA) Registered Auditor
Company registration number	2016/007012/07
Tax reference number	9000986258
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Issued	18 April 2025

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Supervised by

The Directors

Published

18 April 2025

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the preparation, content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company'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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 annual 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 company's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 7 - 9.

The annual financial statements set out on pages 9 - 23, which have been prepared on the going concern basis, were approved by the board of directors on 18 April 2025 and were signed on its behalf by:

Approval of annual financial statements

Simmerdeep Singh Gill	**Anirvan Banerjee**
Director	**Director**

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of VECV South Africa (Pty) Ltd for the year ended 31 March 2025.

1. Incorporation

The company was incorporated on 22 January 2016 and obtained its certificate to commence business on the same day.

2. Nature of business

VECV South Africa (Pty) Ltd was incorporated in South Africa with interests in the motor vehicles industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Share capital

			2025	2024
Authorised			Number of shares	
Ordinary shares			1 000	1 000

	2025	2024	2025	2024
Issued	R	R	Number of shares	
Ordinary shares	23 780 002	23 780 002	310	310

There have been no changes to the authorised or issued share capital during the year under review.

5. Dividends

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 March 2025.

6. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control program, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

Directors' Report

7. Directors

The directors in office at the date of this report are as follows:

Directors
Simmerdeep Singh Gill
Anirvan Banerjee
Nitin Dabas

8. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2025 the company's investment in property, plant and equipment amounted to R192 831 (2024:R888 383).

Property, plant and equipment purchased in the current year amounted to R 1,074,620 (2024: R 734,249) and disposed R 1,573,460 (2024: Nil).

9. Holding company

The company's holding company is VE Commercial Vehicles Ltd which holds 100% (2024 100%) of the company's equity. VE Commercial Vehicles Ltd is incorporated in India.

10. Borrowing powers

Standard Chartered Bank South Africa has approved working capital demand loan facility of R10,000,000. The said facility is backed by a Standby Letter from Chartered Bank, India on behalf of VE Commercial Vehicles Limited. As at 31 March 2025, the utilisation of credit facility is NIL.

11. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Directors' Report

13. Auditors

Venter De Jager (Pretoria) Incorporated continued in office as auditors for the company for 2025.

At the AGM, the shareholder will be requested to reappoint Venter De Jager (Pretoria) Incorporated as the independent external auditors of the company and to confirm Mr GM van der Berg as the designated lead audit partner for the 2026 financial year.

14. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on Friday, 18 April 2025. No authority was given to anyone to amend the annual financial statements after the date of issue.

The annual financial statements set out on pages 9 - 23, which have been prepared on the going concern basis, were approved by the board of directors on 18 April 2025, and were signed on its behalf by:

Approval of annual financial statements

Simmerdeep Singh Gill **Director** **Friday, 18 April 2025**	**Anirvan Banerjee** **Director** **Friday, 18 April 2025**

Independent Auditor's Report

To the shareholders of VECV South Africa (Pty) Ltd

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of VECV South Africa (Pty) Ltd set out on pages 10 to 21, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of VECV South Africa (Pty) Ltd as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "VECV South Africa (Pty) Ltd annual financial statements for the year ended 31 March 2025", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 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.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

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

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

Independent Auditor's Report

Report on other legal and regulatory requirements

In terms of the Auditing Professions Act, Section 44(4), we report that another member of Venter De Jager (Pretoria) Incorporated was responsible for assisting with the statutory documentation and tax compliance records of the entity.

Venter De Jager (Pretoria) Incorporated
GM van der Berg
Director
Chartered Accountants (SA)
Registered Auditor

18 April 2025

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	192 831	888 383
Current Assets			
Inventories	4	58 037 629	66 940 388
Trade and other receivables	3	44 967 718	13 242 366
Cash and cash equivalents	5	8 492 997	6 928 816
		111 498 344	**87 111 570**
Total Assets		**111 691 175**	**87 999 953**
Equity and Liabilities			
Equity			
Share capital	6	23 780 002	23 780 002
Retained income		17 914 820	14 590 372
		41 694 822	**38 370 374**
Liabilities			
Current Liabilities			
Trade and other payables	7	69 875 822	49 511 605
Current tax payable		120 530	117 974
		69 996 352	**49 629 579**
Total Equity and Liabilities		**111 691 175**	**87 999 953**

Statement of Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue	8	153 072 287	136 761 744
Cost of sales	9	(130 984 049)	(115 916 878)
Gross profit		**22 088 238**	**20 844 866**
Other income	10	509 129	699 674
Operating expenses		(17 989 604)	(15 673 331)
Operating profit	11	**4 607 763**	**5 871 209**
Investment revenue		-	572 978
Finance costs	13	(53 724)	(23 071)
Profit before taxation		**4 554 039**	**6 421 116**
Taxation	15	(1 229 591)	(1 733 716)
Profit for the year		**3 324 448**	**4 687 400**
Other comprehensive income		-	-
Total comprehensive income for the year		**3 324 448**	**4 687 400**

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Statement of Changes in Equity

	Share capital R	Retained income R	Total equity R
Balance at 01 April 2023	**23 780 002**	**9 902 972**	**33 682 974**
Profit for the year	-	4 687 400	4 687 400
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**4 687 400**	**4 687 400**
Balance at 01 April 2024	**23 780 002**	**14 590 372**	**38 370 374**
Profit for the year	-	3 324 448	3 324 448
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**3 324 448**	**3 324 448**
Balance at 31 March 2025	**23 780 002**	**17 914 820**	**41 694 822**
Note(s)	6		

Statement of Cash Flows

	Note(s)	2025 R	2024 R
Cash flows from operating activities			
Cash generated from (used in) operations	16	1 968 970	(374 596)
Interest income		-	572 978
Foreing exchange gain		377 129	-
Finance costs		(53 724)	(23 071)
Tax paid		(1 227 035)	(1 696 673)
Net cash from operating activities		**1 065 340**	**(1 521 362)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 074 620)	(734 249)
Sale of property, plant and equipment	2	1 573 460	-
Net cash from investing activities		**498 840**	**(734 249)**
Total cash movement for the year		**1 564 180**	**(2 255 611)**
Cash at the beginning of the year		6 928 816	9 184 427
Total cash at end of the year	5	**8 492 997**	**6 928 816**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 Years
Motor vehicles	Straight line	3 Years
Office equipment	Straight line	3 Years
IT equipment	Straight line	3 Years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Accounting Policies

1.1 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.3 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

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Accounting Policies

1.4 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:
- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.8 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

Accounting Policies

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

The foreign exchange component of a non-monetary item is recognised consistently with any other gains or losses on those items, in other comprehensive income or in profit or loss.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Investments in foreign subsidiaries, joint ventures and associates

Exchange differences arising on the translation of a foreign operation into the functional currency of the company are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

Cumulative exchange differences on disposal of a foreign subsidiary are not reclassified to profit or loss.

Notes to the Annual Financial Statements

	2025 R	2024 R

2. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	355 628	(217 586)	138 042	346 039	(183 953)	162 086
Motor vehicles	439 372	(439 372)	-	1 123 902	(458 387)	665 515
Office equipment	98 367	(72 865)	25 502	71 405	(63 962)	7 443
IT equipment	129 188	(99 901)	29 287	129 188	(75 849)	53 339
Total	**1 022 555**	**(829 724)**	**192 831**	**1 670 534**	**(782 151)**	**888 383**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	162 086	9 589	-	(33 633)	138 042
Motor vehicles	665 515	1 038 068	(1 573 460)	(130 123)	-
Office equipment	7 443	26 963	-	(8 904)	25 502
IT equipment	53 339	-	-	(24 052)	29 287
	888 383	**1 074 620**	**(1 573 460)**	**(196 712)**	**192 831**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	195 052	-	(32 966)	162 086
Motor vehicles	-	684 530	(19 015)	665 515
Office equipment	12 602	-	(5 159)	7 443
IT equipment	18 699	49 719	(15 079)	53 339
	226 353	**734 249**	**(72 219)**	**888 383**

3. Trade and other receivables

	2025	2024
Trade receivables	41 232 468	9 033 535
Prepayments	3 081 430	1 972 086
Deposits	305 312	323 061
VAT	-	2 189 598
Normal warranty claims	698 133	300 000
Other receivables	(349 625)	(575 914)
	44 967 718	**13 242 366**

4. Inventories

	2025	2024
Stock in trade	58 037 629	66 940 388

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Bank balances	8 492 997	6 928 816

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Notes to the Annual Financial Statements

	2025 R	2024 R

6. Share capital

Authorised		
Ordinary shares	1 000	1 000

690 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued		
310 Ordinary shares	23 780 002	23 780 002

7. Trade and other payables

Trade payables	68 344 494	48 007 346
VAT	269 050	-
PAYE, UIF and SDL	450 545	389 305
Other payables	811 736	1 114 952
	69 875 822	**49 511 603**

8. Revenue

Sale of goods	139 974 115	127 767 597
Rendering of services	13 098 172	8 994 147
	153 072 287	**136 761 744**

9. Cost of sales

Sale of goods		
Cost of goods sold	130 984 049	115 916 878

10. Other income

Profit on exchange differences	377 129	-
AMC Income	132 000	247 000
Recoupment of expenses	-	452 674
	509 129	**699 674**

11. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	1 845 874	1 783 814
Motor vehicles		
• Contractual amounts	869 399	709 572
	2 715 273	**2 493 386**

Depreciation on property, plant and equipment	196 711	72 219
Employee costs	10 405 904	9 073 994

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Notes to the Annual Financial Statements

	2025 R	2024 R

12. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

	2025 R	2024 R
Depreciation		
Property, plant and equipment	196 711	72 219

13. Finance costs

	2025 R	2024 R
Interest on cash credit	1 893	-
Bank	51 831	23 017
SARS	-	54
	53 724	**23 071**

14. Auditor's remuneration

	2025 R	2024 R
Fees	45 000	54 080

15. Taxation

Major components of the tax expense

	2025 R	2024 R
Current taxation		
South African normal tax - year	1 229 591	1 733 716

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2025 R	2024 R
Accounting profit	4 554 039	6 421 116
Tax at the applicable tax rate of 27% (2024: 27%)	1 229 591	1 733 701

16. Cash generated from (used in) operations

	2025 R	2024 R
Profit before taxation	4 554 039	6 421 116
Adjustments for:		
Depreciation and amortisation	196 711	72 219
Profit on foreign exchange	(377 128)	-
Interest received	-	(572 978)
Finance costs	53 724	23 071
Changes in working capital:		
Inventories	8 902 759	489 692
Trade and other receivables	(31 725 352)	8 052 730
Trade and other payables	20 364 217	(14 860 446)
	1 968 970	**(374 596)**

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Notes to the Annual Financial Statements

	2025 R	2024 R

17. Related parties

Relationships	
Holding company	VE Commercial Vehicles Ltd

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties	2025 R	2024 R
VE Commercial Vehicles Ltd	3 045 736	1 887 573
VE Commercial Vehicles Ltd	(57 881 919)	(42 589 010)

18. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

VECV South Africa (Pty) Ltd
(Registration number: 2016/007012/07)
Annual Financial Statements for the year ended 31 March 2025

Detailed Income Statement

	Note(s)	2025 R	2024 R
Revenue			
Sale of goods		139 974 115	127 767 597
Rendering of services		13 098 172	8 994 147
	8	**153 072 287**	**136 761 744**
Cost of sales			
Opening stock		(66 940 388)	(67 430 080)
Purchases (Import)		(110 783 723)	(106 217 381)
Purchases (Local)		(11 297 567)	(9 209 805)
Closing stock		58 037 629	66 940 388
	9	**(130 984 049)**	**(115 916 878)**
Gross profit		**22 088 238**	**20 844 866**
Other income			
AMC Income		132 000	247 000
Recoupment of expenses		-	452 674
Interest received		-	572 978
Profit on exchange differences		377 129	-
		509 129	**1 272 652**
Expenses (Refer to page 23)		**(17 989 604)**	**(15 673 331)**
Operating profit	11	**4 607 763**	**6 444 187**
Finance costs	13	(53 724)	(23 071)
Profit before taxation		**4 554 039**	**6 421 116**
Taxation	15	(1 229 591)	(1 733 716)
Profit for the year		**3 324 448**	**4 687 400**

The supplementary information presented does not form part of the annual financial statements and is unaudited

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Detailed Income Statement

	Note(s)	2025 R	2024 R
Operating expenses			
Advertising		3 780	436 626
Auditors remuneration	14	45 000	54 080
Bank charges		56 444	-
Cleaning		36 610	32 500
Computer expenses		9 929	9 976
Consulting and professional fees		1 021 056	523 669
Depreciation, amortisation and impairments		196 711	72 219
Employee costs		10 405 904	9 073 994
Recruitment expenses		-	108 000
Vehicle incentive expenses		1 383 285	992 420
Insurance		202 207	145 088
Lease rentals on operating lease		2 715 273	2 493 386
Motor vehicle expenses		970 250	445 480
Postage		10 231	8 194
Printing and stationery		23 461	25 497
Loss on exchange differences		-	467 937
Promotions		36 160	2 737
Rates and taxes		115 328	46 694
Relocation expenses		141 783	178 067
Repairs and maintenance		2 888	-
Staff welfare		20 540	20 823
Subscriptions		187 324	146 890
Telephone and fax		62 925	58 813
Travel - local		342 515	321 166
Travel - overseas		-	9 075
		17 989 604	**15 673 331**

Tax Computation

	2025 R
Net profit per income statement	4 554 039
Taxable income for 2025	**4 554 039**
Tax thereon @ 27% in the Rand	**1 229 591**
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	117 974
Prior year adjustment	-
Amount refunded/(paid) in respect of prior year	(117 974)
Amount owing/(prepaid) in respect of prior year	**-**
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	1 229 591
1st provisional payment	(656 798)
2nd provisional payment	(452 263)
	120 530
Amount owing/(prepaid) at the end of year	**120 530**