



Apollo Tyres Africa Proprietary Limited
(Registration no 2013/128507/07)

Annual Financial Statements
for the year ended 31 March 2022

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Marketing and supply of tyres and related products
Directors	Mr. Q. Steyn Mr. R. Arora Mr. A. Varshneya
Registered office	Office No 33 Oxford Office Park, 3 Bauhinia Street Highveld Techno P Centurion Gauteng 0046
Holding company	Apollo (South Africa) Holdings Proprietary Limited incorporated in South Africa
Auditor	BDO South Africa Incorporated Chartered Accountant (SA) Registered Auditors
Level of assurance	These audited annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The audited annual financial statements were compiled by Reporting Partners Proprietary Limited under the supervision of Danie de Kock (Manager - Commercial)

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited 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 International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the audited annual financial statements.

The audited annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

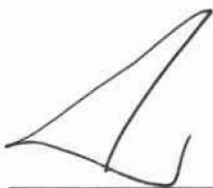
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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 audited 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 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's audited annual financial statements. The audited annual financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 7.

The audited annual financial statements set out on pages 8 to 31, which have been prepared on the going concern basis, were approved by the board of directors on 26 April 2022 and were signed on their behalf by:



Mr. Q. Steyn

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Directors' Report

The directors have pleasure in submitting their report on the audited annual financial statements of Apollo Tyres Africa Proprietary Limited for the year ended 31 March 2022.

1. Nature of business

The company engages in the marketing and supply of tyres and related products. The company's business model is import of Apollo & Vredestein branded tyres for its domestic and export market.

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

2. Review of financial results and activities

The audited annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. 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 audited annual financial statements.

3. Stated capital

Authorised			2022	2021
			Number of shares	Number of shares
Ordinary shares			1 000	1 000
Issued		2022	2022	2021
		R'000	Number of shares	Number of shares
Ordinary shares		400 000	707	707

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

4. Interest of directors in the share capital of the company

The directors do not have any disclosable interest in the shares of the company.

5. Dividends

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

6. Directorate

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

Directors	Nationality
Mr. Q. Steyn	South African
Mr. R. Arora	Indian
Mr. A. Varshneya	Indian

There have been no changes to the directorate for the year under review.

7. Holding company

The company's holding company is Apollo (South Africa) Holdings Proprietary Limited which holds 100% (2021: 100%) of the company's equity. The ultimate holding company is Apollo Tyres Limited, incorporated in India.

8. Special resolutions

There were no special resolution passed during the year.

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Directors' Report

9. 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.

10. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited 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.

11. Auditors

BDO South Africa Incorporated continued in office as auditors for the company for 2022.

12. Directors emoluments

Directors emoluments are disclosed in note 25.

Independent Auditor's Report

To the shareholder of
Apollo Tyres Africa Proprietary Limited

Opinion

We have audited the financial statements of Apollo Tyres Africa Proprietary Limited (the company) set out on pages 8 to 31, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Apollo Tyres Africa Proprietary Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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 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 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Apollo Tyres Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2022", which includes the Directors' Report as required by the Companies Act of South Africa. 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 an audit opinion or any form of assurance 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, 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 the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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 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 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.



BDO South Africa Incorporated
Registered Auditors

Mohamed Abbas
Director
Registered Auditor

26 April 2022

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

	Notes	2022 R'000	2021 R'000
Assets			
Non-Current Assets			
Property, plant and equipment	3	724	794
Right-of-use assets	4	9 872	16 253
Deferred tax	5	25 432	25 432
		36 028	42 479
Current Assets			
Inventories	6	72 847	67 982
Trade and other receivables	7	46 373	52 859
Cash and cash equivalents	8	34 258	18 714
		153 478	139 555
Total Assets		189 506	182 034
Equity and Liabilities			
Equity			
Share capital and premium	9	400 000	400 000
Accumulated loss		(367 601)	(378 841)
		32 399	21 159
Liabilities			
Non-Current Liabilities			
Lease liabilities	10	4 127	11 344
Post retirement medical aid obligation	11	19 504	20 212
		23 631	31 556
Current Liabilities			
Trade and other payables	12	111 843	108 762
Loan from shareholder	13	12 650	12 724
Lease liabilities	10	7 676	6 633
Provisions	14	1 307	1 200
		133 476	129 319
Total Liabilities		157 107	160 875
Total Equity and Liabilities		189 506	182 034

Independent Auditor's Report

To the shareholder of
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In our opinion, the financial statements present fairly, in all material respects, the financial position of Apollo Tyres Africa Proprietary Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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 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 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.

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BDO South Africa Incorporated
Registered Auditors

Mohamed Abbas
Director
Registered Auditor

26 April 2022

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Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2022 R'000	2021 R'000
Revenue	15	375 167	273 512
Cost of sales		(317 024)	(227 504)
Gross profit		58 143	46 008
Other operating income	16	9 703	7 149
Other operating losses	17	(180)	(593)
Other operating expenses		(55 285)	(50 229)
Operating profit	18	12 381	2 335
Investment revenue	19	273	348
Finance costs	20	(1 414)	(1 715)
Profit for the year		11 240	968
Other comprehensive income		-	-
Total comprehensive income for the year		11 240	968

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Statement of Changes in Equity

	Stated capital and premium R'000	Accumulated loss R'000	Total equity R'000
Balance at 01 April 2020	400 000	(379 809)	20 191
Profit for the year	-	968	968
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	968	968
Balance at 01 April 2021	400 000	(378 841)	21 159
Profit for the year	-	11 240	11 240
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	11 240	11 240
Balance at 31 March 2022	400 000	(367 601)	32 399

Note

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Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

	Notes	2022 R'000	2021 R'000
Cash flows from operating activities			
Cash generated from operations	22	26 509	14 740
Interest revenue		273	348
Net cash from operating activities		26 782	15 088
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(105)	(573)
Cash flows from financing activities			
Payment of post retirement		(2 756)	(3 025)
Repayment of shareholder loan	23	(74)	(60)
Movement on lease liabilities	23	(8 303)	(7 281)
Net cash from financing activities		(11 133)	(10 366)
Total cash movement for the year		15 544	4 149
Cash at the beginning of the year		18 714	14 565
Total cash at end of the year	8	34 258	18 714

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these audited annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

The financial statements have been prepared under the historical cost convention except for the valuation of certain financial instruments, which are carried at fair value. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.2 Critical Accounting judgements and key sources of estimation uncertainty

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving complex or subjective judgements or assessments. The items for consideration have been identified as follows:

1. Trade and other receivables - Expected credit loss allowances are recognised for all trade receivables and is monitored at the end of each reporting period. Refer to note 7 for additional detail.

2. Provisions - Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 & 14.

3. Taxation - Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the Foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

4. Inventory - The recoverable value of Inventory and obsolete stock is based on observable historic information, management's experience in Inventory write-offs and the recoverability of aged inventory.

5. Asset lives and residual values - Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes, Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

6. Impairment of assets - Ongoing assessments are made regarding any potential impairment of assets across the company, using valuation models prescribed under IFRS.

1.3 Property, plant and equipment

Property, plant and equipment includes all expenditure of a capital nature and is stated at cost less accumulated depreciation and any adjusted impairment losses. All costs relating to the acquisition of fixed assets are capitalised and include finance costs on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

On the disposal or scrapping of property, plant and equipment, the gain or loss arising thereon is recognised in profit or loss.

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.3 Property, plant and equipment (continued)

All fixed assets are depreciated and charged to profit or loss over their expected useful lives to estimated residual values at rates appropriate to their useful lives of the assets. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated over their estimated useful lives. The depreciation methods, estimated useful lives and residual values are reassessed annually. The useful lives of items of property, plant and equipment has been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	4 - 10 years
Office equipment	Straight line	4 - 10 years
Computer hardware	Straight line	3 - 5 years

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Apollo Tyres Africa Proprietary Limited

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Audited Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of an expected credit loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in an expected credit loss allowance (note 18).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.4 Financial instruments (continued)

Loan from shareholder

Classification

Loan from shareholder (note 13) is classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loan from shareholder is are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.5 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 end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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Accounting Policies

1.5 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.6 Leases

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 term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

1.7 Inventories

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.8 Impairment of assets

At each statement of financial position date, the company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The carrying amount of an asset or cash-generating unit is reflected at the lower of cost and the recoverable amount. Impairment losses, or reversals thereof, are recognised as expenses or income. An impairment loss reversal, however, cannot result in a carrying amount exceeding original cost.

1.9 Stated 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.

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Accounting Policies

1.10 Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.11 Revenue from contracts with customers

The majority of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises the invoiced value of sales, less discounts, rebates and returns, defective quality concession and excludes Value Added Taxation. Sales of goods are recognised when the significant risk and rewards of ownership have been transferred to the buyer.

Interest is recognised on a time proportional basis, which takes into account the effective yield on the asset over the period it is held.

1.12 Borrowing costs

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

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2022 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact

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3. Property, plant and equipment

	2022 - R'000			2021 - R'000		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	104	(49)	55	104	(34)	70
Office equipment	575	(151)	424	575	(71)	504
Computer hardware	543	(298)	245	438	(218)	220
Total	1 222	(498)	724	1 117	(323)	794

Reconciliation of property, plant and equipment - 2022 - R'000

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	70	-	(15)	55
Office equipment	504	-	(80)	424
Computer hardware	220	105	(80)	245
	794	105	(175)	724

Reconciliation of property, plant and equipment - 2021 - R'000

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	85	-	(15)	70
Office equipment	10	565	(71)	504
Computer hardware	281	8	(69)	220
	376	573	(155)	794

Register of land and buildings are kept in terms of the South African Companies Act at the companies' registered office and copies will be made available on written request.

The estimate useful lives are reflected under the accounting policies.

4. Right-of-use assets

	2022 - R'000			2021 - R'000		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	20 589	(11 508)	9 081	20 589	(5 382)	15 207
Vehicles	2 689	(1 898)	791	2 996	(1 950)	1 046
Total	23 278	(13 406)	9 872	23 585	(7 332)	16 253

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2022
R'000

2021
R'000

4. Right-of-use assets (continued)

Reconciliation of right-of-use assets - 2022 - R'000

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	15 207	-	-	(6 126)	9 081
Vehicles	1 046	1 022	(307)	(970)	791
	16 253	1 022	(307)	(7 096)	9 872

Reconciliation of right-of-use assets - 2021 - R'000

	Opening balance	Additions	Depreciation	Total
Buildings	5 430	15 067	(5 290)	15 207
Vehicles	1 616	585	(1 155)	1 046
	7 046	15 652	(6 445)	16 253

5. Deferred tax

Deferred tax asset

Property, plant and equipment	521	-
Provisions	6 193	9 045
Amounts received in advance	269	-
Bad debts	586	-
Prepayments	-	76
Assessed loss	17 863	16 311
Total deferred tax asset	25 432	25 432

Reconciliation of deferred tax asset

At beginning of year	25 432	25 432
Property, plant and equipment	521	-
Provisions	(2 852)	-
Amounts received in advance	269	-
Bad debts	586	-
Prepayments	(76)	-
Assessed loss	1 552	-
	25 432	25 432

6. Inventories

Stock in trade - on hand	51 707	56 832
Stock in trade - in transit	22 009	12 423
	73 716	69 255
Provision for obsolete, slow/non-moving and net realisable values of inventories	(869)	(1 273)
	72 847	67 982

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Notes to the Audited Annual Financial Statements

	2022 R'000	2021 R'000
7. Trade and other receivables		
Financial instruments:		
Trade receivables	48 830	50 452
Expected credit loss allowance	(3 133)	(3 119)
Trade receivables at amortised cost	45 697	47 333
Other receivable	114	245
Non-financial instruments:		
VAT	-	4 926
Prepayments	562	355
Total trade and other receivables	46 373	52 859

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	45 811	47 578
Non-financial instruments	562	5 281
	46 373	52 859

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. Organisation takes credit insurance from CGIC on all trade receivables. It is 80% covered from October 1, 2020 onwards.

The loss allowance provision is determined as follows:

	2022 R'000	2022 R'000	2021 R'000	2021 R'000
Expected credit loss rate:				
Not past due: 20% (2021: 20%)	43 991	-	45 616	-
Less than 30 days past due: 20% (2021: 20%)	1 676	-	1 619	(28)
31 - 60 days past due: 20% (2021: 20%)	-	-	126	-
61 - 90 days past due: 20% (2021: 20%)	30	-	-	-
91 - 120 days past due: 20% (2021: 20%)	-	-	-	-
More than 120 days past due: 20% (2021: 20%)	3 133	(3 133)	3 091	(3 091)
Total	48 830	(3 133)	50 452	(3 119)

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	2022 R'000	2021 R'000
7. Trade and other receivables (continued)		
Reconciliation of loss allowances		
The following table shows the movement in the expected credit loss allowance (lifetime expected credit losses) for trade and other receivables		
Opening balance	(3 119)	(4 366)
Expected credit loss allowances raised / reversed	(14)	1 247
Closing balance	(3 133)	(3 119)
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	34 258	18 714
9. Stated capital and premium		
Authorised		
1 000 ordinary shares	1 000	1 000
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		
707 Ordinary shares	400 000	400 000
10. Lease liabilities		
Minimum lease payments due		
- within one year	7 676	6 633
- in second to fifth year inclusive	4 127	11 344
Present value of minimum lease payments	11 803	17 977
Non-current liabilities	4 127	11 344
Current liabilities	7 676	6 633
	11 803	17 977

11. Post retirement medical aid obligation

Defined benefit plan

Prior to 1998, it was the company's policy to provide post employment medical benefits for its employees, by the way of subsidies. These subsidies have been funded by means of pensions purchased from insurers. Each year additional amounts are paid in line with the increases in medical aid subscriptions. While selling Apollo Tyres South Africa Proprietary Limited to Sumitomo Rubber Industries ("SRI"). The liability got transferred to them. However as per the sale agreement any cost incurred by SRI for these old employees should subsequently to be reimbursed by Apollo Tyres Africa Proprietary Limited.

The SRI liability in respect of the post-employment medical obligation has been actuarially valued at R 19.5m (2021: R 20.2m) at 31 December 2021 by Towers Watson Actuaries and Consultants. There has been no material changes between 31 December 2021 and year end on 31 March 2022. The actuarial valuation performed has been based on the following assumptions:

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	2022 R'000	2021 R'000	
11. Post retirement medical aid obligation (continued)			
- a health care cost inflation rate of 7.3% (2021: 5.4% p.a)			
- a discount rate of 9.8% (2021: 8.60% p.a)			
Carrying value			
Opening balance	(20 212)	(22 288)	
Movement in statement of profit or loss	(2 048)	949	
Payments	2 756	(3 025)	
	(19 504)	(24 364)	
12. Trade and other payables			
Financial instruments:			
Employees related payable	1 256	905	
Other payables and accruals	1 893	4 715	
Other payables to related parties	23 120	12 790	
Trade payables *	85 381	90 352	
Non-financial instruments:			
VAT	193	-	
	111 843	108 762	
* included payable to related parties			
13. Loan from shareholder			
Apollo (South Africa) Holdings Proprietary Limited	12 650	12 724	
The loan is interest-free with no fixed terms of repayment and is unsecured.			
Split between non-current and current portions			
Current liabilities	12 650	12 724	
14. Provisions			
Reconciliation of provisions - 2022 - R'000			
	Opening balance	Movements	Total
Leave pay provisions	1 200	107	1 307
Reconciliation of provisions - 2021 - R'000			
	Opening balance	Total	
Leave pay provisions	1 200	1 200	
15. Revenue			
Revenue from contracts with customers			
Revenue from the sale of finished goods	375 167	273 512	

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	2022 R'000	2021 R'000
15. Revenue (continued)		
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Sale of goods		
Domestic sales	299 677	225 865
Export sales	75 490	47 647
	375 167	273 512
Timing of revenue recognition		
At a point in time		
Domestic sales	299 677	225 865
Export sales	75 490	47 647
	375 167	273 512
16. Other operating income		
Income from APDP import rebates and price differences	3 748	5 092
Merchanting Freight Recovery	5 955	2 057
	9 703	7 149
17. Other operating losses		
Foreign exchange losses		
Net foreign exchange loss	(180)	(593)
18. Operating profit		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees - current year	330	360
Employee costs		
Employee costs	18 293	17 081
Retrenchment costs	-	1 172
Total employee costs	18 293	18 253
Depreciation		
Depreciation of right-of-use assets	7 096	6 445
Depreciation of property, plant and equipment	175	155
Total depreciation	7 271	6 600
19. Investment revenue		
Interest revenue		
Bank and other cash	271	348
Other financial assets	2	-
Total interest revenue	273	348

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Notes to the Audited Annual Financial Statements

	2022 R'000	2021 R'000
20. Finance costs		
Lease liabilities	1 414	1 715

21. Taxation

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00 %	28.00 %
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Deferred taxation

Originating from temporary differences	1 271	3 561
Not recognised in the current year	-	(3 561)
Assessed loss not previously recognised	(5 444)	-
Assessed loss utilised	3 231	-
Effect of tax rate change	942	-
	-	-

22. Cash generated from operations

Profit before taxation	11 240	968
Adjustments for:		
Depreciation	7 271	7 324
Interest revenue	(273)	(348)
Finance costs	1 414	1 715
Post retirement medical aid obligation	2 048	949
Provisions	107	-
Changes in working capital:		
Inventories	(4 865)	(5 908)
Trade and other receivables	6 486	(13 303)
Trade and other payables	3 081	23 343
	26 509	14 740

23. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2022 - R'000

		Opening balance	Additions	Interest	Cash flows	Closing balance
Loan from shareholder	13	12 724	-	-	(74)	12 650
Lease liabilities	10	17 977	715	1 414	(8 303)	11 803
Total liabilities from financing activities		30 701	715	1 414	(8 377)	24 453

Reconciliation of liabilities arising from financing activities - 2021 - R'000

		Opening balance	Additions	Interest	Cash flows	Closing balance
Loan from shareholder	13	12 784	-	-	(60)	12 724
Lease liabilities	10	7 096	16 447	1 715	(7 281)	17 977
Total liabilities from financing activities		19 880	16 447	1 715	(7 341)	30 701

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	2022 R'000	2021 R'000
24. Related parties		
Relationships		
Ultimate holding company	Apollo Tyres Limited	
Holding company	Apollo (South Africa) Holdings Proprietary Limited	
Fellow subsidiaries	Apollo Vredestein Banden B.V Apollo Tyres Global R&D B.V Apollo Tyres Middle East Apollo Tyres AG Apollo Tyres Enschede Netherlands ATAG Switzerland Apollo Tyres UK PVT Ltd	
Directors	Mr. Quintin Steyn Mr. R. Arora Mr. A. Varshneya	
Related party balances		
Loan accounts - Owing to related party		
Apollo (South Africa) Holdings Proprietary Limited	(12 650)	(12 724)
Payable to		
Apollo Tyres Limited	86 188	83 763
Apollo Vredestein Banden B.V.	2 664	621
Apollo Tyres UK PVT Limited	4 087	3 605
ATAG Switzerland	217	51
	93 156	88 040
Related party transactions		
Purchases of inventories and finished goods from:		
Apollo Tyres Limited	244 171	163 219
Apollo Vredestein Banden B.V.	1 774	3 160
	245 945	166 379
Group charges		
Apollo Tyres Limited	862	623
Apollo Tyres UK PVT Limited	3 608	2 802
	4 470	3 425
Royalties		
Apollo Tyres Limited	9 033	6 343
Apollo Tyres Enschede Netherlands	269	279
ATAG Switzerland	166	191
	9 468	6 813

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25. Directors' emoluments

Executive

2022 - R'000

	Emoluments	Bonus and performance related payments	Provident fund contributions	Total
Mr. Q. Steyn	1 630	429	262	2 321
Mr. R. Arora	-	-	-	-
Mr. A. Varshneya	1 369	274	-	1 643
	2 999	703	262	3 964

2021 - R'000

	Emoluments	Bonus and performance related payments	Provident fund contributions	Total
Mr. Q. Steyn	1 630	429	262	2 321
Mr. R. Arora	-	-	-	-
Mr. A. Varshneya	1 450	256	-	1 706
	3 080	685	262	4 027

Mr. A. Varshneya is still a director but moved back to India end Feb thus only remunerated for 11 months in the financial year.

26. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022 - R'000

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	7	45 811	45 811	45 811
Cash and cash equivalents	8	34 258	34 258	34 258
		80 069	80 069	80 069

2021 - R'000

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	7	47 578	47 578	47 578
Cash and cash equivalents	8	21 243	21 243	21 243
		68 821	68 821	68 821

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Notes to the Audited Annual Financial Statements

26. Financial instruments and risk management (continued)

Categories of financial liabilities

2022 - R'000

	Notes	Amortised cost	Total	Fair value
Trade and other payables	12	86 931	86 931	86 931
Loan from shareholder	13	12 650	12 650	12 650
		99 581	99 581	99 581

2021 - R'000

	Notes	Amortised cost	Total	Fair value
Trade and other payables	12	108 762	108 762	108 762
Loan from shareholder	13	12 724	12 724	12 724
		121 486	121 486	121 486

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2022 - R'000

	Notes	Amortised cost	Total
Recognised in profit or loss:			
Loss on foreign exchange	17	(180)	(180)
Interest revenue	19	273	273
Net gains		93	93

2021 - R'000

	Notes	Amortised cost	Total
Recognised in profit or loss:			
Loss on foreign exchange	17	(593)	(593)
Interest revenue	19	348	348
Net losses		(245)	(245)

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26. Financial instruments and risk management (continued)

Gains and losses on financial liabilities

2022 - R'000

	Note	Leases	Total
Recognised in profit or loss:			
Finance costs	20	(1 414)	(1 414)

2021 - R'000

	Note	Leases	Total
Recognised in profit or loss:			
Finance costs	20	(1 715)	(1 715)

Capital risk management

The company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure), repay loan from shareholder as it falls due and continue as a going concern.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in note 13, cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

Financial risk management

Market risk

The company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. There have been no changes to the company's exposure to market risk or the manner in which it manages and measures the risk.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

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2022	2021
R'000	R'000

26. Financial instruments and risk management (continued)

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on lifetime expected credit losses. Credit risk is assessed as low if there is a low risk of default. When determining the risk of default, management consider information such as payment history to date and period for which the customer has been employed. Trade receivable which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments.

Liquidity risk

The company manages liquidity risk by maintaining adequate reserve banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Foreign currency risk

The company's exposure arises mainly on import and export of finished goods. The company follows a policy of matching of import and export exposures (natural hedge) to reduce the net exposure in any foreign currency.

Foreign currency risk management

Foreign currency transactions are managed within approved policy parameters. The recent volatility in the currency markets and the stronger Rand has necessitated a more dynamic approach to currency management. This has necessitated deviating from the set-off strategy at times considered appropriate.

Foreign currency exposure at the end of the reporting period

Current assets

Foreign customers - USD	478	15
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Current liabilities

Foreign suppliers - Euro	132	105
Foreign suppliers - USD	434	141
Foreign suppliers - GBP	198	33

Exchange rates used for conversion of foreign items were:

USD	14.81	14.88
GBP	19.50	20.54
Euro	16.47	17.51

Apollo Tyres Africa Proprietary Limited

(Registration number 2013/128507/07)

Audited Annual Financial Statements for the year ended 31 March 2022

Notes to the Audited Annual Financial Statements

	2022 R'000	2021 R'000
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26. Financial instruments and risk management (continued)

Cash flow sensitivity analysis

A 10% strengthening of the Rand against the following currencies at 31 March 2021 would have increased profit or decrease the loss by the amounts shown below. The sensitivity analysis was calculated by multiplying the increase or (decrease) in the exchange rate by the year end balances, this analysis assumes that all other variables remain constant. The same approach was followed prior year.

USD	(66)	(156)
GBP	(386)	(290)
Euro	(217)	(58)
Total net profit	(669)	(504)

A 10% weakening of the Rand against the following currencies at 31 March 2022 would have decrease profit or increased the loss by the amounts shown below. This analysis assumes that all other variables remain constant.

USD	66	156
GBP	386	290
Euro	217	58
Total net loss	669	504

Interest rate risk

The company's exposure to the interest rates relates primarily to interest - bearing financial instruments at variable rates. Changes in the interest rates will not materially impact on the profitability of the company.