CAR & GENERAL (KENYA) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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CAR & GENERAL (KENYA) PLC

CORPORATE INFORMATION

BOARD OF DIRECTORS	N Ng'ang'a, CBS	-	Chairman
	V V Gidoomal	-	Group Chief Executive Officer
	S P Gidoomal		
	P Shah		
	N Hira		
	C M Ngini		
	G M Mboya		
	E Koimett		
	D Karuga		

SECRETARY

Conrad Nyukuri - CPS (Kenya)
Adili Corporate Services
ALN House, Eldama Ravine Close,
Off Eldama Ravine Road,
Westlands
P.O. Box 764 - 00606,
Nairobi, Kenya

REGISTERED OFFICE

New Cargen House
Lusaka Road
P.O. Box 20001 - 00200
Nairobi, Kenya

AUDITORS

Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place, Waiyaki Way, Muthangari
P.O. Box 40092 - 00100
Nairobi, Kenya

PRINCIPAL BANKERS

Standard Chartered Bank Kenya Limited
Standard Chartered Headquarters
48 Westlands Road
P.O. Box 30003 - 00100
Nairobi, Kenya

I&M Bank Limited
I&M Bank House
2nd Ngong Avenue
P.O. Box 30238 – 00100
Nairobi, Kenya

LEGAL ADVISOR

Coulson Harney LLP
5th Floor, West Wing, ICEA Lion Centre
Riverside Park, Chiromo Road
P.O. Box 10643 - 00100
Nairobi, Kenya

REGISTRARS

Image Registrars Limited | Securities Registrars & Trustees
5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street
P.O. Box 9287- 00100 GPO, Nairobi, Kenya

CORPORATE INFORMATION (Continued)

SUBSIDIARIES	ACTIVITIES
Car & General (Trading) Limited - Kenya P O Box 20001 - 00200 Nairobi	Sales and service of power equipment, household goods, agricultural tractors and implements, marine engines, motorcycles and three-wheeler vehicles, commercial laundry equipment, commercial engines, forklifts, excavators and general goods.
Car & General (Tanzania) Limited P O Box 1552 Dar es Salaam	Sales and marketing service relating to the provision of power equipment, motorcycles, three-wheeler vehicles, commercial engines and related services.
Car & General (Trading) Limited - Tanzania P O Box 1552 Dar es Salaam	Sales and marketing services relating to the provision of power equipment, motorcycles, three-wheeler vehicles, commercial engines and general goods.
BodaPlus Limited P.O Box 1331 - 00232 Kiambu	Manufacture of helmets, plastic components, and motorcycle safety accessories.
Dew Tanzania Limited P O Box 1552 Dar es Salaam	Property holding company
Car & General (Uganda) Limited P O Box 207 Kampala	Sales and service of power equipment, marine engines, motorcycles, agricultural tractors and implements, commercial engines and general goods.
Kibo Poultry Products Limited P O Box 742 Moshi	Day old chick farming.
Sovereign Holdings International Limited P O Box 146, Road Town, Tortola British Virgin Islands	Property holding company.
Dewdrops Limited P O Box 20001 – 00200 Nairobi	Property holding company
Progen Company Limited P O Box 20001 – 00200 Nairobi	Property holding company
Navigate Intel IT Cargen Limited P O Box 20001 – 00200 Nairobi	Technology service provider.
Car & General (Rwanda) Limited Plot 1403, Muhima Road P O Box 7238 Kigali, Rwanda	Sales and service of power equipment, marine engines, motorcycles, three-wheeler vehicles, commercial engines and general goods.

CORPORATE INFORMATION (Continued)

SUBSIDIARIES	ACTIVITIES
Cummins C&G Holdings Limited Suite 2004, Level 2 Alexander House 35 Cybercity Ebene, Republic of Mauritius	Sale and service of commercial engines and power equipment

The company also has the following dormant subsidiaries in Kenya: Car & General (Automotive) Limited, Car & General (Engineering) Limited, Car & General (Marine) Limited, Car & General (Industries) Limited and Cargen Insurance Agencies Limited.

ASSOCIATE	ACTIVITIES
Nyali Mwenge Limited Dar Es Salaam Tanzania	Reseller of motorcycles and three wheelers
Watu Holdings Limited Suite 2004, Level 2 Alexander House 35 Cybercity Ebene, Republic of Mauritius	Holding company

OTHER INVESTMENT	
ARC Ride Kenya Limited Central Business Park P O Box 20001 - 00200 Nairobi	Designing and building electric motor vehicles and designing and creating infrastructure and technology to power them.

CAR & GENERAL (KENYA) PLC

CHAIRMAN'S REPORT

The twelve-month period from 1 January 2025 to 31 December 2025 was positive with all markets showing signs of recovery. In Kenya, specifically, the boda boda business resumed growth to a monthly average of 8,000 units from a low of 4,600 units per month in 2024. This led to recovery in growth of our Kenya business after two years of decline. In addition, we saw reasonable growth in all product lines and territories.

The Group reported a 21% increase in turnover compared to the prior year. Sales in Uganda and Tanzania now represent over 56 % of Group sales.

As a result of the above, turnover for the twelve-month period ended 31 December 2025 was Shs 25 billion against Shs 21 billion achieved in the year ending 31 December 2024. EBITDA (Earnings before interest, tax, depreciation and amortization) was Ksh 3.8 billion compared to Ksh 1.5 billion in the prior year representing growth of 153%. The Group made a profit after tax of Ksh 2.4 billion against a profit after tax of Ksh 526 million made during previous financial year.

There are notable achievements.

- Our consumer business growth in Kenya particularly in the two-wheeler segment.
- The performance of our Tanzania businesses including distribution and poultry.
- The progress of Watu Simu across Africa.
- The working capital rationalization across the Group.
- Our commitment to the transition to greener energy is taking shape and through our associates, we have successfully embedded electric 2 wheelers in Uganda and Kenya using over 350 battery swap facilities accessible by the Group through its investments in Watu and Arc Ride. Watu is the largest financier of electric vehicles which helps drive this adoption.

Going forward, we believe uncertainty will persist in 2026. We do, however, expect less turbulence in East Africa subject to the continued availability of fuel. Key to success will be maintaining strict fundamentals in terms of higher efficiency levels in all areas of our business, maintaining market share in core products and achieving satisfactory profitability across all businesses. We have made all necessary manpower and infrastructure investments, including digital, and we now need to drive volumes further, improve efficiencies and increase margin to ensure profitability given the uncertain operating environment.

The opportunity exists.

I now comment more specifically below:

The Consumer Business

Volumes in our two-wheeler business in Kenya increased whilst three-wheeler and consumable sales remained stable. In Tanzania, volumes of two-wheeler and three-wheeler sales grew. We see positive potential in all areas going forward. Kenya boda boda sales are recovering.

Our product and value proposition are strong especially when coupled with our aftermarket offerings. We expect market share to increase further in 2026 given brand strength, growing distribution and digital progress.

Assuming stability, we expect consumer markets to grow this year and Kenya two-wheeler sales to recover fully by end 2026. We must get closer to markets and our customers throughout the region in order to increase market share and unit sales to ensure profitable growth. Detailed planning and disciplined implementation will be key to success. Ultimately, we must be the first choice of the customer.

Our aftermarket strategy is robust, and we see continued growth in our sales of parts, tyres and oils.

The Equipment Business

The Cummins business in Kenya and regionally saw positive growth in 2025. The challenge remains growth of market share and our ability to differentiate ourselves. Investments in our aftermarket business are now yielding results and will separate us from competition. We have significant scope for growth, assuming economic prosperity throughout the region translates into development opportunities in terms of new projects.

The fundamentals of the Ingersoll Rand business have been established. We expect this business to grow profitably.

The Develon (previously Doosan) business is also seeing growth given government increase in infrastructure spending. We see this market continuing to grow throughout the region.

The Toyota forklift business is gaining traction. The market size remains restrictive to building a scalable business in the short term, but we are confident we are well positioned for the long term.

The Kubota tractor business is growing in Kenya and Uganda. We feel confident this business will grow over time given future developments at Kubota and our distribution network which we must leverage.

Financial Services

Watu has continued to make progress with growth throughout the region. Performance in 2025 continued to improve on the back of Simu growth through the region. In 2026 we expect revenues to grow in Kenya, Uganda, Tanzania, DRC, Nigeria and Sierra Leone where operations have now stabilized. We are very positive about the business prospects and expect continued growth this year.

Our forklift leasing business continues to grow slowly.

Manufacturing

We continue to assemble 2-wheelers and 3-wheelers at our assembly facilities in Kenya and Tanzania which we will expand further in 2026.

We are confident BodaPlus will do well over time. We are gaining good traction and were profitable in 2025. The market for helmets is growing throughout the region, and our value proposition is solid. We are growing other opportunities related to the localization of manufacturing including the manufacture of riding suits. We now export to eight countries.

The Property Business

Nairobi Mega is now doing better in terms of footfall. Rental income has reduced due to contractual changes in tenancy terms. We are 90% rented across all developed properties. We continue to explore development opportunities for our Shanzu property including the possible disposal of some plots. We are currently finalizing government acquisition of approximately 1.5 acres for the purposes of completing the Mombasa to Malindi highway.

Kibo Poultry Products Limited

Sales of poultry improved during the year. We have now stabilized and expect reasonable performance this financial year. We have expanded production marginally in order to build scale and sustainability.

The Future

We now have a more balanced business with five distinct business lines being automotive and equipment distribution, real estate investment, financial services, poultry and helmet manufacturing. This diversity coupled with geographical reach builds sustainability, and we are confident that each line offers scope for growth.

Going forward, we are well positioned to deliver on our Triple P bottom line – People, Planet and Profit. We are already having a significant impact on millions of lives in terms of delivering daily livelihoods and entrepreneurship opportunities. We will now continue to focus energy on electric and Compressed Natural Gas (CNG) vehicles in Tanzania. With our symbiotic relationship with Watu, we can play a significant role in transforming the 2-wheeler and 3-wheeler market towards electric and compressed natural gas. This will play a positive role in reducing our carbon footprint over the coming years. We will also continue to drive smartphone connectivity across the continent. This significantly improves livelihoods.

Subsequent to the reporting date, geopolitical tensions arising from the conflicts in Iran resulted in disruption to some global supply chains, including intermittent delays of logistics and volatility in oil prices which could have potential impact on the Group`s operations in future. Following the announcement of a ceasefire on 7 April 2026, the Group expects conditions to stabilize, although uncertainty remains. The Group has not experienced any significant disruptions to its operations to date.

The Future (continued)

The current financial year will be critical to future success and will require a growth in market share in all sectors. Our primary concern is to ensure that we stay ahead of competition in our key markets in all respects. The quality of competition is increasing.

Given the performance during the financial period and the need for investment throughout the business, the Directors do recommend a final dividend of Shs. 250,000,000 which is equal to Shs. 3.12 per share (2024: Shs. 64,165,293), in addition to the interim dividend of Shs 24,062,000 Shs 0.30 paid during the year

I must express my gratitude to my co-directors and all members of staff of the Company for their dedication and support. I look forward to continued support and to further progress of the Group.

Nicholas Ng'ang'a – Chairman

29 April 2026

Corporate Governance

The Group's Board of Directors is responsible for the governance of the Group and is accountable to the shareholders for ensuring that the Group complies with the law, the highest standards of corporate governance and business ethics. The Directors attach great importance to the need to conduct the business and operations of the Group and the Company with integrity and in accordance with generally accepted corporate governance practice and endorse the internationally developed principles of good corporate governance. The Group is compliant with the Code of Corporate Governance Practices for Issuers of Securities to The Public 2015 ("The Code") issued by the Capital Market Authority (CMA).

Board of Directors

The full Board meets at least four times a year. The Directors are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues.

Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-today business to the Group Chief Executive Officer. The Board nonetheless retains responsibility for establishing and maintaining the Group's overall internal control over financial, operational and compliance issues.

Eight out of the nine members of the Board are Non-Executive including the Chairman of the Board and other than the Group Chief Executive Officer, all other Directors are subject to periodic reappointment in accordance with the Company's Articles of Association.

Committees of the Board

The Group has the following standing committees which operate under the terms of reference set by the Board:

Audit and Risk Committee

The Board has an audit committee that meets regularly. Its responsibilities include review of financial information, budgets, development plans, compliance with accounting standards, liaison with the external auditors, fixing the remuneration of external auditors and overseeing internal control systems.

Members of the audit committee comprise three Non-Executive Directors; P Shah (Chairman), C M Ngini and S P Gidoomal. Internal and external auditors and other company executives attend on invitation as required.

Governance, Nominations and Compensation Committee

The Committee meets as required. The committee is responsible for monitoring and appraising the performance of senior management including the Group Chief Executive Officer, review of all human resource policies, determining the remuneration of senior management and making recommendations to the Board on the remuneration of Executive Directors.

The Committee's role is also to make recommendations to the Board to fill vacancies for Executive and Non-Executive Directors. In making recommendations, the committee looks at the mix of skills, expertise, gender and how the new appointment will add value to the present complement.

The Committee also reviews all group policies and governance related issues.

The committee meets as necessary and is comprised of three Non-Executive Directors and the Group CEO; C M Ngini (Chairman), S P Gidoomal, Gladys Mboya and the Group Chief Executive Officer, Mr V V Gidoomal attend.

Internal Controls

The Group has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the Group remains structured to ensure appropriate segregation of duties.

Internal Controls (Continued)

A comprehensive management accounting system is in place providing financial and operational performance indicators. Monthly management meetings are held by the executive management to monitor performance and to agree on measures for improvement.

The Group's internal auditor carries out internal audits based on a program, and timetable approved by the Audit Committee. The internal auditor also reviews policies, systems and procedures on a regular basis and reports to the Group Chief Executive Officer and the Audit Committee.

Distribution of shareholders as at 31 December 2025

Shareholding (No. of Shares)	No. of shares held	No. of shareholders	Percentage of Shareholding
Less than 500	106,094	587	0.13
500 - 5,000	831,522	411	1.04
5,001 - 10,000	646,104	92	0.81
10,001 -100,000	3,531,688	140	4.40
100,001 - 1,000,000	6,022,318	20	7.51
above 1,000,000	69,068,890	9	86.11
Total	80,206,616	1,259	100

Top ten shareholders

	31 December 2025 No. of shares	Percentage
Fincom Limited	26,066,838	32.50
Betrin Limited	12,774,318	15.93
Monyaka Investments Limited	10,034,224	12.51
Primaco Limited	7,301,292	9.10
Paul Wanderi Ndungu	6,419,922	8.00
Vapa Limited	3,681,036	4.59
Rakesh Prakash Gadani	1,612,460	2.01
Nairobi Commercial Continental Limited	1,080,000	1.35
Chandan Jethanand Gidoomal	884,436	1.10
Investment & Mortgage Nominees Ltd A/c 028950	838,942	1.05

Directors' direct shareholdings

V Gidoomal	3,168
N Ng'ang'a	10,896
G M Mboya	10,080

REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited consolidated and Company financial statements of Car & General (Kenya) Plc (the "Company) and its subsidiaries (together the "Group") for the year ended 31 December 2025, in accordance with the Kenya Companies Act, 2015 which discloses the state of affairs of the Group and Company.

PRINCIPAL ACTIVITIES

The Company acts as a holding company and derives its revenue from rental income, management fees, interest income and dividend income.

The activities of the subsidiaries are detailed on pages 4 - 5.

GROUP RESULTS

	2025 Shs '000	2024 Shs '000
Profit before taxation	2,926,152	781,289
Taxation charge	(478,417)	(255,242)
Profit for the year	2,447,735	526,047
Attributable to:		
Owners of the parent	2,446,103	518,291
Non - controlling interests	1,632	7,756
	2,447,735	526,047

DIVIDEND

The directors propose payment of final dividend of Shs 250,000,000 (2024: Shs 64,165,293) which is equal to Shs. 3.12 (2024: Shs 0.80) per share based on issued share capital of 80,206,616 shares of Shs 5 each. This is in addition to the interim dividend of Shs 24,062,000 (Shs 0.30) paid during the year

DIRECTORS

The present Board of Directors is shown on page 3.

ENHANCED BUSINESS REVIEW

The general business environment in the region has been positive. Both inflation and interest rates have dropped. The exchange rate has also been stable. Real GDP in the East African economies are therefore looking positive subject to settlement in the Middle East. Disposable income is stable but could be impacted through the inflationary impact of oil and associated products. Fortunately, agriculture, tourism, hospitality and exports have remained resilient which, coupled with exchange rate stability, bode well for the region in the medium term.

The Group has managed these opportunities effectively during the financial year ended 31 December 2025. Our biggest opportunity has been the growth in Kenya of the 2-wheeler business. The other consumer businesses (three wheelers and consumable parts) have remained relatively stable. The two-wheeler and three-wheeler business in Tanzania has in fact grown, The Equipment businesses (namely generators, construction equipment, tractors and forklifts) have also performed positively. The Group has managed to grow volume and been able to achieve its market share objectives. Kenya, Tanzania and Watu Simu grew particularly strongly.

ENHANCED BUSINESS REVIEW (Continued)

Management continues to implement the growth strategy with the focus being establishing leading positions in core products in their respective markets. Assuming no further upheavals, it is expected that markets will continue to expand in 2026 and the two-wheeler market in Kenya will recover. Achieving 2026 volume objectives across the region and in all businesses is critical to delivering an EBITDA percentage of above 10% which remains a key financial objective.

The Group now has a great stable of quality businesses and brands catering to significant markets which are now well positioned to grow especially if economic prosperity is achieved across the region. We have in excess of 5 million customers who depend on our products. It is our duty to improve their lives by delivering a superior level of product and support.

In terms of investment property, the group is looking to commence a development in Shanzu. We have agreed terms with an anchor tenant. We continuously review the entire portfolio.

Subsequent to the reporting date, geopolitical tensions arising from the conflicts in Iran resulted in disruption to some global supply chains, including intermittent delays of logistics and volatility in oil prices which could have potential impact on the Group`s operations in future. Following the announcement of a ceasefire on 7th April 2026, the Group expects conditions to stabilize, although uncertainty remains. The Group has not experienced any significant disruptions to its operations to date.

The respective Boards of each operating entity within the Group continue to monitor the situation and will take appropriate action to ensure minimal impact to the operations of various subsidiaries.

Environmental matters

Car & General is committed to environmental responsibility and operates in full compliance with all applicable fuel emission standards and industry best-practice safety processes.

As part of our sustainability strategy, we are expanding our portfolio of electric and compressed natural gas (CNG) three-wheelers in Kenya and Tanzania. We continue to engage closely with suppliers to deliver fit-for-purpose two-wheelers that meet market needs while maintaining high standards of efficiency, reliability, and safety.

In partnership with SUN Mobility, the Group launched fast battery swapping technology in Kenya. In 2025, six battery swap stations were installed in Nairobi. Over 200 additional stations are scheduled for rollout in 2026 across Nairobi and Mombasa, significantly strengthening enabling infrastructure for electric mobility and supporting wider EV adoption.

Water Security and Climate Action

Water security remains a key pillar of our sustainability agenda. Under the Maji Uhai program, the Group focuses on water harvesting and conservation initiatives. In 2025, we constructed two dams at the Kenyan Coast and continue to identify new locations for sinking dams, developing water pans, and implementing other water harvesting solutions for deserving communities.

Additionally, the Group supports tree-planting initiatives as part of its commitment to environmental conservation and climate resilience.

Our people

In 2025, we established the CarGen Academy, a leadership and innovation hub dedicated to developing internal leadership talent through mentorship and structured training. The Academy also serves as a platform for innovation, working on projects that deliver practical, locally developed solutions to Car & General's operational and market challenges.

As at 31 December 2025, the group's staff headcount stood at 1,280 (2024: 1,189) and 2,397 (2024: 3,649) together with associates.

Social community initiatives

Car & General is guided by a commitment to strategic actions that positively impact society, the environment, and the communities in which we operate while strengthening the Group's brand reputation, attracting talent, and driving meaningful, long-term community change. We strive to deliver sustainable value to our stakeholders. We are in the process of establishing the Car & General foundation that will focus on social impact.

Health

The Group continues to invest in impactful health and community programs across the region. We maintain strong support for our eye clinic initiatives while the establishment of the **CarGen Lions Club** has further strengthened our capacity to advance community and health interventions.

In Kenya, through the **Na Macho Yaone** initiative, we screened 4,000 students in two primary schools located in the industrial area informal settlements of Nairobi in 2025, improving early detection of eye conditions and access to care. We also regularly conduct blood donation drives to support national blood banks and contribute to saving lives.

In Tanzania, Kibo Poultry supports community nutrition and income generation by donating chicken to families, enabling them to start poultry rearing programs. These initiatives help improve household incomes while increasing access to affordable protein in daily diets.

Skill Development and Youth Empowerment

The CarGen Tech-Up Program, launched in 2022, continues to strengthen the capacity of motorcycle and automotive mechanics across the country. In 2025 alone, 965 technicians were trained, bringing the total number of mechanics trained nationwide to 5,965.

On education and talent development, the Group collaborates with over 10 universities and colleges to offer internships and industrial attachments across its outlets. These programs are designed to nurture fresh graduate talent and build a strong pipeline of future professionals for the Group. Our collaboration with TVET institutions goes beyond equipment support.

BOARD AUDIT AND RISK COMMITTEE

The Directors recommend that Mr P Shah, Mr S P Gidoomal and Mr C Ngini the members of the Board Audit Committee, be re-appointed as members of the Committee in accordance with provisions of Section 769 of the Kenya Companies Act, 2015.

DIRECTORS' CONFLICTS OF INTEREST

The Company has procedures in place for managing conflicts of interest. Should a director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they notify the Board in writing or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

DIRECTORS' INDEMNITIES

The Group maintains Directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors. The Group has also granted indemnities to each of its Directors and the Group Secretary to the extent permitted by law.

DIRECTOR'S STATEMENT AS TO INFORMATION GIVEN TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and

DIRECTOR'S STATEMENT AS TO INFORMATION GIVEN TO AUDITORS (Continued)

- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with provisions of Section 719(2) of the Kenya Companies Act, 2015 and being eligible, offer themselves for re-election in accordance with provisions of Section 721 of the same law. The Directors monitor the effectiveness, objectivity and independence of the auditor. The Directors also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

BY ORDER OF THE BOARD

Conrad Nyukuri
Secretary

29 April 2026

INFORMATION IN THE DIRECTOR`S REMUNERATION REPORT NOT SUBJECT TO AUDIT

The Directors' Remuneration Report sets out policy that has been applied by the Group to remunerate Executive and Non-Executive Directors.

Remuneration policy

The Governance, Nominations and Compensation Committee considers the remuneration policy annually to ensure that it remains aligned to business needs and Directors are fairly rewarded with regard to the responsibilities taken.

The Committee makes its recommendation to the main Board. The entire Board then collectively decides what is presented to shareholders for approval. For the year ended 31 December 2025, the following is the recommended remuneration for Non-Executive Directors.

Annual basic retainer fee per Director

	2025 Shs	2024 Shs
Main Board Chairman	177,151	165,562
Audit Committee Chairman	159,437	149,006
Other Directors	141,723	132,451
	========	======

Sitting allowances per Director

	Board Shs	Audit & Risk Committee Shs	Governance and Compensation Committee Shs	Any other Committee Ksh
Chairman	177,151	159,437	118,100	118,100
Other Directors	141,723	118,100	118,100	118,100
	=======	=======	=======	=======

Executive Directors

The Executive Directors' remuneration is designed to attract talented persons with relevant skills and experience required for the job.

Non-Executive Directors

The Group appoints as Non-Executive Directors persons with a wide range of strategic and operational experience gained in other businesses or organizations.

Non-Executive Directors earn an annual basic retainer fee and sitting allowances per meeting attended.

Insurance

The Group has in place a Directors' and officers' liability insurance cover.

Shareholding requirements

The remuneration of Directors is paid in cash. As per the Memorandum and Articles of Association of the company, there is no requirement for Directors to hold shares in the company.

Terms of appointment and termination

The Executive Director has a service contract with the company and is a member of the company's pension scheme.

The contract may be terminated by giving six months' notice.

The Non-Executive Directors do not have service contracts with the company but are issued with letters of appointment. On exit from the company as a Director, a Non-Executive Director is only entitled to any accrued but unpaid Directors fees.

DETAILS OF DIRECTOR`S REMUNERATION

Remuneration

31 December 2025	Salaries and benefits Shs'000'	Pension scheme Shs'000'	Directors fees Shs'000'	Total Shs'000'
Mr V V Gidoomal*	29,472	230	-	29,702
Mr N Ng'ang'a CBS	-	-	2,397	2,397
Mr P Shah	-	-	2,883	2,883
Mr S P Gidoomal	-	-	2,203	2,203
Mr M Soundararajan	-	-	1,129	1,129
Mr C M Ngini	-	-	1,409	1,409
Ms G M Mboya	-	-	1,439	1,439
Mr N Hira	-	-	1,225	1,225
Ms E Koimett	-	-	265	265
Mr D Karuga	-	-	265	265
Total	29,472	230	13,215	42,917

31 December 2024	Salaries and benefits Shs'000'	Pension scheme Shs'000'	Directors fees Shs'000'	Total Shs'000'
Mr V V Gidoomal*	27,780	290	-	28,070
Mr N Ngángá, CBS	-	-	1,537	1,537
Mr P Shah	-	-	2,052	2,052
Mr S P Gidoomal	-	-	2,095	2,095
Mr M Soundararajan	-	-	1,544	1,544
Mr C M Ngini	-	-	1,724	1,724
Ms G M Mboya	-	-	1,241	1,241
Total	27,780	290	10,193	38,263

*Mr V V Gidoomal is an Executive Director and the Group Chief Executive Officer.

BY ORDER OF THE BOARD

Conrad Nyukuri
Secretary

29 April 2026

CAR & GENERAL (KENYA) PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenya Companies Act, 2015 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Company as at the end of the financial year and of its profit or loss for that year. The directors are responsible for ensuring that the Group and Company keep proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enables them to prepare financial statements of the Group and Company that comply with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenya Companies Act, 2015. The Directors are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenya Companies Act, 2015. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) selecting suitable accounting policies and applying them consistently; and

(iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Group's and Company's ability to continue as going concerns, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's and Company's ability to continue as going concerns.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 29 April 2026 and signed on its behalf by:

N Ng'ang'a, CBS	V V Gidoomal
Director	Director

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INDEPENDENT AUDITORS` REPORT
TO THE SHAREHOLDERS OF CAR & GENERAL (KENYA) PLC

Report on the Audit of the Consolidated and Company Financial Statements

Our opinion

We have audited the accompanying financial statements of Car & General (Kenya) Plc ("the Company") and its subsidiaries (together, "the Group"), set out on pages 22 to 92, which comprise the consolidated and company statements of financial position as at 31 December 2025 and consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and company financial position of Car & General (Kenya) Plc as at 31 December 2025 and of its consolidated and company financial performance and its consolidated and company cash flows for the year then ended in accordance with IFRS® Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Kenya Companies Act, 2015.

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 consolidated and company financial statements* section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code),* as applicable to audits of financial statements of public interest entities, together with the other ethical requirements that are relevant to audit of the financial statements of public interest entities in Kenya. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated and company financial statements of the current period. The matter was addressed in the context of our audit of the consolidated and company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of the Consolidated and Company Financial Statements (Continued)

Key Audit Matter (Continued)

Key audit matter	*How our audit addressed the Key audit matter*
Valuation of investment properties As disclosed in Note 15 to the consolidated and company financial statements, the fair value of the Group's and the Company's investment properties amounted to Shs 3,153 million and Shs 2,426 million respectively as at 31 December 2025. These balances represent approximately 14% of the Group's total assets and 51% of the Company's total assets respectively. The fair value of a significant portion of the investment properties is determined by management using the income capitalisation approach, supplemented by the cost approach for certain properties. The income capitalisation approach involves a high degree of judgement and estimation uncertainty, as it requires management to make assumptions about future rental income and market conditions. Key assumptions applied in the valuation include market rental rates, occupancy levels, capitalisation yields, forecast operating costs and terminal values, all of which are subject to changes in market dynamics and economic conditions. Relatively small changes in these assumptions could result in a significant impact on the fair values recognised in the financial statements. Given the materiality of the investment property balances, the subjective nature of the valuation assumptions and the sensitivity of the valuations to changes in those assumptions, we considered the valuation of investment properties to be a key audit matter. Refer to Note 2 for the accounting policy on investment properties.	Our procedures to address the risk of material misstatement relating to valuation of investment properties included: • Evaluating whether the valuation methodologies applied were appropriate and consistent with those used in prior periods and with the requirements of the applicable financial reporting framework. • Assessing the objectivity, competence and capabilities of the independent valuers engaged by the Directors. • Involving our internal valuation specialists to assist in evaluating the reasonableness of key assumptions, with particular focus on the capitalisation/yield rates applied. • Comparing the capitalisation rates used to externally available market data for comparable properties, taking into account the location, type, lease maturity and tenant profile of the properties. • Testing key inputs into the valuation models, including rental income and lease terms, by agreeing them to underlying lease agreements and management records. • Performing sensitivity analyses to assess the impact of reasonably possible changes in key assumptions on the fair values of the investment properties. • Assessing the adequacy of the disclosures related to investment properties, including valuation techniques, significant assumptions and sensitivity information. • Review of the work performed by component auditors in relation to the valuation of investment property, including an evaluation of their challenge of key judgements and assumptions applied. Based on procedures performed, we concluded that the methodology and assumptions used by the Directors in the valuation of investment properties were appropriate. In addition, the disclosures pertaining to the valuation of investment properties in the financial statements were found to be appropriate.

Other Information

The Directors are responsible for the other information, which comprises the Chairman's Report, Corporate Governance Report, Report of the Directors and Directors' Remuneration Report which were obtained prior to the date of our report. The other information does not include the consolidated and company financial statements and our auditors' report thereon.

Our opinion on the consolidated and company financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenya Companies Act, 2015, as set out below.

Report on the Audit of the Consolidated and Company Financial Statements (Continued)

Other information (continued)

In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Directors and those charged with governance for the consolidated and company financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and company financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenya Companies Act, 2015, and for such internal controls as Directors determine are necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as going concerns, 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 and its subsidiaries or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company 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 consolidated and company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and company 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 Group's and 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 Group's and Company 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 consolidated and company 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 Group and/or the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated and Company financial statements, including the disclosures and whether the consolidated and company financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

Report on the Audit of the Consolidated and Company Financial Statements (Continued)

Auditor's responsibilities for the audit of the consolidated and company financial statements (continued)

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entity or business units within the Group as a basis of forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board Audit Committee with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and company financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Matters Prescribed by the Kenya Companies Act, 2015

Report of the Directors

In our opinion the information given in the Report of the Directors on pages 11 to 14 is consistent with the consolidated and company financial statements.

Directors' Remuneration Report

In our opinion the auditable part of the Directors' Remuneration Report on page 16 has been prepared in accordance with the Kenya Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA David Waweru, Practising certificate No. 2204.**

For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi

29 April 2026

UNIQUE CODE: 64655260429

CAR & GENERAL (KENYA) PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Shs '000	2024 Shs '000
REVENUE	5	25,338,614	20,944,744
COST OF SALES		(20,676,554)	(17,734,698)
GROSS PROFIT		4,662,060	3,210,046
OTHER INCOME	7	224,947	227,297
GAIN IN FAIR VALUE OF INVESTMENT PROPERTIES	15	20,070	71,304
IMPAIRMENT PROVISION (INCLUDING REVERSALS OF IMPAIRMENT PROVISION) FOR FINANCIAL ASSETS	25	(73,936)	(5,489)
SELLING AND DISTRIBUTION COSTS		(1,255,237)	(1,112,821)
ADMINISTRATIVE EXPENSES		(1,794,568)	(1,498,121)
SHARE OF PROFIT IN ASSOCIATES	21	1,693,992	219,769
PROFIT BEFORE FINANCE COSTS, NET FOREIGN EXCHANGE GAINS/(LOSSES) AND TAXATION		3,477,328	1,111,985
FINANCE COSTS	8	(672,514)	(393,799)
FINANCE INCOME	6	94,124	35,795
NET FOREIGN EXCHANGE GAINS		27,214	27,308
PROFIT BEFORE TAXATION	10	2,926,152	781,289
TAXATION CHARGE	11	(478,417)	(255,242)
PROFIT FOR THE YEAR		2,447,735	526,047
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified subsequently to profit or loss:			
Gain on property revaluation	16	139,679	70,546
Deferred tax on revaluation of property	28	(42,490)	(10,394)
		97,189	60,152
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		(11,100)	(503,624)
Other comprehensive income/(loss) for the year, net of tax		86,089	(443,472)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,533,824	82,575

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

	Note	2025 Shs '000	2024 Shs '000
PROFIT FOR THE YEAR IS ATTRIBUTABLE TO:			
Owners of the company		2,446,103	518,291
Non - controlling interests	12	1,632	7,756
Profit for the year		2,447,735	526,047
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		2,532,192	74,819
Non - controlling interests	12	1,632	7,756
Total comprehensive income for the year		2,533,824	82,575
EARNINGS PER SHARE:			
Basic and diluted earnings per share (Shs)	13	30.50	6.46
EARNINGS BEFORE FINANCE COSTS, DEPRECIATION, AMORTIZATION AND TAXATION	14	3,833,509	1,513,068

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Shs '000	2024 Shs '000
REVENUE	5	255,810	269,886
OTHER INCOME	7	2,703	1,929
GAIN IN FAIR VALUE OF INVESTMENT PROPERTIES	15	10,000	27,500
ADMINISTRATIVE EXPENSES		(201,381)	(174,322)
PROFIT BEFORE FINANCE COSTS, NET FOREIGN EXCHANGE GAINS/(LOSSES) AND TAXATION		67,132	124,993
FINANCE COSTS	8	(104,525)	(46,955)
FINANCE INCOME	6	-	1,024
NET FOREIGN EXCHANGE LOSSES		(979)	(7,370)
(LOSS)/PROFIT BEFORE TAXATION	10	(38,372)	71,692
TAXATION CHARGE	11	(3,376)	(30,751)
(LOSS)/PROFIT FOR THE YEAR		(41,748)	40,941
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Gain on property revaluation	16	36,300	11,300
Deferred tax on revaluation of property	28	(10,890)	(3,390)
		25,410	7,910
Items that may be reclassified subsequently to profit or loss			
Exchange difference arising on translation of foreign operations net of tax		590	6,428
Other comprehensive income for the year, net of tax		26,000	14,338
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(15,748)	55,279
EARNINGS BEFORE FINANCE COSTS, DEPRECIATION, AMORTIZATION AND TAXATION	14	110,153	168,647

CAR & GENERAL (KENYA) PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 Shs '000	2024 Shs '000
ASSETS			
Non-current assets			
Investment properties	15	3,153,386	3,049,734
Property, plant and equipment	16	3,447,580	3,143,103
Intangible assets	17	24,409	46,444
Biological assets	18	95,525	72,479
Right of use assets	19	463,203	431,138
Investment in associates and others	21	2,960,773	1,239,239
Investment in debentures	22	6,483	-
Deferred tax asset	28	562,767	547,782
		10,714,126	8,529,919
Current assets			
Inventories	24	6,013,690	6,110,911
Trade and other receivables	25	3,273,121	2,883,781
Loan due from related company	26(b)	803,431	803,431
Corporate tax recoverable	11(c)	175,251	247,891
Cash and bank balances	32(c)	792,629	317,974
		11,058,122	10,363,988
Assets held for sale	23	-	83,104
		11,058,122	10,447,092
Total assets		21,772,248	18,977,011
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	27(a)	401,033	401,033
Revaluation reserve		1,135,274	1,047,312
Retained earnings		6,451,892	4,084,789
Exchange translation reserve		4,023	15,123
Equity attributable to owners of the parent		7,992,222	5,548,257
Non-controlling interests	12	267,512	265,880
		8,259,734	5,814,137
Non-current liabilities			
Deferred tax liabilities	28	1,059,532	1,081,677
Borrowings	29	1,517,592	739,610
Lease liabilities	30	442,672	369,077
Loan due to shareholder	26(c)	166,808	166,808
		3,186,604	2,357,172
Current liabilities			
Bank overdraft	32(c)	239,734	224,250
Borrowings	29	5,308,811	6,119,928
Lease liabilities	30	127,714	178,211
Trade and other payables	31	4,553,866	4,209,866
Corporate tax payable	11(c)	95,785	73,447
		10,325,910	10,805,702
Total equity and liabilities		21,772,248	18,977,011

The financial statements on pages 22 to 92 were approved and authorised for issue by the Board of Directors on 29 April 2026 and were signed on its behalf by:

N. Ng'ang'a, CBS
Director

V. V. Gidoomal
Director

CAR & GENERAL (KENYA) PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 Shs '000	2024 Shs '000
ASSETS			
Non-current assets			
Investment properties	15	2,425,682	2,384,234
Property, plant and equipment	16	641,240	619,369
Intangible assets	17	602	172
Right of use assets	19	190,694	215,038
Investment in subsidiaries	20	405,465	405,975
		3,663,683	3,624,788
Current assets			
Trade and other receivables	25	40,833	26,616
Due from related companies	26(a)	1,068,415	954,100
Corporate tax recoverable	11(c)	21,121	37,919
Cash and bank balances	32(c)	1,852	5,676
		1,132,221	1,024,311
Total assets		4,795,904	4,649,099
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	27(a)	401,033	401,033
Revaluation reserve		555,177	537,677
Retained earnings		717,411	839,476
Exchange translation reserve		9,943	9,353
		1,683,564	1,787,539
Non-current liabilities			
Deferred tax liability	28	697,865	695,592
Borrowings	29	207,421	-
Lease liabilities	30	255,588	276,294
		1,160,874	971,886
Current liabilities			
Due to related companies	26(d)	1,427,149	1,202,438
Bank overdrafts	32(c)	1,281	8
Borrowings	29	435,425	545,036
Lease liabilities	30	20,706	17,427
Trade and other payables	31	66,905	124,765
		1,951,466	1,889,674
		4,795,904	4,649,099

The financial statements on pages 22 to 92 were approved and authorised for issue by the Board of Directors on 29 April 2026 and were signed on its behalf by:

N. Ng'ang'a, CBS
Director

V. V. Gidoomal
Director

CAR & GENERAL (KENYA) PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital Shs '000	Revaluation Reserve* Shs '000	Retained earnings Shs '000	Exchange translation Reserve** Shs '000	Attributable to owners of the company Shs '000	Non - controlling interest Shs '000	Total Shs '000
At 1 January 2024	401,033	1,000,853	3,552,805	518,747	5,473,438	258,124	5,731,562
Profit for the year	-	-	518,291	-	518,291	7,756	526,047
Other comprehensive loss for the year	-	60,152	-	(503,624)	(443,472)	-	(443,472)
Transfer of excess depreciation	-	(19,561)	19,561	-	-	-	-
Deferred tax on excess depreciation transfer	-	5,868	(5,868)	-	-	-	-
At 31 December 2024	401,033	1,047,312	4,084,789	15,123	5,548,257	265,880	5,814,137
At 1 January 2025	401,033	1,047,312	4,084,789	15,123	5,548,257	265,880	5,814,137
Profit for the year	-	-	2,446,103	-	2,446,103	1,632	2,447,735
Other comprehensive income for the year	-	97,189	-	(11,100)	86,089	-	86,089
Transfer of excess depreciation	-	(13,182)	13,182	-	-	-	-
Deferred tax on excess depreciation transfer	-	3,955	(3,955)	-	-	-	-
Dividend paid – 2024	-	-	(64,165)	-	(64,165)	-	(64,165)
Dividends paid – Interim 2025	-	-	(24,062)	-	(24,062)	-	(24,062)
At 31 December 2025	401,033	1,135,274	6,451,892	4,023	7,992,222	267,512	8,259,734

The reserve accounts included in the statement of changes in equity are explained below:

*The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - Note 16.

**The foreign currency translation reserve represents the cumulative position of translation gains and losses arising from translation of the net assets of the foreign subsidiary companies to the reporting currency.

CAR & GENERAL (KENYA) PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital Shs' 000	Revaluation Reserve* Shs' 000	Retained earnings Shs' 000	Exchange translation reserve** Shs' 000	Total Shs' 000
At 1January 2024	401,033	537,019	791,283	2,925	1,732,260
Profit for the year	-	-	40,941	-	40,941
Other comprehensive income for the year	-	7,910	-	6,428	14,338
Transfer of excess depreciation	-	(10,360)	10,360	-	-
Deferred tax on depreciation transfer	-	3,108	(3,108)	-	-
At 31 December 2024	401,033	537,677	839,476	9,353	1,787,539
At 1 January 2025	401,033	537,677	839,476	9,353	1,787,539
Loss for the year	-	-	(41,748)	-	(41,748)
Other comprehensive income for the year	-	25,410	-	590	26,000
Transfer of excess depreciation	-	(11,300)	11,300	-	-
Deferred tax on depreciation transfer		3,390	(3,390)	-	-
Dividends paid – 2024	-	-	(64,165)	-	(64,165)
Dividends paid – Interim 2025	-	-	(24,062)	-	(24,062)
At 31 December 2025	401,033	555,177	717,411	9,943	1,683,564

The reserve accounts included in the statement of changes in equity are explained below:

*The asset revaluation reserve represents the net cumulative surplus arising from revaluations of property, plant and equipment - Note 16.

**The foreign currency translation reserve represents the cumulative position of translation gains and losses arising from translation of the net assets of the foreign operations to the reporting currency.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Shs '000	2024 Shs '000
Cash flows from operating activities			
Net cash generated from operations	32(a)	2,760,465	2,623,167
Corporate tax paid	11(c)	(543,933)	(66,367)
Interest received		94,124	35,795
Interest paid	8	(1,026,105)	(1,182,319)
Net cash generated from operating activities		1,284,551	1,410,276
Cash flows from investing activities			
Purchase of biological assets	18	(98,412)	(67,964)
Purchase of property, plant and equipment	16	(384,366)	(334,976)
Purchase of intangible assets	17	(3,313)	(1,216)
Investment in debenture	22	(6,483)	-
Investment in ARC Ride Limited	21	-	(35,265)
Proceeds on disposal of property, plant and equipment		23,594	11,460
Net cash used in investing activities		(468,980)	(427,961)
Cash flows from financing activities			
Repayment of lease liabilities	30	(140,194)	(147,573)
Loans received	32(b)	21,666,957	20,146,018
Loans repaid	32(b)	(21,794,329)	(20,830,350)
Hire - purchase finance	32(b)	-	8,152
Acquisition of subsidiary		-	(295,231)
Dividend paid		(88,227)	-
Net cash used in financing activities		(355,793)	(1,118,984)
Net increase/(decrease) in cash and cash equivalents		459,778	(136,669)
Cash and cash equivalents at beginning of the year		93,724	282,777
Effects of foreign exchange rate changes		(607)	(52,384)
Cash and cash equivalents at end of the year	32(c)	552,895	93,724

CAR & GENERAL (KENYA) PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Shs '000	2024 Shs '000
Cash flows from operating activities			
Net cash generated from operations	32(a)	161,203	80,938
Corporation tax paid	11(c)	(17,772)	(1,706)
Interest paid	8	(103,752)	(102,141)
Net cash generated from/(used in) from operating activities		39,679	(22,909)
Cash flows from investing activities			
Improvements to investment properties	15	(31,480)	-
Purchase of property, plant and equipment	16	(4,213)	(2,848)
Purchase of intangible assets	17	(465)	-
Net cash used in investing activities		(36,158)	(2,848)
Cash flows from financing activities			
Repayment of lease liabilities	30	(17,427)	(14,601)
Loans received	32(b)	453,512	186,831
Loans repaid	32(b)	(356,475)	(141,279)
Dividend paid		(88,227)	-
Net cash (used in)/generated from financing activities		(8,617)	30,951
Net (decrease)/increase in cash and cash equivalents		(5,096)	5,194
Cash and cash equivalents at the beginning of the year		5,668	933
Effects of foreign exchange rate changes		(1)	(459)
Cash and cash equivalents at the end of the year	32(c)	571	5,668

1. GENERAL INFORMATION

Car & General (Kenya) Plc is a limited liability company incorporated in Kenya under the Kenya Companies Act, 2015 and is domiciled in Kenya. The Group derives its revenue from rental income, management fees, sale and servicing of commercial engines and power equipment, motorbikes, tuktuks, laundry equipment, lawn mowers, scooters, marine engines, construction equipment, wide range of automotive and engineering products, manufacture and distribution of helmets and asset financing.

The Company shares are listed on the Nairobi Securities Exchange.

2 MATERIAL ACCOUNTING POLICIES

Statement of compliance

The consolidated and company financial statements (hereafter referred to as financial statements) have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenya Companies Act, 2015.

For the Kenya Companies Act, 2015 reporting purposes, in these financial statements, the balance sheet is represented by/is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

The accounting policies apply to both consolidated and company financial statements.

Adoption of new and revised IFRS Accounting Standards

(i) Relevant new and amendments to standards and interpretations on the financial statements effective for the year ended 31 December 2025

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16 – Lease liability in a Sale and Lease back

The amendment became effective for annual periods beginning on or after 1 January 2025.
The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

The directors do not expect that the adoption of the amendment will have an impact on the financial statements of the Group and Company.

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

The amendment is effective for annual periods beginning on or after 1 January 2025.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Adoption of new and revised IFRS Accounting Standards (Continued)

(i) Relevant new and amendments to standards and interpretations on the financial statements effective for the year ended 31 December 2025 (Continued)

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements (Continued)

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The directors do not expect that the adoption of the amendment will have an impact on the financial statements of the Group and Company.

Amendments to IAS 1 – Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants(Including the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

These amendments had no impact on the financial statements of the Group and Company.

Amendments to IAS 1-Classification of liabilities as current or non-current

The amendment became effective for annual periods beginning on or after 1 January 2025. The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Adoption of new and revised IFRS Accounting Standards (Continued)

i) ***Relevant new and amendments to standards and interpretations on the financial statements effective for the year ended 31 December 2025 (Continued)***

Amendments to IAS 1-Classification of liabilities as current or non-current (Continued)

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2025, with early application permitted. The IASB has aligned the effective date with the 2024 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2024 amendments early.

The directors do not expect that the adoption of the amendment will have an impact on the financial statements of the Group and Company.

Amendments to IAS 21 - Lack of Exchangeability

The amendment is effective for annual periods beginning on or after 1 January 2025.

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.

ii) ***Relevant New and revised IFRS Accounting Standards in issue but not yet effective for the year ended 31 December 2025***

At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

New and Amendments to standards	***Effective for annual periods beginning on or after***
IFRS 18 - *Presentation and Disclosure in Financial Statements*	1 January 2027 as earlier adoption permitted
IFRS 19 – *Subsidiaries without Public Accountability Disclosures*	1 January 2027
Amendments to IFRS 7 and 9 – *Amendment to the classification and measurement of financial instruments*	1 January 2026

2 MATERIAL ACCOUNTING POLICIES (Continued)

Adoption of new and revised IFRS Accounting Standards (Continued)

ii) Relevant New and revised IFRS Accounting Standards in issue but not yet effective for the year ended 31 December 2025 (Continued)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, as detailed below:

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (issued in May 2025)	The amendments include a new requirement to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met; and provide clarifications regarding assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and investments in contractually linked instruments. The IASB also amended the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be applied prospectively. The amendments are not expected to have a material impact on the Group's financial statements.
IFRS 18 Presentation and Disclosure in Financial Statements	In April 2025, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) which includes presentation and disclosure requirements for all entities applying IFRS Accounting Standards. When effective, IFRS 18 supersedes IAS 1 Presentation of Financial Statements. Entities will continue to apply IAS 7 Statement of Cash Flows, although there are certain limited amendments to IAS 7 as a result of IFRS 18. The standard will not impact the recognition or measurement of items in the financial statements but will impact how companies present and disclose financial performance. Entities will be required to classify income and expenses in the following categories: • operating, • investing, • financing, • income taxes and discontinued operations. These categories apply to all entities, with some modification for entities whose main business activities relate to investments in assets (e.g., insurers and investment entities) or provision of financing to customers (e.g., banks). In addition to these categories, the standard requires two new defined subtotals to be presented in the financial statement, operating profit and profit before financing and income taxes. Enhanced principles on the aggregation and disaggregation of information have been included in IFRS 18. Supporting application guidance will assist in determining whether information about transactions should be included in the primary financial statements or notes. Most entities report alternative performance measures. IFRS 18 defines management-defined performance measures (MPMs). Entities are required to present MPMs in a single note to the financial statements and disclose reconciliations between the MPMs and totals or subtotals required by IFRS 18 or other IFRS Accounting Standards.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Adoption of new and revised IFRS Accounting Standards (Continued)

ii) Relevant New and revised IFRS Accounting Standards in issue but not yet effective for the year ended 31 December 2025 (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements (Continued)	The requirements will be applied retrospectively. The standard is applicable for period beginning on or after 1 January 2027. Earlier application is permitted. IFRS 18 introduces new presentation requirements, including mandatory subtotals in the statement of profit or loss and enhanced disclosure of management defined performance measures. The standard does not affect recognition or measurement. The Group is assessing the impact of IFRS 18 and expects the primary impact to relate to presentation and disclosure rather than financial performance or position.
IFRS 19 – Subsidiaries without public Accountability: Disclosures	The IASB issued IFRS 19 that permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. The Group is in the planning phase of determining the impact on the annual financial statements of its qualifying subsidiaries. IFRS 19 will however, not be applicable to the Group's annual financial statements as the Group's equity instruments are publicly traded. IFRS 19 introduces reduced disclosure requirements for eligible subsidiaries applying IFRS Accounting Standards. The standard affects disclosures only and does not impact recognition or measurement. IFRS 19 will not be applied in the Group's consolidated financial statements, but may be adopted by certain eligible subsidiaries for statutory reporting purposes. No material impact on the Group's consolidated financial statements is expected.

iii) Early adoption of standards

The Group did not early-adopt any new or amended standards in 2025.

Basis of preparation

The financial statements are prepared under the historical cost basis of accounting except for land and buildings and investment properties which are measured at revalued amounts and biological assets which are carried at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to revenue reserves) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 measured at fair value.

Non-controlling interests that represent ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS Accounting Standard.

Investment in associate

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the company's net investment in the associate) are not recognised, unless the company has incurred legal or constructive obligations or made payments on behalf of the associate.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Non-current assets held for sale (Continued)

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer

Sale of equipment, motorcycles and three-wheeler vehicles

The Group recognizes revenue when it satisfies a performance obligation by transferring promised goods to a customer (which is when the customer obtains control of the goods). The amount of revenue recognized is the amount allocated to the satisfied performance obligation. A performance obligation is satisfied at a point in time, for promises, to transfer goods to a customer. Revenue is stated net of Value Added Tax (VAT) and discounts.

Service revenue

Sales of services are recognised over time in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a percentage of the total services to be provided.

Rental income

Rental income is recognised when the Group's right to receive the rent payment is established.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

ICT Training and Talent development

ICT Training and Talent development revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the school's activities. This is shown net of rebates and discounts. The school recognises revenue to depict the transfer of promised services to students in an amount that reflects the consideration to which the school expects to be entitled in exchange for those services.

Poultry sale

The company recognises revenue from the following major sources:

- Sales of day-old chicks.
- Sales of eggs.
- Sales of parent stock.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Cost of sales

Cost of sales is the accumulated total of all costs used to create our products which have been sold. Cost of sales of inventory is recognized as an expense in the period in which the related revenue is recognized. The various costs of sales fall into the general sub-categories of carrying amount of inventories, direct labour, direct materials, depreciation, overheads and write-down of inventories. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The cost of sales does not include selling and distribution expenses.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to revenue reserves. At the end of each reporting period the difference between depreciation charge for the year based on revalued amount of property, and that based on historical cost is transferred from the revaluation reserve to the revenue reserve net of the related deferred tax.

Depreciation

Depreciation on other property, plant and equipment is provided using the reducing balance method at the following annual rates and recognised in profit or loss:

Buildings	2%
Machinery	12.5% - 25%
Furniture, fittings and equipment	12.5% - 30%
Motor vehicles	25%
Computers	30%

Leasehold land is depreciated over the unexpired term of the lease on the straight-line basis.

Intangible assets

Intangible assets represent computer software stated at cost less amortisation. Amortisation is calculated to write off the cost of computer software using the straight-line method at an annual rate of 20% and is included under administrative expenses in the statement of profit or loss and other comprehensive income.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

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

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount (higher of value in use and fair value less costs of disposal) of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Any impairment loss is recognised as an expense immediately under administrative expenses in the statement of profit or loss and other comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised as income immediately.

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprises of fixed lease payments (including the substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment loses.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of the profit or loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Investment properties

Investment properties, which is property held to earn rentals and/or for capital appreciation (including property under construction and leasehold land held for such purposes), is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the year in which they arise.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of the business including direct material costs and other overheads incurred to bring the asset to the existing location and condition. Cost of issues is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of disposal. An allowance is made for obsolete, slow moving and defective inventories.

Biological assets

Biological assets comprise of poultry and is carried at fair value. The fair value of livestock is determined based on the prices of livestock existing in the market less estimated point of sale costs.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Classification of financial assets

The Group classifies financial instruments into three categories as described below.

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Groups financial assets comprise of investment in debentures, trade and other receivables, loan due from related parties and cash and bank balances.

(i) De-recognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(ii) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment of Financial assets

The Group recognises an allowance for expected credit losses (ECLs) for its Trade receivables and Bank balances. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of Financial assets (Continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other assets include cash and bank balances and deposits which the Group uses counter party external rating equivalent both to determine whether the financial asset has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The group may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and and borrowings and payables, net of directly attributable transaction costs.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the group's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Related parties

The Group is controlled by Car & General (Kenya) Plc incorporated in Kenya being the ultimate parent. There are other companies that are related to Car & General (Kenya) Plc through common shareholdings or common Directorships.

The Group discloses the nature and amounts outstanding at the end of each financial year from transactions with related parties, which include transactions with the Directors, executive officers and related companies.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred taxation

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset on consolidation.

Employee entitlements

Employee entitlements to annual leave and gratuity are recognised when they accrue to employees. A provision is made for the estimated liability for the entitlements as a result of services rendered by employees up to the reporting date.

Employee benefits obligations

The group operates a defined contribution pension scheme for its eligible employees. The assets of the scheme are held in a separate trustee administered fund. The scheme is funded by payments from both the employees and the companies in the group.

The Group also contributes to statutory defined contribution pension schemes in the countries where the entities in the group operate, the National Social Security Fund (NSSF). Contributions are determined by local statute.

The Group's obligations to retirement benefit schemes are recognised in profit or loss as they fall due.

Foreign currencies

Assets and liabilities at year end which are expressed in foreign currencies are translated at the exchange rates ruling at year end. Transactions during the year which are denominated in foreign currency are translated at the rates of exchange ruling at the transaction dates. Gains and losses on exchange are dealt with in the profit or loss in the year in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Kenya Shillings using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate) under the translation reserve/(deficit).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value net of any outstanding bank overdrafts at the end of the reporting period.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (Group Chief Executive Officer). The directors then allocate resources to and assess the performance of the operating segments of the Group.

2 MATERIAL ACCOUNTING POLICIES (Continued)

Segmental reporting (Continued)

The operating segments are based on the Group's internal reporting structure. In accordance with IFRS 8, the Group has the following operating segments; trade and workshop, rental, poultry, investment properties, financial services, joint venture, manufacturing and Information and Computer Technology (ICT) training and development.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Capital expenditure represents the total cost incurred during the year to acquire segment assets that are expected to be used during more than one period (property, plant and equipment).

Provisions

Provisions for restructuring costs and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the asset based either on actual cost on specific borrowings or, in the case of general borrowings, based on a weighted average cost.

Capitalisation of borrowing costs ceases when all activities necessary to prepare the asset for its intended use or sale are complete. All other borrowing costs are recognised in profit or loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty (Continued)

a) Revaluation of land and buildings

Land and buildings are measured at revalued amounts, with fair value determined by independent valuation experts. Valuations use market and cost approaches, considering comparable sales and replacement cost. Estimation uncertainty arises from the use of expert judgement, value ranges provided, and assumptions about market conditions and asset characteristics. The final value selected reflects management's judgement within the expert's range.

b) Valuation of investment properties

Investment properties are measured at revalued amounts. Where market-observable (Level 1) inputs are unavailable, the Group engages independent, qualified valuation experts to determine fair value. These experts provide value ranges based on appropriate valuation techniques and inputs, agreed in consultation with the Directors. Estimation uncertainty arises from the use of professional judgement, the selection of valuation methods, and the range of possible values due to unobservable inputs and changing market conditions.

c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The measurement of impairment losses across all categories of financial assets requires judgement and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's Expected Credit Losses (ECL) calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Historical default and expected loss rates;
- The Group's criteria for assessing if there has been a significant increase in credit risk; and
- Development of ECL models, including the various formulas and the choice of inputs.

d) Determination of discount rate on leases

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses either the property yield or incremental borrowing rate (IBR) to measure the lease liabilities. For property leases that make up substantially all of the Group's lease portfolio, the discount rate is the estimated property yield over a similar lease term assessed at commencement date.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group's incremental borrowing rate is estimated at the Group level and is based on the average rate of obtaining loans from commercial banks.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately above), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several property lease contracts that include extension options.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying the Group's accounting policies (Continued)

(i) Determining the lease term of contracts with renewal and termination options (Continued)

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate.

(ii) Classification of rental property as property, plant and equipment or investment property

The Group determines whether a property should be classified as investment property or property, plant and equipment by considering the following factors;

- The intention for the use of the property;
- The proportion of leased space to the owner-occupied space;
- The proportion of rental income to the total income;
- The portion that is held for rentals or capital appreciation versus the portion that is held for use in the production or supply of goods or services or for administrative purposes; and
- The significance of ancillary services provided to the occupants of the property.

Included in land and buildings is a property valued at Shs 535 million (2024: Shs 500 million) that is currently partly leased out to third parties and occupied by the Group. The Group has treated the property as land and buildings as opposed to investment property since the proportion of leased space to the owner-occupied space is less than 30 percent.

4 SEGMENTAL INFORMATION

(a) Reportable segments

The Group's reportable segments under IFRS 8 are as follows:

- Trade and workshop – sales and service of power equipment, household goods, agricultural tractors and implements, marine engines, motor cycles, motor cars, three-wheeler vehicles, commercial laundry equipment, commercial engines and general goods.
- Investment properties– property rentals.
- Poultry – day old chick farming.
- ICT service provider - development and acquisition of technology solutions for resale internally and to third parties.
- Manufacturing - manufacture of helmets, plastic components, and motorcycle safety accessories.

(b) Segment revenues and results

The segment information provided to the Group Chief Executive Officer for reportable segments is as follows:

	Trade and workshop Shs '000	Investment properties Shs '000	Poultry Shs '000	Manufacturing Shs '000	ICT Training and development Shs '000	Total Shs '000
31/12/2025						
Revenue	24,061,828	154,858	853,675	265,776	2,477	25,338,614
Gain in fair value of investment properties	-	20,070	-	-	-	20,070

4 SEGMENTAL INFORMATION

	Trade and workshop Shs '000	Investment properties Shs '000	Poultry Shs '000	Manufacturing Shs '000	ICT Training and development Shs '000	Total Shs '000
31/12/2024						
Revenue	19,929,791	176,046	563,364	268,422	7,121	20,944,744
Gain in fair value of investment properties	-	71,304	-	-	-	71,304

Revenue reported above represents revenue generated from external customers.

No single customer contributed 5% or more to the group's revenue in either 2025 or 2024.

4 SEGMENTAL INFORMATION (Continued)

(b) Segment revenues and results (Continued)

	Trade and workshop Shs '000	Investment properties Shs '000	Poultry Shs '000	Financial Services* Shs '000	ICT Training & Talent Development Shs '000	Manufacturing Shs '000	Total Shs '000
31 December 2025							
Earnings before finance cost, depreciation, amortization and taxation							
Kenya	658,565	110,153	-	-	66	25,598	794,382
Uganda	156,220	-	-	-	-	-	156,220
Tanzania	987,905	-	207,289	-	-	-	1,195,194
Rwanda	(6,279)	-	-	-	-	-	(6,279)
Associates	-	-	-	1,693,992	-	-	1,693,992
Total	1,796,411	110,153	207,289	1,693,992	66	25,598	3,833,509
31 December 2024							
Earnings before finance cost, depreciation, amortization and taxation							
Kenya	370,797	168,647	-	-	488	9,796	549,728
Uganda	166,761	-	-	-	-	-	166,761
Tanzania	525,386	-	51,417	-	-	-	576,803
Rwanda	(2)	-	-	-	-	-	(2)
Associates	-	-	-	219,778	-	-	219,778
Total	1,062,942	168,647	51,417	219,778	488	9,796	1,513,068

*Financial services business is undertaken through associates. EBITDA figures for financial services are after tax, depreciation and armotisation.

4 SEGMENTAL INFORMATION (Continued)

(c) Segment assets and liabilities

	Trade and workshop Shs '000	Investment properties Shs '000	Poultry Shs '000	ICT Training & Talent Development Shs '000	Manufacturing Shs '000	Total Shs '000
31 December 2025						
Assets	16,735,669	3,706,368	1,164,935	7,772	157,504	21,772,248
Liabilities	11,348,585	1,685,191	382,334	1,304	95,100	13,512,514
31 December 2024						
Assets	14,361,639	3,656,829	769,335	6,650	182,558	18,977,011
Liabilities	11,351,062	1,469,994	196,531	1,033	144,254	13,162,874

(d) Other segment information

	Trade and workshop Shs '000	Investment properties Shs '000	Poultry Shs '000	ICT Training & Talent Development Shs '000	Manufacturing Shs '000	Total Shs '000
31 December 2025						
Cost of sales	19,897,715	-	507,056	8,757	263,026	20,676,554
Other income	220,302	2,673	818	-	1,154	224,947
Finance income	92,246	1,878	-	-	-	94,124
Expenses - selling and administrative	2,551,253	201,381	186,678	2,026	108,467	3,049,805
Interest expenses	895,458	103,752	3,205	-	23,690	1,026,105
Depreciation/amortisation	261,647	43,021	26,460	66	24,987	356,181
31 December 2024						
Cost of sales	17,140,404	-	407,230	4,861	182,204	17,734,699
Other income	202,213	1,929	21,650	-	1,505	227,297
Finance income	34,771	1,024	-	-	-	35,795
Expenses - selling and administrative	2,181,300	174,322	148,458	1,788	105,074	2,610,942
Interest expenses	1,056,740	102,141	3,203	-	26,859	1,188,943
Depreciation/amortisation	271,698	42,630	23,797	16	27,147	365,288

(e) Geographical information

The group's revenues are derived from sales in the following markets.

	2025 Shs '000	2024 Shs '000
Kenya	11,240,829	8,815,324
Uganda	1,502,982	1,562,573
Tanzania	12,594,803	10,566,847
Rwanda	-	-
	25,338,614	20,944,744

4 SEGMENTAL INFORMATION (Continued)

(f) The group's total assets and liabilities are located in the following countries:

	2025 Shs '000	2024 Shs '000
Non-current assets (excluding deferred tax assets)		
Kenya	8,165,810	6,515,379
Tanzania	1,774,011	1,272,120
Uganda	211,313	194,370
South Sudan	202	234
Rwanda	23	34
	10,151,359	7,982,137
Total assets		
Kenya	13,436,364	11,771,300
Tanzania	7,329,991	6,186,762
Uganda	995,380	1,000,751
Rwanda	10,292	17,943
South Sudan	221	255
	21,772,248	18,977,011
Total liabilities		
Kenya	9,001,138	8,212,832
Tanzania	4,195,104	4,537,448
Uganda	314,353	410,499
Rwanda	1,919	2,095
	13,512,514	13,162,874

	GROUP		COMPANY	
	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000 Restated *
5 REVENUE				
Trade and workshop	24,049,701	19,929,791	-	-
Poultry	853,675	563,364	-	-
ICT training and development	2,477	7,121	-	-
Rental income – third parties	166,985	176,046	154,858	176,046
Rental income – internal*	-	-	75,617	70,808
Management fees*	-	-	25,335	23,032
Manufacturing	265,776	268,422	-	-
Total	25,338,614	20,944,744	255,810	269,886

* Details of restatement are disclosed in Note 39

	GROUP 2025 Shs '000	GROUP 2024 Shs '000	COMPANY 2025 Shs '000	COMPANY 2024 Shs '000
6 FINANCE INCOME				
Interest income on related party loans – Watu Group	94,124	35,795	-	1,024
7 OTHER INCOME				
Gain on disposal of property, plant and equipment	3,106	2,277	-	-
Miscellaneous income *	221,841	225,020	2,703	1,929
	224,947	227,297	2,703	1,929

* Miscellaneous income mostly relates to marketing support services offered in Tanzania by Car & General Trading Limited - Tanzania.

8 FINANCE COSTS

	GROUP 2025 Shs '000	GROUP 2024 Shs '000	COMPANY 2025 Shs '000	COMPANY 2024 Shs '000
Interest on borrowings	975,032	1,134,096	83,234	80,466
Interest expense on lease liability (note 30)	51,073	48,223	20,518	21,675
Net foreign exchange (gains)/losses	(353,591)	(788,520)	773	(55,186)
	672,514	393,799	104,525	46,955

9 EMPLOYMENT COSTS

	GROUP 2025 Shs '000	GROUP 2024 Shs '000	COMPANY 2025 Shs '000	COMPANY 2024 Shs '000
Salaries and wages	1,397,478	1,328,621	59,994	37,883
Retirement benefit costs:				
- Defined contribution scheme	43,737	42,864	4,136	3,334
- National Social Security Fund contribution	55,426	47,136	2,683	132
Leave pay provision charge	8,486	8,324	2,196	1,776
	1,505,127	1,426,945	69,009	43,125
The average number of persons employed during the year, by category, were:				
Management, sales and distribution	1,280	1,189	71	64

10 PROFIT/(LOSS) BEFORE TAXATION

The profit/(loss) before tax is arrived at after charging/(crediting):

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Employment costs (note 9)	1,505,127	1,426,945	69,009	43,125
Directors' remuneration - non-Executive	13,215	10,193	13,215	10,193
- Executive	29,702	28,070	29,702	28,070
Auditors' remuneration	22,242	20,867	2,409	2,118
Depreciation of property, plant and equipment (note 16)	204,861	208,272	18,642	18,244
Amortisation of intangible assets (note 17)	6,635	8,158	35	42
Depreciation of right-of-use asset (note 19)	144,685	148,858	24,344	24,344
Impairment provision relating to trade receivables (note 25)	73,936	5,489	-	-
Impairment provision on investment in subsidiaries (note 20)	-	-	510	-
Interest expense on lease liability (note 30)	51,073	48,223	20,518	21,675
Net foreign exchange (gains)/losses	(380,805)	(815,828)	(206)	(47,816)
Loss on disposal of property, plant and equipment	3,106	2,277	-	-
Provision for inventory write off/(back)	36,706	(8,153)	-	-
Impairment provision relating to trade receivables	-	-	1,366	-

Auditors' remuneration

Statutory audit fees	20,858	19,430	1,980	1,689
Tax review fees	1,384	1,437	429	429
Total auditors' remuneration	22,242	20,867	2,409	2,118

11 TAXATION

(a) Taxation charge

Current taxation based on taxable income	506,957	114,224	11,992	23,684
Prior year under provision – current taxation	49,802	-	-	-
Deferred tax (credit)/charge (note 28)	(51,814)	116,840	(9,211)	7,067
Prior year over/under provision - deferred taxation (note 28)	(26,528)	24,178	595	-
Taxation charge	478,417	255,242	3,376	30,751

Amendments to Kenyan Income Tax laws during the year limited the carry forward of tax losses to five years. The Group and Company continues to carry forward certain tax losses beyond this period based on the interpretation of transitional provisions and the previous legislation. The matter is currently subject to ongoing legal proceedings before the High Court.

Management believes that it is probable that the tax position adopted will be sustained and has accordingly recognised deferred tax assets of Shs 394,020,000 for the Group in respect of these losses. The outcome of the legal proceedings may affect the amount of deferred tax assets recognised in future periods.

11 TAXATION (Continued)

(b) Reconciliation of expected tax based on accounting profit/(loss) to the taxation charge

The tax on the Group's and Company's profit/(loss) before taxation differ from the theoretical amount that would arise using the basic tax rate as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Profit/(loss) before taxation	2,926,152	781,289	(38,372)	71,692
Tax calculated at the applicable rate of 30%	885,738	282,654	(11,512)	21,508
Tax effect of share of results of associate	(534,214)	(106,258)		-
Tax effect of expenses not deductible for tax	114,968	67,617	14,278	7,054
Deferred tax on tax losses (not previously recognised now recognised)/not recognised	-	1,945	15	2,189
Effect of difference in tax rate	(11,349)	(14,894)	-	-
Prior year (over)/under provision - deferred taxation	(26,528)	24,178	595	-
Prior year under provision – current taxation	49,802	-	-	-
Taxation charge	478,417	255,242	3,376	30,751

(c) Corporate tax recoverable/(payable)

	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
At beginning of the year	174,444	232,168	37,919	59,897
Charge for the year (note 11(a))	(506,957)	(114,224)	(11,992)	(23,684)
Prior year under provision – current taxation (note 11(a))	(49,802)	-	-	-
Paid in the year	543,933	66,367	17,772)	1,706
Offsets*	(67,253)	-	(22,578)	-
Translation adjustments	(14,899)	(9,867)	-	-
At end of the year	79,466	174,444	21,121	37,919
This is analysed as:				
Corporate tax recoverable	175,251	247,891	21,121	37,919
Corporate tax payable	(95,785)	(73,447)	-	-
	79,466	174,444	21,121	37,919

*During the year, part of the tax recoverable balance was utilised to settle VAT and PAYE tax liabilities, as approved by the tax authority. The offsets were supported by official vouchers issued by the Kenya Revenue Authority. These offsets are presented separately from actual tax instalments paid during the year.

12 NON-CONTROLLING INTEREST - GROUP

	2025 Shs '000	2024 Shs '000
At the beginning of the year	265,880	258,124
Share of (loss)/profit for the year	1,632	7,756
At the end of the year	267,512	265,880

	2025 %	2024 %
Represented by non-controlling interests in:		
Car & General (Marine) Limited	16	16
Dewdrops Limited	34	34
Progen Company Limited	34	34
BodaPlus Limited	35	35

The above entities are incorporated in Kenya.

13 EARNINGS PER SHARE - GROUP

Earnings per share is calculated based on the profit attributable to equity holders of the Group divided by the weighted average number of ordinary shares outstanding during the year:

	2025	2024
Profit attributable to owners of the company (Shs' 000)	2,446,103	518,291
Weighted average number of ordinary shares	80,206,616	80,206,616
Basic and diluted earnings per share (Shs)	30.50	6.46

14 EARNINGS BEFORE FINANCE COSTS, DEPRECIATION, AMORTIZATION AND TAXATION

The Group and Company have disclosed Earnings before finance costs, depreciation, amortization and taxation because management believes that this measure is relevant to an understanding of the financial performance. This disclosure is provided for illustrative purposes only.

Earnings before finance costs, depreciation, amortization and taxation is calculated by adjusting profit for the year to exclude the impact of taxation, finance costs, depreciation of property, plant & equipment, amortisation of intangible assets and depreciation of right of use assets.

Earnings before finance costs, depreciation, amortization and taxation is not a defined performance measure in IFRS Accounting Standards. The Groups' definition of Earnings before finance costs, depreciation, amortization and taxation may not be comparable with similarly titled performance measures and disclosures by other entities.

14 EARNINGS BEFORE FINANCE COSTS, DEPRECIATION, AMORTIZATION AND TAXATION (Continued)

Reconciliation of Earnings before finance costs, depreciation, amortization and taxation to profit/(loss) for the year:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Profit/(loss) before tax	2,926,152	781,289	(38,372)	71,692
Finance costs	672,514	393,799	104,525	46,955
Finance income	(94,124)	-	-	-
Net foreign exchange (gains)/losses	(27,214)	(27,308)	979	7,370
Depreciation of property, plant and equipment	204,861	208,272	18,642	18,244
Amortisation of intangible assets	6,635	8,158	35	42
Depreciation of right of use asset	144,685	148,858	24,344	24,344
Earnings before finance costs, depreciation, amortization and taxation	3,833,509	1,513,068	110,153	168,647

15 INVESTMENT PROPERTIES

At beginning of the year	3,049,734	3,080,743	2,384,234	1,727,543
Reclassification to assets held for sale (Note 24)	83,104	(83,104)	-	-
Reclassification from property & equipment (Note 16)	-	-	-	630,000
Improvements in progress	-	-	31,480	-
Fair value gain	20,070	71,304	10,000	27,500
Translation adjustments	478	(19,209)	(32)	(809)
At end of the year	3,153,386	3,049,734	2,425,682	2,384,234

The fair value of the Group's and Company's investment properties as at 31 December 2025 have been arrived at on the basis of valuation carried out at that date by R.R Oswald & Company Limited, Survesis Company Limited and Trace Associates Limited. The valuers are registered, independent and not connected with the Group. R.R Oswald & Company Limited are members of the Institute of Surveyors of Kenya, Survesis Company Limited are members of the Institute of Surveyors of Uganda and Trace Associates are members of the Institute of Surveyors of Tanzania. The valuers have the appropriate qualifications, relevant and recent experience in the fair value measurement of property in various locations in Kenya, Uganda and Tanzania.

The carrying value of the investment properties charged as security for loan facilities is Shs 3,153 million (2024: Shs 3,050 million) and Shs 2,394 million (2024: Shs 2,384 million) for Group and Company at the end of the year. Details of the outstanding loan facilities are disclosed in note 29.

15 INVESTMENT PROPERTIES - GROUP AND COMPANY (Continued)

Details of the Group's and Company's investment properties and information about the fair value hierarchy at the end of the reporting period are as follows:

Group

	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000 Restated*	Total Shs'000 Restated*
31 December 2025				
New Cargen House	-	-	1,726,500	1,726,500
Shanzu plots	-	1,323,000	-	1,323,000
Kibo plot	-	103,684	-	103,684
Juba plot	-	202	-	202
	-	1,426,886	1,726,500	3,153,386
31 December 2024				
New Cargen House	-	-	1,726,500	1,726,500
Shanzu plots	-	1,323,000	-	1,323,000
Kibo plot	-	-	-	-
Juba plot	-	234	-	234
	-	1,323,234	1,726,500	3,049,734

Company

	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000 Restated*	Total Shs'000 Restated*
31 December 2025				
New Cargen House	-	-	1,726,500	1,726,500
C&G Retread House	-	-	656,480	656,480
Kisumu Property	-	-	42,500	42,500
Juba plot	-	202	-	202
	-	202	2,425,480	2,425,682
31 December 2024				
New Cargen House*	-	-	1,726,500	1,726,500
C&G Retread House*	-	-	615,000	615,000
Kisumu Property*	-	-	42,500	42,500
Juba plot	-	234	-	234
	-	234	2,384,000	2,384,234

* Details of restatement are disclosed in Note 39

15 INVESTMENT PROPERTIES - GROUP AND COMPANY (Continued)

Property	**Valuation technique**	**Significant unobservable inputs**	**Sensitivity**
New Cargen House	Income capitalization and cost approach methods.	Capitalisation rate, taking into account the capitalisation of annual rental income potential, nature of the property, and prevailing market condition and applied a 13.5 Year Purchase ("YP") factor, which effectively translated to a yield of 7.41% (2024: 7.41%).This was based on an analysis of potential or anticipated growth, earning potential, location, risk associated with marketability of the property and the yields realized across the commercial property in Kenya. Occupancy rate of 100% has been applied (2024: 100%) market average 80-90%.	A 1% increase in the capitalisation rate would result in a significant decrease in fair value of Shs 179 million, while a 1% decrease in the capitalisation rate would result in an increase in fair value of Shs 235 million. A 10% increase in the market rent used would result in a significant increase in fair value of Shs 151 million, and vice versa.
		Market prices for undeveloped land, taking into account the differences in location, and individual factors, such as frontage and size, between the comparable and the property, of Shs Shs 173M to Shs. 700M per acre (2024: Shs 300M to 348M per acre).	A slight increase in the market price used would result in a significant increase in fair value, and vice versa
		Warehouse construction costs of Shs 75,760 - Shs 89,980 per square meter (2024: Shs 61,465 - Shs 122,893 per square meter)	A slight increase in the cost of construction used would result in a significant increase in fair value, and vice versa
C.G. Retread	Cost method	Market prices for undeveloped land, taking into account the differences in location, and individual factors, such as frontage and size, between the comparable and the property, of Shs 173M to Shs. 700M (2024: Shs 300M to Shs. 348M per acre). Warehouse construction costs of Shs 48,250 – Shs. 52,020 per square meter (2024: Shs 48,050 - Shs 52,200 per square meter)	A 1% increase in the market price used would result in an increase in fair value of Shs 5 million, and vice versa A 1% increase in the cost of construction used would result in an increase in fair value of Shs 1 million, and vice versa
Shanzu plots	Market comparable approach	Market prices for undeveloped land, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, of Shs 50M – 60M weighted average per acre (2024: Shs 50M - Shs 60M weighted average per acre)	A 1% increase in the market price used would result in an increase in fair value of Shs 13 million, and vice versa.

15 INVESTMENT PROPERTIES - GROUP AND COMPANY (Continued)

Property	**Valuation technique**	**Significant unobservable inputs**	**Sensitivity**
Kisumu Property	Market comparable approach	Market prices for undeveloped land, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the property, of Shs 50M - Shs 60M weighted average per acre (2024: Shs 50M - Shs 60M weighted average per acre)	A 1% increase in the market price used would result in an increase in fair value of Shs 0.5 million, and vice versa.

There has been no change on the valuation technique during the year.

The income generated from the properties for both group and company are as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
Rental income from investment properties (note 5)	166,985	176,046	205,140	246,845
Direct operating expense arising from rented out investment property *	(98,851)	(93,913)	(121,438)	(131,686)
	68,134	82,133	83,702	115,159

*These expenses are recorded together with other administrative expenses.

16 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Land and buildings Shs '000	Machinery Shs '000	Furniture, fittings and equipment Shs '000	Motor vehicles Shs '000	Computers Shs '000	Total Shs '000
Cost or valuation						
At 1 January 2024	2,497,326	717,325	401,259	405,711	79,004	4,100,625
Translation adjustments	(233,782)	(12,611)	(39,158)	(37,103)	(4,428)	(327,082)
Additions	2,965	234,220	26,987	66,215	4,588	334,975
Transfer to Group Co	-	(5,123)	-	-	-	(5,123)
Disposals	-	(9,947)	(843)	(21,132)	(1,163)	(33,085)
Revaluation surplus	57,291	-	-	-	-	57,291
At 31 December 2024	2,323,800	923,864	388,245	413,691	78,001	4,127,601
At 1 January 2025	2,323,800	923,864	388,245	413,691	78,001	4,127,601
Translation adjustments	(144)	(7,746)	(398)	(1,568)	(75)	(9,931)
Additions	109,590	59,111	63,762	148,414	10,785	391,662
Disposals	-	(35,235)	(10,394)	(35,499)	(14,935)	(96,063)
Revaluation surplus	126,497	-	-	-	-	126,497
At 31 December 2025	2,559,743	939,994	441,215	525,038	73,776	4,539,766
Depreciation						
At 1 January 2024	12,249	376,672	187,941	247,122	49,905	873,889
Translation adjustments	(3,246)	(7,321)	(20,339)	(22,509)	(2,968)	(56,383)
Charge for the year	16,743	121,963	23,892	39,109	6,565	208,272
Transfer to Group Co	-	(4,063)	(60)	-	-	(4,123)
Eliminated on disposals	-	(4,622)	(624)	(17,821)	(835)	(23,902)
Write back on revaluation	(13,255)	-	-	-	-	(13,255)
At 31 December 2024	12,491	482,629	190,810	245,901	52,667	984,498
At 1 January 2025	12,491	482,629	190,810	245,901	52,667	984,498
Translation adjustments	(98)	(7,840)	223	(719)	2	(8,432)
Charge for the year	14,036	108,535	25,719	50,340	6,231	204,861
Eliminated on disposals	-	(30,374)	(8,101)	(25,669)	(11,430)	(75,574)
Write back/off on revaluation	(13,167)	-	-	-	-	(13,167)
At 31 December 2025	13,262	552,950	208,651	269,853	47,470	1,092,186
Net book value						
At 31 December 2025	2,546,481	387,044	232,564	255,185	26,306	3,447,580
At 31 December 2024	2,311,309	441,235	197,435	167,790	25,334	3,143,103
Net book value (cost basis)						
At 31 December 2025	833,510	387,044	232,564	255,185	26,306	1,734,609
At 31 December 2024	46,073	441,236	197,435	167,790	25,334	877,868

16 PROPERTY, PLANT AND EQUIPMENT – COMPANY (Continued)

	Land and buildings Shs '000	Motor vehicles Shs '000	Furniture, fittings and equipment Shs '000	Computers Shs '000	Total Shs '000
Cost or Valuation					
At 1 January 2024	1,195,000	557	94,854	11,650	1,302,061
Additions	-	-	2,768	80	2,848
Reclassification to investment property (Note 15)	(630,000)	-		-	(630,000)
At 31 December 2024	565,000	557	97,622	11,730	674,909
At 1 January 2025	565,000	557	97,622	11,730	674,909
Additions	-	-	3,167	1,046	4,213
Disposals	-	-	(2)	-	(2)
Revaluation surplus	25,000	-	-	-	25,000
At 31 December 2025	590,000	557	100,787	12,776	704,120
Depreciation					
At 1 January 2024	-	488	39,843	8,265	48,596
Charge for the year	11,300	20	6,336	588	18,244
Written back on revaluation	(11,300)	-	-	-	(11,300)
At 31 December 2024	-	508	46,179	8,853	55,540
At 1 January 2025	-	508	46,179	8,853	55,540
Charge for the year	11,300	15	6,724	603	18,642
Disposals	-	-	(2)	-	(2)
Written back on revaluation	(11,300)	-	-	-	(11,300)
At 31 December 2025	-	523	52,901	9,456	62,880
Net book value					
At 31 December 2025	590,000	34	47,886	3,320	641,240
At 31 December 2024	565,000	49	51,443	2,877	619,369
Net book value (cost basis)					
At 31 December 2025	575,837	34	47,886	3,320	627,077
At 31 December 2024	587,589	49	51,443	2,877	641,958

15 PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (Continued)

The additions during the year were acquired as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Cash purchases	384,366	334,976	36,158	2,848
Hire purchase financing (Note 29)	7,296	-	-	-
Total additions	391,662	334,976	36,158	2,848

Assets pledged as security

The carrying value of land and buildings charged as security for loan facilities is Shs 1.8 billion (2024: Shs 1.7 billion) and Shs 590 million (2024: Shs 565 million) for Group and Company respectively at the end of the year. Details of the outstanding loan facilities are disclosed in note 29.

Fair value measurement of the Group's and Company's land and buildings

The Group's and Company's land and buildings were revalued as at 31 December 2025 by independent valuers, R.R. Oswald Company Limited and Trace Associates Limited, not related to the Group. R.R Oswald & Company Limited are members of the Institute of Surveyors of Kenya and Trace Associates Limited are members of the Institute of Surveyors of Tanzania. The valuers have the appropriate qualifications and recent experience in the fair value measurements of properties in the relevant locations. The valuation conforms to International Valuation Standards (IVS) and Institution of Surveyors of Kenya (ISK) guidelines.

The fair value of the land was determined based on the sales comparison/market approach that reflects recent transaction prices for similar properties. The fair value for the buildings was determined using the contractors' method cost approach that reflects the cost to a market participant to construct or purchase assets of comparable utility adjusted for depreciation.

There has been no change in the valuation technique during the year. Below are the assumptions made by the valuer on the valuation report;

- The valuer applier a YP Factor of 13.5 (effectively, a capitalisation rate of 7.41%) based on an analysis of potential or anticipated growth, earning potential, location, risk associated with marketability of the property and the yields realized across the commercial property in Kenya.

The Valuer assumed that the property's current occupancy rate of 100% is the optimal occupancy rate. Details of the fair value hierarchy for the Group's and Company's property carried at fair value as at 31 December 2025 and 31 December 2024 are as follows:

	Level 1	Level 2	Level 3	Total
	Shs '000	Shs '000	Shs '000	Shs '000
31 December 2025				
Group				
Land and buildings	-	-	2,546,481	2,546,481
Company				
Land and buildings	-	-	590,000	590,000
31 December 2024				
Group				
Land and buildings	-	-	2,311,309	2,311,309
Company				
Land and buildings	-	-	565,000	565,000

There were no transfers between the levels during the current or prior year.

17 INTANGIBLE ASSETS - COMPUTER SOFTWARE

	GROUP Shs '000	COMPANY Shs '000
Cost		
At 1 January 2024	104,185	2,768
Translation adjustments	(12,802)	-
Additions	1,216	-
At 31 December 2024	92,599	2,768
At 1 January 2025	92,599	2,768
Translation adjustments	(200)	-
Additions	3,313	465
Write off	(22,149)	-
At 31 December 2025	73,563	3,233
Amortisation		
At 1 January 2024	42,389	2,554
Translation adjustments	(4,392)	-
Charge for the year	8,158	42
At 31 December 2024	46,155	2,596
At 1January 2025	46,155	2,596
Translation adjustments	26	-
Charge for the year	6,635	35
Elimination on write off	(3,662)	-
At 31 December 2025	49,154	2,631
Net book value		
At 31 December 2025	24,409	602
At 31 December 2024	46,444	172

Intangible assets relate to computer software in use by the Group. The intangible assets have an estimated useful life of 5 years.

The write offs during the year relate to software that is no longer in use.

18 BIOLOGICAL ASSETS

Changes in carrying amounts of the biological assets comprise:

	2025 Shs'000	2024 Shs'000
At start of year	72,479	52,373
Increase due to purchases	98,412	67,964
(Loss)/gains arising from changes in fair value	(1,893)	15,075
Decrease due to sales	(43,234)	(36,205)
Decrease due to mortality	(27,684)	(17,609)
Translation difference	(2,555)	(9,119)
At end of year	95,525	72,479

Poultry is made up of parent stock. There were no contracted commitments for development or acquisition of biological assets as at 31 December 2025 (2024: Nil).

Biological assets are carried at fair value less costs to sell at the end of each reporting year.

The fair value of the poultry is determined by management based on market prices of parent stock of similar age, breed and genetic merit.

The key assumptions made in the determination of the fair value are:

- the market price will remain constant based on estimated future market prices.
- the actual costs to sell will not change significantly from estimated costs.
- exchange rate will remain constant based on forecast

The following table presents Group's biological assets that are measured at fair value:

	Valuation technique	Level 1 Shs'000	Level 2 Shs'000	Level 3 Shs'000	Total Shs'000
Year ended 31 December 2025					
Poultry	Market approach	-	95,525	-	95,525
Year ended 31 December 2024					
Poultry	Market approach	-	72,479	-	72,479

There were no transfers between any levels during the year. In the calculation of the fair value for biological asset, the Group has applied market price and yield to the unobservable inputs. (loss)/gains arising from changes in fair value based on market prices for that age of poultry have been recognised in the statement of profit or loss as part of cost of sales.

Quantities of each biological asset age wise were as follows;

	2025 Number	2024 Number
1 - 10 weeks	12,352	17,631
11 - 20 weeks	36,846	13,715
21 - 40 weeks	34,248	32,579
40 weeks and above	22,208	15,575
	105,654	79,500

Sensitivity analysis

A 5% increase or decrease in market prices, with all other variables held constant would result in Shs. 4,776,000 (2024: Shs. 3,624,000) impact the fair value of biological assets.

19 RIGHT OF USE ASSETS

Group

	Buildings Shs '000	Motor vehicles Shs '000	Total Shs '000
Cost:			
At 1 January 2024	961,242	76,478	1,037,720
Translation adjustment	(51,487)	-	(51,487)
Additions	79,594	5,479	85,073
Retirement	(6,428)	-	(6,428)
Modifications/alteration*	(76,171)	(7,546)	(83,717)
At 31 December 2024	906,750	74,411	981,161
At 1 January 2025	906,750	74,411	981,161
Translation adjustment	(474)	-	(474)
Additions	193,285	-	193,285
Retirement	(96,604)	(64,106)	(160,710)
Modifications/alteration*	(114,737)	-	(114,737)
At 31 December 2025	888,220	10,305	898,525
Depreciation:			
At 1 January 2024	466,337	55,959	522,296
Translation adjustment	(35,608)	-	(35,608)
Charge for the year	124,822	24,036	148,858
Retirement	(6,428)	-	(6,428)
Modifications/alteration*	(73,174)	(5,921)	(79,095)
At 31 December 2024	475,949	74,074	550,023
At 1 January 2025	475,949	74,074	550,023
Translation adjustment	1,466	-	1,466
Charge for the year	135,063	9,622	144,685
Retirement	(71,176)	(80,690)	(151,866)
Modifications/alteration*	(108,986)	-	(108,986)
At 31 December 2025	432,316	3,006	435,322
Net book value:			
At 31 December 2025	455,904	7,299	463,203
At 31 December 2024	430,801	337	431,138

19 RIGHT OF USE ASSETS (Continued)

Company

	Buildings Shs '000
Cost:	
At 1 January 2024	342,844
Additions	-
At 31 December 2025	342,844
Depreciation:	
At 1 January 2024	103,462
Charge for the year	24,344
At 31 December 2024	127,806
At 1 January 2025	127,806
Charge for the year	24,344
At 31 December 2025	152,150
Net book value:	
At 31 December 2025	190,694
At 31 December 2024	215,038

The Group and Company leases several assets including buildings and motor vehicles. The average lease term for buildings is 3 to 8 years and motor vehicles is 2 to 5 years.

The various lease agreements do not provide for purchase options on expiry of the lease terms.

No restrictions have been imposed by the lessors on the Group and Company in respect to dividend pay outs, borrowings or further leasing.

Depreciation of right of use assets is included within depreciation and amortisation expense in the statement of profit or loss.

* Lease modification/alterations relate to lease retirement, extension and cancellation.

20 INVESTMENT IN SUBSIDIARIES - COMPANY

Details of investment	Country of incorporation	2025 % of equity interest	2024 % of equity interest	2025 Shs '000	2024 Shs '000
Wholly-owned subsidiaries					
Car & General (Trading) Limited – Tanzania	Tanzania	100%	100%	137,755	137,755
Kibo Poultry Products Limited	Tanzania	100%	100%	256,538	256,538
Car & General (Tanzania) Limited	Tanzania	100%	100%	2,600	2,600
Car & General (Uganda) Limited	Uganda	100%	100%	2,250	2,250
Car & General (Engineering) Limited	Kenya	100%	100%	2,600	2,600
Car & General (Rwanda) Limited*	Rwanda	100%	100%	508	508
Navigate Intel IT Cargen Limited	Kenya	100%	100%	500	500
Car & General (Industries) Limited	Kenya	100%	100%	20	20
Car & General (Trading) Limited - Kenya	Kenya	100%	100%	40	40
Cargen Insurance Agencies Limited*	Kenya	100%	100%	2	2
Sovereign Holdings International Limited	British	100%	100%	-	-
Car & General (Automotive) Limited	Kenya	100%	100%	-	-
Dew Tanzania Limited	Tanzania	100%	100%	-	-
Cummins C&G Holdings Limited	Mauritius	100%	100%	-	-
Non-wholly-owned subsidiaries					
Car & General (Marine) Limited	Kenya	84%	84%	3,155	3,155
Dewdrops Limited	Kenya	66%	66%	7	7
Progen Company Limited Kenya	Kenya	66%	66%	-	-
Bodaplus Limited	Kenya	65%	65%	-	-
				405,975	405,975
Impairment on investment in subsidiaries				(510)	-
				405,465	405,975

*Impairment on investment in subsidiaries relates to Car & General (Rwanda) Limited and Cargen Insurance Agencies Limited.

Set out below is the summarised financial information in respect of the subsidiaries with non-controlling interests:

	Car & General (Marine) Limited		Bodaplus Limited		Progen Company Limited		Dewdrops Limited	
	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000
Summarised statement of financial position								
Total assets	66,654	66,654	164,617	187,541	1,339,835	1,339,601	1,052,823	1,052,823
Total liabilities	19,215	19,108	111,426	140,004	1,186,354	1,174,115	430,818	430,724
Net assets	47,439	47,546	53,191	47,537	153,481	165,486	622,005	622,099
Non - controlling interests	16%	16%	35%	35%	34%	34%	34%	34%
Summarised statement of profit or loss								
Gain in fair value of investment property	-	-	-	-	-	73,000	-	-
Revenue	-	-	406,952	268,422	12,127	8,820	-	-
Cost of sales	-	-	(263,026)	(182,204)	-	-	-	-
Other income	-	-	1,154	1,505	-	-	-	-
Expenses	(107)	(116)	(132,598)	(132,127)	(22,006)	(3,171)	(94)	(29)
Tax		-	(6,831)	12,895	(3,343)	(23,595)	-	-
(Loss)/profit for the year	(107)	(116)	5,651	(31,509)	(13,222)	55,054	(94)	(29)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss)/gain for the year	(107)	(116)	5,651	(31,509)	(13,222)	55,054	(94)	(29)

21 INVESTMENT IN ASSOCIATES AND OTHERS - GROUP

i) INVESTMENT IN ASSOCIATES

Details of the Group's associates at the end of reporting year are as follows:

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2025	2024
Watu Tuu Limited	Microfinance Services	Mauritius	-	29.00%
Watu Holdings Limited	Microfinance Services through subsidiaries.	Mauritius	29.00%	29.00%
Nyali Mwenge Limited	Reseller of motorcycles and three wheelers	Tanzania	28.50%	28.50%
ARC Ride Limited	Assembly and sale of electric bikes	England	0.49%	0.7%

For 2025, the major operations for microfinance services were in Kenya, Tanzania and Uganda. The Group's investment in associates is as follows:

	2025 Shs'000	2024 Shs'000
Watu Holdings Limited	2,884,417	892,885
Watu Tuu Limited	-	276,606
Nyali Mwenge Limited	41,091	34,483
ARC Ride Limited	35,265	35,265
	2,960,773	1,239,239

The movement in the investment is as follows:

	2025 Shs'000	2024 Shs'000
At the beginning of the year	1,239,239	1,105,562
Share of profit in the year	1,693,992	219,769
Translation adjustment	27,542	(121,357)
Investment in the year – ARC Ride Limited	-	35,265
	2,960,773	1,239,239

21 INVESTMENT IN ASSOCIATES AND OTHERS – GROUP (Continued)

i) INVESTMENT IN ASSOCIATES (Continued)

Summarised financial information in respect of the Group's associates is set out below. The summarised financial information below represents the amount shown in the associate's financial statements for the year ended 31 December 2025 and 31 December 2024 prepared in accordance with IFRS Accounting Standards.

Associates	Watu Holdings Limited		Watu Tuu Limited		Nyali Mwenge Limited	
	2025	2024	2025	2024	2025	2024
	Sh '000	Sh '000	Sh '000	Sh '000	Sh '000	Sh '000
Current assets	48,205,385	27,549,392	-	4,685,775	910,296	920,004
Non-current assets	3,544,954	3,296,483	-	338,926	1,794	-
Non - current liabilities	32,048,112	25,364,517	-	2,516,943	-	-
Current liabilities	11,072,948	2,402,399	-	1,323,014	767,911	799,010
Cash and cash equivalent	2,290,599	763,833	-	94,355	50,739	21,225
Total revenue	28,349,663	14,713,605	3,419,964	2,595,328	2,709,825	3,052,129
Profit for the year	4,834,181	328,205	1,133,404	655,352	22,661	16,332
Group's share of profit /(loss) from associates	1,366,621	45,576	320,913	188,527	6,458	(14,334)

Turnover and profits in Watu Tuu are for the 9 months period to 30 September 2025 before the share swap.

(a) Watu Holdings Limited

The Group, through Car & General Trading Limited - Kenya, holds 29% (2024: 29%) of the equity holding in Watu Holdings Limited.

Watu Holdings Limited was incorporated in Mauritius in 2021. The principal activities of Watu Holdings Limited is to hold investments. The Company has several subsidiaries main ones being; Watu Credit (Uganda) Limited, Watu Credit Limited, Watu Tuu Limited, Watu Sierra Leone Limited and Naxxar Devtech in Malta.

Watu Holdings Limited is accounted for using the equity method in these financial statements and taking into account the following factors:

- The financial year end date of Watu Holdings Limited is 31 December. This is the reporting date established when the company was incorporated. For purposes of applying the equity method of accounting, the audited financial statements of Watu Holdings Limited for the year ended 31 December 2025 have been used.

21 INVESTMENT IN ASSOCIATES AND OTHERS – GROUP (Continued)

i) INVESTMENT IN ASSOCIATES (Continued)

(a) Watu Holdings Limited (continued)

The carrying amount of the Group's interest in Watu Holdings Limited is recognised in the consolidated financial statements:

	2025 Shs '000	2024 Shs '000
At beginning of year	892,885	952,083
Share of profit for the year	1,366,621	45,576
Associate share swap	597,519	-
Translation adjustment	27,392	(104,774)
At end of year	2,884,417	892,885

(b) Watu Tuu Limited

The Group, through Car & General Trading Limited - Kenya, held 29 % of the equity holding in Watu Tuu Limited. Watu Credit (Tanzania) is a subsidiary of Watu Tuu Limited. Watu Tuu was restructured into Watu Holdings Limited as at 1st October 2025 through a share swap with an equivalent shareholding of 9,596,800 shares in Watu Holdings Limited during the year.

Watu Tuu Limited, though its subsidiary Watu Credit (Tanzania) Limited, offers mobile financing and asset finance for motorcycles and three-wheelers across Tanzania.

Watu Tuu Limited is accounted for using the equity method in these financial statements before the share swap on 30 September 2025 and taking into account the following factors:

- The financial year end date of Watu Tuu Limited is 31 December. This is the reporting date established when the company was incorporated. For purposes of applying the equity method of accounting, the audited financial statements of Watu Tuu Limited for the period ended 30 September 2025 have been used.
- The Group held 29% of the equity shares of Watu Tuu Limited prior to the share swap with Watu Holdings Limited on 30 September 2025.

The carrying amount of the Group's interest in Watu Tuu Limited before the share swap is recognised in the consolidated financial statements:

	2025 Shs '000	2024 Shs '000
At beginning of year	276,606	100,957
Share of profit in the year	320,913	188,527
Share swap	(597,519)	-
Translation adjustment	-	(12,878)
At end of year	-	276,606

In 2022, the Group invested 104,400 shares in Watu Tuu Limited leading to the total ownership by the Group in Watu Tuu Limited to 29%.

21 INVESTMENT IN ASSOCIATES – GROUP (Continued)

i) INVESTMENT IN ASSOCIATES (Continued)

(c) Nyali Mwenge Limited

The Group, through Car & General Trading Limited - Kenya, holds 28.5% (2024: 28.5%) of the equity holding in Nyali Mwenge Limited.

Nyali Mwenge Limited is a dealer involved in sales of motorcycles and three-wheelers across Tanzania.

Nyali Mwenge Limited is accounted for using the equity method in these financial statements and taking into account the following factors:

- The financial year end date of Nyali Mwenge Limited is 31 December. This is the reporting date established when the company was incorporated. For purposes of applying the equity method of accounting, the audited financial statements of Nyali Mwenge Limited for the year ended 31 December 2025 have been used.
- The Group holds 28.5% of the equity shares of Nyali Mwenge Limited.

The carrying amount of the Group's interest in Nyali Mwenge Limited is recognised in the consolidated financial statements:

	2025 Shs '000	2024 Shs '000
At beginning of year	34,483	52,522
Share of profit/(loss) in the year	6,458	(14,334)
Translation adjustment	150	(3,705)
At end of year	41,091	34,483

ii) OTHER INVESTMENT

ARC Ride Limited

In the prior year the Group, through Car & General Trading Limited – Kenya invested 0.7% of the equity holding in ARC Ride Limited. ARC Ride Limited carries on the business of designing and building electric motor vehicles and designing and creating infrastructure and technology to power them. The investment in ARC Ride Limited represents equity holdings where the Group through Car & General Trading Limited – Kenya holds less than 1% interest and does not exercise control or significant influence. This investment is measured at fair value in accordance with IFRS 9.

	2025 Shs '000	2024 Shs '000
At beginning of year	35,265	-
Purchase of shares	-	35,265
At end of year	35,265	35,265

22 INVESTMENT IN DEBENTURE

	2025 Shs '000	2024 Shs '000
Investment in debenture	6,483	-

This relates to a debenture participation in conjunction with Afri Fund Capital Limited of US$ 50,000 for the supply of construction equipment.

23 NON-CURRENT ASSET HELD FOR SALE

The non-current asset held for sale comprised Investment Property Farm No. 17/2 located at Ol Joro Village, Arusha District Council. While the criteria for classification as a non-current asset held for sale had initially been met and the company was actively seeking a potential buyer, the sale is no longer expected to be completed within the next 12 months. Accordingly, the property no longer meets the criteria under IFRS 5 for classification as held for sale and has therefore been reinstated to investment property.

Assets and liabilities

	2025 Shs '000	2024 Shs '000
Non-current assets held for sale - investment property	-	83,104

24 INVENTORIES – GROUP

	2025	2024
Goods in transit and in bond	2,623,731	3,192,896
Finished products	1,875,831	1,780,831
Raw materials, spares and consumables	1,585,674	1,204,683
Work in progress	43,230	9,763
Books and learning materials	1,125	1,091
Inventory provision for obsolescence	(115,901)	(78,353)
	6,013,690	6,110,911

Set out below is the movement in the allowance for inventories provision:

	2025	2024
At 1 January	78,353	88,628
Net movement in provision during the year	36,706	(8,153)
Translation difference	842	(2,122)
At 31 December	115,901	78,353

The amount of inventories recognised as an expense during the year ended 31 December 2025 and included in cost of sales amounted to Shs 20.7 million (2024: Shs 17.7 million) for the Group and Shs Nil million (2024: Shs Nil) for the Company.

25 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Trade receivables	3,000,014	2,747,943	71,467	60,876
Allowance for expected credit losses	(415,192)	(452,113)	(48,594)	(48,594)
Net trade receivables	2,584,822	2,295,830	22,873	12,282
Prepayments	89,396	70,146	8,489	5,156
Other receivables	598,903	517,805	9,471	9,178
	3,273,121	2,883,781	40,833	26,616

Set out below is the movement in the allowance for expected credit losses of trade receivables

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
As at 1 January	452,113	616,223	48,594	48,594
Provision for expected credit losses	73,936	5,489	-	-
Bad debts write off	(109,875)	(140,308)	-	-
Translation adjustments	(982)	(29,291)	-	-
At 31 December	415,192	452,113	48,594	48,594

26 RELATED PARTIES BALANCES AND TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business. The volumes of related party transactions, outstanding balances at the end of the year and the related expenses and income for the year are as follows:

a) Due from related companies

	COMPANY	
	2025	2024
	Shs '000	Shs '000
Car & General (Automotive) Limited	-	(3,544)
Car & General (Trading) Limited - (Tanzania)	16,585	523
Progen Company Limited	58,194	35,949
Sovereign Holdings International Limited	12,037	11,670
Car & General (Marine) Limited	18,849	18,743
Car & General (Engineering) Limited	15,493	15,366
Dewdrops Limited	274,481	274,454
Cummins C&G Holdings Limited	658,457	589,532
Bodaplus Limited	12,950	7,079
Kibo Poultry Products Limited	161	5
Navigate Intel IT Cargen Limited	1,208	4,323
	1,068,415	954,100

The current related party balances are non-interest bearing and have no fixed repayment terms.

26 RELATED PARTIES BALANCES AND TRANSACTIONS (Continued)

b) Loan due from related companies

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Watu Credit Limited	803,431	803,431	-	-

The loan to related company above is denominated in Kenya Shillings. The loan is unsecured and attracts interest at the rate of 15%, repayable within 12 months of the financial year.

c) Loan due to a related party

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Due to a minority interest shareholder	166,808	166,808	-	-
Due to related parties-Watu Credit Limited	-	148,997	-	-

The unsecured loan from a minority interest shareholder in a subsidiary is denominated in Kenya Shillings and is non-interest bearing. The loan is repayable beyond 12 months of the financial year.

The loan due to Watu Credit Limited is unsecured and attracted interest at the rate of 18%.

d) Due to related companies

	COMPANY	
	2025	2024
	Shs '000	Shs '000
Cummins C&G Holdings Limited	-	17,623
Car & General (Trading) Limited – Kenya	1,414,699	1,181,727
Car & General (Industries) Limited	2,850	2,956
Car & General (Uganda) Limited	9,479	-
Car & General (Rwanda) Limited	121	132
	1,427,149	1,202,438

The current related party balances are non-interest bearing and have no fixed repayment terms.

e) Related party transactions

The following transactions were carried out with related parties during the year.

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Management fees				
Cummins C&G Holdings Limited	56,922	52,691	56,922	52,691

26 RELATED PARTIES BALANCES AND TRANSACTIONS (Continued)

(e) Related party transactions (continued)

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Rental income				
Car & General (Trading) Limited - (Kenya)	44,029	41,149	44,029	41,149
Cummins C&G Limited	31,588	29,659	31,588	29,659
	75,617	70,808	75,617	70,808
Sale of goods and service				
Nyali Mwenge Motors Limited	2,562,734	2,645,723	-	-
Interest income				
Interest income on related party loans –				
Bodawerk International Limited	-	13,922	-	1,024
Nyali Mwenge Limited	58,660	21,873	-	-
Watu Holdings Limited	35,464	-	-	-
	94,124	35,795	-	1,024

Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	2025	2024
	Shs '000	Shs '000
Salaries and other benefits to key management	457,379	468,120
Directors' remuneration		
Executive Director	29,702	28,070
Non-Executive Directors	13,215	10,193
	42,917	38,263

During the year, the following transactions with regard to borrowings were carried out with related parties. The related parties involved were:

- I&M Bank Limited, which is not a member of Car & General (Kenya) Plc Group but is related through certain common Directors.
- Fincom Limited which is a shareholder of Car and General (Kenya) Plc Group and is also related through common Director.

26 RELATED PARTIES BALANCES AND TRANSACTIONS (Continued)

(e) Related party transactions (continued)

	GROUP		COMPANY	
	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000
Borrowings repaid	2,071,269	1,612,356	54,717	18,884
Borrowings received	2,061,547	1,293,194	32,351	12,903
Interest paid on related company loans (Banks)	178,814	265,768	1,002	1,492
Interest paid on Directors' loans	22,912	23,238	20,514	20,565
Loan balance – Directors	275,702	252,261	207,422	226,105
Loan balance - Banks	1,140,544	1,092,784	-	4,293
Overdraft balance - Banks	171,388	187,496	1,281	8

27(a) SHARE CAPITAL - GROUP AND COMPANY

	2025 Shs '000	2024 Shs '000
Authorised:		
82,103,308 (2024: 82,103,308) ordinary shares of Shs 5 each	410,517	410,517
Issued and fully paid:		
80,206,616 (2024: 80,206,616) ordinary shares of Shs 5 each	401,033	401,033

	2025		2024	
	Number of shares	Shs '000	Number of shares	Shs '000
At the beginning of the year	80,206,616	401,033	80,206,616	401,033
At the end of the year	80,206,616	401,033	80,206,616	401,033

27(b) DIVIDENDS	2025 Shs '000	2024 Shs '000
Amounts proposed as distributions to equity holders in the year:		
Interim dividends	24,062	-
Proposed dividends	250,000	64,165

The directors recommend the declaration of a final dividend for the year of Shs. 250,000,000 (2024: Shs 64,165,293) which is equal to Shs.3.12 (2024: Shs 0.80) per share based on issued share capital of 80,206,616 shares of Shs 5 each. This is in addition to the interim dividend of Shs 24,062,000 (Shs 0.30) paid during the year.

28 DEFERRED TAXATION

Deferred income tax is calculated using the enacted income tax rate of 30% (2024: 30%). The deferred income tax liability/(asset) is made up as follows:

	GROUP		COMPANY	
	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000
Other provisions	(216,583)	(47,697)	(11,556)	(35,283)
Tax losses	(394,020)	(410,787)	-	-
Unrealised exchange differences	123,655	124,132	381	8,990
Accelerated capital allowances	15,172	37,597	(32,974)	(10,039)
Provision for expected credit losses	(120,886)	(164,725)	(46,188)	(45,778)
Fair value gain on investment property	450,023	529,439	403,424	400,424
Revaluation surplus on property, plant and equipment	639,404	465,936	384,778	377,278
Net deferred tax liability	496,765	533,895	697,865	695,592
Presented in the statement of financial position as follows:				
Deferred tax asset	(562,767)	(547,782)	-	-
Deferred tax liability	1,059,532	1,081,677	697,865	695,592
	496,765	533,895	697,865	695,592

The movement on the deferred tax account is as follows:

	GROUP		COMPANY	
	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000
At start of year	533,895	409,649	695,592	685,135
(Credit)/charge to profit or loss (note 11(a))	(51,814)	116,840	(9,212)	7,067
Deferred tax on revaluation surplus of property	42,490	10,394	10,890	3,390
Prior year under provision	(26,528)	24,178	595	-
Translation difference	(1,278)	(27,166)	-	-
At end of year	496,765	533,895	697,865	695,592

28. DEFERRED TAXATION (Continued)

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 differences can be utilised. At 31 December 2025, the Group had tax losses amounting to Shs 1,313 million (2024: Shs 1,369 million) available for carry forward and set off against future taxable income. Kenyan Income Tax laws allow for carry forward of tax losses for a maximum of five years. The accumulated tax losses will be utilised to offset future taxable profits.

29 BORROWINGS

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Loans – working capital loans	3,053,400	3,508,763	207,421	4,293
Related party loans (Note 26 (c))	-	148,997	-	-
Import loans	3,762,656	3,193,626	435,425	540,743
Hire purchase finance	10,347	8,152	-	-
Bank overdrafts	239,734	224,250	1,281	8
	7,066,137	7,083,788	644,127	545,044
Presented in the statement of financial position as follows:				
Non-current liability	1,517,592	739,610	207,421	-
Current liability - borrowings	5,308,811	6,119,928	435,425	545,036
Current liability – bank overdraft	239,734	224,250	1,281	8
	7,066,137	7,083,788	644,127	545,044
Maturities of amounts included in loans is as follows:				
Within one year	5,548,545	6,344,178	436,706	545,044
Between two and five years	1,517,592	739,610	207,421	-
	7,066,137	7,083,788	644,127	545,044
Analysis of borrowings by currency:				
Borrowings in USD	3,544,904	3,968,132	207,423	226,106
Borrowings in KShs	3,494,783	2,908,818	436,704	318,938
Borrowings in TZS	26,450	206,838	-	-
	7,066,137	7,083,788	644,127	545,044
Analysis of borrowings by security				
Secured borrowings	3,988,654	4,812,245	1,281	4,292
Unsecured borrowings	3,077,483	2,271,543	642,846	540,752
	7,066,137	7,083,788	644,127	545,044

29 BORROWINGS (Continued)

Included in loans are unsecured loans advanced to the Group amounting to Shs 276 million (2024: Shs 252 million) that are due to two company Directors or their associates. The loans are unsecured, denominated in Kenya Shillings and US Dollars and attract interest at the rate of 16% and 12% p.a respectively.

The unsecured borrowings are from various lenders while the secured borrowings are from Banks, mainly Standard Chartered Bank Kenya Limited, I&M Bank Limited and Standard Chartered Bank Uganda Limited.

Related party loans

Included under borrowings are related-party loans from I&M Bank Limited amounting to Shs. 1.14 billion (2024: Shs. 1.092 billion) for the Group and Nil (2024: Shs. 4.3 million) for the Company. Loans from directors amounting to Shs. 276 million (2024: Shs. 252 million) for the Group and Shs. 207 million (2024: Shs. 226 million) for the Company are also included under borrowings.

Interest rates

The effective interest rates at end of year were as follows:

	2025	2024
Bank overdrafts	13.62%	18.18%
Loans		
Loans in Kshs	15.55%	18.30%
Loans in USD	9.72%	10.64%
Loans in TZS	10.91%	13.13%
Loans in Ush - base rate set by the bank from time to time at a minimum of 8% plus 0.75%		
Hire purchase facility	15.75%	19.16%

Details of security

a) The Standard Chartered Bank Kenya Limited loans and overdraft are secured by:
- A first legal charge for Shs 1,600,000,000 over land and buildings located on LR No. 37/273 collateralised to the debenture. The legal charge is shared in pari passu with I&M Bank for Shs 1,465,000,000.
- Corporate cross guarantees for USD 24,540,000 and Shs 153,000,000 by Car & General (Trading) Limited - Kenya, Car & General (Piaggio) Limited and Car & General (Kenya) Plc.
- A legal charge for Shs 200,000,000 over land and buildings located on LR No. 209/8319, LR 209/8320 and LR 209/8321 Nairobi. The legal charge is held in pari passu with I&M Bank for Shs 510,000,000.
- A legal charge for Shs 248,000,000 over land and buildings located on LR No. 209/6980. The legal charge is held in pari passu with I&M bank for Shs 510,000,000.
- All Assets Debenture over assets of Car & General (Kenya) PLC, Car & General (Trading) Ltd – Kenya for USD 23,539,390 and Shs 58,000,000 ranking pari passu with I&M Bank.

b) The I&M Bank Limited loans and overdraft are secured by:
- A debenture of Shs 1,465,000,000 over all assets of Car & General (Kenya) PLC, ranking pari passu with the debenture created in favour of Standard Chartered Bank Kenya Limited.
- A fixed and floating debenture of Shs 1,490,000,000 over all assets of Car & General (Trading) Ltd, ranking pari passu with the debenture created in favour of Standard Chartered Bank Kenya Limited.
- Aggregated legal charge for Shs 510,000,000 over land and buildings located on LR No. 209/8319, LR No. 209/8320, LR No. 209/8321 and LR No. 37/273 ranking pari passu to the legal charge created in favour of Standard Chartered Bank Kenya Limited.
- First legal charge of Shs 510,000,000 and further legal charge of Shs 955,000,000 over LR No. 37/273 . The legal charge ranks pari passu to the legal charge created in favour of Standard Chartered over the same property.
- A first legal charge for Shs 63,000,000 over land and building on KSM/MUN/Block 3/7 registered in the name of Car & General (Kenya) Plc.
- Original logbooks of the motor vehicles jointly registered in the names of Car & General (Trading) Ltd and I&M Bank (K) Ltd.

29 BORROWINGS (Continued)

Details of security (continued)

c) The Standard Chartered Bank Tanzania Limited loans and overdraft are secured by a mortgage charge over property in the name of Dew Tanzania Ltd and Sovereign Holding International Ltd for USD 24,575,000, a fixed charge on associated company's property and corporate guarantee by associated companies.

d) The I&M (Tanzania) Limited loans are secured by legal mortgage over proper in the name of Dew Tanzania Ltd and Sovereign Holdings International Limited for USD 25,000,000, a debenture over all fixed and floating current assets of the company, Corporate guarantee by Car & General (Kenya) Plc, Dew Tanzania Ltd and Sovereign Holdings International Ltd.

e) The Standard Chartered Bank Uganda Limited overdraft is secured by a legal mortgage for USD 5,750,000 over the company`s property on Plot 81 Jinja Road (obligator; Car and General (Uganda) Limited) a debenture for USD 6,800,000 over fixed and floating assets of the company (obligator; Car & General (Uganda) Limited) and a corporate guarantee for USD 3.000,000 (obligator: Car and General (Kenya) plc.

Undrawn facilities

At the end of the reporting period, the Group had undrawn committed borrowing facilities amounting to Shs 589 million (2024: Shs 1,484 million).

30 LEASE LIABILITIES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs'000	Shs'000	Shs'000	Shs'000
At beginning of year	547,288	638,024	293,721	308,322
Additions	193,285	85,073	-	-
Modifications/alterations*	(28,711)	(8,939)	-	-
Interest expense on lease liabilities	51,073	48,223	20,518	21,675
Interest paid	(51,073)	(48,223)	(20,518)	(21,675)
Lease payments	(140,194)	(147,573)	(17,427)	(14,601)
Translation adjustment	(1,282)	(19,297)	-	-
At end of year	570,386	547,288	276,294	293,721
Maturity analysis				
Year 1	180,154	217,033	39,842	37,945
Year 2	143,665	143,411	41,834	39,842
Year 3	106,105	95,665	43,926	41,834
Year 4	94,015	66,504	46,122	43,926
Year 5	68,367	57,328	48,428	46,122
Year 6 and onwards	141,989	129,315	146,118	194,546
Undiscounted lease payments at the end of the year	734,295	709,256	366,270	404,215
Less unearned interest	(163,909)	(161,968)	(89,976)	(110,494)
	570,386	547,288	276,294	293,721
Analysed as:				
Current	127,714	178,211	20,706	17,427
Non-current	442,672	369,077	255,588	276,294
	570,386	547,288	276,294	293,721

* Lease modification/alterations relates to lease retirement, extension and cancellation.

30 LEASE LIABILITIES (Continued)

The statement of profit or loss shows the following amounts relating to leases:

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Depreciation of right-of-use asset	144,685	148,858	24,344	24,344
Interest expense on lease liabilities	51,073	48,223	20,518	21,675

The Group has lease contracts that include an extension option. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether the extension option is reasonably certain to be exercised.

The total cash outflow for leases in the year for Group and Company was Shs 191 million (2024: KShs 196 million) and Shs 37.9 million (2024: Shs 36.3 million) respectively that related to principal portion of lease payments and interest expense on the leases.

31 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025	2024	2025	2024
	Shs '000	Shs '000	Shs '000	Shs '000
Trade payables	3,312,482	2,957,046	9,604	51,110
Accruals	654,136	362,357	33,428	39,736
Other payables	587,248	890,463	23,873	33,919
	4,553,866	4,209,866	66,905	124,765

32 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) before taxation to net cash generated from operations

	GROUP 2025 Shs '000	GROUP 2024 Shs '000	COMPANY 2025 Shs '000	COMPANY 2024 Shs '000
Profit/(loss) before taxation	2,926,152	781,289	(38,372)	71,692
Adjusted for:				
Gain in fair value of investment properties (note 15)	(20,070)	(71,304)	(10,000)	(27,500)
Depreciation of property, plant and equipment (note 16)	204,861	208,272	18,642	18,244
Amortisation of intangible assets (note 17)	6,635	8,158	35	42
Depreciation of right of use asset (note 19)	144,685	148,858	24,344	24,344
Effect of lease modifications on right of use asset (note 19)	14,595	4,622	-	-
Effect of lease modifications on lease liability	28,711	8,939	-	-
(Gain)/loss on disposal of property, plant and equipment	(3,106)	(2,277)	-	-
Loss arising from change in fair value (Note 18)	1,893	(15,075)	-	-
Decrease in value of biological assets due to sales (note 18)	43,234	36,205	-	-
Decrease in value of biological assets due to mortality (note 18)	27,684	17,609	-	-
Interest on borrowings (note 8)	975,032	1,134,096	83,234	80,466
Interest expense on lease liability (note 8)	51,073	48,223	20,518	21,675
Interest income (note 6)	(94,124)	(35,795)	-	(1,024)
Unrealised exchange on borrowings (note 32(b))	86,941	(788,520)	773	(55,186)
Share of profit in associates and others	(1,693,992)	(219,769)	-	-
Impairment on investment in subsidiaries	-	-	510	-
Foreign exchange gains/losses	(49,124)	(60,041)	622	8,721
	2,651,080	1,203,490	100,306	141,474
Movements in working capital items:				
Inventories	97,221	2,234,720	-	-
Trade and other receivables	(389,340)	(186,476)	(14,217)	8,323
Net movement in related company balances	-	-	110,396	(90,513)
Trade and other payables	401,504	(628,567)	(35,282)	21,654
Net cash generated from operations	2,760,465	2,623,167	161,203	80,938

(b) Analysis of changes in borrowings (excluding bank overdraft)

	GROUP 2025 Shs '000	GROUP 2024 Shs '000	COMPANY 2025 Shs '000	COMPANY 2024 Shs '000
At the beginning of the year	6,859,538	8,324,238	545,036	554,670
Loan received	21,666,957	20,146,018	453,512	186,831
Loan repayments	(21,794,329)	(20,830,350)	(356,475)	(141,279)
Hire purchase facility	7,296	8,152	-	-
Exchange differences	86,941	(788,520)	773	(55,186)
At the end of the year	6,826,403	6,859,538	642,846	545,036

32 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(c) Analysis of cash and cash equivalents

	GROUP 2025 Shs '000	GROUP 2024 Shs '000	COMPANY 2025 Shs '000	COMPANY 2024 Shs '000
Cash and bank balances	792,629	317,974	1,852	5,676
Bank overdrafts (note 29)	(239,734)	(224,250)	(1,281)	(8)
	552,895	93,724	571	5,668

The carrying amount of cash and cash equivalents recognised in the financial statements approximate their fair values.

33 CAPITAL COMMITMENTS

	2025 Shs '000	2024 Shs '000
Authorised and contracted for	31,480	16,433

34 CONTINGENT LIABILITIES

(a) Guarantees

	2025	2024
Group		
Sundry bank guarantees	125,885	140,451
Company		
Guarantees in respect of bank facilities for subsidiaries	6,337,421	5,703,467
Sundry bank guarantees	6,300	6,300
	6,343,721	5,709,767

(b) Litigation:

The Group is a defendant in various legal suits. In the opinion of the Directors, after taking appropriate legal advice, the outcome of such suits are unlikely to result in any significant loss.

(c) Tax matters:

The Group is regularly subjected to evaluation, the taxation authorities, of its direct and indirect taxation affairs and in connection with such reviews, tax assessment can be issued by the taxation authorities in respect to the company's taxation affairs.

The Group is committed to being a responsible business, and core to this is the commitment to comply with tax legislation in all our operations and in paying all taxes that are due.

During the year the Group had a good working relationship with the tax authority based on compliance, transparency, co-operation and proactive engagement to minimize tax risk.

At the end of the financial year 2025 , the Group did not have tax dispute with the Kenya Revenue Authority, however, the pending tax liabilities for prior year relating to Customs 3-wheeler tariff classification and the income tax interest restrictions were settled during the year through the Kenya Revenue Authority (KRA) Alternative dispute Resolution (ADR) whereby the Group took advantage of the tax amnesty period which ended on 30th June 2025 and paid the agreed outstanding tax liabilities.

35 OPERATING LEASE ARRANGEMENTS - COMPANY

Operating leases in which the Group is the lessor, relate to the investment properties owned by the Group with lease terms of between 1 to 5 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the reporting date, the Group had contracted with tenants for the following non-cancellable future minimum lease payments:

	2025 Shs '000	2024 Shs '000
Within one year	159,862	174,374
In the second to fifth year inclusive	635,003	749,875
	794,865	924,249

Rental income earned by the Group from its investment property and direct operating expenses arising on the investment properties for the year are set out in note 5.

36 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of borrowings, cash and cash equivalents and equity attributable to owners of the parent, comprising issued capital, revaluation reserves, revenue reserves and non-controlling interests.

Consistent with others in similar industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less bank balances. Total capital is calculated as equity attributable to owners of the parent and non-controlling interests.

	GROUP		COMPANY	
	2025 Shs'000'	2024 Shs'000'	2025 Shs'000'	2024 Shs'000'
Equity	8,259,734	5,814,137	1,683,564	1,787,539
Total borrowings	7,066,137	7,083,788	644,127	545,044
Less: cash and bank balances	(792,629)	(317,974)	(1,852)	(5,676)
Net debt	6,273,508	6,765,814	642,275	539,368
Gearing Ratio	76%	116%	38%	30%

The Directors are aware of the gearing ratio due to import financing in form of letters of credit and unsecured borrowings arising from the purchase of inventory, this has reduced year on year. Management is working on initiatives to expand volumes and improve margins. The Directors are therefore of the view that as the Group's and Company's profitability continues to improve, the adverse gearing ratio will reverse.

37 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks. The Board provides policies for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investing excess liquidity.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

(a) Credit risk

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision matrix is adjusted for forward-looking factors specific to the debtors and the economic environment. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Bank balances are fully performing, they are held in reputable banks that have a high credit rating. The customers under the fully performing category are paying their debts as they continue trading. Part of trade and other receivables in the past due category are fully impaired and have been provided for. The Group does not hold any collateral or other enhancements to cover the credit risk.

The Group and Company do not have significant concentrations of credit risk on derivative counterparties where transactions are limited to financial institutions possessing high credit quality since the risk of default is low.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL
Doubtful	Amount is past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

37 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (Continued)

The tables below detail the credit quality of the Group's and Company's financial assets as well as the Group's and Company's maximum exposure to credit risk by credit risk rating grades.

Group

31 December 2025	**Internal/ external rating**	**Lifetime ECL**	**Gross carrying amount Shs'000**	**Loss allowance Shs'000**	**Net carrying amount Shs'000**
Trade receivables	Investment grade	Lifetime ECL (simplified approach - SPPI)	3,000,014	(415,192)	2,584,822
Loan due from related company	Performing	Lifetime ECL not credit-impaired	803,431	-	803,431
Bank balance	Performing	Lifetime ECL not credit-impaired	792,629	-	792,629
			4,596,074	(415,192)	4,180,882
31 December 2024					
Trade receivables	Investment grade	Lifetime ECL (simplified approach - SPPI)	2,747,943	(452,113)	2,295,830
Loan due from related company	Performing	Lifetime ECL not credit-impaired	803,431	-	803,431
Bank balance	Performing	Lifetime ECL not credit-impaired	317,974	-	317,974
			3,869,348	(452,113)	3,417,235

Company

31 December 2025					
Trade receivables	Investment grade	Lifetime ECL (simplified approach - SPPI)	71,467	(48,594)	22,873
Due from related companies	Performing	Lifetime ECL not credit-impaired	1,173,872	(105,457)	1,068,415
Bank balance	Performing	Lifetime ECL not credit-impaired	1,852	-	1,852
			1,247,191	(154,051)	1,093,140

37 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (Continued)

Company (Continued)

	Internal/ external rating	**Lifetime ECL**	**Gross carrying amount Shs'000**	**Loss allowance Shs'000**	**Net carrying amount Shs'000**
31 December 2024					
Trade receivables	Investment grade	Lifetime ECL (simplified approach - SPPI)	60,876	(48,594)	12,282
Due from related companies	Performing	Lifetime ECL not credit-impaired	1,058,191	(104,091)	954,100
Bank balance	Performing	Lifetime ECL not credit-impaired	5,676	-	5,676
			1,124,743	(152,685)	972,058

	Trade and other receivables	Bank balances	Due from related companies	Total
Group				
At 1 January 2024	616,223	-	-	616,223
Translation adjustments	(29,291)	-	-	(29,291)
Increase in loss allowance in the year	5,489	-	-	5,489
Bad debt write off/(write back)	(140,308)	-	-	(140,308)
At 31 December 2024	452,113	-	-	452,113
At 1 January 2025	452,113	-	-	452,113
Translation adjustments	(982)	-	-	(982)
Decrease in loss allowance in the year	73,936	-	-	73,936
Bad debt write back	(109,875)	-	-	(109,875)
At 31 December 2025	415,192	-	-	415,192
Company				
At 1 January 2024	48,594	-	104,091	152,685
Increase in loss allowance in the year	-	-	-	-
At 31 December 2024	48,594	-	104,091	152,685
At 1 January 2025	48,594	-	104,091	152,685
Increase in loss allowance in the year	-	-	1,366	1,366
At 31 December 2025	48,594	-	105,457	154,051

37 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

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

The following table analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Group

	Up to 1 month Shs'000	1 – 3 Months Shs'000	3 - 12 months Shs'000	1 - 5 years Shs'000	over 5 years Shs 000	Total Shs'000
At 31 December 2025						
Liabilities						
Trade payables	1,240,780	1,669,000	402,702	-	-	3,312,482
Borrowings	1,024,006	2,058,139	2,865,585	1,563,307	-	7,511,037
Lease liabilities	-	-	180,154	412,152	141,989	734,295
Loan due to related party	-	-	-	166,808	-	166,808
Total financial liabilities	2,264,786	3,727,139	3,448,441	2,142,267	141,989	11,724,622
At 31 December 2024						
Liabilities						
Trade payables	1,234,780	1,368,688	353,578	-		2,957,046
Borrowings	1,230,645	2,688,920	2,198,506	965,717	-	7,083,788
Lease liabilities	-	-	217,033	362,908	129,315	709,256
Loan due to related party	-	-	-	166,808	-	166,808
Due to related party	-	-	149,150	-	-	149,150
Total financial liabilities	2,465,425	4,057,608	2,918,267	1,495,433	129,315	11,066,048

Company

31 December 2025	Up to 1 month Shs'000	1 – 3 Months Shs'000	3 - 12 months Shs'000	1 - 5 years Shs'000	over 5 years Shs 000	Total Shs'000
Liabilities						
Trade payables	9,604	-	-	-	-	9,604
Borrowings	145,703	287,830	15,313	207,423	-	656,269
Lease liabilities	-	-	39,842	180,310	146,118	366,270
Due to related parties	-	-	1,427,149	-	-	1,427,149
Total financial liabilities	155,307	287,830	1,482,304	387,733	146,118	2,459,292

37 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

Company (Continued)

At 31 December 2024	Up to 1 month Shs'000	1 – 3 Months Shs'000	3 - 12 months Shs'000	1 - 5 years Shs'000	over 5 years Shs 000	Total Shs'000
Liabilities						
Trade payables	51,110	-	-	-	-	51,110
Borrowings	75,944	218,130	24,863	226,107	-	545,044
Lease liabilities	-	-	37,945	171,724	194,546	404,215
Due to related parties	-	-	1,202,438	.	.	1,202,438
Total financial liabilities	127,054	218,130	1,265,246	397,831	194,546	2,202,807

(c) Market risk

(i) Foreign exchange risk

A sizable portion of the Group's purchases are denominated in foreign currencies. The Group manages the currency risk on net exposure by monitoring exchange rate movements and mitigates the risks by invoicing customers in the relevant foreign currency, where possible.

The carrying amounts of the Group's major foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

31 December 2025	USD Shs'000	EURO Shs'000	INR Shs'000	JPY Shs'000	GBP Shs'000	ZAR Shs'000
Assets						
Bank and cash balances	146,479	196	-	-	9	-
Trade and other receivables	311,054	-	-	-	-	-
Due from related parties	67,746	-	-	-	-	-
	525,279	196	-	-	9	-
Liabilities						
Trade and other payables	1,703,048	17,706	585,580	93,846	-	128,193
Borrowings	3,544,904	-	-	-	-	-
Due to related parties	-	-	-	-	-	-
	5,247,952	17,706	585,580	93,846	-	128,193
Net exposure	(4,722,673)	(17,510)	(585,580)	(93,846)	9	(128,193)

37 FINANCIAL RISK MANAGEMENT (Continued)

(b) Market risk (Continued)

(i) Foreign exchange risk (Continued)

31 December 2024	USD Shs'000	EURO Shs'000	INR Shs'000	JPY Shs'000	GBP Shs'000	ZAR Shs'000
Assets						
Bank and cash balances	65,586	11	-	-	9	-
Trade and other receivables	224,002	-	-	-	-	-
Due from related parties	-	-	-	-	-	-
	289,588	11	-	-	9	-
Liabilities						
Trade and other payables	1,668,503	15,169	585,580	89,893	-	126,400
Borrowings	3,968,132	-	-	-	-	-
Due to related parties	-	-	-	-	-	-
	5,636,635	15,169	585,580	89,893	-	126,400
Net exposure	(5,347,047)	(15,158)	(585,580)	(89,893)	9	(126,400)

Sensitivity analysis

A 10% percent appreciation or depreciation of the Kenya shilling against the following currencies would increase/(decrease) the reported profit or loss and equity by amounts shown below. This analysis is based on foreign currency exchange rates variances that the Group considered to be reasonably possible at end of the reporting period. This analysis assumes that all other variables in particular interest rates remain constant.

	Equity		*Profit or loss*	
	2025 Shs '000	2024 Shs '000	2025 Shs '000	2024 Shs '000
USD	(330,587)	(374,294)	(472,267)	(534,705)
ZAR	(8,973)	(8,848)	(12,819)	(12,640)
JPY	(6,570)	(6,292)	(9,385)	(8,989)
GBP	0.7	0.7	1	1
EURO	(1,226)	(1,061)	(1,751)	(1,516)
INR	(40,990)	(40,990)	(58,558)	(58,558)
	(388,345)	(431,484)	(554,779)	(616,407)

37 FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk

The interest rate risk exposure arises mainly from interest rate movements on the Group's borrowings. To manage the interest rate risk, management has endeavoured to only sign and obtain borrowings from institutions that offer contracts with fixed interest rates. At period end, borrowings with no fixed interest rate were minimal.

The table below summarises the exposure to interest rate risk at the reporting date. Included in the table are the Group's financial instruments at carrying amounts, categorized by the earlier of contractual re pricing or maturity dates.

	Up to 1 month Shs'000	1-3 months Shs'000	3-12 months Shs'000	1-5 years Shs'000	Over 5 years Shs'000	Total Shs'000
At 31 December 2025						
Financial assets						
Bank balances	792,629	-	-	-	-	792,629
Financial liabilities						
Borrowings	(961,969)	(1,973,452)	(2,693,928)	(1,436,788)	-	(7,066,137)
Interest sensitivity gap	(169,340)	(1,973,452)	(2,693,928)	(1,436,788)	-	(6,273,508)
At 31 December 2024						
Financial assets						
Bank balances	317,974	-	-	-	-	317,974
Financial liabilities						
Borrowings	(1,230,645)	(2,688,920)	(2,198,506)	(965,717)	-	(7,083,788)
Interest sensitivity gap	(912,671)	(2,688,920)	(2,198,506)	(965,717)	-	(6,765,814)

Interest rate sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in interest rates (all the other variables held constant).1% is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

	2025 Shs'000 Effect on profit	**2024 Shs'000 Effect on profit**	**2025 Shs'000 Effect on equity**	**2024 Shs'000 Effect on equity**
+1% Movement	(62,735)	(67,658)	(43,915)	(47,361)
-1% Movement	62,735	67,658	43,915	47,361

37 FINANCIAL RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(iii) Price risk

As at 31 December 2025, the group did not hold financial instruments that are subject to price fluctuations.

38 FAIR VALUE OF INVESTMENT PROPERTIES AND PROPERTY, PLANT & EQUIPMENT (Land and Buildings)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

As described in Note 15 for financial reporting purposes, fair value measurements are categorized into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices(unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

39 RESTATEMENT OF COMPARATIVES DUE TO PRIOR YEAR ERROR

During the year ended 31 December 2025, management identified an error in the classification of income in the comparative financial information for the year ended 31 December 2024. Management fees income amounting to Shs 23 million, charged to the Company's subsidiary was incorrectly presented as rental income on the revenue note to the financial statements. This had resulted to understatement of management fee income and overstatement of rental income by Shs. 23,032,000.

The effect of the restatement in the revenue note is as below:

For the year ended 31 December 2024	**Balance as previously stated**	**Adjustment for restatement**	**Restated**
Company:	**KShs '000'**	**KShs '000'**	**KShs '000'**
Rental income – third parties	176,046	-	176,046
Rental income - internal	93,840	(23,032)	70,808
Management fees	-	23,032	23,032
Total	269,886	-	269,886

39 RESTATEMENT OF COMPARATIVES DUE TO PRIOR YEAR ERROR (Continued)

In addition to the above, management identified an error in the comparative disclosures for the year ended 31 December 2024 relating to Note 15 – investment properties in the Company's financial statements. The individual carrying values allocated to three investment properties were incorrectly presented in the note. While the aggregate carrying value of the investment properties was correctly stated, the allocation of values between the individual properties was misstated with the variances offsetting to nil when aggregated.

The incorrect allocation of carrying values to individual investment properties constituted a misstatement of the investment property portfolio as it affected the presentation of the composition of the investment properties balance notwithstanding that the total carrying value was not misstated.

In accordance with IAS 8, the error has been corrected retrospectively by restating the comparative disclosures for the year ended 31 December 2024 in Note 15 as set out below.

For the year ended 31 December 2024	**Balance as previously stated**	**Adjustment for restatement**	**Restated**
Company:	**KShs '000'**	**KShs '000'**	**KShs '000'**
New Cargen House	1,754,000	(27,500)	1,726,500
C&G Retread House	590,000	25,000	615,000
Kisumu Property	40,000	2,500	42,500
Juba plot	234	-	234
Total	2,384,234	-	2,384,234

40 CURRENCY

The financial statements are presented in Kenya Shillings as rounded to the nearest thousand (Shs '000). The Kenya Shilling is the functional currency for the Group and reflects the economic environment where majority of the business transactions are conducted.

41 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

No material events or circumstances have arisen between the reporting date and the date of this report.