

Ashton Apparel Manufacturing PLC

Report And Financial Statements **For The Year Ended 31 March 2025**

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ASHTON APPAREL MANUFACTURING PLC
Financial Statements and Reports
For the financial year ended 31 March 2025

Key Company Information and Management	3
Statement of Management's Responsibilities	4
Independent Auditor's Report	5-6
Statement of Financial Position	7
Statement of Profit or loss	8
Statement of cash flows	9
Statement of changes in Equity	10
Notes to accounts	11-22

ASHTON APPAREL MANUFACTURING PLC
KEY COMPANY INFORMATION AND MANAGEMENT
For the financial year ended 31 March 2025

Reporting currency	Ethiopian birr (ETB)
Registered office	Bole Subcity Woreda- 11, Addis Ababa Lemi Industrial Parck Shade- Bhz shed 19/20 Telephone Email:
Bankers	Commercial Bank of Ethiopia

Registration number

EIA/PC/2/0000567/2011

Executive Management (as of 31 March 2025)

Name	Position
1. SURESH TENGINTHODIYIL KUM	Country Manager- Ethiopia
2. KALKIDAN TEWODROSE	Finance Head - Ethiopia

ASHTON APPAREL MANUFACTURING PLC
THE STATEMENT OF MANAGMENTS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025

The Managments are responsible for the preparation and fair presentation of the financial statements of the Company for the year ended 31 March 2025. The financial statements have been prepared and presented in accordance General Accepted Accounting Principles (GAAP) and includes amounts based on reasonable and prudent judgements and estimates made.

The Managments consider that, in preparing these financial statements, appropriate accounting policies have been selected and applied in a consistent manner and all applicable GAAP. The Managments are of the view that the information contained in the financial statements fairly presents the results of operations for the year then ended and the financial position of the company as at 31 March 2025.

The Managments have a responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control to disclose with reasonable accuracy the financial position of the Company to ensure that the financial statements presented comply with relevant legislations.

The Managments are also responsible for taking reasonable steps to safeguard the assets of the company by operating a well established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded with a view of preventing and detecting fraud and other irregularities and the risks facing the business are being controlled.

The Managments are also required to ensure that the company have adequate resources to continue operations to justify applying the 'going concern" basis has been adopted in preparing these financial statements. Further, the Managments have no reason to believe that the Company will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Company.

The financial statements set out in pages 7 to 22 were approved on 20 May 2025 and signed on behalf of Managments:

General Manager
SURESH TENGINTHODIYIL KUMARAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
ASHTON APPAREL MANUFACTURING PRIVATE LIMITED COMPANY

Opinion

We have audited the accompanying financial statements of Ashton Apparel Manufacturing Private Limited Company, set out on pages 7 to 22, which comprise the statement of financial position as at 31 March 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at 31 March 2025, and (of) its financial performance and its cash flows for the year then ended in accordance with Generally accepted accounting principle.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have 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.

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

The managements are responsible for the preparation of the financial statements that give a true and fair view in accordance with GAAPs, and for such internal controls as management determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the managements are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the managements either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

2



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


Bahru & Tadele Audit Service Partnership
Registered Auditor
Addis Ababa, Ethiopia
20-May-25



ASHTON APPAREL MANUFACTURING PLC
Statement of Financial Position
As at 31 March 2025

	Note	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	33,479,015	13,076,191
Pre-operational expenditure	4	14,396	33,590
Other Financial Assets	5	865,980	865,980
Total Non-current assets		34,359,391	13,975,760
Current Assets			
Inventories	6	7,713,651	-
Trade and other Receivables	7	41,173,847	23,357,949
Cash and Cash Equivalents	8	15,752,010	9,387,045
Total current assets		64,639,508	32,744,994
Total Assets		98,998,898	46,720,755
EQUITY AND LIABILITIES			
Equity			
Share Capital	11	114,271,962	84,155,100
Reserves	12	3,309,679	3,309,679
Retained Earnings	13	(215,122,389)	(94,758,401)
Total equity		(97,540,748)	(7,293,623)
Current Liabilities			
Trade and Other Payables	9	162,744,810	24,129,390
Other Financial Liabilities	10	33,794,836	29,884,987
Total current liability		196,539,646	54,014,377
Total Liabilities and equities		98,998,898	46,720,754



ASHTON APPAREL MANUFACTURING PLC
Statement of Profit or Loss
For the financial year ended 31 March 2025

	Note	For the year ended 31 March 2025 ETB	1 January to 31 March 2024 ETB
Revenue and cost of sales			
Revenue	15	214,211,696	57,080,377
Cost of goods sold	16	<u>(271,598,307)</u>	<u>(49,191,763)</u>
Gross Profit / (Loss)		(57,386,611)	7,888,614
Other gains/losses	17	2,415,071	-
Expenses			
Marketing and Distribution Expenses	18	(47,107,158)	(6,991,227)
General and Administrative Expenses	19	<u>(18,203,260)</u>	<u>(6,155,593)</u>
Operating Loss		<u>(120,281,958)</u>	<u>(5,258,205)</u>
Profit / (Loss) Before Income Tax		<u>(120,281,958)</u>	<u>(5,258,205)</u>
Income Tax Expense	14	-	-
Profit/Loss from continuing operations		<u>(120,281,958)</u>	<u>(5,258,205)</u>
Profit/Loss from Discontinued operations		-	-
Loss for the period		<u>(120,281,958)</u>	<u>(5,258,205)</u>
Other Comprehensive Income		-	-
Total comprehensive income for the period		<u><u>(120,281,958)</u></u>	<u><u>(5,258,205)</u></u>



ASHTON APPAREL MANUFACTURING PLC
Statement of cash flows
For the financial year ended 31 March 2025

	For the year ended 31 March 2025	1 January to 31 March 2024
Note	ETB	ETB
Cash flows from operating activities		
Loss for the year	(120,281,958)	(5,258,205)
Income from discontinued operations	-	-
	(120,281,958)	(5,258,205)
Adjustments for:		
Depreciation of Property, Plant and Equipment	4,212,050	560,951
Amortization of Intangible assets	19,194	4,799
	(116,050,714)	(4,692,455)
Working Capital Adjustments		
Change in Trade and Other Receivables	(17,815,897)	-
Change in Inventories	(7,713,651)	-
Change in Trade Payables and other payables related	138,615,420	6,523,260
Change in other financial liabilities	3,909,850	(268,844)
	116,995,722	6,254,416
Tax paid	(82,029)	-
Net cash flows from operating activities	862,979	1,561,961
Cash flows from Investing activities		
Payment for purchase of PPE	(24,614,875)	-
Net cash outflow/Inflow from Investing activities	(24,614,875)	-
Cash flows from financing activities		
Proceeds from issue of shares	30,116,862	-
Net cash outflow/Inflow from financing activities	30,116,862	-
Net Increase/(decrease) in cash	6,364,967	1,561,961
Cash and cash equivalents at the beginning of the year	9,387,045	7,825,084
Cash and cash equivalents at the end of the year	15,752,012	9,387,045

The annexed notes form an integral part of and should be read in conjunction with these accounts.



ASHTON APPAREL MANUFACTURING PLC
 Statement of changes in Equity
 For the financial year ended 31 March 2025

	Equity Share Capital (ETB)	Legal reserves (ETB)	Retained Earnings (ETB)	Total (ETB)
Balance as at 01 January 2024	84,155,100	3,309,679	(89,500,196)	(2,035,418)
Profit/(Loss) for the year	-	-	(5,258,205)	(5,258,205)
Balance as at 31 March 2024	84,155,100	3,309,679	(94,758,401)	(7,293,623)
Capital contribution	30,116,862	-	-	30,116,862
Profit/(Loss) for the year	-	-	(120,281,958)	(120,281,958)
Tax paid	-	-	(82,029)	(82,029)
Balance as at 31 March 2025	114,271,962	3,309,679	(215,122,389)	(97,540,748)



ASHTON APPAREL MANUFACTURING PLC
Notes to the financial statements
For the financial year ended 31 March 2025

In Ethiopian Birr

1. General information

Ashton Apparel Manufacturing Private Limited Company was established in 2009 E.C registered with the Ethiopian Investment Commission under commercial registration number EIA/PC/2/0000567/2011.

The major objectives of the Company are:-

- a) To engage in manufacturing of Apparel textile ;
- b) To engaged in other similar businesses as stated in the Memorandum of association of the Company.

The Company has its head office in Lemi Kura Sub City, Addis Ababa, Ethiopia

2. Material accounting policies

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

2.1 Basis of preparation

The financial statements are prepared in compliance with Generally Accepted Accounting Principles under the historical cost convention, and are presented in the functional currency, Ethiopian Birr (ETB).

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared under the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values as explained under significant accounting policies section below. The preparation of financial statements in conformity with GAAP requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies.

2.2 Functional and presentation currency

2.2.1 These financial statements are presented in Ethiopian Birr (ETB), which is the Company's functional currency. All financial information presented in Ethiopian Birr has been rounded to the nearest decimal in the Company's financial statements and in the notes to the financial statements except where indicated otherwise.

2.2.2 Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income unless it qualifies for capitalization to fixed assets (in cases where the associated fixed asset is not yet ready for intended use or under procurement process) or effectively hedged.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. Revaluation for the building will be made on certain intervals.

Maintenance and repair costs are recognized as follows: Maintenance expenses incurred during the useful life of property, plant and Equipment (regular maintenance activities to maintain the asset in a good condition) are recorded as operating expenses. The cost of periodic major overhaul programs are capitalized as a separate component and depreciated over its expected useful life. That is, Major overhaul expenditure, including replacement spares and labor costs, is capitalized and amortized over the average expected life between major overhauls.



ASHTON APPAREL MANUFACTURING PLC
Notes to the financial statements
For the financial year ended 31 March 2025

In Ethiopian Birr

Depreciation on property, plant and equipment is charged so as to write off the cost of the assets, other than properties under construction, over their estimated useful lives, using the straight line method. The percentage for calculation of Depreciation is as follows:

Property, Plant and Equipment Class	Useful life
Building Canteen	20 Years
Plant ,Machinery and equipment	5 Years
Computers	4 Years
Office furniture and equipment	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Residual value is considered only for the buildings and vehicles estimated to be 10% of the cost.

Gains or losses arising on disposal or retirement of an asset are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognized through profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Finance Lease - Lessee

Rights to assets held under finance leases are recognized as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Operating Lease – Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives ranging from two to seven years. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Pre-operational expenditure

Expenditures at the Project stage cost incurred and will be amortized over a period of ten years (10%) commencing from the date the company is operational.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and where applicable direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs of issues are calculated using the weighted moving average method. Net realizable value represents the estimated selling price less all estimated costs of disposal.



ASHTON APPAREL MANUFACTURING PLC
Notes to the financial statements
For the financial year ended 31 March 2025

In Ethiopian Birr

Financial Instruments

Initial Measurement

Financial Instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into [currency] using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

Bank loans and overdrafts

Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Employee benefits

Short Term Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

Defined Contribution Plans

The only defined contribution plan the company operates is a pension scheme. The pension scheme is in line with the provisions of Ethiopian Pension of Private Organization Employees Proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and the Company respectively.

Once the contributions have been paid, the Company retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Company's obligations are recognized in the profit and loss account.

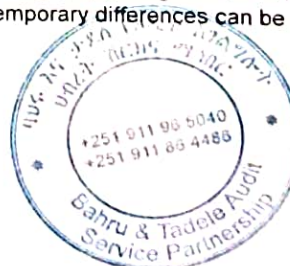
Borrowing costs

All borrowing costs are capitalized in the period in which they are incurred.

Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset, limited to the extent that it is probable that taxable profits will be available against those deductible temporary differences can be utilized.



ASHTON APPAREL MANUFACTURING PLC
Notes to the financial statements
For the financial year ended 31 March 2025

In Ethiopian Birr

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all the temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods on based in Cutting making and packing (CMP) and Washing , the ordinary course of the company's activities.

Comparatives

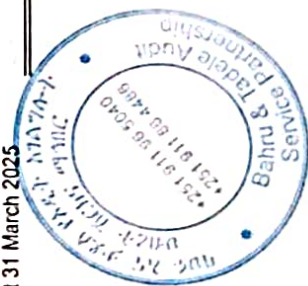
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.



ASHTON APPAREL MANUFACTURING PLC
Notes to accounts
For the financial year ended 31 March 2025

3 Property, Plant and Equipments

Cost	Furniture & Fixtures ETB	Machinery ETB	Computers ETB	Motor Vehicles ETB	Office Equipments ETB	Household equipment ETB	Generator ETB	Fire fighting equipment ETB	Building canteen ETB	Total ETB
As at 01 January 2024	2,468,476	63,357,780	985,905	3,003,329	569,122	247,225	7,339,623	3,165,509	7,061,313	88,198,283
Additions/Transfer	-	-	-	-	-	-	-	-	-	-
As at 31 March 2024	<u>2,468,476</u>	<u>63,357,780</u>	<u>985,905</u>	<u>3,003,329</u>	<u>569,122</u>	<u>247,225</u>	<u>7,339,623</u>	<u>3,165,509</u>	<u>7,061,313</u>	<u>88,198,283</u>
As at 01 April 2024	2,468,476	63,357,780	985,905	3,003,329	569,122	247,225	7,339,623	3,165,509	7,061,313	88,198,283
Additions	-	23,745,175	54,840	781,425	-	-	-	33,435	-	24,614,875
As at 31 March 2025	<u>2,468,476</u>	<u>87,102,955</u>	<u>1,040,745</u>	<u>3,784,754</u>	<u>569,122</u>	<u>247,225</u>	<u>7,339,623</u>	<u>3,198,944</u>	<u>7,061,313</u>	<u>112,813,158</u>
Accumulated Depreciation										
As at 01 January 2024	2,015,476	57,965,288	772,586	2,155,151	454,046	189,111	5,609,309	2,575,650	2,824,525	74,561,142
Charge for the year	22,650	269,625	13,332	42,409	5,754	2,906	86,516	29,493	88,266	560,951
As at 31 March 2024	<u>2,038,126</u>	<u>58,234,913</u>	<u>785,918</u>	<u>2,197,560</u>	<u>459,800</u>	<u>192,017</u>	<u>5,695,825</u>	<u>2,605,143</u>	<u>2,912,791</u>	<u>75,122,093</u>
As at 01 April 2024	2,038,126	58,234,913	785,918	2,197,560	459,800	192,017	5,695,825	2,605,143	2,912,791	75,122,093
Charge for the year	86,070	3,037,329	60,101	204,198	21,864	11,042	328,760	109,621	353,066	4,212,050
As at 31 March 2025	<u>2,124,196</u>	<u>61,272,242</u>	<u>846,019</u>	<u>2,401,758</u>	<u>481,664</u>	<u>203,058</u>	<u>6,024,584</u>	<u>2,714,764</u>	<u>3,265,857</u>	<u>79,334,143</u>
Net book value										
As at 31 March 2024	<u>4,506,602</u>	<u>5,122,867</u>	<u>199,986</u>	<u>805,770</u>	<u>109,322</u>	<u>55,208</u>	<u>1,643,799</u>	<u>560,366</u>	<u>4,148,522</u>	<u>13,076,191</u>
As at 31 March 2025	<u>344,280</u>	<u>25,830,712</u>	<u>194,726</u>	<u>1,382,996</u>	<u>87,458</u>	<u>44,167</u>	<u>1,315,039</u>	<u>484,181</u>	<u>3,795,456</u>	<u>33,479,015</u>



ASHTON APPAREL MANUFACTURING PLC
Notes to accounts
For the financial year ended 31 March 2025

4 Pre-Operational Expenditure		
Cost	As at 31 March 2025	1 January to 31 March 2024
	ETB	ETB
As at 01 April 2024	191,945	191,945
Additions	-	-
As at 31 March 2025	191,945	191,945
Accumulated amortisation		
As at 01 April 2024	158,355	153,556
Charge for the year	19,194	4,799
As at 31 March 2025	177,549	158,355
Net book value as at 31 March 2025	14,396	33,590
5 Other Financial Assets(Non - Current)		
	As at 31 March 2025	1 January to 31 March 2024
	ETB	ETB
Long Term Deposits (Note 5.1)	865,980	865,980
	865,980	865,980
5.1 Long Term Deposits		
Security Deposit (Industrial Parks Development Corporation)	750,000	750,000
Ethiopian Electric Utility	97,126	97,126
Ethio telecom	18,854	18,854
	865,980	865,980

The Security Deposit (Industrial Parks Development Corporation) is for the leased property which is refundable upon termination of the lease period.

A park management company is hired by the lessor which will be responsible for maintenance and operations of the Industrial Park and for which the company is required to make bi annual fee in addition to the rental fee. The balance indicated above is the amount paid as deposit equivalent to USD 198,000.

6 Inventories		
	As at 31 March 2025	1 January to 31 March 2024
	ETB	ETB
Spares parts	7,713,651	-
	7,713,651	-
7 Trade and Other Receivables		
Prepayment	4,933,524	183,600
Advance profit tax	1,091,888	902,553
Advance to Suppliers	100,000	-
Others receivable	267,242	-
VAT receivable	34,781,193	22,271,796
	41,173,847	23,357,949

Trade and other receivables approximates it's fair value as at financial statement date.



ASHTON APPAREL MANUFACTURING PLC
Notes to accounts
For the financial year ended 31 March 2025

	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
8 Cash and Bank Balances		
Cash in hand	92,857	2,064
Cash at bank	15,659,153	9,384,981
	<u>15,752,010</u>	<u>9,387,045</u>
9 Trade and Other Payables		
Trade Payables	-	1,951,162
Amount due to Related parties	162,744,810	22,178,228
	<u>162,744,810</u>	<u>24,129,390</u>
10 Other Financial Liabilities		
	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
Social Security Corporations	1,063,894	361,508
Payroll tax	3,651,583	1,118,742
Accruals	28,897,636	28,450,752
Withholding tax	125,427	-46,015
Excise tax	56,296	-
	<u>33,794,836</u>	<u>29,884,987</u>



ASHTON APPAREL MANUFACTURING PLC
Notes to accounts
For the financial year ended 31 March 2025

11 Share Capital	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
Share capital	114,271,962	84,155,100
12 Reserves	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
Opening balance	3,309,679	3,309,679
Current period change (Note 13)	-	-
	<u>3,309,679</u>	<u>3,309,679</u>
13 Retained Earnings	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
Opening balance	(94,758,401)	(89,500,196)
Tax paid	(82,029)	-
Current period change	(120,281,958)	(5,258,205)
	<u>(215,122,389)</u>	<u>(94,758,401)</u>
14 Tax and accounting profit reconciliations	As at 31 March 2025 ETB	1 January to 31 March 2024 ETB
Accounting Profit/Loss for the year (after tax)	(120,281,958)	(5,258,205)
Add/Less:		
Sport and entertainment	275,112	-
Accommodation expense	225,221	26,500
Staff welfare expense	3,098,054	-
Non-allowable expense	4,295,587	457,519
Miscellaneous Expenses	414,577	-
Penalty and taxes expense	481,818	-
Loss for the year (after tax) as per tax law	(111,491,590)	(4,774,187)



ASHTON APPAREL MANUFACTURING PLC
Notes to accounts
For the financial year ended 31 March 2025

15 Revenue

The company derives its revenue from activities where by raw materials are received from the parent company and cutting, stitching and finishing of garment is made with some addition of local materials. The segregation of revenue is presented below:

	For the year ended 31 March 2025	1 January to 31 March 2024
	ETB	ETB
Export	213,922,571	51,458,417
Local	289,125	5,621,960
	214,211,696	57,080,377

16 Cost of goods sold

Salary and other benefits	126,889,017	24,384,879
Shed Rent	47,328,661	4,578,565
Transportation for workers	38,197,575	8,928,414
Food and Canteen Expenses	20,129,361	7,748,830
Production Consumables (packing, woven & other items)	19,419,643	845,329
Water and Electricity	10,289,108	963,626
Depreciation	3,914,845	496,550
Repair and Maintenance	3,339,364	539,717
Fuel, oil, and Gas	1,526,382	680,049
Cleaning and sanitation	564,350	25,804
	271,598,307	49,191,763

17 Other gains/losses

Foreign exchange gain	2,415,071	-
	2,415,071	-

18 Marketing and Distribution Expenses

Freight and logistics expense	47,107,158	6,991,227
	47,107,158	6,991,227



ASHTON APPAREL MANUFACTURING PLC
Notes to accounts
For the financial year ended 31 March 2025

19 General and Administrative Expenses	For the year ended 31 March 2025	1 January to 31 March 2024
	ETB	ETB
Non-allowable expense for tax	4,295,587	24,120
Staff welfare	3,098,054	619,654
Rent to expat staff	1,745,937	987,737
Transportation	1,088,928	68,008
Professional fee	1,294,557	30,005
Printing and Stationary	434,543	263,020
Travelling Expenses	553,690	-
Repairs and Maintenance	388,429	162,501
Miscellaneous Expenses	414,577	66,542
Bank charges	103,622	41,527
Sports and Entertainment	275,112	-
Telephone expense	447,567	123,538
Visa and work permit	579,280	51,646
Taxes and penalty	481,818	-
Loading and unloading	471,035	-
Security Expense	749,537	112,626
Vehicle running and maintenance	382,804	65,761
Staff accommodation expense	225,221	26,500
Parking fee	161,929	-
Medical expense	147,171	92,050
Depreciation	297,205	64,401
License and registration	91,084	47,776
Membership/subscription fees	60,010	-
Donations	20,000	-
Amortization of Intangible Assets	19,194	4,799
Advertising and promotion	50,811	-
Electricity Charges-Villas	28,495	-
Insurance	84,312	1,019,464
Fire and alarm	47,101	-
Commission	43,139	-
Annual inspection	72,510	-
Corporate Social Responsibilities (CSR)	50,000	-
Custom clearance	-	2,276,918
Uniform	-	7,000
	18,203,260	6,155,593



ASHTON APPAREL MANUFACTURING PLC

Notes to accounts

For the financial year ended 31 March 2025

20 Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	For the year ended 31 March 2025	1 January to 31 March 2024
	ETB	ETB
Short-term employee benefits	3,772,500	-
Post-employment benefits	-	-
Long-term benefits	70,620	-
	<u>3,843,120</u>	<u>-</u>

21 Related Party Transactions

Transactions with related parties

The following transactions occurred with related parties:

	For the year ended 31 March 2025	1 January to 31 March 2024
	ETB	ETB
Sales of goods and services:		
Sales of services	213,922,571	51,458,417
Receivable from and payable to related parties		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
Current payables:		
Trade payables	153,453,475	22,178,228
Loans to/from related parties		
Loans from related parties	9,291,334	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.



22 Subsequent Events

There are no matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

23 Commitments

The are no commitment for capital and operating expenditures, including Investments which had not been recognised in the financial statements.

24 Contingencies

There are no contingent liabilities of the Entity which are in the normal course of business activities at each reporting date.

25 Authorisation

The financial statements were authorised for issue by the board of directors on *Date of issue of financial statements*.

