

SRF Flexipak (South Africa) Proprietary Limited  
(Registration number 2011/010680/07)

**Audited Annual Financial Statements**  
for the year ended 31 March 2025

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

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### **Level of assurance**

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

### **Preparer**

Deshan Chetty CA (SA)  
Isibani Chartered Accountants and Auditors Proprietary Limited

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Directors' Responsibilities and Approval

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The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended in conformity with the IFRS® Accounting Standards as issued by the International Accounting Standards Board and the Companies Act of South Africa. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 5 to 7.

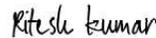
The annual financial statements set out on pages 2 to 41, which have been prepared on the going concern basis, were approved by the board of directors on 08 May 2025 and were signed on their behalf by:

### Approval of annual financial statements



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P Jordaan



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R Kumar

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of SRF Flexipak (South Africa) Proprietary Limited for the year ended 31 March 2025.

### 1. Nature of business

SRF Flexipak (South Africa) Proprietary Limited was incorporated and domiciled in South Africa and set up a Biaxially-orientated Polypropylene Film (BOPP) manufacturing line on the land owned by the company. The entity's principle activity is primarily the sale of flexible packaging.

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

### 2. Registered office

5 Eddie Haggan Drive, Harrison, Cato Ridge, 3680.

### 3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

### 4. Share capital

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

### 5. Dividends

A dividend of R60 000 000 was declared and paid in the year under review (2024: R350 000 000). The dividend per share is R600 000 (2024: R3 500 000).

### 6. Directorate

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

	<b>Nationality</b>
A B Ram	Indian
R Kumar	Indian
P Mehra	Indian
P Jordaan	South African
H Makan	South African

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

### 7. Holding company

The company's holding company is SRF Global B.V. (which in turn is wholly-owned by SRF Limited) which holds 100% (2024: 100%) of the company's equity. SRF Global B.V. is incorporated in Netherlands and SRF Limited is incorporated in India.

### 8. Ultimate holding company

The company's ultimate holding company is KAMA Holdings Limited which is incorporated in India.

### 9. Auditor

PricewaterhouseCoopers Inc. continued in office as auditors of the company for 2025.

# **SRF Flexipak (South Africa) Proprietary Limited**

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## **Directors' Report**

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### **10. Secretary**

No secretary was appointed during the year.

### **11. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### **12. Events after the reporting period**

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



## Independent auditor's report

To the shareholder of SRF Flexipak (South Africa) Proprietary Limited

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### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SRF Flexipak (South Africa) Proprietary Limited (the Company) as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

SRF Flexipak (South Africa) Proprietary Limited's financial statements set out on pages 8 to 41 comprise:

- the statement of financial position as at 31 March 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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

### Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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### Other information

The Directors is responsible for the other information. The other information comprises the information included in the document titled "SRF Flexipak (South Africa) Proprietary Limited Annual Financial

PricewaterhouseCoopers Inc.,  
34 Richefond Circle, Ridgeside Office Park, Umhlanga Rocks, 4319, P O Box 1274, Umhlanga Rocks, 4319  
T: +27 (0) 31 271 2000, F: +27 (0) 31 815 2000, www.pwc.co.za

Chief Executive Officer: L S Machaba  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682



Statements for the year ended 31 March 2025", which include(s) the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### *Responsibilities of the Directors for the financial statements*

The Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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#### *Auditor's responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: David Hill  
Registered Auditor  
Durban, South Africa  
8 May 2025

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Statement of Financial Position as at 31 March 2025

Figures in Rand	Notes	2025	2024
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	479 730 175	504 302 069
Intangible assets	4	136 967	504 439
Loan to group company	5	60 462 625	-
		<b>540 329 767</b>	<b>504 806 508</b>
<b>Current Assets</b>			
Inventories	6	218 760 455	216 223 461
Loans receivable	7	4 700 000	-
Trade and other receivables	8	313 653 488	250 241 343
Current tax receivable	9	1 214 645	-
Cash and cash equivalents	10	-	4 192 159
		<b>538 328 588</b>	<b>470 656 963</b>
<b>Total Assets</b>		<b>1 078 658 355</b>	<b>975 463 471</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	11	100	100
Retained income		625 730 317	546 494 751
		<b>625 730 417</b>	<b>546 494 851</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	12	23 765 594	25 307 138
Deferred tax	13	78 628 892	76 511 692
		<b>102 394 486</b>	<b>101 818 830</b>
<b>Current Liabilities</b>			
Trade and other payables	14	250 107 032	238 956 698
Borrowings	15	80 000 000	50 000 000
Deferred income	12	1 541 549	1 541 549
Current tax payable	9	-	2 314 577
Provisions	16	4 815 111	3 997 355
Bank overdraft	10	14 069 760	30 339 611
		<b>350 533 452</b>	<b>327 149 790</b>
<b>Total Liabilities</b>		<b>452 927 938</b>	<b>428 968 620</b>
<b>Total Equity and Liabilities</b>		<b>1 078 658 355</b>	<b>975 463 471</b>

## SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

### Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue from contracts with customers	17	1 374 244 840	1 154 443 944
Cost of sales	18	(1 021 410 349)	(849 713 509)
<b>Gross profit</b>		<b>352 834 491</b>	<b>304 730 435</b>
Other operating income	19	3 361 991	3 083 657
Other operating losses	20	(1 469 318)	(1 745 009)
Other operating expenses		(154 127 791)	(118 642 052)
<b>Operating profit</b>	21	<b>200 599 373</b>	<b>187 427 031</b>
Investment income	22	925 136	10 889 983
Finance costs	23	(10 790 857)	(665 371)
<b>Profit before taxation</b>		<b>190 733 652</b>	<b>197 651 643</b>
Taxation	24	(51 498 086)	(53 365 944)
<b>Profit for the year</b>		<b>139 235 566</b>	<b>144 285 699</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>139 235 566</b>	<b>144 285 699</b>

## SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

### Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
<b>Balance at 01 April 2023</b>	<b>100</b>	<b>752 209 052</b>	<b>752 209 152</b>
Profit for the year	-	144 285 699	144 285 699
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>144 285 699</b>	<b>144 285 699</b>
Dividends	-	(350 000 000)	(350 000 000)
<b>Balance at 01 April 2024</b>	<b>100</b>	<b>546 494 751</b>	<b>546 494 851</b>
Profit for the year	-	139 235 566	139 235 566
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>139 235 566</b>	<b>139 235 566</b>
Dividends	-	(60 000 000)	(60 000 000)
<b>Balance at 31 March 2025</b>	<b>100</b>	<b>625 730 317</b>	<b>625 730 417</b>
Note			11

## SRF Flexipak (South Africa) Proprietary Limited

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### Statement of Cash Flows

Figures in Rand	Notes	2025	2024
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	178 476 758	187 314 125
Interest received	22	462 511	10 889 983
Interest paid	23	(10 790 857)	(665 371)
Tax paid	9	(52 910 108)	(40 378 581)
<b>Net cash from operating activities</b>		<b>115 238 304</b>	<b>157 160 156</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(8 446 896)	(13 678 770)
Purchases of intangible assets	4	(13 716)	(245 000)
Advances of loan to group company	5	(60 000 000)	-
Advances of loans receivable	7	(4 700 000)	-
<b>Net cash utilised in investing activities</b>		<b>(73 160 612)</b>	<b>(13 923 770)</b>
<b>Cash flows from financing activities</b>			
Proceeds received from borrowings	15	30 000 000	50 000 000
Repayment of borrowings	15	-	(12 068 127)
Dividends paid		(60 000 000)	(350 000 000)
<b>Net cash utilised in financing activities</b>		<b>(30 000 000)</b>	<b>(312 068 127)</b>
<b>Total cash and cash equivalents movement for the year</b>		<b>12 077 692</b>	<b>(168 831 741)</b>
Cash and cash equivalents at the beginning of the year		(26 147 452)	142 684 289
<b>Cash and cash equivalents at the end of the year</b>	10	<b>(14 069 760)</b>	<b>(26 147 452)</b>

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1. Material accounting policies

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

#### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, the IFRS Accounting Standards as issued by the International Accounting Standards Board and the Companies Act of South Africa.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. The financial statements are prepared on the going concern basis. They are presented in Rands ("R"), which is the company's functional currency.

These accounting policies are consistent with the previous period. The financial statements were approved by the board of directors on 08 May 2025.

#### 1.2 Material judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with the IFRS Accounting Standards as issued by the International Accounting Standards Board requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would materially affect the financial statements.

#### Key sources of estimation uncertainty

##### Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets. There have been no changes in the techniques and assumptions year on year.

##### Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

##### Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge. There were no material adjustments in the current period.

#### Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.3 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised. No depreciation is recognised on land.

Assets included in capital work in progress are recorded at cost less possible impairment losses. These assets are depreciated from the date they become available for their intended use.

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

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Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 40 years
Plant and machinery	Straight line	1 - 40 years
Office equipment	Straight line	1 - 20 years

The depreciation charge for the year is recognised in profit or loss.

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

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

### 1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.4 Intangible assets (continued)

Amortisation is provided to write down the intangible assets on a straight line basis as follows:

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Item	Amortisation method	Average useful life
Computer software	Straight line	3 years

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### 1.5 Financial instruments

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

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

Financial assets:

- Amortised cost.

Financial liabilities:

- Amortised cost.

#### Loan to group company and loans receivable

##### Classification

Loan to group company and loans receivable (notes 5 and 7) are classified as financial assets subsequently measured at amortised cost.

##### Recognition and measurement

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

They are subsequently measured at amortised cost.

##### Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

##### Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

# SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

## Accounting Policies

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### 1.5 Financial instruments (continued)

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

#### Write off policy

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

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

##### Recognition and measurement

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

They are subsequently measured at amortised cost.

##### Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

##### Impairment

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

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

# SRF Flexipak (South Africa) Proprietary Limited

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## Accounting Policies

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### 1.5 Financial instruments (continued)

#### Measurement and recognition of expected credit losses

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

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account.

#### Write off policy

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

#### Borrowings

##### Classification

Borrowings (note 15) are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

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

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

##### Borrowings denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

#### Trade and other payables

##### Classification

Trade and other payables, (note 14) excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

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

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

##### Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

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## Accounting Policies

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### 1.5 Financial instruments (continued)

#### Cash and cash equivalents

##### Classification

Cash and cash equivalents (note 10) are classified as financial assets subsequently measured at amortised cost.

Cash and cash equivalents are recognised when the company becomes a party to the contractual provisions of the cash and cash equivalents. They are measured, at initial recognition, at fair value plus transaction costs, if any. Cash and cash equivalents (note 10) are subsequently stated at carrying amount which is deemed to be fair value.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### Bank overdrafts

##### Classification

Bank overdrafts (note 10) are classified as financial liabilities subsequently measured at amortised cost.

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### Derecognition

#### Financial assets

The company 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 party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as a separate line item in the statement of profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

#### Financial liabilities

The company derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. Cash proceeds and repayments in respect of financial liabilities are disclosed net where the turnover is quick, the amounts are large and the maturities are short.

### 1.6 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

#### Deferred tax assets and liabilities

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

# SRF Flexipak (South Africa) Proprietary Limited

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## Accounting Policies

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### 1.6 Tax (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 difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit / (tax loss).

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

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

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current taxation assets and liabilities on a net basis.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

### 1.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

#### Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company 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 economic benefits from the leased asset are consumed.

### 1.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

The basis of determining the cost for various categories of inventory are as follows.

- Stores, spares and raw materials - weighted average.
- Process stocks and finished goods - direct cost plus appropriate share of overheads - weighted average.
- By products - at estimated realisable value - weighted average.

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## Accounting Policies

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### 1.8 Inventories (continued)

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

### 1.9 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

### 1.10 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Dividends are recognised as a liability when they are declared.

### 1.11 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

### 1.12 Provisions and contingencies

The company recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the company will be required to settle the obligation.

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

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## Accounting Policies

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### 1.13 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

### 1.14 Revenue from contracts with customers

Revenue is recognised upon transfer of control when performance obligations to customers are met in an amount that reflects the consideration the company expects to receive in exchange for the goods or services rendered. To recognise revenue, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognise revenue when a performance obligation is satisfied.

At contract inception, the company assesses its promise to transfer goods and services to a customer to identify separate performance obligations. The company applies judgement to determine whether each good and service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods and services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately.

Revenue is measured at the amount of the transaction price received in exchange for transferring goods. The transaction price is the expected consideration to be received net of discounts and rebates, in the performance of the entity's obligations. Payment terms are standard ranging from 30 to 60 days.

SRF Flexipak South Africa Proprietary Limited manufactures and sells various types of film solutions for applications such as food packaging and labelling.

#### ***Sale of goods - local contracts***

Revenue is recognised at a point in time, at the time at which control transfers to the customer. The stage for when control is transferred is the delivery of the goods for local sales. Revenue is recognised at the selling price as per the invoice sent to the customer. The transport and the goods being sold are considered one performance obligation.

#### ***Sale of goods - foreign contracts***

Revenue is recognised at a point in time, at the time at which control transfers to the customer. The stage for when control is transferred is based on the incoterm that SRF Flexipak has entered into with foreign customer. Revenue is recognised at the selling price as per the invoice sent to the customer.

### Interest income

Interest income is recognised on a time proportion basis which takes into account the effective yield on the asset. Interest income includes the amount of amortisation of any discount or premium.

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## Accounting Policies

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### 1.15 Cost of sales

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

### 1.16 Translation of foreign currencies

#### Foreign currency transactions

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

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Exchange differences that arise on translation at the balance sheet date, for monetary items that form part of operating activities, will require no adjustment in the reconciliation of profit to net cash flow from operating activities, even though they do not involve any cash flows. This is because increases or decreases in monetary items that form part of operating activities will include the exchange differences on their translation at the balance sheet date, which would be offset against their equivalent exchange gain or loss included in profit for the year. The effect is that the net cash flows from operating activities will not be distorted by such translation differences.

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## Notes to the Annual Financial Statements

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### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The company has adopted the amendment for the first time in the 2025 annual financial statements.

The impact of the amendment is not material.

#### 2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2025 or later periods:

##### IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 01 January 2027.

The company expects to adopt the amendment for the first time in the 2028 annual financial statements.

This will have an impact on the disclosure of the Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows.

##### Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The company expects to adopt the amendment for the first time in the 2027 annual financial statements.

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### Notes to the Annual Financial Statements

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#### 2. New Standards and Interpretations (continued)

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

##### Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 01 January 2025.

The company expects to adopt the amendment for the first time in the 2026 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

#### 3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	26 127 133	-	26 127 133	26 127 133	-	26 127 133
Buildings	151 957 018	(46 006 199)	105 950 819	151 437 823	(41 621 268)	109 816 555
Plant and machinery	562 502 291	(220 702 113)	341 800 178	551 082 527	(193 690 962)	357 391 565
Office equipment	11 894 971	(9 668 895)	2 226 076	11 307 446	(8 828 736)	2 478 710
Work in progress	3 625 969	-	3 625 969	8 488 106	-	8 488 106
<b>Total</b>	<b>756 107 382</b>	<b>(276 377 207)</b>	<b>479 730 175</b>	<b>748 443 035</b>	<b>(244 140 966)</b>	<b>504 302 069</b>

##### Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	26 127 133	-	-	-	-	26 127 133
Buildings	109 816 555	-	-	519 196	(4 384 932)	105 950 819
Plant and machinery	357 391 565	-	(95 266)	12 197 729	(27 693 850)	341 800 178
Office equipment	2 478 710	-	-	592 108	(844 742)	2 226 076
Work in progress	8 488 106	8 446 896	-	(13 309 033)	-	3 625 969
	<b>504 302 069</b>	<b>8 446 896</b>	<b>(95 266)</b>	<b>-</b>	<b>(32 923 524)</b>	<b>479 730 175</b>

##### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing balance
Land	26 127 133	-	-	-	-	26 127 133
Buildings	114 275 311	-	-	-	(4 458 756)	109 816 555
Plant and machinery	270 475 809	-	-	112 019 877	(25 104 121)	357 391 565
Office equipment	2 746 093	-	-	664 938	(932 321)	2 478 710
Work in progress	107 494 151	13 678 770	-	(112 684 815)	-	8 488 106
	<b>521 118 497</b>	<b>13 678 770</b>	<b>-</b>	<b>-</b>	<b>(30 495 198)</b>	<b>504 302 069</b>

Depreciation expense of R31 147 513 (2024: R28 285 416) has been charged to cost of sales and depreciation expense of R2 157 199 (2024: R2 646 569) has been charged to operating expenses.

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### Notes to the Annual Financial Statements

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#### 4. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	4 393 605	(4 256 638)	136 967	4 452 490	(3 948 051)	504 439

#### Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Closing balance
Computer software	504 439	13 716	(381 188)	136 967

#### Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Closing balance
Computer software	696 226	245 000	(436 787)	504 439

Intangible assets do not relate to assets that are internally generated.

#### 5. Loan to group company

##### Fellow subsidiary

SRF Industex Belting Proprietary Limited	60 462 625	-
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The above loan is unsecured, bears interest at a rate of 10,62% per annum and is repayable after 3 years. No repayments of capital are expected in the next 12 months.

##### Reconciliation of loan to group company

Opening balance	-	-
Advances	60 000 000	-
Interest	462 625	-
Repayments	-	-
<b>Closing balance</b>	<b>60 462 625</b>	<b>-</b>

##### Credit risk management practices and impairment assessment

Loan to group company at amortised cost is considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider "low credit risk" for debt investments to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. The loan has been determined fully recoverable, and the expected credit loss has been determined to be immaterial. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as prime interest rates affecting the ability of the borrower to repay its debts. The above loan receivable is assessed bi-annually for credit losses on a company by company basis. The expected credit loss has been determined to be immaterial on the above loan as the loan is short term in nature and credit worthiness checks indicated that the borrower has a healthy credit history.

##### Fair value of loan to group company

The fair value of the loan to group company approximates its carrying amount.

## SRF Flexipak (South Africa) Proprietary Limited

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### Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>6. Inventories</b>		
Raw materials	150 256 363	144 552 325
Work in progress	5 087 684	5 991 227
Finished goods	63 551 408	66 372 950
	<u>218 895 455</u>	<u>216 916 502</u>
Inventories (write-downs)	(135 000)	(693 041)
	<u><b>218 760 455</b></u>	<u><b>216 223 461</b></u>

Inventory to the value of R135 000 (2024: R693 041) was written down and recognised as an expense.

The cost of inventories recognised as an expenses and included within cost of sales amounted to R883 537 909 (2024: R849 713 509).

#### 7. Loans receivable

Enterprise Development loans	4 700 000	-
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The above loans are unsecured, interest free and are to be repaid by 30 June 2025.

#### Reconciliation of loans receivable

Opening balance	-	-
Advances	4 700 000	-
Repayments	-	-
<b>Closing balance</b>	<u><b>4 700 000</b></u>	<u><b>-</b></u>

#### Credit risk management practices and impairment assessment

Loans receivable at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider "low credit risk" for debt investments to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. The loans have been determined fully recoverable, and the expected credit loss has been determined to be immaterial. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as prime interest rates affecting the ability of the borrower to repay its debts. The above loan receivables are assessed bi-annually for credit losses on a company by company basis. The expected credit loss has been determined to be immaterial on the above loans as the loans are short term in nature and credit worthiness checks indicated that the borrowers have a healthy credit history.

#### Fair value of loans receivable

The fair value of loans receivable approximates their carrying amounts.

#### 8. Trade and other receivables

##### Financial instruments:

Trade receivables	301 348 320	244 820 184
Loss allowance	(154 817)	(27 876)
Trade receivables at amortised cost	<u>301 193 503</u>	<u>244 792 308</u>
Deposits	2 147 277	2 157 377
Advances to suppliers	2 222 786	2 022 215
Interest receivable	-	460 274
Other receivables	35 962	5 934

##### Non-financial instruments:

VAT	8 053 960	803 235
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<b>Total trade and other receivables</b>	<u><b>313 653 488</b></u>	<u><b>250 241 343</b></u>
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## SRF Flexipak (South Africa) Proprietary Limited

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### Notes to the Annual Financial Statements

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#### 8. Trade and other receivables (continued)

##### Reconciliation of loss allowance

Opening balance	(27 876)	(63 651)
(Increase) / decrease in allowance	(126 941)	35 775
<b>Closing balance</b>	<b>(154 817)</b>	<b>(27 876)</b>

The movement in the loss allowance purely arises from the movement in the ageing of debtors.

Loss allowance aging profile - 2025	Current	1 - 30 days	31 - 60 days	61 - 90 days	90 days +	Total
Expected loss %	0%	0%	0%	0%	9%	0,05%
Gross carrying amount	295 151 242	-	1 657 876	2 836 442	1 702 760	301 348 320
Loss allowance calculated	-	-	-	-	(154 817)	(154 817)
Specific allowance	-	-	-	-	-	-
	-	-	-	-	<b>(154 817)</b>	<b>(154 817)</b>

Loss allowance aging profile - 2024	Current	1 - 30 days	31 - 60 days	61 - 90 days	90 days +	Total
Expected loss %	0%	0%	0%	0%	68,95%	0,01%
Gross carrying amount	236 031 886	8 710 190	3 824	33 858	40 426	244 820 184
Loss allowance calculated	-	-	-	-	(27 876)	(27 876)
Specific allowance	-	-	-	-	-	-
	-	-	-	-	<b>(27 876)</b>	<b>(27 876)</b>

Advances to suppliers include capital advances of R1 604 576 (2024: R1 046 910).

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the debtor to engage in a repayment plan and to make payments for a period of greater than 90 days past due (default period). Write offs have been limited in previous periods and based on assessments performed in the current year, trade and other receivables are deemed to be low risk.

Debtors between current and 90 days are fully performing. Debtors in 90 days+ are limited and based on prior experience are fully recoverable. There are no external credit ratings however debtors fall into the same grouping.

#### Credit risk management practices and impairment assessment

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Credit risk is mitigated by customer management and an affordability assessment and creditworthy checks with reputable bureaus which determines a customers ability to repay an outstanding credit amount. These are conducted before a potential sale transaction. If there is any doubt to the customers ability to afford the contract then they are turned away. The Expected Credit Losses modelling and assessments over arrears was tested and enhanced over the previous financial years due to the impact of the various events. Management is satisfied with the robust nature of the procedures in place to assess risk of losses and with identifying potential defaults. As such management has not been required to readjust the current modelling used to perform Expected Credit Losses but has taken the view to continuously enhance and improve the existing processes as part of an ongoing and long term view relating to business environment. There were no significant events/transactions which impact on impairment assessment of receivables due other than those already provided for in the Expected Credit Losses.

#### Categorisation of trade and other receivables

At amortised cost	305 599 528	249 438 108
Non-financial instruments	8 053 960	803 235
	<b>313 653 488</b>	<b>250 241 343</b>

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### 8. Trade and other receivables (continued)

#### Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

### 9. Tax paid

Balance at the beginning of the year	(2 314 577)	4 479 462
Current tax recognised in profit or loss	(49 380 886)	(47 172 620)
Balance at the end of the year	(1 214 645)	2 314 577
	<b>(52 910 108)</b>	<b>(40 378 581)</b>

### 10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	-	4 192 159
Bank overdraft	(14 069 760)	(30 339 611)
	<b>(14 069 760)</b>	<b>(26 147 452)</b>
Current assets	-	4 192 159
Current liabilities	(14 069 760)	(30 339 611)
	<b>(14 069 760)</b>	<b>(26 147 452)</b>

The bank overdraft bears interest at a rate linked to the South African prime lending rate.

#### Facilities made available to the company:

The company has a total direct working capital facility of R80 million, which has been fully drawn, and letters of credit of R70 million, from Rand Merchant Bank, which is secured by way of:

- Cession of debtors - Shared between ABSA (R100 million) and RMB (R100 million);
- Limited cession and pledge of credit balances for R102 000;
- Letter of subordination from SRF Limited; and
- Parental guarantee for USD 8 000 000 by SRF Limited.

The company also has the following facilities available from Rand Merchant Bank:

- Short term presettlement	R5 000 000
- Corporate credit card	R200 000
- Temporary short term direct facility	R80 000 000
- Letter of credit facility	R150 000 000
- Contingent short term	R7 000 000

The company has utilised their facilities with Rand Merchant Bank as follows:

- Guarantee issued	R801 976
- Letters of credit for	USD 1 366 758

The company has the following facilities available from ABSA Bank:

- Letters of credit	R10 497 000
- Forward exchange contract for	USD 2 372 000
- Foreign exchange settlement limit	R23 600 000
- Primary lending facility	R70 000 000
- Guarantee	R103 000

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### 10. Cash and cash equivalents (continued)

#### Credit quality of cash at bank and short term deposits

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to Moody's credit ratings:

#### Credit rating

##### First National Bank

P-3 short term and Baa3 long term -      4 192 159

### 11. Share capital

#### Authorised

1 000 Ordinary shares of R1 each 1 000      1 000

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

#### Issued

100 Ordinary shares of R1 each 100      100

The above ordinary shares are fully paid.

### 12. Deferred income

Government grants 25 307 143      26 848 687

#### Reconciliation of deferred income

Opening balance 26 848 687      28 390 232

Released to profit or loss (1 541 544)      (1 541 545)

**Closing balance** **25 307 143      26 848 687**

#### Split between non-current and current portions

Non-current liabilities 23 765 594      25 307 138

Current liabilities 1 541 549      1 541 549

**25 307 143      26 848 687**

The government grant was received from the Department of Trade and Industry in relation to the start up of the plant. The government grant is straightlined over a period of 27 years. There are no unfulfilled conditions and other contingencies related to government assistance.

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#### 13. Deferred tax

##### Deferred tax asset

Deferred income	6 832 929	7 249 146
Provisions	1 427 268	1 434 044
Income received in advance	308 802	1 158 116
<b>Total deferred tax asset</b>	<b>8 568 999</b>	<b>9 841 306</b>

##### Deferred tax liability

Property, plant and equipment	(87 197 891)	(86 352 998)
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The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	8 568 999	9 841 306
Deferred tax liability	(87 197 891)	(86 352 998)
<b>Total net deferred tax liability</b>	<b>(78 628 892)</b>	<b>(76 511 692)</b>

##### Reconciliation of deferred tax liability

At the beginning of the year	(76 511 692)	(70 318 369)
Temporary difference movement on deferred income	(416 217)	(416 217)
Temporary difference movement on provisions	(6 775)	(2 947)
Temporary difference movement on income received in advance	(849 314)	708 559
Temporary difference movement on property, plant and equipment	(844 894)	(6 482 718)
<b>At the end of the year</b>	<b>(78 628 892)</b>	<b>(76 511 692)</b>

#### 14. Trade and other payables

##### Financial instruments:

Trade payables	181 541 335	179 497 895
Accrued expenses	63 135 352	50 506 727
Accrued interest	545 842	403 461
Other payables	3 740 791	4 259 297

##### Non-financial instruments:

Income received in advance	1 143 712	4 289 318
<b>250 107 032</b>	<b>238 956 698</b>	

##### Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	248 963 320	234 667 380
Non-financial instruments	1 143 712	4 289 318
<b>250 107 032</b>	<b>238 956 698</b>	

##### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

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<b>15. Borrowings</b>		
<b>Held at amortised cost</b>		
Rand Merchant Bank - short term direct facility	80 000 000	50 000 000
The above loan is secured by cession of debtors as mentioned in note 10. The loan bears interest at a rate of 10% (2024: 10.75%) which is prime lending minus 1% and is payable on or before 30 June 2025.		
<b>Reconciliation of borrowings</b>		
Opening balance	50 000 000	11 789 105
Capital repayments	-	(12 068 127)
Interest	6 280 807	-
Advances	30 000 000	50 000 000
Interest repayments	(6 280 807)	-
Foreign exchange difference	-	279 022
<b>Closing balance</b>	<b>80 000 000</b>	<b>50 000 000</b>

#### Fair value of borrowings

The fair value of borrowings approximates their carrying amounts.

### 16. Provisions

#### Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Closing balance
Bonus provision	766 956	797 768	(766 956)	797 768
Provision for leave pay	3 230 399	4 017 343	(3 230 399)	4 017 343
	<b>3 997 355</b>	<b>4 815 111</b>	<b>(3 997 355)</b>	<b>4 815 111</b>

#### Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Closing balance
Bonus provision	727 543	766 956	(727 543)	766 956
Provision for leave pay	3 382 337	3 230 399	(3 382 337)	3 230 399
	<b>4 109 880</b>	<b>3 997 355</b>	<b>(4 109 880)</b>	<b>3 997 355</b>

The provisions above relate to bonus and leave pay where the timing is uncertain and the amount as the value paid out is dependent on employee term.

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<b>17. Revenue</b>		
<b>Revenue from contracts with customers</b>		
Sale of goods	1 374 244 840	1 154 443 944
<b>Disaggregation of revenue from contracts with customers</b>		
The company disaggregates revenue from customers as follows:		
<b>Sale of goods</b>		
Sale of goods - local contracts	1 219 367 740	1 099 228 144
Sale of goods - foreign contracts	169 825 586	64 531 314
Discount allowed	(14 948 486)	(9 315 514)
	<b>1 374 244 840</b>	<b>1 154 443 944</b>
<b>Timing of revenue recognition</b>		
<b>At a point in time</b>		
Sale of goods	1 374 244 840	1 154 443 944
Refer to the accounting policy in note 1.14 for further information on the recognition of revenue.		
<b>18. Cost of sales</b>		
<b>Manufactured goods:</b>		
Manufacturing expenses	937 409 875	770 964 054
Employee costs	52 852 961	50 464 039
Depreciation on property, plant and equipment	31 147 513	28 285 416
	<b>1 021 410 349</b>	<b>849 713 509</b>
<b>19. Other operating income</b>		
Insurance proceeds	164 559	-
Scrap sales	1 655 888	1 542 112
Government grants	1 541 544	1 541 545
	<b>3 361 991</b>	<b>3 083 657</b>
<b>20. Other operating losses</b>		
<b>Losses on disposals</b>		
Property, plant and equipment	(95 266)	-
<b>Foreign exchange losses</b>		
Net foreign exchange loss	(1 374 052)	(1 745 009)
<b>Total other operating losses</b>	<b>(1 469 318)</b>	<b>(1 745 009)</b>

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### 21. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

#### Employee costs

As at 31 March 2025 the company had 172 permanent employees (2024: 169). The total cost of employment of all employees, including executive directors, was as follows:

Salaries, wages, bonuses and other benefits	74 431 500	69 447 676
<b>Total employee costs</b>	<b>74 431 500</b>	<b>69 447 676</b>
Less: employee costs included in cost of sales	(52 852 961)	(50 464 039)
<b>Total employee costs expensed</b>	<b>21 578 539</b>	<b>18 983 637</b>

#### Leases

Short-term leases	2 133 981	1 354 901
<b>Total lease expenses</b>	<b>2 133 981</b>	<b>1 354 901</b>

The above lease expense relates to the short-term leasing of guesthouses and warehouses (where the need arises) by the company.

#### Depreciation and amortisation

Property, plant and equipment	32 923 524	30 495 198
Intangible assets	381 188	436 787
<b>Total depreciation and amortisation</b>	<b>33 304 712</b>	<b>30 931 985</b>
Less: depreciation included in cost of sales	(31 147 513)	(28 285 416)
<b>Total depreciation and amortisation expensed</b>	<b>2 157 199</b>	<b>2 646 569</b>

#### Other

Delivery expenses	45 184 752	35 205 418
Commission	39 874 572	29 494 347
Business support	15 056 821	8 223 074
Insurance	3 338 188	2 434 927
Security	3 032 678	2 735 946

### 22. Investment income

#### Interest income

Bank and other cash	218 699	10 368 500
Interest on loan to group company	462 625	-
Other financial assets	243 812	521 483
<b>Total interest income</b>	<b>925 136</b>	<b>10 889 983</b>

### 23. Finance costs

Bank overdraft	4 499 006	540 376
Borrowings	6 280 807	-
Other interest paid	11 044	124 995
<b>Total finance costs</b>	<b>10 790 857</b>	<b>665 371</b>

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#### 24. Taxation

##### Major components of the tax expense

##### Current

Local income tax - current period 49 380 886    47 172 620

##### Deferred

Originating and reversing temporary differences 2 117 200      6 193 324

**51 498 086    53 365 944**

##### Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit 190 733 652    197 651 643

Tax at the applicable tax rate of 27% 51 498 086    53 365 944

#### 25. Cash generated from operations

Profit before taxation 190 733 652    197 651 643

##### Adjustments for non-cash items:

Depreciation and amortisation 33 304 712    30 931 985

Losses on disposal of property, plant and equipment 95 266      -

Losses on foreign exchange -            279 022

Movements in provisions 817 756    (112 525)

##### Adjust for items which are presented separately:

Interest income (925 136)    (10 889 983)

Finance costs 10 790 857    665 371

##### Changes in working capital:

Increase in inventories (2 536 994)    (64 482 610)

Increase in trade and other receivables (63 412 145)    (42 916 835)

Increase in trade and other payables 11 150 334    77 729 602

Deferred income (1 541 544)    (1 541 545)

**178 476 758    187 314 125**

#### 26. Net debt reconciliation

	Borrowings	Cash and cash equivalents	Total
Net debt 1 April 2023	(11 789 105)	142 684 289	130 895 184
Additions to borrowings	(50 000 000)	-	(50 000 000)
Foreign exchange difference	(279 022)	-	(279 022)
Repayment of borrowings	12 068 127	-	12 068 127
Cashflows	-	(168 831 741)	(168 831 741)
<b>Net debt 31 March 2024</b>	<b>(50 000 000)</b>	<b>(26 147 452)</b>	<b>(76 147 452)</b>
Additions to borrowings	(30 000 000)	-	(30 000 000)
Interest accrued	(6 280 807)	-	(6 280 807)
Interest repayments	6 280 807	-	6 280 807
Cashflows	-	12 077 692	12 077 692
<b>Net debt 31 March 2025</b>	<b>(80 000 000)</b>	<b>(14 069 760)</b>	<b>(94 069 760)</b>

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<b>27. Commitments</b>		
The company has no commitments as at 31 March 2025 (2024: RNil).		
<b>28. Related parties</b>		
<b>Relationships</b>		
Ultimate holding company	KAMA Holdings Limited	
Ultimate controlling party	ABR Family Trust	
Holding company	SRF Global B.V. (which in turn is wholly-owned by SRF Limited who prepares financial statements that are available for public use)	
Fellow subsidiaries	SRF Industries (Thailand) Limited SRF Industex Belting Proprietary Limited SRF Holiday Home Limited SRF Europe Kft SRF Altech Limited	
Members of key management	Refer to the Directors' Report	
Key management personnel is defined as the directors of the company as per the Directors' Report.		
<b>Related party balances</b>		
<b>Loan account - Owing by related party</b>		
SRF Industex Belting Proprietary Limited	60 462 625	-
Refer to note 5 for further information on the related party loan.		
<b>Amounts included in trade receivables regarding related parties</b>		
SRF Industex Belting Proprietary Limited	51 530 830	30 090 556
<b>Amounts included in trade payables regarding related parties</b>		
SRF Industries (Thailand) Limited	-	(181 804)
SRF Limited	(11 075 188)	(6 772 938)
SRF Industex Belting Proprietary Limited	(1 600 577)	-
All balances owing to and from related parties are on standard credit terms in line with third party receivables and payables.		
<b>Related party transactions</b>		
<b>Interest received from related party</b>		
SRF Industex Belting Proprietary Limited	462 625	-
<b>Purchases from related parties</b>		
SRF Limited	14 261 669	26 991 060
SRF Industries (Thailand) Limited	7 150 829	2 590 678
<b>Sales to related parties</b>		
SRF Limited	-	(88 139)
SRF Industex Belting Proprietary Limited	(189 934 095)	(153 630 570)
<b>Management fees and guarantee fees paid to related parties</b>		
SRF Limited	8 878 565	8 223 074
SRF Industex Belting Proprietary Limited	6 178 256	-

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### 28. Related parties (continued)

#### Dividends paid to related party

SRF Global B.V. 60 000 000 350 000 000

### 29. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

##### 2025

	Notes	Amortised cost	Total
Loan to group company	5	60 462 625	60 462 625
Loans receivable	7	4 700 000	4 700 000
Trade and other receivables	8	305 599 528	305 599 528
		<b>370 762 153</b>	<b>370 762 153</b>

##### 2024

	Notes	Amortised cost	Total
Trade and other receivables	8	249 438 108	249 438 108
Cash and cash equivalents	10	4 192 159	4 192 159
		<b>253 630 267</b>	<b>253 630 267</b>

#### Categories of financial liabilities

##### 2025

	Notes	Amortised cost	Total
Trade and other payables	14	248 963 320	248 963 320
Borrowings	15	80 000 000	80 000 000
Bank overdraft	10	14 069 760	14 069 760
		<b>343 033 080</b>	<b>343 033 080</b>

##### 2024

	Notes	Amortised cost	Total
Trade and other payables	14	234 667 380	234 667 380
Borrowings	15	50 000 000	50 000 000
Bank overdraft	10	30 339 611	30 339 611
		<b>315 006 991</b>	<b>315 006 991</b>

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### 29. Financial instruments and risk management (continued)

#### Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably. The gearing ratio is monitored continuously and where breaches arise, the debt and equity is revisited to ensure that the appropriate balance of capital remains in place to achieve the target debt ratio. There are no external gearing ratio conditions and requirements. The target gearing ratio ranges between 50% to 70% and this will vary each year dependent on economic factors.

	Notes		
Borrowings	15	80 000 000	50 000 000
Trade and other payables	14	250 107 032	238 956 698
<b>Total borrowings</b>		<b>330 107 032</b>	<b>288 956 698</b>
Bank overdraft	10	14 069 760	26 147 452
<b>Net borrowings</b>		<b>344 176 792</b>	<b>315 104 150</b>
Equity		625 730 417	546 494 851
Gearing ratio		55 %	58 %

#### Financial risk management

##### Overview

The financial instruments of the company consist primarily of short-term loans and advances, cash and cash equivalents, bank overdraft, borrowings, other current liabilities, trade payables and trade receivables. The carrying amount of financial instruments is determined in accordance with the accounting policies of the company.

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

##### Credit risk

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

The company is exposed to credit risk on loan to group company, trade and other receivables, loans receivable and cash and cash equivalents.

Trade receivables comprise a widespread customer base and the company undertakes ongoing credit evaluations of the financial condition of their customers. At 31 March 2025 the company does not consider there to be any material credit risk that has not been adequately provided for. The majority of local debtors are covered by credit guarantee insurance. For foreign debtors who are not insured, sales are made via letters of credit. Debtor, loan receivable and loan to group company payments are monitored regularly and appropriate action is taken to recover monies owed or, if necessary, to terminate the agreement.

The company only deposits cash surpluses with major banks of high quality standing. At year end the company did not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for.

The carrying amounts of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

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#### 29. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Loan to group company	5	60 462 625	-	60 462 625	-	-	-
Loans receivable	7	4 700 000	-	4 700 000	-	-	-
Trade and other receivables	8	305 754 345	(154 817)	305 599 528	249 465 984	(27 876)	249 438 108
Cash and cash equivalents	10	-	-	-	4 192 159	-	4 192 159
		<b>370 916 970</b>	<b>(154 817)</b>	<b>370 762 153</b>	<b>253 658 143</b>	<b>(27 876)</b>	<b>253 630 267</b>

#### Liquidity risk

Liquidity risk is defined as the risk that the entity could not be able to settle or meet its obligations on time or at a reasonable price. Management is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risks, related processes and policies are overseen by management. The company manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows. Such forecasting takes into consideration the company's debt financing plans.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

#### 2025

		Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables	14	248 963 320	248 963 320	248 963 320
Borrowings	15	82 000 000	82 000 000	80 000 000
Bank overdraft	10	14 069 760	14 069 760	14 069 760
		<b>345 033 080</b>	<b>345 033 080</b>	<b>343 033 080</b>

#### 2024

		Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables	14	234 667 380	234 667 380	234 667 380
Borrowings	15	52 239 583	52 239 583	50 000 000
Bank overdraft	10	30 339 611	30 339 611	30 339 611
		<b>317 246 574</b>	<b>317 246 574</b>	<b>315 006 991</b>

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant. The bank overdraft facilities can be drawn at any time and can be terminated by the bank with due notice. Borrowings are available through a facility which has been drawn down and can be called upon in the short term (6 to 12 months). Refer to note 10 for further details. Trade and other payables are due for settlement within a 30 to 60 day period.

## SRF Flexipak (South Africa) Proprietary Limited

(Registration number 2011/010680/07)

Annual Financial Statements for the year ended 31 March 2025

### Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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#### 29. Financial instruments and risk management (continued)

##### Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions, trade and other receivables, trade and other payables and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars, Euros and British Pounds. Fluctuations in foreign currency may give rise to an increase in the rand settlement amount of borrowings and trade and other payables or decrease in the rand settlement amount in trade and other receivables.

##### Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

##### US Dollar exposure:

###### Current assets:

Trade and other receivables	8	10 694 131	10 930 166
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###### Current liabilities:

Trade and other payables	14	(95 271 464)	(74 093 528)
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###### Net US Dollar exposure

<u>(84 577 333)</u>	<u>(63 163 362)</u>
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##### Euro exposure:

###### Current assets:

Trade and other receivables	8	9 381 712	5 267 771
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###### Current liabilities:

Trade and other payables	14	(9 770 264)	(19 794 270)
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###### Net Euro exposure

<u>(388 552)</u>	<u>(14 526 499)</u>
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##### British Pound exposure:

###### Current assets:

Trade and other receivables	8	2 367 793	1 283 255
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###### Net British Pound Exposure

<u>2 367 793</u>	<u>1 283 255</u>
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###### Net exposure to foreign currency in Rand

<u>(82 598 092)</u>	<u>(76 406 606)</u>
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##### Exchange rates

###### Rand per unit of foreign currency:

US Dollar	18,149	19,057
Euro	19,565	20,563
British Pound	23,485	24,050

##### Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date.

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Figures in Rand 2025      2024

#### 29. Financial instruments and risk management (continued)

	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
<b>Increase or decrease in rate</b>				
<b>Impact on profit or loss:</b>				
US Dollar - 10% change in foreign currency rate	(8 457 733)	8 457 733	(6 316 336)	6 316 336
Euro - 10% change in foreign currency rate	(38 855)	38 855	(1 452 650)	1 542 650
British Pound - 10% change in foreign currency rate	236 779	(236 779)	128 326	(128 326)
	<b>(8 259 809)</b>	<b>8 259 809</b>	<b>(7 640 660)</b>	<b>7 730 660</b>

#### Interest rate risk

Fluctuations in interest rates impact on financing activities, giving rise to interest rate risk.

#### Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which 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. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. These are bank overdrafts and borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk (refer to note 15 for the interest rate).

	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
<b>Increase or decrease in rate</b>				
<b>Impact on profit or loss:</b>				
Bank overdraft - 50 Basis points change	(70 349)	70 349	(151 698)	151 698
Borrowings - 50 Basis points change	(400 000)	400 000	(250 000)	250 000
	<b>(470 349)</b>	<b>470 349</b>	<b>(401 698)</b>	<b>401 698</b>

The company continues to review its interest rate risk and the policies in place to manage the risk. Trade receivables, loan receivables and payables are interest-free and have settlement dates within one year.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the company calculates the impact on the statement of profit or loss and comprehensive income of a defined interest rate shift.

Loans to group companies at fixed rates expose the company to fair value interest rate risk.

#### 30. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

#### 31. Events after the reporting period

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