

SRF Industex Belting Proprietary Limited
(Registration number 2008/014419/07)

Audited Annual Financial Statements
for the year ended 31 March 2025

SRF Industex Belting Proprietary Limited

(Registration number 2008/014419/07)

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 Industex Belting Proprietary Limited

(Registration number 2008/014419/07)

Annual Financial Statements for the year ended 31 March 2025

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the 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 considered the company's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial support offered by its holding company, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

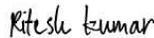
The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 5 to 7.

The annual financial statements set out on pages 2 to 38, 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



P Jordaan



R Kumar

SRF Industex Belting Proprietary Limited

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of SRF Industex Belting Proprietary Limited for the year ended 31 March 2025.

1. Nature of business

SRF Industex Belting Proprietary Limited was incorporated and domiciled in South Africa in July 2008. The company is a trading packaging business specialising in Bopp, pet and other substrates of packaging. 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 address

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

3. Physical address

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

4. 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.

5. Share capital

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

6. Dividends

No dividends were declared or paid in the current year (2024: RNil).

7. Directorate

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

	Nationality
A B Ram	Indian
K B Ram	Indian
P Yadav	Indian
R Kumar	Indian
P Jordaan	South African
H Maken	South African

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

8. 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.

9. Ultimate holding company

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

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Directors' Report

10. Auditor

PricewaterhouseCoopers Inc. were appointed as the auditor of the company for 2025.

11. Secretary

No secretary was appointed during the year.

12. Going concern

The company currently has an accumulated loss of R20 892 935 (2024: R43 182 128). The company's total liabilities exceeds its assets by R7 572 733 (2024: R29 861 926) however its current assets exceeds its current liabilities by R17 312 449. In 2024 its current liabilities exceeded its current assets by R5 510 816. The company has generated a profit after tax of R22 289 193 for the current financial year.

The company's cash flow forecasts for the remainder of 2026 and 2027 confirm that it should generate adequate cash flow to meet its day to day needs.

13. 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 Industex Belting Proprietary Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SRF Industex Belting 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 Industex Belting Proprietary Limited's financial statements set out on pages 8 to 38 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 cashflows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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)*.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "SRF Industex Belting Proprietary limited Audited Annual Financial Statements for the year ended 31 March 2025", which include(s) the Directors' Report as

PricewaterhouseCoopers Inc.,
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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.

Responsibilities of the Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

PricewaterhouseCoopers Inc.

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

SRF Industex Belting Proprietary Limited

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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
Assets			
Non-Current Assets			
Property, plant and equipment	3	9 835 771	10 177 983
Goodwill	4	5 064 360	5 064 360
Intangible assets	5	13 947 758	15 510 832
Deferred tax	6	6 729 554	14 002 141
		35 577 443	44 755 316
Current Assets			
Inventories	7	36 067 313	29 731 293
Trade and other receivables	8	60 612 423	54 633 801
Cash and cash equivalents	9	5 963 469	9 549 405
		102 643 205	93 914 499
Total Assets		138 220 648	138 669 815
Equity and Liabilities			
Equity			
Share capital	10	13 320 202	13 320 202
Accumulated loss		(20 892 935)	(43 182 128)
		(7 572 733)	(29 861 926)
Liabilities			
Non-Current Liabilities			
Loans from group companies	11	60 462 625	69 106 426
Current Liabilities			
Trade and other payables	12	78 522 480	55 240 478
Loans from group companies	11	6 252 508	43 831 100
Current tax payable		185 602	116 049
Provisions	13	370 166	237 688
		85 330 756	99 425 315
Total Liabilities		145 793 381	168 531 741
Total Equity and Liabilities		138 220 648	138 669 815

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2025	2024
Revenue from contracts with customers	14	316 909 027	267 546 175
Cost of sales	15	(272 272 588)	(239 469 436)
Gross profit		44 636 439	28 076 739
Other operating income	16	6 178 256	-
Net foreign exchange gains / (losses)		4 697 349	(8 086 566)
Other operating expenses		(20 574 161)	(18 535 397)
Operating profit	17	34 937 883	1 454 776
Investment income	18	1 116	29 661
Finance costs	19	(4 405 859)	(4 571 159)
Profit / (loss) before taxation		30 533 140	(3 086 722)
Taxation	20	(8 243 947)	319 378
Profit / (loss) for the year		22 289 193	(2 767 344)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		22 289 193	(2 767 344)

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Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 April 2023	13 320 202	(40 414 784)	(27 094 582)
Loss for the year	-	(2 767 344)	(2 767 344)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(2 767 344)	(2 767 344)
Balance at 01 April 2024	13 320 202	(43 182 128)	(29 861 926)
Profit for the year	-	22 289 193	22 289 193
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	22 289 193	22 289 193
Balance at 31 March 2025	13 320 202	(20 892 935)	(7 572 733)
Note	10		

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Statement of Cash Flows

Figures in Rand	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	21	44 734 210	14 137 805
Interest received	18	1 116	29 661
Interest paid	19	-	(2 634 066)
Tax (paid) / received	22	(901 812)	612 948
Net cash from operating activities		43 833 514	12 146 348
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(27 500)	(8 864)
Net cash used in investing activities		(27 500)	(8 864)
Cash flows from financing activities			
Repayments of loans from group companies	11	(107 391 950)	(8 787 500)
Advances of loans from group companies	11	60 000 000	-
Net cash used in financing activities		(47 391 950)	(8 787 500)
Total cash and cash equivalents movement for the year		(3 585 936)	3 349 984
Cash and cash equivalents at the beginning of the year		9 549 405	6 199 421
Cash and cash equivalents at the end of the year	9	5 963 469	9 549 405

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Accounting Policies

1. Material accounting policies

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

1.1 Basis of preparation

The 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 financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

The annual financial statements were approved by the board of directors on the 16 May 2025.

1.2 Business combinations and goodwill

The company accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with the relevant IFRS Accounting Standards as issued by the International Accounting Standards Board.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested annually for impairment and when there is an indication of impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.3 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.

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Accounting Policies

1.3 Material judgements and sources of estimation uncertainty (continued)

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.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 13.

Goodwill / intangible assets

The directors applied estimation in determining the future cash flows and expenditure associated to the customer database for the intangible asset as well as goodwill.

1.4 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.

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.

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. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. 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.

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Accounting Policies

1.4 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Plant and machinery	Straight line	1 - 5 years
Furniture and fixtures	Straight line	2 - 8 years
Office equipment	Straight line	1 - 5 years
Computer software	Straight line	4 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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

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.

1.5 Intangible assets

Intangible assets are 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 any impairment losses.

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

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

Item	Amortisation method	Average useful life
Customer lists	Straight line	12 years

1.6 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.

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Accounting Policies

1.6 Financial instruments (continued)

Financial assets which are debt instruments:

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.

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.

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Accounting Policies

1.6 Financial instruments (continued)

Loans from group companies

Classification

Loans from group companies are classified as financial liabilities subsequently measured at amortised cost (note 11).

Recognition and measurement

Loans from group companies 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.

Loans denominated in foreign currencies

When loans 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 12), 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.

Cash and cash equivalents

Classification

Cash and cash equivalents (note 9) 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 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.

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Accounting Policies

1.6 Financial instruments (continued)

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, and only when, the company 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.

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

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.

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Accounting Policies

1.8 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 (note 17) 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.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

No contracts were identified that required specific judgement as to whether they contained leases.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

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.

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.

1.10 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.

Irrespective of whether there is any indication of impairment, the company also:

- tests goodwill acquired in a business combination for impairment annually.

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.

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1.10 Impairment of assets (continued)

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 other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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

1.11 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.

1.12 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.

1.13 Provisions and contingencies

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;
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised.

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.

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Accounting Policies

1.14 Revenue from contracts with customers (continued)

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.

The company has identified the following significant streams of revenue:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The transport and the goods being sold are considered one performance obligation.

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.

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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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 January 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.

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

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2. New Standards and Interpretations (continued)

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	3 847 500	-	3 847 500	3 847 500	-	3 847 500
Buildings	6 835 291	(926 884)	5 908 407	6 835 291	(602 208)	6 233 083
Plant and machinery	210 000	(210 000)	-	210 000	(200 000)	10 000
Furniture and fixtures	86 364	(51 864)	34 500	58 864	(44 275)	14 589
Office equipment	14 000	(13 300)	700	14 000	(13 300)	700
Computer software	141 565	(96 901)	44 664	141 565	(69 454)	72 111
Total	11 134 720	(1 298 949)	9 835 771	11 107 220	(929 237)	10 177 983

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Land	3 847 500	-	-	3 847 500
Buildings	6 233 083	-	(324 676)	5 908 407
Plant and machinery	10 000	-	(10 000)	-
Furniture and fixtures	14 589	27 500	(7 589)	34 500
Office equipment	700	-	-	700
Computer software	72 111	-	(27 447)	44 664
	10 177 983	27 500	(369 712)	9 835 771

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Land	3 847 500	-	-	3 847 500
Buildings	6 557 759	-	(324 676)	6 233 083
Plant and machinery	98 212	-	(88 212)	10 000
Furniture and fixtures	14 681	8 864	(8 956)	14 589
Office equipment	700	-	-	700
Computer software	100 858	-	(28 747)	72 111
	10 619 710	8 864	(450 591)	10 177 983

Depreciation expense of R369 712 (2024: R450 591) has been charged to operating expenses.

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4. Goodwill

	2025			2024		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	5 064 360	-	5 064 360	5 064 360	-	5 064 360

The goodwill arose on the acquisition of the assets of Supratov Investments CC.

The directors have assessed the future cash flows associated with goodwill by applying the discounted cash flow methodology using cash flow projections based on financial budgets covering a five-year period. The following key assumptions were used in the discounted cash flow projections:

- Risk free rate : 9,19%
- Growth rate : 5%
- Weighted average cost of capital: 21,74%

The directors are satisfied that the goodwill does not require any impairment at the end of the current financial period.

5. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Customer lists	18 756 887	(4 809 129)	13 947 758	18 756 887	(3 246 055)	15 510 832

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Closing balance
Customer lists	15 510 832	(1 563 074)	13 947 758

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Closing balance
Customer lists	17 073 906	(1 563 074)	15 510 832

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

The above intangible assets relate to the customer base, acquired during the 2022 financial year, from Supratov Investments CC.

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6. Deferred tax

Deferred tax asset

Property, plant and equipment	-	11 830
Provisions	213 321	717 513
Foreign exchange difference	-	3 274 290
Income received in advance	53 598	63 699
Tax losses available for set off against future taxable income	10 237 275	14 122 734
Total deferred tax asset	10 504 194	18 190 066

Deferred tax liability

Intangible asset	(3 765 895)	(4 187 925)
Property, plant and equipment	(8 745)	-
Total deferred tax liability	(3 774 640)	(4 187 925)

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	10 504 194	18 190 066
Deferred tax liability	(3 774 640)	(4 187 925)
Total net deferred tax asset	6 729 554	14 002 141

Reconciliation of deferred tax asset

At the beginning of the year	14 002 141	13 425 756
(Decrease) / increase in tax loss available for set off against future taxable income	(3 885 459)	3 478 532
Temporary difference movement on property, plant and equipment	(20 575)	1 190
Temporary difference movement on provisions	(504 192)	532 646
Temporary difference movements on foreign exchange differences	(3 274 290)	(3 841 237)
Temporary difference movement on income received in advance	(10 101)	(16 776)
Temporary difference movement on intangible assets	422 030	422 030
At the end of the year	6 729 554	14 002 141

Recognition of deferred tax asset

A deferred tax asset was recognised for the carry forward amount of unused tax losses relating to the company's operations as there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

7. Inventories

Finished goods	34 659 786	22 285 004
Goods in transit	1 407 527	7 446 289
	36 067 313	29 731 293

The cost of inventories recognised as expenses and included within cost of sales amounted to R272 109 090 (2024: R239 469 436).

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8. Trade and other receivables		
Financial instruments:		
Trade receivables	56 541 372	56 206 845
Trade receivables - related parties	1 600 577	-
Loss allowance	(476 520)	(2 833 022)
Trade receivables at amortised cost	57 665 429	53 373 823
Deposits	4 509	4 509
Other advances	1 133 384	1 255 469
Non-financial instruments:		
VAT	1 809 101	-
Total trade and other receivables	60 612 423	54 633 801
Reconciliation of loss allowance		
Opening balance	(2 833 022)	(560 671)
Decrease / (increase) in allowance	2 356 502	(2 272 351)
Closing balance	(476 520)	(2 833 022)

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%	11,54%	0,82%
Gross carrying amount	51 680 622	-	1 818 912	511 625	4 130 790	58 141 949
Loss allowance calculated	-	-	-	-	476 520	476 520
Specific allowance	-	-	-	-	-	-
	-	-	-	-	476 520	476 520
Loss allowance aging profile - 2024	Current	1 - 30 days	31 - 60 days	61 - 90 days	90 days +	Total
Expected loss %	0%	0%	0%	0%	28,87%	5,04%
Gross carrying amount	43 375 338	-	3 216 113	-	9 814 217	56 405 668
Loss allowance calculated	-	-	-	-	2 833 022	2 833 022
Specific allowance	-	-	-	-	-	-
	-	-	-	-	2 833 022	2 833 022

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.

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8. Trade and other receivables (continued)

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 customer's ability to repay an outstanding credit amount. These are conducted before a potential sale transaction. If there is any doubt to the customer's 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	58 803 322	54 633 801
Non-financial instruments	1 809 101	-
	60 612 423	54 633 801

Fair value of trade and other receivables

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

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	5 963 469	9 549 405
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Facilities made available to the company:

The company has a total direct working capital facility of R10 million, guarantee facility of R12.5 million and letters of credit of R15 million from ABSA Bank, which is secured by way of:

- Limited guarantee by SRF Flexipak (South Africa) Proprietary Limited; and
- Cession of R12 500 000 investment account held by the bank for the obligation under the Guarantees Facility held by the bank for the obligations under the Guarantees Facility.

The company has the following derivative facilities available from ABSA Bank:

- Max Tenor: 6 months;
- Trading Limit: R21 000 000; and
- Daily Settlement limit: R32 000 000.

Credit quality of cash at bank and short term deposits, excluding cash on hand

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 external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

ABSA Limited

P-3 short-term and Baa3 long-term	5 963 469	9 549 405
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The fair value of cash and cash equivalents equate their fair value.

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10. Share capital		
Authorised		
15 000 000 Ordinary shares of R1 each	15 000 000	15 000 000
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		
13 320 202 Ordinary shares of R1 each	13 320 202	13 320 202
The above ordinary shares are fully paid.		
11. Loans from group companies		
Holding company		
SRF Global B.V.	-	43 831 100
The above loan was unsecured, bore nil interest and was denominated in US dollars. This loan was settled during the financial year.		
SRF Global B.V.	6 252 508	69 106 426
The above loan is unsecured, bears interest at 2,3%, is denominated in US dollars. The principal amount has been settled (2024: USD 3 500 000) and the interest portion outstanding is USD 370 000.		
	6 252 508	112 937 526
Reconciliation of holding company loans		
Opening balance	112 937 526	112 187 796
Advances	-	-
Repayments	(107 391 950)	(8 787 500)
Interest capitalised	3 960 258	4 571 159
Interest repaid	-	(2 634 066)
Foreign exchange	(3 253 326)	7 600 137
Closing balance	6 252 508	112 937 526
Fellow subsidiary		
SRF Flexipak (South Africa) Proprietary Limited	60 462 625	-
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 subsidiary loan		
Opening balance	-	-
Advances	60 000 000	-
Interest	462 625	-
Repayments	-	-
Closing balance	60 462 625	-

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11. Loans from group companies (continued)

Split between non-current and current portions

Non-current liabilities	60 462 625	69 106 426
Current liabilities	6 252 508	43 831 100
	66 715 133	112 937 526

Fair value of loans from group companies

The fair value of loans from group companies approximates their carrying amounts.

12. Trade and other payables

Financial instruments:

Trade payables	6 739 969	4 195 824
Trade payables – related parties	70 937 097	50 108 687
Other payables	845 414	740 376

Non-financial instruments:

VAT	-	195 591
	78 522 480	55 240 478

Categorisation of trade and other payables

At amortised cost	78 522 480	55 044 887
Non-financial instruments	-	195 591
	78 522 480	55 240 478

Fair value of trade and other payables

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

13. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Closing balance
Provision for bonus	101 515	115 405	(101 515)	115 405
Provision for leave pay	136 173	254 761	(136 173)	254 761
	237 688	370 166	(237 688)	370 166

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Closing balance
Provision for bonus	88 491	13 024	-	101 515
Provision for leave pay	117 460	18 713	-	136 173
	205 951	31 737	-	237 688

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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14. Revenue from contracts with customers

Revenue from contracts with customers

Sale of goods 316 909 027 267 546 175

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Sale of goods

Sale of goods - local Bopp and Bopet 261 194 954 236 912 694
Sale of goods - exports Bopp and Bopet 55 861 842 30 633 481
Discount allowed (147 769) -

316 909 027 267 546 175

Timing of revenue recognition

At a point in time

Sale of goods 316 909 027 267 546 175

Refer to the accounting policy in note 1.14 for further information on revenue recognition.

15. Cost of sales

Sale of goods 272 272 588 239 469 436

16. Other operating income

Business support income* 6 178 256 -

*Business support income relates to income received from SRF Flexipak (South Africa) Proprietary Limited for marketing and customer support services.

17. Operating profit

Operating profit for the year is stated after charging / (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees 312 700 295 000
Expenses - 2 240

312 700 297 240

Employee costs

As at 31 March 2025 the company had 11 permanent employees (2024: 10). The total cost of employment of all employees, including executive directors, was as follows:

Salaries, wages, bonuses and other benefits 7 467 568 6 634 402

Depreciation and amortisation

Property, plant and equipment 369 712 450 591
Intangible assets 1 563 074 1 563 074

Total depreciation and amortisation 1 932 786 2 013 665

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17. Operating profit (continued)		
Other		
Delivery expenses	4 332 076	4 398 240
Insurance	1 095 433	627 807
Net doubtful debts	(2 356 502)	2 272 350
18. Investment income		
Interest income		
Bank and other cash	1 116	29 661
19. Finance costs		
Loans from group companies	4 405 859	4 571 159
20. Taxation		
Major components of the tax expense / (income)		
Current		
Local income tax - current period	971 365	257 007
Deferred		
Originating and reversing temporary differences	7 272 582	(1 090 422)
Prior period under provision	-	514 037
	7 272 582	(576 385)
	8 243 947	(319 378)
Reconciliation of the tax expense		
Reconciliation between accounting profit / (loss) and tax expense / (income).		
Accounting profit / (loss)	30 533 140	(3 086 722)
Tax at the applicable tax rate of 27% (2024: 27%)	8 243 947	(833 415)
Tax effect of adjustments on taxable income		
Prior period under provision	-	514 037
	8 243 947	(319 378)

The estimated tax loss available for set off against future taxable income is R37 915 831 (2024: R52 306 422).

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21. Cash generated from operations

Profit / (loss) before taxation	30 533 140	(3 086 722)
Adjustments for non-cash items:		
Depreciation and amortisation	1 932 786	2 013 665
Movements in provisions	132 478	31 737
Losses on foreign exchange	(3 253 326)	7 600 137
Other non-cash movements	17 024	-
Adjust for items which are presented separately:		
Interest income	(1 116)	(29 661)
Finance costs	4 405 859	4 571 159
Changes in working capital:		
(Increase) / decrease in inventories	(6 336 020)	12 057 537
Increase in trade and other receivables	(5 978 622)	(2 960 364)
Increase / (decrease) in trade and other payables	23 282 007	(6 059 683)
	44 734 210	14 137 805

22. Tax (paid) / refunded

Balance at the beginning of the year	(116 049)	753 906
Current tax recognised in profit or loss	(971 365)	(257 007)
Balance at the end of the year	185 602	116 049
	(901 812)	612 948

23. Net debt reconciliation

2025	Borrowings	Cash and cash equivalents	Total
Net debt 1 April 2024	(112 937 526)	9 549 405	(103 388 121)
Advances	(60 000 000)	-	(60 000 000)
Repayments	107 391 950	-	107 391 950
Interest	(4 422 883)	-	(4 422 883)
Foreign exchange	3 253 326	-	3 253 326
Cashflows	-	(3 585 936)	(3 585 936)
	(66 715 133)	5 963 469	(60 751 664)
2024	Borrowings	Cash and cash equivalents	Total
Net debt 1 April 2023	(112 187 796)	6 199 421	(105 988 375)
Repayments	11 421 566	-	11 421 566
Interest	(4 571 159)	-	(4 571 159)
Foreign exchange	(7 600 137)	-	(7 600 137)
Cashflows	-	3 349 984	3 349 984
	(112 937 526)	9 549 405	(103 388 121)

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24. Related parties

Relationships

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 Flexipak (South Africa) Proprietary Limited SRF Holiday Home Limited SRF Europe Kft SRF Limited SRF Altech Limited
Directors	Refer to the Directors' Report

Key management personnel is defined as the directors of the company as per the Directors' Report.

Related party balances

Loan accounts - Owing to related parties

SRF Global B.V.	(6 252 508)	(112 937 526)
SRF Flexipak (South Africa) Proprietary Limited	(60 462 625)	-

Refer to note 11 for further information on related party loans.

Amounts included in trade receivables / (trade payables) regarding related parties

SRF Limited	(19 406 274)	(20 018 138)
SRF Flexipak (South Africa) Proprietary Limited	(51 530 823)	(30 090 550)
SRF Flexipak (South Africa) 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.

Related party transactions

Purchases from related parties

SRF Limited	62 481 429	52 946 962
SRF Flexipak (South Africa) Proprietary Limited	189 934 095	153 630 570
SRF Industries (Thailand) Limited	1 663 800	-

Interest paid to related parties

SRF Global B.V.	3 943 234	4 571 159
SRF Flexipak (South Africa) Proprietary Limited	462 625	-

Management fees and guarantee fees received from related party

SRF Flexipak (South Africa) Proprietary Limited	(6 178 256)	-
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25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Notes	Amortised cost	Total
Trade and other receivables	8	58 803 322	58 803 322
Cash and cash equivalents	9	5 963 469	5 963 469
		64 766 791	64 766 791

2024

	Notes	Amortised cost	Total
Trade and other receivables	8	54 633 801	54 633 801
Cash and cash equivalents	9	9 549 405	9 549 405
		64 183 206	64 183 206

Categories of financial liabilities

2025

	Notes	Amortised cost	Total
Trade and other payables	12	78 522 480	78 522 480
Loans from group companies	11	66 715 133	66 715 133
		145 237 613	145 237 613

2024

	Notes	Amortised cost	Total
Trade and other payables	12	55 044 887	55 044 887
Loans from group companies	11	112 937 526	112 937 526
		167 982 413	167 982 413

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25. 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. There is no defined target gearing ratio however the entity's objective is to continuously reduce the ratio of debt to equity.

	Notes		
Loans from group companies	11	66 715 133	112 937 526
Trade and other payables	12	78 522 480	55 240 478
Total borrowings		145 237 613	168 178 004
Cash and cash equivalents	9	(5 963 469)	(9 549 405)
Net borrowings		139 274 144	158 628 599
Equity		(7 572 733)	(29 861 926)
Gearing ratio		(1 839)%	(531)%

Financial risk management

Overview

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

- Credit risk;
- Liquidity risk; and
- Market risk (currency 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 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
Trade and other receivables	8	59 279 842	(476 520)	58 803 322	57 466 823	(2 833 022)	54 633 801
Cash and cash equivalents	9	5 963 469	-	5 963 469	9 549 405	-	9 549 405
		65 243 311	(476 520)	64 766 791	67 016 228	(2 833 022)	64 183 206

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25. Financial instruments and risk management (continued)

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, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

	Notes	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Loans from group companies	11	-	73 159 776	73 159 776	60 462 625
Current liabilities					
Trade and other payables	12	78 522 480	-	78 522 480	78 522 480
Loans from group companies	11	6 252 508	-	6 252 508	6 252 508
		84 774 988	73 159 776	157 934 764	145 237 613

2024

	Notes	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Loans from group companies	11	-	79 349 933	79 349 933	69 106 426
Current liabilities					
Trade and other payables	12	55 044 887	-	55 044 887	55 044 887
Loans from group companies	11	48 952 854	-	48 952 854	43 831 100
		103 997 741	79 349 933	183 347 674	167 982 413

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.

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 Yen. 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.

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25. Financial instruments and risk management (continued)

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:	Notes		
Current assets:			
Trade and other receivables	8	4 139 108	-
Non-current liabilities:			
Loans from group companies	11	(6 252 508)	(69 106 426)
Current liabilities:			
Trade and other payables	12	(19 759 859)	(21 259 421)
Loans from group companies		-	(43 831 100)
Net US Dollar exposure		(21 873 259)	(134 196 947)
Euro exposure:			
Non-current liabilities:			
Trade and other payables	12	-	-
Current liabilities:			
Trade and other payables	12	(669 274)	(896 697)
Net exposure to foreign currency in Rand		(22 542 533)	(135 093 644)

Exchange rates

Rand per unit of foreign currency:

US Dollar	18,149	19,057
Euro	19,565	20,563

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. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2025		2024	
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
US Dollar - 10% change in foreign currency exchange rate	(1 562 075)	1 562 075	(13 419 695)	13 419 695
Euro - 10% change in foreign currency exchange rate	(66 927)	66 927	(89 670)	89 670
	(1 629 002)	1 629 002	(13 509 365)	13 509 365

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25. Financial instruments and risk management (continued)

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 borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk (refer to note 11 for the interest rate).

	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Loans from group companies - 50 Basis points change	(333 576)	333 576	(564 688)	564 688

The company continues to review its interest rate risk and the policies in place to manage the risk. Trade 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 from group companies at fixed rates expose the company to fair value interest rate risk.

26. Going concern

The company currently has an accumulated loss of R20 892 935 (2024: R43 182 128). The company's total liabilities exceeds its assets by R7 572 733 (2024: R29 861 926) however its current assets exceeds its current liabilities by R17 312 449. In 2024 its current liabilities exceeded its current assets by R5 510 816. The company has generated a profit after tax of R22 289 193 for the current financial year.

The company's cash flow forecasts for the remainder of 2026 and 2027 confirm that it should generate adequate cash flow to meet its day to day needs.

27. 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.