

Subinite Proprietary Limited
(Registration number 2010/018925/07)
Financial Statements
for the year ended 31 March 2025

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The manufacturing and wholesale of hair extension products and wholesale of hair colour products of the highest level of quality and care.
Directors	Ritesh Nagar Ismail Nanabhay Vijay Menon Rahul Agarwal
Registered office	680 Joseph Lister Street Valley View Office Park Constantia Kloof Roodepoort 1709
Postal address	Private Bag X035 Unit 21 Alberton South Africa 1450
Holding company	Godrej West Africa Holding Ltd incorporated in Mauritius
Ultimate holding company	Godrej Consumer Products Limited incorporated in India
Bankers	CITI Bank Standard Bank of South Africa Limited
Auditors	BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditor
Company registration number	2010/018925/07
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa.
Preparer	The financial statements were independently compiled by Everest Professionals Proprietary Limited under the supervision of Renell Bekker CA (SA) and were reviewed by Adnaan Sujee (Financial Manager).

Contents

The reports and statements set out below comprise the financial statements presented to the shareholder:

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditors' Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 18
Notes to the Financial Statements	19 - 43

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 have made an assessment of the ability of the company to continue as a going concern. Refer to note 29 of the financial statements for detail.

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

The report of the directors set out on pages 4 to 5 and the financial statements set out on pages 8 to 43, which have been prepared on the going concern basis, were approved by the board on 30 May 2025 and were signed on their behalf by:

30 May 2025

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Subinite Proprietary Limited ("the company") for the year ended 31 March 2025.

1. Nature of business

Subinite Proprietary Limited is engaged in the manufacturing and wholesale of hair extension products and wholesale of hair colour products of the highest level of quality and care.. The company operates principally in South Africa.

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

2. Company addresses

Registered office

680 Joseph Lister Street
Valley View Office Park
Constantia Kloof
Roodepoort
1709

Postal address

Private Bag X035
Unit 21
Alberton
South Africa
1450

3. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act 71 of 2008 of South Africa. The accounting policies have been applied consistently compared to the prior year.

Net loss of the company was R 40 114 215 (2024: Profit of R 5 193 328) after taxation of R 2 000 000 (2024: R 2 715 967).

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

4. Authorised and issued share capital

Refer to note 10 of the financial statements for detail of the movement in authorised and issued share capital.

5. Dividends

No dividends were declared or paid to the shareholder during the year under review (2024: R Nil).

6. Directors

The directors of the company during the year and to the date of this report are as follows:

Directors	Changes
Ritesh Nagar	
Viabhav Rohotashwa Ram	Resigned 04 December 2024
Emmah Makomwa	Resigned 27 February 2025
Dhamesh Gordhan	Resigned 04 December 2024
Ismail Nanabhay	Appointed 04 December 2024
Vijay Menon	Appointed 04 December 2024
Rahul Agarwal	Appointed 04 December 2024

7. Directors' interests in contracts

During the financial year, no contracts were entered into in which the directors or officers of the company had an interest and which significantly affected the business of the company.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Directors' Report

8. Directors' service contracts

The following director of the company has a permanent employee contract with the company:

Ismail Nanabhay

No other directors have fixed term contracts.

9. Holding company

The company's holding company is Godrej West Africa Holding Ltd which is incorporated in Mauritius.

10. Ultimate holding company

The company's ultimate holding company is Godrej Consumer Products Limited which is incorporated in India.

11. 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 that would have a material impact on the financial statements.

12. Going concern

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

The 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.

As at 31 March 2025, the company has incurred a loss after tax of R 40 114 215 (2024: Profit after tax of R 5 193 328).

Management has implemented several sales growth programs to drive profitability and is confident that the same will be achieved in the foreseeable future.

The company has captured market share in its leading brand which management views this in positive light as per programs that were set up to drive profitability. The directors have satisfied themselves that the company is in a sound financial position.

Therefore, the financial statements have been prepared on the basis of accounting policies applicable to a going concern which assumes that the company has adequate resources to realise their assets and discharge their liabilities in the ordinary course of business.

13. Auditors

BDO South Africa Incorporated will continue in office as auditors in accordance with section 90 of the Companies Act 71 of 2008 of South Africa.

14. Secretary

The company had no secretary during the year.

15. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 30 May 2025. No authority was given to anyone to amend the financial statements after the date of issue.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

Shameera Amiroodien
Director
Registered Auditor

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

	Notes	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	121 388 170	116 670 481
Right-of-use assets	4	-	2 555 871
Intangible assets	5	24 107 854	10 025 829
Deferred tax	6	27 110 939	25 110 939
Other financial assets	9.2	1 669 663	1 575 509
		174 276 626	155 938 629
Current Assets			
Inventories	7	170 536 030	121 531 807
Trade and other receivables	8	451 881 095	539 299 618
Current tax receivable		-	2 625 372
Cash and cash equivalents	9.1	18 560 203	30 551 906
		640 977 328	694 008 703
Total Assets		815 253 954	849 947 332
Equity and Liabilities			
Equity			
Share capital	10	452 090 878	354 652 000
Accumulated loss		(108 967 996)	(69 622 939)
Total Equity		343 122 882	285 029 061
Liabilities			
Current Liabilities			
Trade and other payables	12	258 983 077	323 964 491
Loans from fellow subsidiary companies	11	-	67 629 265
Lease liabilities	4	-	2 825 485
Provisions	13	9 756 088	11 370 005
Bank overdraft	9	203 391 907	159 129 025
		472 131 072	564 918 271
Total Equity and Liabilities		815 253 954	849 947 332

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 R	2024 R
Revenue	14	1 583 322 241	1 917 890 752
Cost of sales	15	(1 146 810 922)	(1 407 758 320)
Gross profit		436 511 319	510 132 432
Other income	16	147 303	269 937
Other operating (losses) gains	17	(2 438 096)	6 059 462
Selling and distribution expenses		(120 700 411)	(161 888 258)
Administration expenses		(169 357 926)	(171 906 513)
Operating expenses		(168 602 481)	(157 827 061)
Operating (loss) profit	18	(24 440 292)	24 839 999
Finance income	19	286 732	385 832
Finance costs	20	(17 960 655)	(22 748 470)
(Loss) profit before taxation		(42 114 215)	2 477 361
Taxation	21	2 000 000	2 715 967
(Loss) profit for the year		(40 114 215)	5 193 328
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(40 114 215)	5 193 328

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Statement of Changes in Equity

	Share capital R	Share premium R	Total share capital R	Accumulated loss R	Total equity R
Balance at 01 April 2023	32 178 300	92 531 200	124 709 500	(74 450 823)	50 258 677
Profit for the year	-	-	-	5 193 328	5 193 328
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5 193 328	5 193 328
Issue of shares	229 942 500	-	229 942 500	-	229 942 500
Merger impact on retained earnings	-	-	-	(365 444)	(365 444)
Total contributions by and distributions to owners of company recognised directly in equity	229 942 500	-	229 942 500	(365 444)	229 577 056
Balance at 01 April 2024	262 120 800	92 531 200	354 652 000	(69 622 939)	285 029 061
Loss for the year	-	-	-	(40 114 215)	(40 114 215)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(40 114 215)	(40 114 215)
Issue of shares	79 218 600	18 220 278	97 438 878	-	97 438 878
Retained income difference	-	-	-	769 158	769 158
Total contributions by and distributions to owners of company recognised directly in equity	79 218 600	18 220 278	97 438 878	769 158	98 208 036
Balance at 31 March 2025	341 339 400	110 751 478	452 090 878	(108 967 996)	343 122 882
Notes	10	10	10		

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Statement of Cash Flows

	Notes	2025 R	2024 R
Cash flows from operating activities			
Cash used in operations	22	(26 705 475)	(10 491 713)
Interest received	19	286 732	385 832
Interest paid	20	(17 878 434)	(15 384 618)
Tax refunded (paid)	23	2 625 372	(3 698 092)
Net cash used in operating activities		(41 671 805)	(29 188 591)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(15 835 204)	(13 699 376)
Proceeds from disposal of property, plant and equipment	3	140 353	775 752
Purchases of intangible assets	5	(17 274 944)	(468 653)
Movement in deposits	9.2	(94 154)	(121 508)
Net cash used in investing activities		(33 063 949)	(13 513 785)
Cash flows from financing activities			
Proceeds on issue of share capital	10	-	229 942 500
Repayments of loans from fellow subsidiary companies	24	-	(230 475 738)
Repayments of other financial liabilities	24	-	(40 268 174)
Repayments on lease liabilities	4	(2 907 706)	(4 640 992)
Net cash used in financing activities		(2 907 706)	(45 442 404)
Total cash movement		(77 643 460)	(88 144 780)
Cash at the beginning of the year		(128 577 119)	(40 432 339)
Profit on foreign exchange on cash and cash equivalents		(2 460 667)	-
Tota cash at the end of the year	9.1	(208 681 246)	(128 577 119)

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Accounting Policies

Corporate information

Subinite Proprietary Limited is a private company incorporated and domiciled in South Africa.

The financial statements for the year ended 31 March 2025 were approved by the board of directors on 30 May 2025.

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards, IAS® Standards and IFRIC® Interpretations issued by the IFRIC® Interpretations Committee ("Committee") and effective at the time of preparing these financial statements and the Companies Act 71 of 2008 of South Africa as amended.

The financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, and incorporate the material accounting policies set out below. They are presented in South African Rands, which is the company's functional currency and presentation currency.

These accounting policies are consistent with the previous period.

1.2 Material judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards 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.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment allowance 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 notes 7, 8 and 9.2 addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

An allowance is made for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

The allowance is calculated based on the group policy. This is split into different categories which consists of wet and dry hair and further into finished goods and raw materials. Provision percentages are based on inventory movements with sales and age of stock.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Accounting Policies

1.2 Material judgements and sources of estimation uncertainty (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade and other receivables, cash and cash equivalents and trade and other payables are assumed to approximate their fair values due to the short-term nature of trade and other receivables, cash and cash equivalents and trade and other payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The company tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Residual values

Plant and machinery

Due to specialised nature of the company's plant and machinery the residual value attached to these assets has been estimated to be nil.

Patents and trademarks

The company has classified its patents and trademarks as intangible assets with definite useful lives due to the nature of the production trademarks and the attached patents. The intangible assets are expected to continue to generate future revenue for as long as the entity's primary product remains in demand. Given the durability of the product and the expectation that the product remains in demand for at least 20 years, the company has attached a definite useful life to the related trademarks.

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 - Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is not depreciated.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

Item	Average useful life
Land	Indefinite
Buildings	50 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Leasehold improvements	5 years
Plant and machinery	15 years

1.4 Intangible assets

Item	Average useful life
Patents, trademarks and other rights	20 years
Software system	5 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.5 Financial instruments

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

Trade and other receivables

Classification

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

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Accounting Policies

1.5 Financial instruments (continued)

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 in other operating gains/(losses) (note 17).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 27).

Impairment

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

The company measures the loss allowance for trade 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.

A forward looking percentage is applied to the historical loss taking into account the nature of debtors and the industry.

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.

Loans from fellow subsidiary companies

Classification

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

Recognition and measurement

Loans from fellow subsidiary 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 rate method.

Interest expense, calculated on the effective interest rate method, is included in profit or loss in finance costs (note 20).

Loans from fellow subsidiary companies expose the company to liquidity risk and interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Trade and other payables

Classification

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

Recognition and measurement

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

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

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

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 in the other operating gains/(losses) (note 17).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 27).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially measured at fair value and subsequently measured at amortised cost.

The carrying value of cash and cash equivalents approximate their fair values due to their short-term nature.

Bank overdrafts

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.

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.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Accounting Policies

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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances 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, except to the extent that the tax arises from:

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

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

Right-of-use asset is presented under "Right-of-use assets" and lease liabilities under "Lease liabilities" in the balance sheet.

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Average useful life
Buildings	50 years

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Accounting Policies

1.8 Inventories

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

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.10 Employee benefits

Short-term employee benefits

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

1.11 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Sales of hair extension products
- Sales of hair colour products

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

Satisfaction of performance obligations

The company's primary revenue stream is from the sale of the hair extension and hair colour goods. Revenue is measured based on the consideration specified in a contract with a customer. The company recognised revenue when it transfers control over the good to the customer.

Customers obtain control of the hair products when the goods are delivered to and have been accepted at their premises. Invoices are generated and delivered with the goods and are payable within 30 days. Discounts are provided in line with their trading terms agreement and there are early settlement discounts available.

1.12 Finance income and finance costs

The company's finance income and finance costs include:

- interest income; and
- interest expense.

Interest income or expense is recognised using the effective interest method.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

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:

Amendments to IAS 1 Presentation of Annual Financial Statements - Non-Current Liabilities with Covenants

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 annual financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

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

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

The impact of the amendments is not material.

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right-of-use retained by the seller-lessee.

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

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

The impact of the amendments 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 Annual 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 subtotals 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 annual financial statements. These include reconciliations of the performance measures to the IFRS Accounting Standards 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 standard is for years beginning on or after 01 January 2027.

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

The impact of this standard is currently being assessed by management.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

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 amendments is for years beginning on or after 01 January 2026.

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

It is unlikely that the amendments will have a material impact on the financial statements.

Amendments to IAS 21 Financial Instruments - Lack of Exchangeability

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 annual financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

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

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

It is unlikely that the amendments will have a material impact on the financial statements.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Land	26 900 000	-	26 900 000	20 900 000	-	20 900 000
Buildings	24 559 438	(7 133 197)	17 426 241	23 870 430	(5 919 779)	17 950 651
Plant and machinery	119 207 490	(50 548 745)	68 658 745	114 216 825	(43 861 608)	70 355 217
Furniture and fixtures	5 053 204	(3 478 491)	1 574 713	5 040 233	(3 033 688)	2 006 545
Motor vehicles	5 655 844	(4 339 934)	1 315 910	5 655 840	(3 718 487)	1 937 353
Office equipment	3 304 524	(2 180 954)	1 123 570	2 952 271	(1 838 486)	1 113 785
IT equipment	8 593 360	(5 215 410)	3 377 950	4 944 288	(4 099 267)	845 021
Leasehold improvements	3 915 566	(2 904 525)	1 011 041	3 915 566	(2 353 657)	1 561 909
Total	197 189 426	(75 801 256)	121 388 170	181 495 453	(64 824 972)	116 670 481

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Closing balance
	R	R	R	R	R
Land	20 900 000	6 000 000	-	-	26 900 000
Buildings	17 950 651	689 008	-	(1 213 418)	17 426 241
Plant and machinery	70 355 217	5 019 004	(27 494)	(6 687 982)	68 658 745
Furniture and fixtures	2 006 545	12 970	(1 237)	(443 565)	1 574 713
Motor vehicles	1 937 353	4	-	(621 447)	1 315 910
Office equipment	1 113 785	465 146	-	(455 361)	1 123 570
IT equipment	845 021	3 649 072	(111 622)	(1 004 521)	3 377 950
Leasehold improvements	1 561 909	-	-	(550 868)	1 011 041
	116 670 481	15 835 204	(140 353)	(10 977 162)	121 388 170

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Closing balance
	R	R	R	R	R
Land	20 900 000	-	-	-	20 900 000
Buildings	17 092 874	2 022 142	-	(1 164 365)	17 950 651
Plant and machinery	67 766 196	9 430 604	-	(6 841 583)	70 355 217
Furniture and fixtures	2 273 808	196 255	(5 500)	(458 018)	2 006 545
Motor vehicles	2 246 358	1 207 687	(699 706)	(816 986)	1 937 353
Office equipment	859 516	535 339	-	(281 070)	1 113 785
IT equipment	1 222 004	307 349	-	(684 332)	845 021
Leasehold improvements	2 151 705	-	-	(589 796)	1 561 909
	114 512 461	13 699 376	(705 206)	(10 836 150)	116 670 481

The property is located at Erf 1469, Alrode Township, Gauteng.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
--	-----------	-----------

4. Right-of-use assets

	2025			2024		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Buildings	9 421 011	(9 421 011)	-	9 421 011	(6 865 140)	2 555 871

Reconciliation of right-of-use assets - 2025

	Opening balance R	Depreciation R	Closing balance R
Buildings	2 555 871	(2 555 871)	-

Reconciliation of right-of-use assets - 2024

	Opening balance R	Depreciation R	Closing balance R
Buildings	6 568 411	(4 012 540)	2 555 871

The nature of leasing activities is for a two year lease period signed with a contract between the lessor and lessee. Variable lease payments are not applicable and no residual variable guarantees.

There are also no restrictions and conveyances exposed to leases.

Other disclosures

Interest expense on lease liabilities	82 221	420 814
Expenses on short-term leases included in operating expenses	6 675 250	8 120 643
Total cash outflow from leases	(2 907 706)	(4 640 992)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	-	2 907 706
	-	2 907 706
Less finance charges component	-	(82 221)
	-	2 825 485
Current liabilities	-	2 825 485

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
4. Right-of-use assets (continued)		
Reconciliation of lease liability		
Opening balance	2 825 485	7 045 263
Interest expense for the year	82 221	420 814
Capital repayments for the year	(2 825 485)	(4 219 778)
Interest repayments for the year	(82 221)	(420 814)
	-	2 825 485

Incremental borrowing rate is determined based on entity's borrowing rate of 8.5% (2024: 8.5%) adjusted for terms of the lease and type of the asset leased.

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the average two year lease term.

Exposure to liquidity risk

Refer to note 27 Financial instruments and risk management for the details of liquidity risk exposure and management for lease liabilities.

Exposure to interest rate risk

Refer to note 27 Financial instruments and risk management for details of interest rate risk exposure and management for lease liabilities.

5. Intangible assets

	2025			2024		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Patents, trademarks and other rights	24 172 430	(15 783 407)	8 389 023	24 172 430	(15 107 769)	9 064 661
Software systems	23 612 592	(7 893 761)	15 718 831	6 337 643	(5 376 475)	961 168
Total	47 785 022	(23 677 168)	24 107 854	30 510 073	(20 484 244)	10 025 829

Reconciliation of intangible assets - 2025

	Opening balance R	Additions R	Amortisation R	Closing balance R
Patents, trademarks and other rights	9 064 661	-	(675 638)	8 389 023
Software systems	961 168	17 274 944	(2 517 281)	15 718 831
	10 025 829	17 274 944	(3 192 919)	24 107 854

Reconciliation of intangible assets - 2024

	Opening balance R	Additions R	Amortisation R	Closing balance R
Patents, trademarks and other rights	10 273 282	-	(1 208 621)	9 064 661
Software systems	805 457	468 653	(312 942)	961 168
	11 078 739	468 653	(1 521 563)	10 025 829

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
--	-----------	-----------

5. Intangible assets (continued)

The remaining amortisation period ranges – Trademarks 6 years , Software System 3 years

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

6. Deferred tax

Deferred tax asset

Lease liability	-	762 881
Provisions	3 550 234	3 728 987
Tax loss available for set off against future taxable income	35 854 665	35 016 859
Total deferred tax asset	39 404 899	39 508 727

Deferred tax liability

Property plant and equipment	(11 400 616)	(12 255 876)
Right-of-use assets	-	(690 085)
Prepaid expenses	(893 344)	(1 451 827)
Total deferred tax liability	(12 293 960)	(14 397 788)

The deferred tax asset 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	39 404 899	39 508 727
Deferred tax liability	(12 293 960)	(14 397 788)
Total net deferred tax asset	27 110 939	25 110 939

Reconciliation of deferred tax asset

At the beginning of the year	25 110 939	22 110 939
Tax loss available for set off against future taxable income	837 806	3 370 502
Lease liability	(762 881)	(1 139 340)
Provisions	(178 753)	1 472 859
Property, plant and equipment	855 260	(993 161)
Right-of-use assets	690 085	1 083 386
Prepaid expenses	558 483	(794 246)
At the end of the year	27 110 939	25 110 939

Deferred tax assets are recognised for temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
7. Inventories		
Raw materials, components	44 431 546	89 968 907
Work in progress	3 035 728	-
Finished goods	133 409 189	89 381 812
Goods in transit	21 903 330	1 012
	<u>202 779 793</u>	<u>179 351 731</u>
Inventories write-downs	(32 243 763)	(57 819 924)
	<u>170 536 030</u>	<u>121 531 807</u>

The cost of inventories recognised as an expense and included in cost of sales amounted to R 1 146 810 923 (2024: R 1 384 120 844).

Inventory write-downs and reversals are included in cost of sales.

The movement in Inventory write downs is due the identification of slow moving items. A decision was taken by management to raise provision.

8. Trade and other receivables

Financial instruments:

Trade receivables	436 003 962	509 528 165
Loss allowance	(4 839 670)	(1 317 695)
Trade receivables at amortised cost	<u>431 164 292</u>	<u>508 210 470</u>
Deposits	6 973 194	6 939 830
Insurance claims receivable	-	1 999 997
Rebate receivable	3 334 324	2 430 964
Other receivables	(3 339 232)	(3 774 529)

Non-financial instruments:

Value added taxation	10 439 836	11 810 480
Advances paid to vendors	-	6 305 270
Prepayments	3 308 681	5 377 136

Total trade and other receivables	<u>451 881 095</u>	<u>539 299 618</u>
--	---------------------------	---------------------------

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

At amortised cost	438 132 578	515 806 732
Non-financial instruments	13 748 517	23 492 886
	<u>451 881 095</u>	<u>539 299 618</u>

Exposure to credit risk

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

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

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

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
--	-----------	-----------

8. Trade and other receivables (continued)

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2025	2025	2024	2024
	Estimated gross carrying amount at default R	Loss allowance (Lifetime expected credit loss) R	Estimated gross carrying amount at default R	Loss allowance (Lifetime expected credit loss) R
Expected credit loss rate:				
Not past due 2025: 0% (2024: 0.03%)	146 209 878	-	175 147 182	(64 520)
1 month past due 2025: 0% (2024: 0.04%)	90 026 943	-	136 936 114	(54 965)
2 months past due 2025: 0% (2024: 0.06%)	112 263 454	-	92 708 826	(59 000)
3 months past due 2025: 1.10% (2024: 1.09%)	87 503 687	(4 839 670)	104 736 043	(1 139 210)
Total	436 003 962	(4 839 670)	509 528 165	(1 317 695)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(1 317 695)	(725 510)
Provision raised on new trade receivables	(3 521 975)	(592 185)
Closing balance	(4 839 670)	(1 317 695)

Other receivables relate's to rebates and insurance. Basis on the history, the amount will be recovered.

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Rand Amount

Rand	317 887 349	298 681 405
US Dollar - USD 6 420 532 (2024: USD 11 166 448)	118 116 613	210 846 760
	436 003 962	509 528 165

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
9. Cash and cash equivalents		
9.1 Cash		
Cash and cash equivalents consist of:		
Cash on hand	-	6 645
Current account	7 455 488	13 026 170
Foreign bank balance	11 104 715	17 519 091
Bank overdraft	(203 391 907)	(159 129 025)
	(184 831 704)	(128 577 119)
Current assets	18 560 203	30 551 906
Current liabilities	(203 391 907)	(159 129 025)
	(184 831 704)	(128 577 119)

Cash and cash equivalents pledged as security

There is a pledge to Standard Bank of an unrestricted amount.

Exposure to currency risk

Rand amount

Rand	(194 266 756)	(146 096 210)
US Dollar - USD 603 652 (2024: USD 927 810)	11 104 715	17 519 091
	(183 162 041)	(128 577 119)

9.2 Other financial assets (Deposits)

The deposits are made up of the following:

Constantia property - Setso Properties The lease has been extended and will expire December 2025.	743 106	743 106
Ormonde Property - Dipula This lease has been extended on a month to month basis.	572 308	572 308
Interest generated on the bank balance	354 249	260 095
	1 669 663	1 575 509

The deposits are secured in favour of the landlords in the event of default and bear interest at 6.2% per annum.

Deposits will be recoverable and no risk identified based on contract signed

The company is not allowed to utilise these deposits for working capital other than security for landlords. As such, these deposits do not meet the definition of cash and cash equivalents in terms of IAS 7.

Exposure to interest rate risk

Refer to note 27 Financial instruments and risk management for details of interest rate risk exposure and management for cash and cash equivalents.

Exposure to credit risk

Refer to note 27 Financial instruments and risk management for details of credit risk exposure and management for cash and cash equivalents.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
9. Cash and cash equivalents (continued)		
Exposure to liquidity risk		
Refer to note 27 Financial instruments and risk management for details of liquidity risk exposure and management for cash and cash equivalents.		
10. Share capital		
Authorised		
500 000 000 at no par value	500 000 000	500 000 000
Reconciliation of number of shares issued:		
Opening balance	262 120 800	32 178 300
Issue of shares	79 218 600	229 942 500
	341 339 400	262 120 800
Unissued ordinary shares are under the control of the directors in terms of a resolution of the shareholder passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
Issued		
341 339 400 Ordinary shares at no par value (2024: 232 000 000)	341 339 400	262 120 800
Share premium	110 751 478	92 531 200
	452 090 878	354 652 000
All issued shares are fully paid.		
11. Loans from fellow subsidiary companies		
Fellow subsidiaries		
Frika Weave Proprietary Limited	-	6 554 872
The loan was unsecured and bore interest at a rate 5.25% and was repayable on demand. The loan was fully repaid during the current year.		
Kinky Group Proprietary Limited	-	61 074 393
The loan was unsecured and bore interest at a rate 5.25% and was repayable on demand. The loan was fully repaid during the current year.		
	-	67 629 265
Split between non-current and current portions		
Current liabilities	-	67 629 265
Exposure to liquidity risk		
Refer to note 27 Financial instruments and risk management for details of liquidity risk exposure and management for loans from fellow subsidiary companies.		
Exposure to interest rate risk		
Refer to note 27 Financial instruments and risk management for details of interest rate risk exposure and management for loans from fellow subsidiary companies.		

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
12. Trade and other payables		
Financial instruments:		
Trade payables	221 418 178	298 682 444
Accruals - Royalties	2 149 220	2 311 860
Accruals - Agents commission	1 377 629	891 789
Accruals - Other	12 612 739	1 449 712
Accruals - Transport	10 645 050	8 009 241
Accruals - Marketing	8 168 991	4 750 109
Accruals - Utilities	-	4 917 431
Non-financial instruments:		
Payroll liabilities	2 611 270	2 951 905
	258 983 077	323 964 491

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

At amortised cost	256 371 807	321 012 586
Non-financial instruments	2 611 270	2 951 905
	258 983 077	323 964 491

Exposure to currency risk

Refer to note 27 Financial instruments and financial risk management for details of currency risk exposure and management for trade and other payables.

Exposure to liquidity risk

Refer to note 27 Financial instruments and risk management for details of liquidity risk exposure and management for trade and other payables.

Exposure to interest rate risk

Refer to note 27 Financial instruments and risk management for details of interest rate risk exposure and management for trade and other payables.

13. Provisions

Reconciliation of provisions - 2025

	Opening balance R	Additions R	Utilised during the year R	Closing balance R
Bonus provision	9 170 004	2 638 999	(5 275 070)	6 533 933
LTI provisions	2 200 001	-	-	2 200 001
Leave provision	-	1 022 154	-	1 022 154
	11 370 005	3 661 153	(5 275 070)	9 756 088

Reconciliation of provisions - 2024

	Opening balance R	Additions R	Utilised during the year R	Closing balance R
Bonus provision	6 389 745	9 170 004	(6 389 745)	9 170 004
LTI provisions	-	2 200 001	-	2 200 001
	6 389 745	11 370 005	(6 389 745)	11 370 005

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
13. Provisions (continued)		
Bonus provision		
The provision relates to bonus paid out to employees which is based on a profit calculation which is uncertain throughout the year.		
14. Revenue		
Revenue from contracts with customers		
Sale of goods - Domestic	1 495 333 185	1 596 795 439
Sale of goods - Foreign	411 790 511	662 390 907
Discount given	(323 801 455)	(341 295 594)
	1 583 322 241	1 917 890 752
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Sale of goods		
Sale of goods - hair extension	1 509 037 036	1 838 098 348
Sale of goods - hair colour goods	398 086 660	421 087 998
	1 907 123 696	2 259 186 346
Timing of revenue recognition		
At a point in time		
Sale of goods	1 907 123 696	2 259 186 346
Total revenue from contracts with customers	2 318 914 207	2 259 186 346
Satisfaction of performance obligations		
The company's primary revenue stream is from the sale of the hair extension and hair colour goods. Revenue is measured based on the consideration specified in a contract with a customer. The company recognised revenue when it transfers control over the good to the customer.		
Customers obtain control of the hair products when the goods are delivered to and have been accepted at their premises. Invoices are generated and delivered with the goods and are payable within 30 days. Discounts are provided in line with their trading terms agreement and there are early settlement discounts available. The customer has the right to return within thirty days of delivery.		
15. Cost of sales		
Sale of goods	1 099 327 243	1 360 627 981
Manufactured goods:		
Transport imports	7 914 133	762 521
Employee costs	16 978 349	16 958 033
Depreciation	8 222 609	8 179 584
Municipal expenses	14 368 588	21 230 201
	1 146 810 922	1 407 758 320
16. Other income		
Other income	147 303	269 937

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
17. Other operating (losses) gains		
Gains on disposals		
Property, plant and equipment	22 571	70 546
Foreign exchange (losses) gains		
Net foreign exchange (losses) gains	(2 460 667)	5 988 916
Total other operating (losses) gains	(2 438 096)	6 059 462
18. Operating (loss) profit		
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	2 493 343	2 060 002
Employee costs		
Salaries, wages, bonuses and other benefits	106 400 601	159 151 229
Provident fund contributions	3 075 580	2 417 006
Total employee costs	109 476 181	161 568 235
Less: Employee costs included in cost of merchandise sold and inventories	(16 978 349)	(16 958 033)
Total employee costs expensed	92 497 832	144 610 202
Leases		
Short-term leases	6 675 250	8 120 643
Total lease expenses	6 675 250	8 120 643
This relates to leases which are month on month.		
Depreciation and amortisation		
Depreciation of property, plant and equipment	10 977 162	10 836 150
Depreciation of right-of-use assets	2 555 871	4 012 540
Amortisation of intangible assets	3 192 919	1 521 563
Total depreciation and amortisation	16 725 952	16 370 253
Less: Depreciation included in cost of merchandise sold and inventories	(8 222 609)	(8 179 584)
Total depreciation and amortisation expensed	8 503 343	8 190 669
Other		
Royalty expense to fellow subsidiary	11 303 024	13 811 110
19. Finance income		
Bank and other cash	286 732	385 832
20. Finance costs		
Loans from fellow subsidiary companies	594 679	7 363 852
Lease liabilities	82 221	420 814
Bank overdraft	17 283 755	14 963 804
	17 960 655	22 748 470

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

	2025 R	2024 R
21. Taxation		
Major components of the tax income		
Current		
Local income tax - current period	-	284 033
Deferred		
Originating and reversing temporary differences	(2 000 000)	(3 000 000)
	(2 000 000)	(2 715 967)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(42 114 215)	2 477 361
Tax at the applicable tax rate of 27% (2024: 27%)	(11 370 838)	668 887
Tax effect of adjustments on taxable income		
Non-deductible expenses - Donations, Provisions, Depreciation, Prepayments	(3 658 382)	(5 934 215)
Deferred tax asset not recognised	13 029 220	2 549 361
	(2 000 000)	(2 715 967)
The total estimated tax loss available for set off against future taxable income amounted to R 216 714 288 (2024: R 174 115 392). No deferred tax assets has been raised on assessable losses of R xxx (2024: R 49 330 168).		
22. Cash used in operations		
Loss before taxation	(42 114 215)	2 477 361
Adjustments for:		
Depreciation and amortisation	16 725 952	16 370 253
Profit on disposal of property, plant and equipment	(22 571)	(70 546)
Losses on exchange differences	2 460 667	1 609 672
Movements in provisions	(1 613 917)	4 980 260
Movement in obsolete inventory provisions	(25 576 161)	44 418 672
Movement in estimated credit loss allowance	3 521 975	592 185
Merger impact on retained earnings	769 158	-
Finance income	(286 732)	(385 832)
Finance costs	17 960 655	22 748 470
Changes in working capital:		
Increase in inventories	(23 428 062)	(16 940 367)
Decrease (increase) in trade and other receivables	87 418 523	(228 244 459)
(Decrease) increase in trade and other payables	(62 520 747)	141 952 618
	(26 705 475)	(10 491 713)
23. Tax refunded (paid)		
Balance at beginning of the year	2 625 372	(788 687)
Current tax recognised in profit or loss	-	(284 033)
Balance at end of the year	-	(2 625 372)
	2 625 372	(3 698 092)

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2025

	Opening balance	Interest	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	2 825 485	82 221	-	82 221	(2 907 706)	-
Loans from fellow subsidiary companies	67 629 265	594 679	(68 223 944)	(67 629 265)	-	-
Total liabilities from financing activities	70 454 750	676 900	(68 223 944)	(67 547 044)	(2 907 706)	-

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Interest	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	40 268 174	-	-	(40 268 174)	-
Lease liabilities	7 045 263	420 814	420 814	(4 640 592)	2 825 485
Loans from fellow subsidiary companies	290 741 151	7 363 852	7 363 852	(230 475 738)	67 629 265
Total liabilities from financing activities	338 054 588	7 784 666	7 784 666	(275 384 504)	70 454 750

25. Commitments

Authorised capital expenditure

There are no capital commitments in the current year.

26. Related parties

Relationships

Ultimate holding company	Godrej Consumer Products Limited
Holding company	Godrej West Africa Holding Ltd
Fellow subsidiaries	Beleza Mozambique Limitada Frika Weave Proprietary Limited Godrej Africa Holdings limited Godrej Mauritius Africa Holdings Limited Godrej Global Middle East FZE Hair Credentials Zambia Limited Hair Trading (Off Shore) S.A.L Kinky Group Proprietary Limited Lorna Nigeria Limited SON Proprietary Limited Strength of Nature LLC (USA) Style Industries Limited Weave Mozambique Limitada Godrej South Africa Proprietary Limited
Directors	Dharnesh Gordhan Viabhav Rohotashwa Ram Emmah Makomwa Ritesh Nayar

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

26. Related parties (continued)

Related party balances

Loan accounts - Owing by related parties

Frika Weave Proprietary Limited	-	(6 554 872)
Kinky Group Proprietary Limited	-	(61 074 393)
	-	(67 629 265)

Amounts included in trade receivables regarding related parties

Beleza Mozambique Limitada	58 285 223	106 260 041
Godrej South Africa Proprietary Limited	-	458 112
Weave Mozambique Limitada	27 753 740	44 328 868
Lorna Nigeria Limited	5 652 932	4 234 772
Hair Trading S.A.L.	1 795 357	8 176 762
Style Industries Limited	-	12 418 272
Godrej Global Middle East FZE	1 482 596	1 121 601
Weave Ghana	-	4 820 140
Hair Credentials Zambia Limited	19 286 148	7 364 680
Godrej Consumer Products Limited	381 974	111 973
	114 637 970	189 295 221

Amounts included in trade payables regarding related parties

Beleza Moambique Limited	(148 857 368)	(252 852 550)
Frika Weave Proprietary Limited	-	(381 249)
Godrej Consumer Products Limited	(7 374 814)	(14 081 770)
Kinky Group Proprietary Limited	-	(5 111 288)
Strength of Nature LLC (USA)	-	6 249
Lorna Nigeria Limited	(842 259)	(1 124 857)
Hair Credentials Zambia Limited	(12 878 477)	-
Godrej Consumer Products International	(9 855 482)	-
Godrej Consumer Netherlands	(6 642 632)	-
	(186 451 032)	(273 545 465)

Related party transactions

Interest paid to related parties

Frika Weave Proprietary Limited	57 638	335 432
Godrej South Africa Proprietary Limited	-	3 903 069
Kinky Group Proprietary Limited	537 040	3 125 351
	594 678	7 363 852

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

26. Related parties (continued)

Purchases from (sales to) related parties

Beleza Mozambique Limitada	815 670 008	849 378 912
Beleza Mozambique Limitada	(227 817 069)	(360 206 117)
Godrej Consumer Products Limited	6 094 802	1 331 323
Godrej Consumer Products Limited	(638 355)	(114 174)
Weave Mozambique Limitada	(79 898 931)	(109 513 623)
Canon Chemicals	-	(1 706 064)
Lorna Nigeria Limited	998 722	1 501 467
Lorna Nigeria Limited	(9 679 060)	(20 331 719)
Hair Trading S.A.L.	(30 547 630)	(44 976 195)
Style Industries Limited	-	(44 167 782)
SIGMA Hair Industries Limited	-	(21 501 446)
Weave Ghana	(5 229 234)	(9 897 822)
Godrej Global Middle East FZE	(9 429 106)	(6 959 424)
Hair Credentials Zambia Limited	(48 551 125)	(43 016 540)
Hair Credentials Zambia Limited	12 970 003	-
Godrej Consumer Products International	27 047 984	-
Godrej Consumer Netherlands	9 363 178	-
	460 354 187	189 820 796

Rent paid to related party

Godrej South Africa Proprietary Limited	700 000	4 200 000
---	---------	-----------

Crosscharges expenses to (income from) related parties

Godrej South Africa Proprietary Limited	622 665	4 070 822
Kinky Group Proprietary Limited	-	86 885
	622 665	4 157 707

Royalty expense paid to related parties

Godrej Consumer Products Limited	11 303 024	13 780 096
Frika Weave Proprietary Limited	-	31 014
	11 303 024	13 811 110

Share issue equity infusion

Godrej West Africa Mauritius Limited	-	229 842 500
Godrej Africa Holdings Limited	79 218 600	-
	79 218 600	229 842 500

27. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Notes	Amortised cost R	Non-financial assets R	Total R
Other financial assets	9.2	-	-	-
Trade and other receivables	8	438 132 578	3 359 876	441 492 454
Cash and cash equivalents	9.1	18 560 203	-	18 560 203
Remaining assets		-	343 142 993	343 142 993
		456 692 781	346 502 869	803 195 650

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

2024

	Notes	Amortised cost R	Non-financial assets R	Total R
Other financial assets	9.2	1 575 509	-	1 575 509
Trade and other receivables	8	515 806 752	23 492 886	539 299 638
Cash and cash equivalents	9.1	30 551 906	-	30 551 906
Remaining assets		-	278 520 299	278 520 299
		547 934 167	302 013 185	849 947 352

Categories of financial liabilities

2025

	Notes	Amortised cost R	Non-financial liabilities R	Total R
Trade and other payables	12	256 371 807	6 924 648	263 296 455
Bank overdraft	9.1	203 391 907	-	203 391 907
Remaining liabilities		-	9 756 087	9 756 087
Shareholders equity		-	343 122 882	343 122 882
		459 763 714	359 803 617	819 567 331

2024

	Notes	Amortised cost R	Non-financial liabilities R	Total R
Trade and other payables	12	321 012 586	2 951 905	323 964 491
Loans from fellow subsidiary companies	11	67 629 265	-	67 629 265
Lease liabilities	4	-	2 825 485	2 825 485
Bank overdraft	9.1	159 129 025	-	159 129 025
Remaining liabilities		-	11 370 005	11 370 005
Shareholders equity		-	285 029 061	285 029 061
		547 770 876	302 176 456	849 947 332

Pre-tax gains and losses on financial instruments

Gains and losses on financial assets

2025

	Note	Amortised cost R	Total R
Recognised in profit or loss:			
Finance income	19	286 732	286 732

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

2024

	Note	Amortised cost R	Total R
Recognised in profit or loss:			
Finance income	19	385 832	385 832

Gains and losses on financial liabilities

2025

	Note	Amortised cost R	Leases R	Total R
Recognised in profit or loss:				
Finance costs	20	(17 878 434)	(82 221)	(17 960 655)

2024

	Note	Amortised cost R	Leases R	Total R
Recognised in profit or loss:				
Finance costs	20	(22 327 656)	(420 814)	(22 748 470)

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 capital structure of the company consists of debt, which includes cash and cash equivalents disclosed in note 9 and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Financial risk management

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.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Impairment of financial assets (ECL)

The company assesses on a forward looking basis the expected credit losses associated with its financial assets that are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies a simplified approach. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

The company performed detailed credit checks on new customer before subscribing them credit. Also for existing customers, the credit limit and outstanding balances are first verified before new sales orders are processed. This assists the team in identifying the payment patterns of the customers and to evaluate the expected credit losses.

During the financial period, in the assessment of the expected credit losses for the trade receivables, management made the decision to include all customers whereas previously the modern trade customers were not provided for but given the payment history, they now met the requirements of the ECL impairment allowance recognition.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

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

	Notes	2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
		R	R	R	R	R	R
Other financial assets	9.2	-	-	-	1 575 509	-	-
Trade and other receivables	8	442 972 248	(4 839 670)	438 132 578	517 124 427	(1 317 695)	515 806 732
Cash and cash equivalents*	9.1	18 560 203	-	18 560 203	30 545 261	-	30 545 261
		461 532 451	(4 839 670)	456 692 781	549 245 197	(1 317 695)	546 351 993

* Excludes petty cash not subject to credit risk.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

In addition, the company maintains the following lines of credits:

- R 28 million overdraft facility that is unsecured with Standard Chartered Bank, of which was fully used by year end. Interest is payable at the rate linked to the prime rate plus 0.75%.
- R 250 million overdraft facility that is unsecured with Citi Bank is currently operational. Interest is payable with rate linked to prime less 1.9%.

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.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

		2025 R	2024 R
--	--	-----------	-----------

27. Financial instruments and risk management (continued)

2025

	Notes	Less than 1 year R	1 to 2 years R	Over 5 years R	Total R	Carrying amount R
Current liabilities						
Trade and other payables	12	256 371 807	-	-	256 371 807	256 371 807
Bank overdraft	9.1	203 391 907	-	-	203 391 907	203 391 907
		459 763 714	-	-	459 763 714	459 763 714

2024

	Notes	Less than 1 year R	1 to 2 years R	Over 5 years R	Contractual cash flows R	Carrying amount R
Current liabilities						
Trade and other payables	12	321 012 586	-	-	321 012 586	321 012 586
Loans from fellow subsidiary companies	11	67 629 265	-	-	67 629 265	67 629 265
Bank overdraft	9.1	159 116 719	-	-	159 116 719	159 116 719
		547 758 570	-	-	547 758 570	547 758 570

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions. The company does not hedge foreign exchange fluctuations.

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 USD 6 420 532 (2024: USD 11 166 448)	8	118 116 613	210 846 760
Cash and cash equivalents USD 603 652 (2024: USD 927 810)	9.1	11 104 715	17 519 068
Current liabilities:			
Trade and other payables USD 7 276 498 (2024: USD 14 171 566)	12	(133 857 575)	(267 590 008)
Trade and other payables EUR Nil (2024: EUR 131 700)	12	-	(2 648 092)
Net US Dollar exposure		(4 636 247)	(41 872 272)

Exchange rates

Rand per unit of foreign currency:

US Dollar	18.400	18.188
Euro	19.920	20.110

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

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.

Financial instrument	Amounts exposed to risk R	Rate increase by 2% R	Total impact on profit after tax R	Rate decrease by 2% R	Total impact on profit after tax R
2025					
Trade and other receivables USD	118 116 613	2 362 332	1 724 502	(2 362 332)	(1 724 502)
Foreign exchange contract asset	351 735	7 035	5 136	(7 035)	(5 136)
Cash and cash equivalents USD	11 104 715	222 094	162 129	(222 094)	(162 129)
Trade and other payables USD	(133 857 575)	(2 677 152)	(1 954 321)	2 677 152	1 954 321
		(85 691)	(62 554)	85 691	62 554

Financial instrument	Amounts exposed to risk R	Rate increase by 2% R	Total impact on profit after tax R	Rate decrease by 2% R	Total impact on profit after tax R
2024					
Trade and other receivables USD	210 846 760	4 216 935	3 078 363	(4 216 935)	(3 078 363)
Cash and cash equivalents USD	17 519 068	350 381	255 778	(350 381)	(255 778)
Trade and other payables USD	(267 590 008)	(5 351 800)	(3 906 814)	5 351 800	3 906 814
Trade and other payables EUR	(2 648 892)	(52 978)	(38 674)	52 978	38 674
		(837 462)	(611 347)	837 462	611 347

At 31 March 2025, if the Rand/dollar exchange rate had been 2.000% (2024: 2.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R 62 554 (2024: R 572 673) higher and R 62 554 (2024: R 572 673) lower. If the Rand/EUR exchange rate had been 2.000% higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R Nil (2024: R 38 674) higher and R Nil (2024: R 38 674) lower.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for the shareholder.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Interest rate profile

The interest rate profile of interest-bearing financial instruments at the end of the reporting period was as follows:

	Notes	Average effective interest rate		Carrying amount	
		2025	2024	2025 R	2024 R
Variable rate instruments:					
Assets					
Cash and cash equivalents*	9	9.10 %	8.75 %	18 560 203	30 545 261
Liabilities					
Bank overdraft	9	9.10 %	8.75 %	(203 391 907)	(159 116 719)
Net variable rate financial instruments				(184 831 704)	(128 571 458)
		Notes		Carrying amount	
				2025	2024
Fixed rate instruments:					
Liabilities					
Loans from fellow subsidiary companies			11	-	(67 629 264)

* Excludes petty cash not subject 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. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Fixed rate instruments

The company does not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Variable-rate instruments

A reasonable possible change of 2% in interest rates at the reporting date would have increased (decreased) equity and profit or loss after tax for the year by R 2 698 543 (2024: R 1 877 144).

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Financial instrument	Amounts exposed to risk R	Rate increase by 2% R	Total impact on profit after tax R	Rate decrease by 2% R	Total impact on profit after tax R
2025					
Bank and cash	18 560 203	371 204	270 979	(371 204)	(270 979)
Bank overdraft	(203 391 907)	(4 067 838)	(2 969 522)	4 067 838	2 969 522
		(3 696 634)	(2 698 543)	3 696 634	2 698 543

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

27. Financial instruments and risk management (continued)

Financial instrument	Amounts exposed to risk R	Rate increase by 2% R	Total impact on profit after tax R	Rate decrease by 2% R	Total impact on profit after tax R
2024					
Bank and cash	30 545 261	610 905	445 961	(610 905)	(445 961)
Bank overdraft	(159 116 759)	(3 182 335)	(2 323 105)	3 182 335	2 323 105
		(2 571 430)	(1 877 144)	2 571 430	1 877 144

Price risk

The company is not exposed to equity securities price risk because there are no investments held by the company and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

28. Fair value information

The carrying value less impairment provision of trade and other receivables, cash and cash equivalents and trade and other payables approximate their fair values due to the short-term nature of trade and other receivables, cash and cash equivalents and trade and other payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

29. Going concern

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

As at 31 March 2025, the company has incurred a loss after tax of R 40 114 215 (2024: Profit after tax of R 5 193 328).

Management has implemented several sales growth programs to drive profitability and is confident that the same will be achieved in the foreseeable future.

The company has captured market share in its leading brand which management views this in positive light as per programs that were set up to drive profitability. The directors have satisfied themselves that the company is in a sound financial position.

Therefore, the financial statements have been prepared on the basis of accounting policies applicable to a going concern which assumes that the company has adequate resources to realise their assets and discharge their liabilities in the ordinary course of business.

30. 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 that would have a material impact on the financial statements.

Subinite Proprietary Limited

(Registration number 2010/018925/07)

Financial Statements for the year ended 31 March 2025

Notes to the Financial Statements

31. Directors' emoluments

Executive

2025

	Basic salary	Bonuses and Allowances	Contribution	Other	Total
		performance related payments	s (Medical aid, Pension, Provident Fund)	benefits	
	R	R	R	R	R
Ritesh Nagar	-	-	-	-	-
Viabhav Rohotashwa Ram	2 782 532	1 124 743	-	700 817	4 758 410
Emmah Makomwa	2 416 017	398 541	86 848	68 805	3 128 563
Dhamesh Gordhan	-	-	-	-	-
Ismail Nanabhay	2 612 400	1 170 000	-	47 354	4 074 707
Vijay Menon	-	-	-	-	-
Rahul Agarwal	-	-	-	-	-
	7 810 949	2 693 284	86 848	816 976	11 961 680

2024

	Basic salary	Bonuses and Allowances	Contribution	Other	Total
		performance related payments	s (Medical aid, Pension, Provident Fund)	benefits	
	R	R	R	R	R
Ritesh Nagar	-	-	-	-	-
Viabhav Rohotashwa Ram	1 409 006	1 598 765	-	6 702 227	9 984 930
Emmah Makomwa	2 278 800	392 333	-	117 480	2 963 264
Dhamesh Gordhan	-	-	-	-	-
	3 687 806	1 991 098	-	6 819 707	12 948 194