TRELLIDOR HOLDINGS LIMITED

INTEGRATED **ANNUAL REPORT** 2016

TRELLIDOR®

THE ULTIMATE CRIME BARRIER

CONTENTS

INTRODUCTION

TRELLIDOR'S
FIRST INTEGRATED ANNUAL REPORT

Trellidor is pleased to present its first Integrated Annual Report to shareholders and stakeholders for the year 1 July 2015 to 30 June 2016, subsequent to listing on the JSE's Main Board on 28 October 2015.

This Integrated Annual Report is primarily aimed at shareholders and providers of capital. The aim is to present a balanced, understandable review of the business and provide an integrated assessment of the Company's ability to create value over time.

Materiality
Materiality has been applied in determining the content and disclosure in the report, ensuring the report is both concise and relevant to Trellidor's shareholders. Material issues are considered to be those that could affect the Company's ability to create value over time and are likely to have a significant impact on the current and projected revenue and profitability of Trellidor. The Board of Directors have also considered the non-financial performance of Trellidor.

Basis of preparation
The report is prepared in terms of the JSE Listings Requirements for integrated reporting and the King III code on corporate governance. It also meets the other legal requirements to which Trellidor must adhere, such as the Companies Act, 2008. The financial reporting contained in the report complies with International Financial Reporting Standards ("IFRS") as applied to the annual financial statements. The content of this report is aligned with the requirements of the International Integrated Reporting Council's Integrated Reporting <IR> Framework. Our approach to integrated reporting will continue to evolve over time, in line with the <IR> Framework.

Key data
Trellidor Holdings Limited
Registration number: 1970/015401/06
JSE share code: TRL
ISIN: ZAE000209342
("Trellidor" or "the Company")

Corporate information
Trellidor's executive directors are CEO, Terry Dennison and CFO, Craig Cunningham. The Company's independent non-executive Chairman is Mark Olivier.

They can be contacted at 20 Aberdare Drive, Phoenix Industrial Park, Durban, Tel: +27 31 508 0800. For additional contact details please see the inside back cover. Trellidor welcomes feedback and any suggestions for the Company's future reports. Please forward any comments to investor.relations@trellidor.co.za.

Assurance
The Company's external auditor, Mazars, has provided assurance on the annual financial statements and expressed an unqualified audit opinion. The financial statements have been prepared under the supervision of Craig Cunningham, the CFO of Trellidor. The content of the Integrated Annual Report has been reviewed by the Board but has not been externally assured.

Forward-looking statements
This report includes forward-looking statements that involve inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made, and Trellidor does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

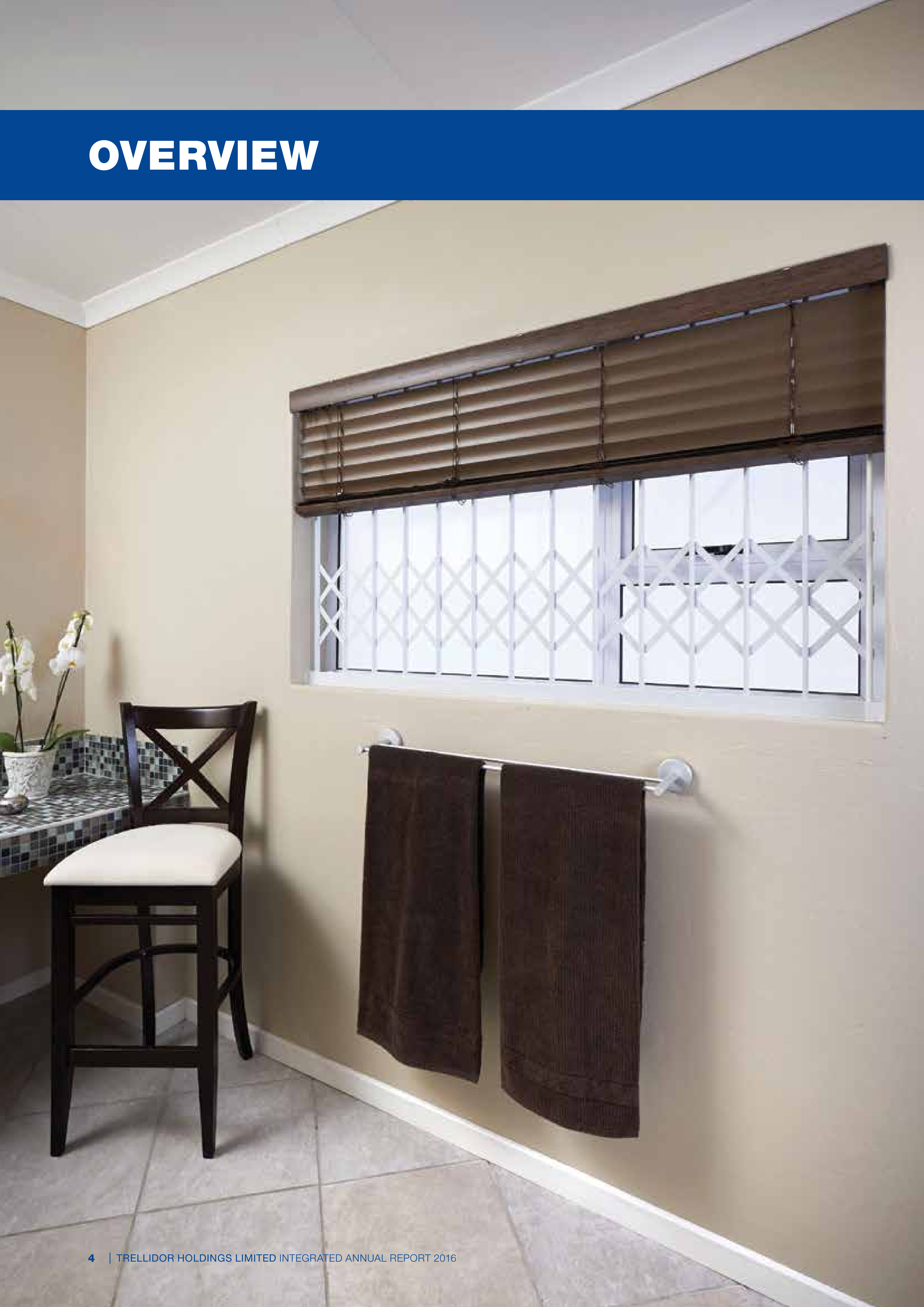
Statement of responsibility
The Audit, Risk and Compliance Committee and the Board acknowledge their responsibility to ensure the integrity of this Integrated Annual Report.

Mark Olivier
Chairman

Terry Dennison
CEO

Ralph Patmore
Chairman Audit, Risk and Compliance Committee

OVERVIEW



WHO IS TRELLIDOR?

Founded in 1976, Trellidor is a leading African manufacturer of a range of custom-made barrier security products, which are sold through a network of dedicated franchisees.

Trellidor has 71 franchise outlets across South Africa, and are represented in 23 countries with 18 franchises in 17 African countries and a presence in Israel, United Kingdom and Australia. Group subsidiary, Trellidor Ghana, operates an assembly plant in Ghana and is well positioned to service West Africa.

The provision of custom-made security products is complex involving design, measurement, local manufacture, transportation and installation. Trellidor has perfected the manufacturing and delivery mechanism over 40 years and the management team has over 70 years of combined Trellidor experience.

Trellidor holds a dominant market position in South Africa with an estimated market share of 35% in main urban centres and 50% in rural areas. The Company's primary market is the middle to upper residential market (LSM 6 bracket and above). Approximately 95% of Trellidor's customers are households. In addition, Trellidor sells to landlords in the office and retail property sector. Risks associated with the construction sector such as low margins and delayed or non-payment are avoided. There are also no retail off-shelf sales that require holding of stock and extended credit terms.

HIGHLIGHTS

Financial performance

19%
Profit after tax

11.9%
Earnings per share

10.8%
Headline earnings per share

25 cents
per share total dividend for 2016

15%
Africa revenue

18%
Growth in new "lifestyle" barrier security products

Strategic achievements

Listed on the JSE Main Board in the **"Building Material & Fixtures"** sector in October 2015

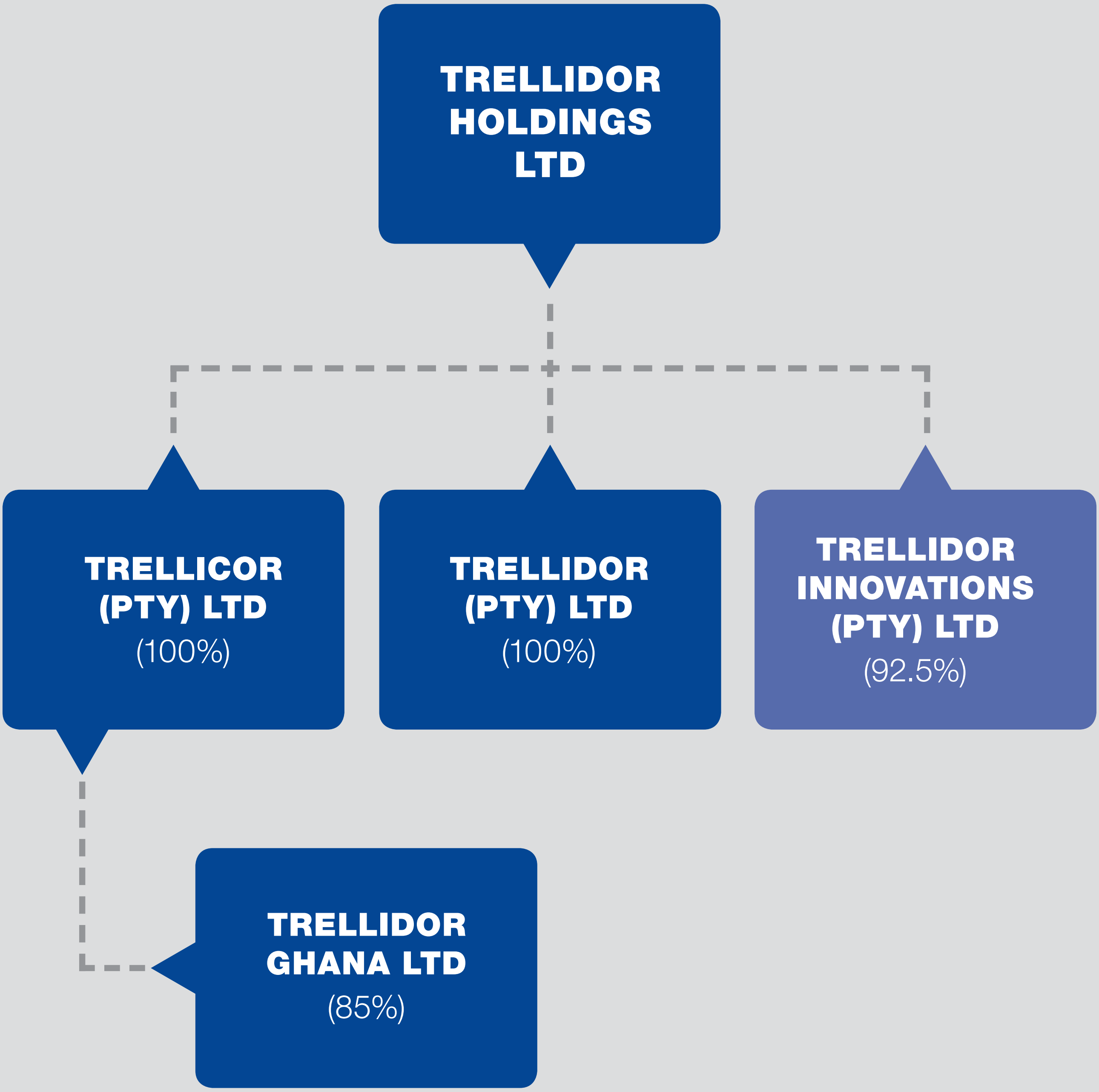
Key growth strategies

1. **Diversified the security product offering through in-house development**
   - The Trellidor Security Shutter was launched to the market in June 2016.
2. **Expanded the sales capacity and grew the Company in Africa**
   - 15% growth in Africa revenue for FY16.
   - Appointed new franchisees in Nigeria (Abuja and Lagos) and the DRC.
   - New franchise-owned assembly plants have been opened in Mauritius, Tanzania and Reunion.
3. **Acquisitive growth**
   - Concluded its first major acquisition, of the "Taylor Group", in July 2016. No earnings from the Taylor Group have been included in FY16.

Key drivers of value

- Valuable brand and quality products.
- Dominant market position in South Africa, competitors tend to be regionally focused particularly in urban areas.
- Strong cash-flow generation and high-margin business.
- Focus on premium, custom-made barrier security products, not operating in the low margin, mass produced "DIY" sector.
- Additional manufacturing capacity in place.
- Dedicated, uniquely skilled and loyal franchise network in South Africa and established distribution in 17 African countries outside South Africa with the capacity to design, measure and install.
- Growth and profitability is underpinned by growing affluence and levels of crime as urbanisation trends intensify in Africa.
- Security is a non-discretionary spend and in some respects the Company operates in a sector that has defensive investment characteristics.
- Limited risk of import substitution, as each barrier security product is custom made.

GROUP
STRUCTURE



HOW TRELLIDOR CREATES VALUE

Trellidor supplies its network of franchisees with a range of high quality custom-made security and home improvement products for installation, leveraging manufacturing capability, intellectual property, experience, skills and support infrastructure to ensure products are market leaders.

The Trellidor brand

The Trellidor brand is built on its reputation for trusted, high quality security products and exceptional service. Trellidor is one of the strongest brands in South Africa and is synonymous with sliding door security. Given the strength of the brand, a key growth strategy is the broadening of the Trellidor product range. Brand awareness in Africa is growing as part of a key strategy to expand sales capacity on the continent.

Manufacturing

Trellidor products are produced at its modern manufacturing plant in Durban where customer orders are tracked end-to-end using a bespoke ordering system. The manufacturing process includes roll forming, fabricating, powder coating, assembly and packaging. Production processes are ISO 9001:2008 certified.

Trellidor products are manufactured to each customer's specification and generally dispatched within two weeks of placement of the order. In South Africa products are delivered by outsourced road logistic services to the franchisee. Trellidor's Ghanaian subsidiary operates an assembly plant that services West Africa, shortening lead times, and reducing duties and transport costs. Franchisee owned and operated assembly shops service markets in Zambia, Zimbabwe, Nigeria, Reunion, Mauritius and Tanzania.

Materials used in the manufacturing process include steel, aluminium, fasteners, cylinders, locks and paint, much of which is imported. Trellidor practices a just-in-time purchasing system and as such has a relatively low inventory requirement. The manufacturing process adds significant value to the material in the roll forming, fabricating and powder coating processes.

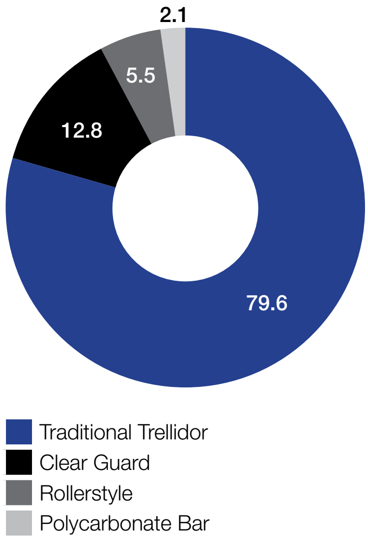
Products

Trellidor offers non-commodity, custom designed, manufactured and installed barrier security products. Residential security solutions include door, window, patio, safe zone and gated estate approved barrier products. Products for commercial customers include specialist retail and office barriers. The Company's newer products are "lifestyle" security barriers which aesthetically make them more appealing for up market residential homes.

Trellidor's leading research and development team ensures that product offerings are constantly evolving to meet current market demands, incorporating new technology and materials. In addition, ongoing research is enhanced by detailed analysis of burglary statistics, for example the methods used to gain entry to properties and the tools used by criminals, as well as research into international trends.

Products and components are patented where possible and certain products are certified by the London-based Loss Prevention Certification Board, which sets Trellidor apart from local competitors.

PRODUCT TYPE (%)



TRELLIDOR
RETRACTABLE SECURITY

A wide range of retractable doors and windows

TRELLIDOR
COTTAGE GUARD

These premium quality, reinforced burglar bars can be custom made to match existing windows or to create a cottage pane effect.

TRELLIDOR
POLYCARBONATE BAR

Is a newly developed product for windows that provides an unobtrusive, yet effective security barrier targeted at gated estates in particular.
(Introduced 2015)

TRELLIDOR
FIXED SECURITY

Fixed barriers that are primarily window solutions.

TRELLIDOR
ROLLERSTYLE

Rollerstyle, a high-end automated roller shutter for residential, office and light commercial use.
(Introduced 2011)

TRELLIDOR
CLEAR GUARD

A strong “lifestyle” security barrier made from aluminium and stainless steel mesh that is “open” when closed allowing uninterrupted views and airflow whilst being an effective security barrier.
This product is unique to Trellidor in Africa.
(Introduced 2011)

TRELLIDOR SECURITY SHUTTER

A louvre aluminium security fitting for windows or doors targeted primarily at upmarket homes and residential estates.
(Introduced June 2016)

Distribution

Trellidor has a well-established, loyal and extremely effective national franchise network with the unique capacity to design, measure and install custom made Trellidor products country-wide.

A typical franchise comprises an owner operator, a sales team, admin staff and installers. The owner is usually the key customer-facing representative of the brand and has a vested interest in the Company's success.

Trellidor certifies the sales consultants and installers and monitors franchisee performance to ensure the high levels of service synonymous with the brand are maintained.

Trellidor's franchise model is not royalty-based. Franchisees purchase Trellidor product at a set trade discount and contribute toward the marketing and advertising campaigns.

71 RSA FRANCHISES

62 franchise owners

103 sales consultants

98 installers

88 administration staff

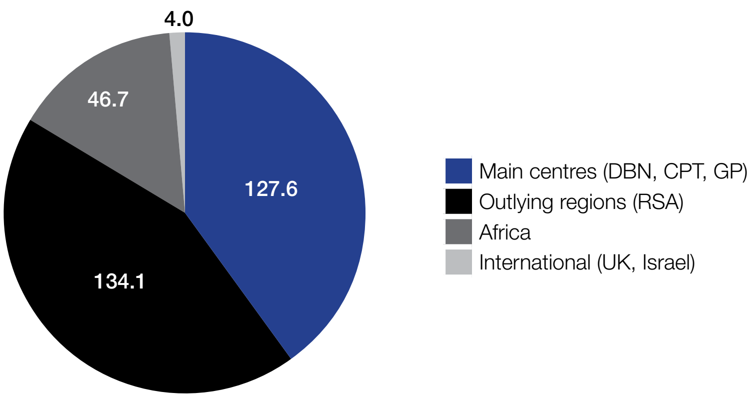
AFRICAN FRANCHISES

18 franchises in

17 African countries

Company-owned assembly plant in Ghana – services West Africa

REVENUE BY GEOGRAPHY (R million)



Marketing and sales

Trellidor manages the national marketing and advertising campaigns across all media and determines the strategy for local marketing and advertising campaigns together with each franchisee. The majority of leads are generated through existing customer relationships and a high percentage are converted to orders. Trellidor records and reviews lead levels and conversion rates, per franchise and sales consultant, through a bespoke IT system.

Installation and after sales service

The franchise conducts installations on orders it generates. All product and installations include a three to five year warranty that is serviced by the franchisee. Warranty claims are very low representing less than 0.5% of annual revenue.

Footprint

A national distribution footprint in South Africa sets Trellidor apart from its competitors, who tend to be more focused on urban areas. This positions the Company to take advantage of growing demand for high quality, respected security solutions across the country. Currently established in 17 countries in Africa, Trellidor is well placed to service the growing African economies.

Capital review

The <IR> Framework recommends reporting to shareholders on the capital resources that impact the creation of value. These capitals are either increased, decreased or transformed through the activities of the business, and should ultimately result in value creation. A brief snapshot of the performance and activities relative to these capitals is detailed below:

INPUTS	OUTCOMES
Financial capital	
• Market Cap – R596 million • Share capital raised – R50 million • Long- and short-term borrowings – R26 million • Cash generated from operating activities for year ended 30 June 2016 – R52 million • Effective management of cash and capital • Franchise distribution model reduces financial risk • Low inventory • Order book for two weeks ahead only • Acquisition of Taylor Blinds	• Revenue – R313 million • Shareholder return – total dividend for FY16 of 25 cents per share • Contribution to local economy through taxes – R22 million
Manufactured capital	
• Modern manufacturing facility in Durban with the capacity to produce steel and aluminium products • Assembly plants in Ghana, Mauritius, Reunion, Tanzania, Zambia and Zimbabwe • Manufacture to customer order • Gas fired ovens • Quality Management System certified by an independent third party, the Loss Prevention Certification Board (LPCB), based in the UK • Newly acquired modern factory, well equipped (Cape Town)	• Customer satisfaction • ISO 9001:2008 certification
Intellectual capital	
• Very strong brand in South Africa • Growing brand awareness in Africa • Research and development team with extensive experience • Ongoing market research • ISO 9001:2008 certification • International certification on select products • Patented products and components • Regulatory compliance	• Market differentiation • Customer satisfaction and peace of mind

INPUTS	OUTCOMES
Human capital	
• Properly constituted Board and sub-committees with adequate experience and independence • Remuneration policy aimed at attracting and retaining key staff • Senior management with 70 years' experience • Well-established research and development team • Strict compliance with the South African Occupational Health and Safety Act, 85 of 1993 • Invested in training at our in-house manufacturing facility • Invested in provision of training for franchisees	• 288 Trellidor employees received training by the Company • 71 RSA and 18 Africa franchisees received training by the Company • Zero fatalities • Staff turnover remained at 6% • Seven minor injuries down from 12 in 2015 • Regular engagement with trade unions with a focus on maintaining harmonious relationships
Social and relationship capital	
• Franchisees • Major suppliers • Corporate Social Responsibility projects such as supporting the Sunflower Foundation, schools, orphanages, (community based facilities)	• Enduring relationships with suppliers • Job creation • Enterprise development • Positive contribution to wider South African society
Natural capital	
• Impact on the natural capital is managed through various programmes to increase energy efficiency, reduce water use and minimise waste • Modern effluent plant to reduce environmental impact • Energy usage and energy saving measures	• Electricity consumption decreased • Focus on CO_2 greenhouse gas emissions • Adherence to high quality standards of waste water

BOARD
OF DIRECTORS

From left to right: Peter Rawson, Craig Cunningham, Terence Dennison, Ralph Patmore, Mark Olivier and John Winship.

INDEPENDENT NON-EXECUTIVE DIRECTORS

MARK CYRIL OLIVIER

(48) CA(SA)

Chairman

Mark has over 25 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Before establishing Hibridge Capital, a boutique investment banking business, Mark was a shareholder and employee of Hawkpoint Partners, a London based corporate advisor and also worked for BoE Limited serving on the executive committee of the bank's international business headquartered in London. Currently Mark is a non-executive director of the Dynasty Group of companies, which owns retail properties valued at in excess of $1 billion in China and is owned and managed by Macquarie Bank and Blackstone Inc.
He is also the Chairman of Rockcastle, a $2 billion company listed in South Africa and Mauritius investing in retail properties in Eastern Europe and a non-executive director of Greenbay Properties Limited, a retail investment company listed in both South Africa and Mauritius.

Appointed to the Board: 26 October 2006

JOHN BARTRAM WINSHIP

(62) BBusSci (UCT)
Certificate of Investment (Institute of Actuaries)

Non-executive director

John has been a non-executive director of the Company since 2006. He has been involved in various aspects of asset management and financial services through his career and has experience in analysis, portfolio management, executive management and directorships. He worked for Old Mutual and was thereafter instrumental in the founding of BoE Asset Management and served on the Board of BOE Limited, before going on to establish ABVEST, an institutional asset manager which was subsequently bought out by Absa. He is currently self-employed, primarily serving on investment committees for corporates and high-net-worth families. He is actively involved in community service through Rotary International.

Appointed to the Board: 26 October 2006

RALPH BRUCE PATMORE

(64) BCom (Wits), MBL (SBL)

Non-executive director

Ralph co-founded and was instrumental in the listing of Iliad Africa Limited, a building material supply company, which he led as Chief Executive Officer until his retirement in 2008. Prior to that he was the Managing Director of the manufacturing division of Group Five Limited (1988 to 1997), the Managing Director of M&B Pumps Proprietary Limited, a company with the Malbak Group, supplying clean water surface and submersible pumps to the market (1984 to 1987), as well as the Managing Director of Exchange Engineering Proprietary Limited, a company with the Unihold Limited Group, involved in metal forging and in the manufacturing of mining safety critical lifting equipment.

Appointed to the Board: 28 October 2015

EXECUTIVE DIRECTORS

TERENCE MARK DENNISON

(49) CA(SA) ("Terry")

Chief Executive Officer

Terry joined the Company as Financial Director in 1999 and has fulfilled the position as Chief Executive Officer since 2001.
Prior to his time at the Company, Terry was in various senior management positions at agricultural processing companies owned by the Commonwealth Development Corporation. Terry qualified with KPMG as a Chartered Accountant in 1992.

Appointed to the Board: 1 June 2002

CRAIG GAVIN CUNNINGHAM

(41) CA(SA)

Chief Financial Officer

Craig is a chartered accountant with experience post-articles with Ernst and Young and Citigroup in the UK. Prior to joining the Company, Craig held financial management posts at logistics companies Unitrans and Manline.

Appointed to the Board: 27 August 2015

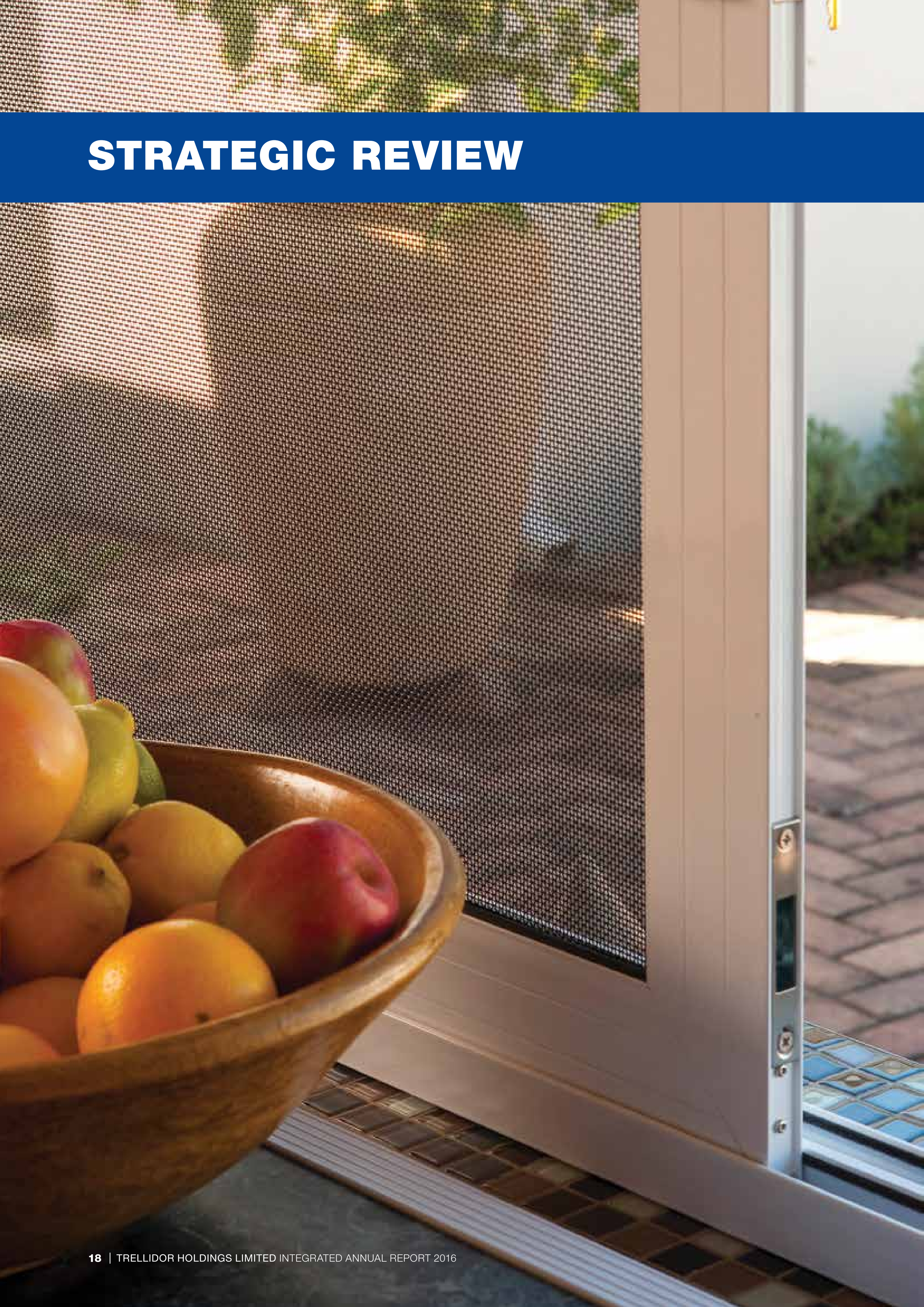
PETER WALTER EDWARD RAWSON

(59) BA (Rhodes) ("Pete")

Group Sales and Marketing Executive

Pete joined the Company in 1996 as head of the Sales and Marketing team and was appointed as a director on 26 October 2006. Pete resigned from the Board on 27 August 2015 as part of the Board's reconfiguration pre listing. He remains part of the executive team and sits on the Board of the main operating subsidiary.

Resigned from the Board: 27 August 2015



STRATEGIC REVIEW

CHAIRMAN'S REPORT

MARK OLIVIER
Chairman

Dear shareholders,

I want to begin by thanking you for choosing to invest in Trellidor. We understand you have placed your trust in the team and that you expect us to increase the value of your investment over time.

The Board intends to do this with a particular focus on taking strategic decisions that will increase the long-term value of your investment rather than focusing on delivering short-term results which can restrict the Company's strategic options when it comes to growth and innovation.

The operating environment
The South African economy continues to underperform, constrained by restrictive labour regulation, a lack of relevant private and quality public sector skills and poor political leadership. This translates into a concerning macro-economic picture: low projected GDP growth, twin deficits, high levels of unemployment and business and consumer confidence in negative territory.

None of these factors are good for business and we are planning for continued stagnation of the South African economy and increasing volatility in exchange and interest rates.

Despite a weak operating environment in South Africa the market for physical security barriers remains resilient. The purchase of security is a non-discretionary spend. Demand is driven by the need to be safe from actual and perceived levels of crime, which generally rises in line with levels of unemployment and social unrest. In this respect, the 2015/2016 crime statistics released in August 2016 show that house robberies have increased to unprecedented levels and have risen 63% over the past 10 years.

Trellidor traditionally performs better than its competitors in a poor operating environment and is well positioned for growth due to its strong market position, national distribution network, trusted brand and superior products, cash generating capacity, the extent to which it adds value in the manufacturing process and quality management.

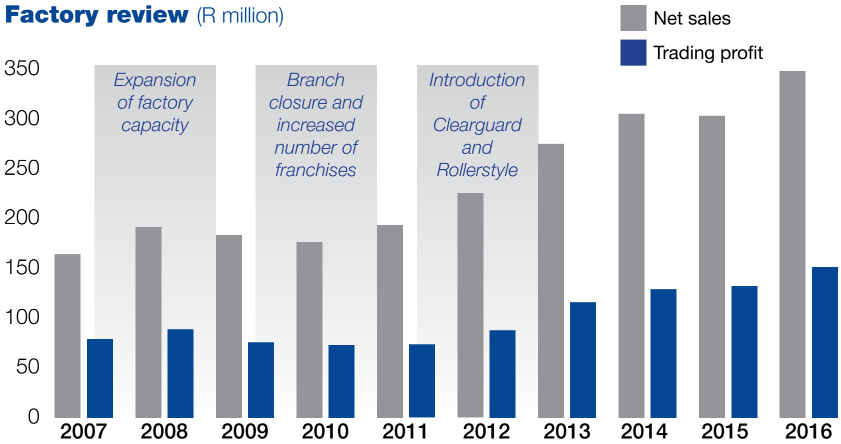
As indicated in the trend in sales and trading profit in the chart below, the Company has withstood the effects of the economic crises since 2008. The Company's financial performance and resilience is also notable during that period given the disruption that resulted from significant investment in manufacturing capacity in 2008, conversion from a branch to franchise distribution mechanism in Gauteng in 2009, the more than doubling of distribution capacity in 2010 and the development and launch of new products in 2010 and 2011.

Strategy
Trellidor listed on the Johannesburg Stock Exchange on 28 October 2015, primarily to provide access to capital to pursue growth opportunities. Trellidor's key longer-term growth strategies are to:

- Appoint franchises in new African territories, increase capacity in existing African markets and extend the product range in these markets. This will be achieved in partnership with local franchisees replicating a proven strategy employed for over twenty years. The Board is mindful that African economies are relatively small, under developed and fragile. Accordingly, the Company has not made significant allocations of capital to Africa and will continue to "partner" with local franchisees. Expansion in West and East Africa will be targeted with the establishment of new assembly plants to reduce lead times, import duties and the cost of logistics.
- Pursue acquisition opportunities of businesses that manufacture or distribute custom-made barrier security and home improvement type products. Value creation is possible through market know how and methodology, distributing acquired product through the Company's national and African distribution network, increasing market share through the endorsement of a leading brand in the market and manufacturing synergies.
- In-house development of new products to include innovative high-end "lifestyle" type barrier security. Trellidor has significant spare manufacturing capacity that allows for efficient and highly profitable introduction of new products.

In the 2017 financial year your Board will continue to drive growth through increasing the market share of traditional and new products (Rollerstyle, Clear Guard, Polycarbonate Bar and Security Shutter) and expanding into Africa whilst improving manufacturing efficiencies, maintaining trading margin and containing overhead growth.

Factory review (R million)



The key specific strategies for 2017 are as follows:

- Launch of a new product, the Security Shutter: this in-house designed and developed product was launched in June 2016. It is a premium product targeted at the upper income market and provides Trellidor with access to the growing number of security estates. In 2017 the focus will be on the marketing and launch of this product through Trellidor's distribution network.
- Increasing distribution capacity in Africa: new franchises are in the process of being opened in Nigeria (Abuja and Lagos) and the DRC. In addition, Trellidor's new products will be sold in African territories where they have not previously been distributed. New franchisee-owned assembly plants have recently been opened in Tanzania, Mauritius and Reunion and further are planned in Angola, Kenya and Nigeria.
- Bed down the Taylor Group acquisition: During July 2016 Trellidor successfully concluded its first acquisition post listing. The acquisition of the Taylor Group provides Trellidor with strong brands, management team and distribution network for the development of the home improvements market, distinct from the existing Trellidor business.

The Taylor Group's current distribution network will also be expanded based on the tried and tested processes and skills inherent in Trellidor. The Taylor Group's product offering is complementary to that of Trellidor with substantial value to be realised through the acquisition, including potential distribution through Trellidor's African network.

Corporate governance and risk management

Trellidor strives for the highest standards of corporate governance. The role of the Board is to exercise leadership, integrity and sound judgement in the business and to provide strategic direction to the Company, with a keen understanding of key risks. The Board plays a pivotal role in monitoring performance against agreed objectives and overseeing the implementation of strategy.

Strong leadership in the Group ensures that employee relations are prioritised and dealt with optimally. Trellidor is committed to investing in human capital which in turn will ensure sustainable performance and continued industry leadership. Programmes are in place to address the internal advancement of staff and provide ongoing skills development programmes. The safety and wellbeing of Trellidor's employees remains a top priority.

Looking ahead

Global markets and the operating and political environment in South Africa and Africa is uncertain and evolving at a pace. Your Board constantly challenges itself and management on the effects of these changes on the business.

Although trading conditions are expected to remain challenging, Trellidor is well positioned to optimise the opportunities the market place has to provide, through its strategic initiatives, strong brand, well established distribution network and basket of high quality products.

Dividend

The Board declared a final gross dividend of 15.8 cents per share for the six month period ended 30 June 2016, which brings the total interim and final dividend declared for the year to 25.0 cents per share. Trellidor's future dividend policy will continue to reflect its highly cash generative ability and take into account capital requirements to finance growth.

Appreciation

The Board looks forward to working with an impressive and entrepreneurial management team in executing the investment strategy to deliver enduring and high quality returns to shareholders.

I would like to extend my appreciation to my fellow directors for the commitment and enthusiasm they have demonstrated during this landmark year. Our executive directors worked tirelessly during the year to get to where we are today and their contributions are much appreciated.

Mark Olivier
Chairman

RISKS AND OPPORTUNITIES

The management of risk is integral to generating sustainable shareholder value and enhancing stakeholders' interests. Key risks are reviewed by the Board and all risks noted or identified are reviewed annually by the management team and the Board.

The Group's key risks with mitigation strategies are outlined below.

1. **Acquisitions**
   One of the core strategic objectives of the Group is to acquire new businesses. To ensure acquisitions are appropriate and deliver projected returns:
   - Comprehensive ongoing market and industry research together with detailed due diligence and use of professional advisors will be utilised.
   - Focus on acquiring high quality and well-established businesses with similar methodologies and/or with potential to utilise the capacity available in the factory and/or the distribution network.
   - Establish returns on capital targets that exceed the Company's cost of capital and incorporate appropriate margins of safety.
   - Adherence to good corporate governance.

2. **Business interruption due to industrial action**
   The Trellidor products are manufactured in a factory that is a member of the Metal & Engineering Industries Bargaining Council. Management are committed to:
   - Adhering to the bargaining council agreements.
   - Maintaining a productive working environment.
   - Liaison with relevant committees and/or unions to achieve this.

3. **Develop and launch product that meets and enhances the Trellidor brand**
   During June 2016 Trellidor launched a new in-house developed security shutter.
   - A comprehensive quality control process is in place.
   - A vigorous testing process developed over the last 40 years is applied to all new Trellidor products.
   - A comprehensive training and certification process is in place for all consultants and installers in the distribution network.

STAKEHOLDERS

Stakeholders are defined as people or entities who are affected by Trellidor's operations or who can affect the production or delivery of its products. Trellidor seeks to engage all stakeholders productively and proactively and deliver on all its commitments.

Key stakeholders in our Group are shown below with the main issues that concern them:

Human resources

Employees and trade unions: Job security, sustainability, remuneration, personal growth and development, skills development, remuneration and incentives, working conditions, safety.

Operational

Government, regulators: Employment equity, environmental impact, safety, taxation, compliance, adherence to the JSE Listings Requirements and company legislation.

Suppliers: Timely payment, sales volumes, fair business practices.

Franchisees: Security of supply, pricing, marketing, training and technical support.

End users: Quality, reliability, service.

Corporate

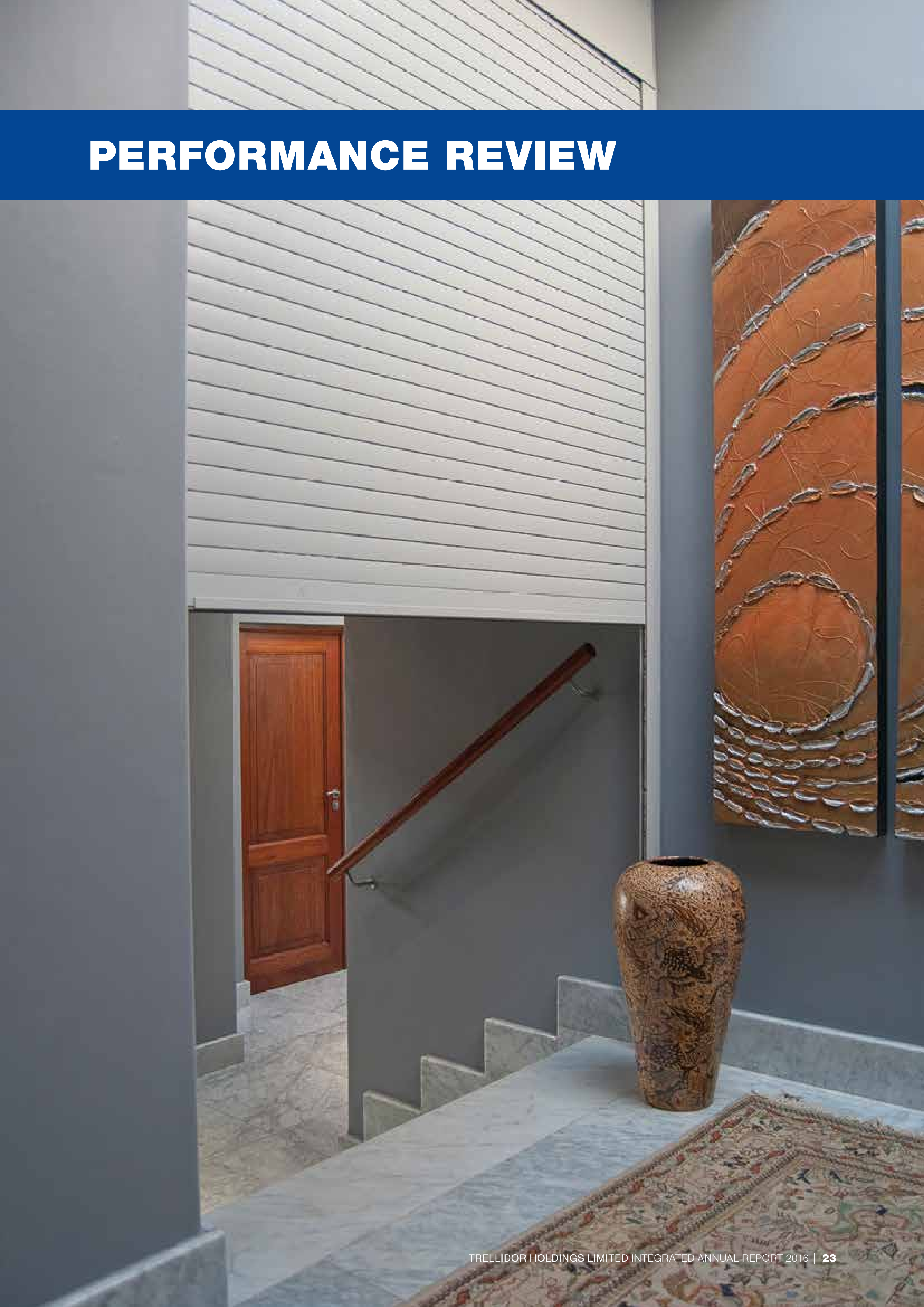
Investors: Sustainability, profitability, ROI (share price and dividends), cash generation, corporate governance and compliance, risk management, remuneration practices, growth prospects, accessibility of leadership, succession.

Funders: Solvency and liquidity, capital management, sustainability, credit rating, risk management.

Communities: Job creation, CSI projects.

Industry associations and organisations: Steel and Engineering Industries Federation of South Africa; KZN Engineering Industries Association; Metal & Engineering Industries Bargaining Council; Manufacturing, Engineering and Related Services SETA.

PERFORMANCE REVIEW



CEO'S REPORT

TERRY DENNISON
CEO

Trellidor delivered a solid operational performance for the year ended 30 June 2016, despite the tough macroeconomic conditions.
We commenced implementation of the organic and acquisitive growth strategy outlined on listing:

- The Taylor Group was acquired in July 2016 utilising the R50 million of new capital that was raised on listing;
- The new in-house developed Security Shutter product was introduced in June 2016; and
- The growth of our distribution network in Africa is progressing well. New franchisees in Nigeria and the DRC have been appointed and training and launch of these new franchises will take place in the first half of FY17.

Financial performance

Profit after tax growth of 19% was driven by: revenue growth of 6.6%, maintenance of gross margin at 50.1% and tight overhead control. This despite difficult trading conditions particularly in the second half of the year. Operating expenses reduced from 29.0% of revenue (June 2015) to 28.1%, notwithstanding one-off listing costs of R1.7 million. Revenue growth from Africa at 15% for the year, was underpinned by solid performance from our Ghanaian subsidiary which achieved 63% growth in revenue in Rand terms. Foreign exchange gains of R2.3 million (June 2015: R0.3 million), sale of scrap of R1.2 million, profit on sale of property, plant and equipment of R0.7 million and freight and insurance recoveries of R1 million were recognised in other income during the period.

Trellidor's earnings per share and headline earnings per share growth of 11.9% and 10.8%, respectively, for the year ended June 2016 was diluted by the issue of 8 333 334 new ordinary shares to partially finance acquisition opportunities.

Cash generation

Cash generated from operating activities of R51.7 million was in line with expectation and equated to 95% of profit after tax. Working capital investment increased due to higher inventory levels, predominantly as a result of the impact of the Rand devaluation on imported materials, a change of purchase strategy for certain components to benefit from lower prices, the holding of materials for newly introduced products, and an increase of stockholding in Ghana due to growth in the region.

Financial risk

Trellidor has low levels of gearing, at 30 June 2016, with interest-bearing debt of R26.3 million and cash and cash equivalents of R89.4 million, on hand.

Acquisitive growth

Aligned with Trellidor's growth strategy, the Group concluded an acquisition of an effective 92.5% interest in Taylor Blinds and Shutters and NMC Decorative Mouldings ("the Taylor Group") after year-end. Taylor Blinds and Shutters specialises in designing, manufacturing, marketing, distributing and servicing shutters and blinds in the South African market. NMC Decorative Mouldings distributes imported decorative mouldings.

The initial tranche of the purchase consideration for 100% of the equity of the Taylor Group was R131 million, financed by cash of R51 million, which was raised by the issue of new shares on listing, bank debt of R70 million and a R10 million investment by the Managing Director of the Taylor Group (7.5% interest).

Deferred consideration of up to a maximum of R30 million is payable if profit after tax (and before the cost of debt) of R33 million is achieved by the Taylor Group for the twelve months ended 30 April 2017. The deferred consideration will be payable, at the option of the sellers, by a combination of cash and/or new Trellidor shares issued at a price of R6 a share.

New product offerings

Trellidor launched the new Trellidor Security Shutter in June 2016 – an in-house designed and developed lifestyle barrier security product. The Security Shutter is an aluminium "louvre style" product incorporating the Trellidor patented locking system.

The louvres are connected internally for added security, a clear view and an aesthetically appealing product targeted at gated estates and suburban properties. Development and capital expenditure for the new Trellidor Security Shutter were within budgeted levels.

During the year we continued to grow market share of the Trellidor Polycarbonate Bar which was launched in May 2015. This is an attractive form of window protection that is hardly noticeable but at the same time effectively keeps out monkeys and baboons as well as criminals. Trellidor's polycarbonate burglar proofing is differentiated from similar products by its frame system which enhances its strength. Polycarbonate Bar products are targeted at gated estates in particular.

Focus for FY17

Trellidor is well positioned to optimise the opportunities the market place has to provide, through its strong brand, well established distribution network and basket of high quality products in spite of expectations of tough trading conditions continuing.

Growth will also be enhanced through sales of the new Trellidor Security Shutter to the network and from newly established territories in Africa.

The acquisition of the Taylor Group should establish a materially higher earnings base for the future. No earnings from the Taylor Group have been included in the results for the year ended 30 June 2016.

Appreciation

I would like to offer my thanks to the Board, management, employees and franchisees of the Group in what has been an extremely busy year: listing in October 2015, a new product launch in June 2016, an acquisition in July 2016, all in a challenging economy.

Terry Dennison
CEO

HOW THE BUSINESS IS GOVERNED

CORPORATE GOVERNANCE REPORT

Governance practices

Trellidor is committed to upholding the highest standards of ethics and good governance while pursuing wealth and value creation for its stakeholders. The Board is the focal point of good governance and exercises sound judgement and leadership with integrity, guided by principles of responsibility, accountability, fairness and transparency. It has implemented rigorous governance principles and practices in accordance with the King III Report. The Board assessed the application of the principles set out in the King Code and confirms that the Company has applied and is compliant with the code. A detailed report on the Company's compliance with all 75 principles is available at www.trellidor.co.za. The Board is committed to continuously improving governance in line with King III and is watching with interest the developments in the finalisation of King IV. Trellidor is committed to reviewing governance practices to meet the new requirements.

The Company has adopted a Code of Ethics, which is upheld by the Board and is communicated to employees. It commits both the Board and the employees to the highest standards of business conduct. The Code provides detailed guidance as to their ethical conduct and they are required to adhere to the Code in all daily interactions.

Governance structure – responsibility and delegation

Trellidor Board			
Executive directors Terry Dennison (CEO) Craig Cunningham (CFO) **Independent non-executive directors** Mark Olivier (Chairman) John Winship Ralph Patmore			
Audit, Risk and Compliance Committee	**Remuneration Committee**	**Nominations Committee**	**Social and Ethics Committee**
Ralph Patmore (Chairman) Mark Olivier John Winship *By invitation:* Terry Dennison (CEO) Craig Cunningham (CFO) Paula Nel (Company Secretary)	John Winship (Chairman) Mark Olivier Ralph Patmore *By invitation:* Terry Dennison (CEO) Paula Nel (Company Secretary)	Mark Olivier (Chairman) John Winship Ralph Patmore *By invitation:* Terry Dennison (CEO) Paula Nel (Company Secretary)	Mark Olivier (Chairman) Terry Dennison Craig Cunningham Peter Rawson John Winship *By invitation:* Ralph Patmore Paula Nel (Company Secretary)

Trellidor's Board of Directors

The Board consists of five members (two executive and three independent non-executive) who bring a wealth of industry and financial experience.

The role and responsibilities of the Chairman and the CEO have been clearly defined and are distinct ensuring checks and balances in decision making. The Chairman provides independent Board leadership and guidance, facilitates suitable deliberation on matters requiring the Board's attention and ensures the efficient operation of the Board as a unit. Ultimate control of the Group rests with the Board of Directors while the executive management is responsible for the management of the Group. The Board is responsible for setting the strategic direction of the Group, while the CEO and other executive directors are responsible for implementing the strategy and the day-to-day operational decisions and business activities.

The non-executive directors are individuals of high calibre and credibility, and have the necessary skills and experience to bring judgement to bear, independently of management, on issues of strategy formulation, performance management, resources planning and allocation, transformation and employment equity, standards of conduct, and other important decisions.

The Board operates according to a Board Charter, which is available at www.trellidor.co.za.

The Charter clearly sets out the Board's key responsibilities being:

- setting strategic direction and policies;
- monitoring the implementation of the approved strategies;
- monitoring operational performance;
- providing oversight of the Group's systems of internal control and governance, including that of information technology, and risk management;
- guiding the Group's values, including principles of ethical business practice and the requirements of being a responsible corporate citizen;
- managing stakeholder relationships; and
- appointment of the Chairman and CEO, nomination of directors, review of directors, senior management's remuneration, appointments and succession plan.

The Board, without abdicating its own responsibilities, delegates certain functions to well-structured committees. Board Committee Charters define the purposes, authority and responsibility of the various Board Committees, and have been developed for the:

- Audit, Risk and Compliance Committee;
- Remuneration Committee;
- Nominations Committee; and
- Social and Ethics Committee.

Evaluation

In order to improve the Board's effectiveness, annual evaluations of the Board, individual directors, Board Committees and the Chairman are conducted. Appropriate measures are taken to address any weaknesses highlighted through the evaluation processes. The annual evaluation was completed for the year-end.

Directors' personal interests

A full list of directors' interests is maintained and reconfirmed annually with directors. Directors are required to recuse themselves from any discussion and decision in which they may have a material financial interest.

Attendance at meetings

The below table presents the directors' attendance at the Board and Committee meetings held during the year:

	Board	Audit, Risk and Compliance Committee	Remuneration Committee	Nominations Committee	Social and Ethics Committee
Terry Dennison (CEO)	4 (4)	4*(4)	3*(3)	3*(3)	2 (2)
Craig Cunningham (CFO)	4 (4)	4*(4)	–	–	2 (2)
Mark Olivier (Chairman)	4 (4)	4 (4)	3 (3)	3 (3)	2 (2)
Ralph Patmore (Chairman Audit and Risk Committee)	3# (3)	3#(3)	3 (3)	3 (3)	2*(2)
John Winship (Chairman Remuneration Committee)	3 (4)	3 (4)	3 (3)	3 (3)	2 (2)
Peter Rawson	4*(4)	–	–	–	2 (2)

* *By invitation post listing.*

\# *Appointed 28 October 2015 (on listing).*

Appointments to the Board

Appointments to the Board follow a formal and transparent process and are considered by the Board as a whole following the recommendation of the Nomination Committee. The process is followed to assist the Board in ensuring that it has the right balance of skills, experience, background, independence and business knowledge necessary to discharge its responsibilities.

In terms of King III and the Company's Memorandum of Incorporation, one-third of the Board's non-executive directors must retire, on a rotational basis, from office at each annual general meeting. The retiring director/s may make themselves available for re-election, provided that they remain eligible as required by the Memorandum of Incorporation and in compliance with the JSE Listings Requirements. Accordingly, John Winship by rotation at the upcoming Annual General Meeting, and being eligible, will offer himself for re-election.

Changes to the Board

Effective 27 August 2015

Craig Cunningham was appointed CFO and Peter Rawson resigned from the Board. Peter was appointed as a director of Trellicor Proprietary Limited, a major subsidiary. Ralph Patmore was appointed an independent non-executive director with effect from the listing date, 28 October 2015.

Board committees

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is responsible for reviewing the financial statements, monitoring internal control procedures and recommending the appointment of external auditors and evaluating their independence. It is constituted as a statutory committee of the Company in compliance with the Companies Act, King III and the JSE Listings Requirements. Its composition, responsibilities and activities are covered in the Audit, Risk and Compliance Committee Report on page 36. The committee met four times during the year.

Remuneration Committee

The Remuneration Committee is constituted as a committee of the Board for the purposes of considering executive and non-executive director's remuneration. Its composition, responsibilities and activities are covered in the Remuneration Committee Report on page 32. The committee met three times during the year.

Nominations Committee

The Nominations Committee composition is on page 27. All members being independent non-executive directors. The Nominations Committee meets when required and, as previously stated, is responsible for assisting the Board with the appointment of directors by making appropriate recommendations in this regard. The committee met three times during the year.

Social and Ethics Committee

The Social and Ethics Committee's responsibilities encompass monitoring and regulating the impacts of the Group on its material stakeholders and environments. Although management is tasked with overseeing the day-to-day operational sustainability of their respective areas of business, and reporting thereon to the committee, the Board retains ultimate responsibility. The composition of the committee is on page 27. The committee met twice during the year.

Support functions

Independent advice

All independent non-executive directors have unrestricted access to management and all Company information and resources, as well as to the Group's external auditors. Further, all directors are entitled to seek independent professional advice, at the Group's expense, on any matters pertaining to the Group as they deem necessary.

Company Secretary

The Company Secretary advises the Board of any relevant regulatory changes and/or updates. In addition she provides guidance to the Board, individual directors and sub-committees on how to discharge their responsibilities in the best interests of the Company. The Company Secretary attends all Board and committee meetings and is responsible for overseeing the preparation in advance of a comprehensive agendas and meeting packs. Further, responsibility lies with her for overseeing the accurate recording and dissemination of the minutes of these meetings. Whenever deemed necessary she also reviews the rules and procedures applicable to the conduct of the affairs of the Board. If necessary she involves the sponsor and other experts in this regard to ensure that the directors have adequate information to discharge their responsibilities efficiently.

The Board is comfortable that Company Secretary Paula Nel maintains an arm's length relationship with the Board at all times and is sufficiently qualified and skilled to act in accordance with, and update directors in terms of, the recommendations of the King III Report and other relevant local and international regulations and legislation. The Company Secretary is not a director of a company within the Trellidor Group. Paul Nel, our Company Secretary has practised for over 25 years and holds a BCom FCIS qualification.

Information Technology Governance

The Board is ultimately responsible for IT governance. The risks and controls over information technology assets and data are reviewed and monitored by the Audit, Risk and Compliance Committee.

The IT functions of the Group are outsourced to appropriately accredited external service providers.
The risks regarding the security, back-up, conversion and update of the information technology systems are continually assessed, reviewed and monitored by the Audit, Risk and Compliance Committee. Disaster recovery plans are regularly reviewed as disruptions to critical management information could have an impact on continuing operations.

Dealing in securities by the directors

The Group has adopted policies that regulate dealings in the Group's securities by directors and Group officials in closed periods and with price-sensitive information as required by and in line with the JSE Listings Requirements. In addition, Trellidor maintains a closed period from the end of a financial reporting period to the date of publication of the financial results.

Promotion of Access to Information Act

There were no requests for information lodged with the Group in terms of the Promotion of Access to Information Act, No 2 of 2000.

Internal control framework

The Board is responsible for the Group's systems of internal control and risk management. The Audit, Risk and Compliance Committee assist in this regard. Together they evaluate the adequacy and effectiveness of internal control systems and processes, and monitor whether internal control recommendations have been implemented. The internal control framework together with the required assurance is formally documented and annually reviewed by the Audit, Risk and Compliance Committee.

The systems are designed in such a way as to manage rather than eliminate risk and to safeguard and maintain accountability of the Group's assets. This will assist in identifying and curtailing significant fraud, potential liability, loss and material misstatement while ensuring compliance with applicable statutory laws and regulations.

External audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented in compliance with IFRS. The preparation of the annual financial statements remains the responsibility of the directors.

The Audit, Risk and Compliance Committee meets regularly with the external auditors and in this way ascertains their efficacy and independence. Recommendations thereon are then made to the Board. The responsible audit partners rotate in accordance with legislation and audit firm requirements. As a rule the Board does not engage the external auditors for any tax compliance and assisting with company secretarial duties. Where the external auditors are appointed for non-audit services, the Board assisted by the Audit, Risk and Compliance Committee ensures that there is a strict separation of divisions in order to maintain independence.

Legal compliance

The Company Secretary, together with the Group's sponsor, monitors compliance with the recommendations set out in King III, the JSE Listings Requirements and the Companies Act.

The process of compliance with relevant legislation is managed by the Company and is monitored by the Audit, Risk and Compliance Committee. During the past financial year no instances of material non-compliance were noted and no judgements, damages, penalties or fines were recorded or levied against Trellidor, its directors or employees for non-compliance with any legislation.

Employment equity

The Group is in compliance with the requirements of the Employment Equity Act. Each business has registered its Employment Equity Plan with the Department of Labour.
A summary is tabled below.

	Male (%)	Female (%)
African	32	20
Indian	26	2
Coloured	4	7
White	7	2

The Employment Equity Reports have a different cut off period to the year under review.

REMUNERATION REPORT

The Remuneration Committee comprises three independent non-executive directors: John Winship (Committee Chairman), Ralph Patmore and Mark Olivier. The CEO attends meetings by invitation.

The committee meets twice a year with additional meetings if required. Attendance at committee meetings is set out on page 29. The formal Remuneration Committee Charter sets out the committee's responsibilities. The Charter is reviewed annually to ensure compliance with King III, the Companies Act, and to incorporate relevant best practice developments.

The Board assesses the effectiveness of the committee annually. It was found that the Remuneration Committee has duly completed its responsibilities during the year in accordance with its Charter.

Responsibilities

The committee is an independent and objective body, which is responsible for advising on and then monitoring the Group's remuneration policy. It is tasked with ensuring that directors and executives are remunerated fairly and responsibly. The committee reviews the mix of salary remuneration, bonuses and incentives. The purpose is to align remuneration and incentives with the needs of the business' short and longer term objectives.

Key responsibilities of the committee are:

- review the Group's remuneration policy, which is presented annually for a non-binding advisory shareholder vote at the Annual General Meeting;
- review and approve the annual remuneration packages of the senior executives, including annual cash-settled incentive schemes, ensuring they are appropriate and in line with the remuneration policy;
- to make recommendations to the Trustees of the Share Incentive Trust. In this regard the committee has made certain recommendations to the Trustees regarding share options which will be awarded, once the registration of the Share Incentive Trust has been finalised by the Master of the High Court;
- approve appointments and promotion of key executives;
- review the human capital management practices in place with reference to key focus areas and those specifically required by the South African labour legislation;
- annually review the committee's Charter and recommend amendments thereto as required; and
- undertake an annual assessment of the effectiveness of the committee and report these findings to the committee and the Board.

To fulfil its remuneration responsibilities, the committee has unrestricted access to any information required and, if necessary, to obtain external legal or other independent professional advice. The CEO makes recommendations to the committee on executive and non-executive directors' remuneration.

Remuneration philosophy

Trellidor's remuneration policy reflects the Group's intention to attract and retain critical talent as well as to motivate current employees to perform to their best ability and in the best interests of the Company and its stakeholders. The policy provides a basis to determine an appropriate and fair rate of remuneration for each function and to apply this consistently across the Group. The policy aims to establish a balance between fixed and variable pay and between short and long-term incentives. The Remuneration Committee ensures an appropriate level of transparency as well as a level of equity and consistency in remuneration across the Group.

Alignment with strategy

Trellidor's remuneration structures align with the Group's long-term strategic business priorities, namely:

- to develop and grow the Group in Africa;
- to sustainably increase its operating profit and cash flows;
- to grow sustainable long-term revenue;
- to grow the business by acquisition; and
- to continually develop and review its product range to drive growth and remain relevant.

Non-executive remuneration

In reviewing the fees for non-executive directors' the Board, assisted by the Remuneration Committee, makes recommendations taking into consideration fees payable to non-executive directors of comparable companies and the importance attached to the retention and attraction of high-calibre individuals as non-executive directors. Fees are reviewed annually.

A table of the annual fees for non-executive directors is set out below:

Type of fee (per annum)	Fee (2015/16)	Proposed fee (2016/17)
Non-executive director	R225 000	**R239 000**

Executive and prescribed officers contracts and remuneration

Employment agreements are in place for executive directors Terry Dennison and Craig Cunningham. These employment agreements include standard termination and other provisions for contracts of this nature.

Current components of remuneration

Guaranteed remuneration

All selected employees receive guaranteed remuneration that is comparable to the labour market peer group on a cost to company basis. This includes *inter alia* contributions to pension, medical aid and income disability. Annual adjustments for these employees are determined with reference to the nature of the employee's role within the company and their personal performance, taking into consideration the consumer price index (CPI).

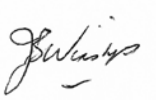
Short-term Incentive

The Remuneration Committee has the authority to allocate a cash payment to senior employees who have contributed to the success of the business in the preceding financial year. The factors taken into consideration in making these allocations are (a) annual financial results relative to budget; (b) strategic achievements; (c) performance against key result areas; and (d) prevailing market conditions.

Share Incentive Scheme

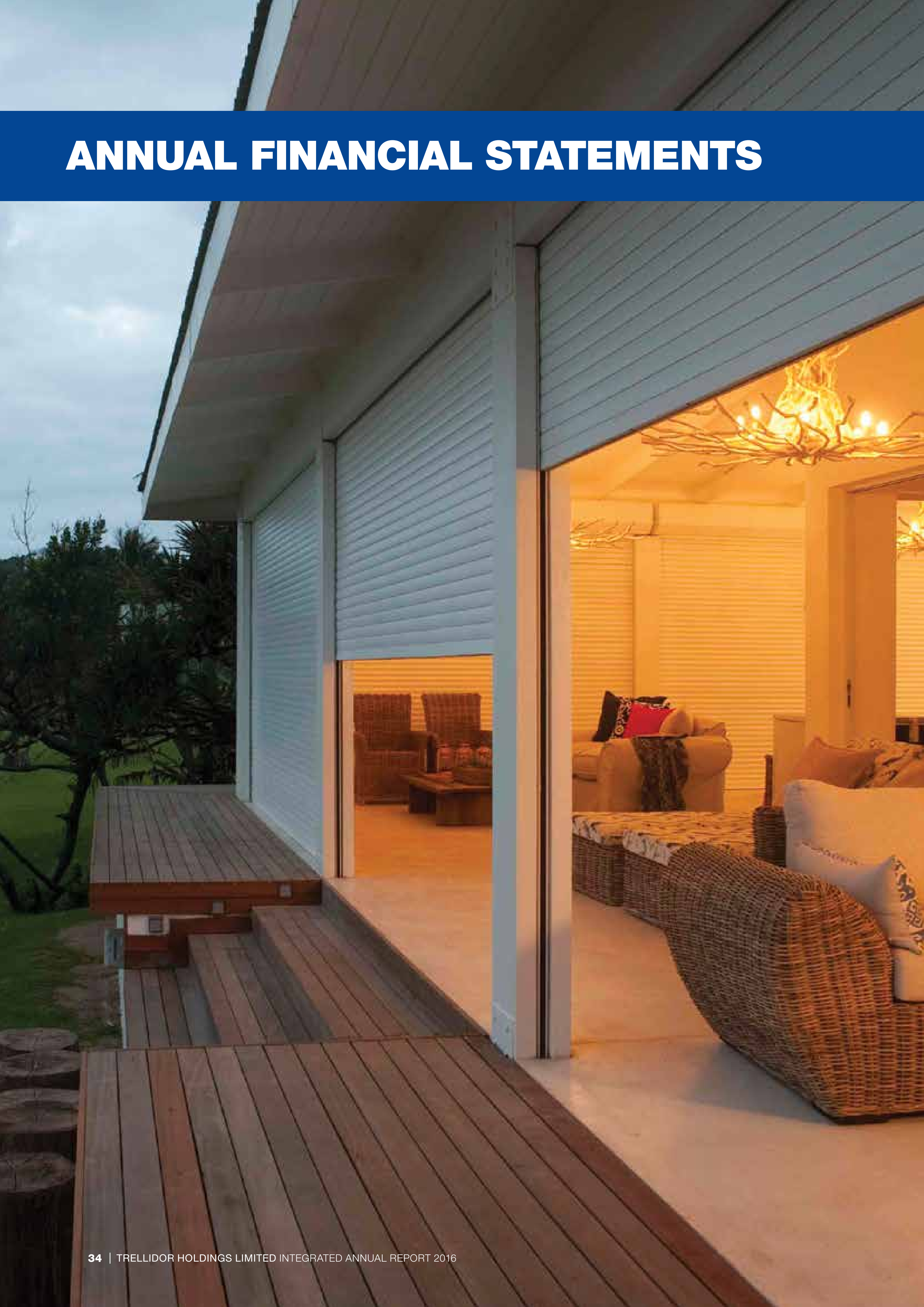
The primary objective of the Share Incentive Scheme is to incentivise and retain key employees by awarding options in Trellidor shares. These options vest in four equal tranches on the second, third, fourth and fifth anniversaries of the option award date, with each tranche having to be exercised by the participant within a specified period thereafter, failing which such options lapse.
To date no options have been awarded nor have any vested in terms of the Share Incentive Scheme.

The committee has made certain recommendations to the Trustees regarding share options which will be awarded once the registration of the Share Incentive Trust has been finalised by the Master of the High Court.



John Winship
Chairman Remuneration Committee

ANNUAL FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS

We have audited the consolidated and company annual financial statements of Trellidor Holdings Limited, as set out on pages 42 to 83, which comprise the statements of financial position as at 30 June 2016, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and company annual financial statements in accordance with International Financial Reporting Standards, requirements of the Companies Act, 71 of 2008 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company annual financial statements that are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and company annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated and company annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and company annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and company annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated and company annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and company annual financial statements.

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

OPINION

In our opinion, the consolidated and company annual financial statements present fairly, in all material respects, the financial position of Trellidor Holdings Limited as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 71 of 2008 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee.

OTHER REPORTS REQUIRED BY COMPANIES ACT, 71 OF 2008

As part of our audit of the consolidated and company annual financial statements for the year ended 30 June 2016, we have read the Directors' Report, the Company Secretary's Certification, the Audit and Risk Committee Report and the Shareholders' Analysis for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and company annual financial statements. These reports are the responsibility of the directors. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and company annual financial statements. However, we have not audited these reports and accordingly do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Trellidor Holdings Limited (*formerly Trellicor Holdings Proprietary Limited*) for nine years.

Mazars.

Mazars

Partner: DB Bates
Registered Auditor

Durban
12 September 2016

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

The information below constitutes the report of the Audit, Risk and Compliance Committee in respect of the year under review, as required by the Companies Act 71 of 2008, in respect of the 2016 financial year of Trellidor Holdings Limited. The Audit, Risk and Compliance Committee is chaired by Ralph Patmore and further comprises John Winship and Mark Olivier, all of whom are independent non-executive directors. The CEO and CFO attend by invitation. Ralph Patmore, representing the Audit, Risk and Compliance Committee, attends the Annual General Meeting to answer any questions relating to matters in the committee's ambit. The committee meets with external and internal audit without the presence of management at least once per annum.

The committee held four scheduled meetings during the financial year. Attendance at committee meetings is set out on page 29.

Responsibilities

The formal Audit, Risk and Compliance Committee Charter sets out the committee's responsibilities. It is reviewed annually to confirm compliance with King III and the Companies Act 71 of 2008 and to ensure the incorporation of further best practice developments.

The Board annually assesses the effectiveness of the committee. The Audit, Risk and Compliance Committee has duly completed its responsibilities during the year in accordance with its written terms of reference.

The Audit, Risk and Compliance Committee assists the Board by providing an objective and independent view on the Group's finance, accounting and control mechanisms and by reviewing and ensuring that consideration is given to the following:

- the accounting policies of the Group and any proposed revisions thereto;
- the effectiveness of the Group's information systems and internal controls;
- the appointment and monitoring of the effectiveness of the external auditors;
- the appropriateness, expertise and experience of the CFO;
- setting the principles for recommending the use of external auditors for non-audit services and monitoring that these be kept to a minimum;
- the integrated annual report and specifically the annual financial statements included therein;
- the reports of the external auditors;
- the Group's going concern status; and
- compliance with applicable legislation and requirements of regulatory authorities.

Risk management

The committee is responsible for ensuring that management's processes and procedures are adequate to identify, assess, manage and monitor Group-wide risks. The Audit, Risk and Compliance Committee is satisfied that the appropriate risk management processes are in place.

External audit

The Audit, Risk and Compliance Committee has nominated Mazars as the independent auditor and Dave Bates, a registered independent auditor, as the designated partner for appointment of the 2017 audit. The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. The committee, in consultation with executive management, agreed to the terms of engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The committee has considered all non-audit services provided by the external auditors and the fees relative thereto so as to ensure the independence of the external auditors is maintained.

Internal audit

Due to the size of the Company, the Board does not consider it to be cost-effective to maintain a full-time internal audit function and therefore outsources the internal audit function to KPMG. The Group's situation and needs in terms of an internal audit function will be reassessed on an annual basis.

Annual financial statements

The Audit, Risk and Compliance Committee recommended the annual financial statements for the year ended 30 June 2016, for approval to the Board. The Board has subsequently approved the annual financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Finance director and finance function

The Audit, Risk and Compliance Committee must consider on an annual basis and satisfy itself of the appropriateness of the expertise and experience of the CFO and the Group must confirm this by reporting to shareholders in its annual report that the Audit, Risk and Compliance Committee has executed this responsibility. In this regard, the Audit, Risk and Compliance Committee is satisfied that the CFO, Craig Cunningham, is sufficiently competent and that the finance function has sufficient resources and expertise.

Integrated annual report

The committee has evaluated the integrated annual report for its consistency with operational and other information known to the committee. It has recommended the approval of the integrated annual report, to the Board, which report the Board has formally approved.

Ralph Patmore
Audit, Risk and Compliance Committee Chairman

Durban
12 September 2016

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and company annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and company annual financial statements fairly present the state of affairs of the Group 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 International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The consolidated and company annual financial statements are prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 71 of 2008 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, 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 Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the Group's cash flow forecast for the year to 30 June 2017 and, in light of this review and the current financial position, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the consolidated and company annual financial statements. The consolidated and company annual financial statements have been examined by the Group's external auditor and the report is presented on page 35.

The consolidated and company annual financial statements set out on pages 39 to 83, which have been prepared on the going concern basis, were approved by the Board on 12 September 2016 and were signed on their behalf by:

TM Dennison
Chief Executive Officer

CG Cunningham
Chief Financial Officer

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, as amended, I certify that the Group has lodged with the commissioner all such returns as are required by a company in terms of the Companies Act and that all such returns are true, correct and up to date.

P Nel
Company Secretary

Durban
12 September 2016

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and company annual financial statements of Trellidor Holdings Limited and the Group for the year ended 30 June 2016.

1. NATURE OF BUSINESS

Trellidor Holdings Limited is an investment entity incorporated in South Africa. The company's subsidiaries are engaged in the manufacture and sale of physical security products.

The Group operates principally in South Africa and Ghana.

The company changed its name from Trellicor Holding Proprietary Limited to Trellidor Holdings Limited on 28 September 2015 and was listed on the Johannesburg Stock Exchange on 28 October 2015.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and company annual financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 71 of 2008 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated and company annual financial statements and do not require any further explanation.

3. STATED CAPITAL

			NUMBER OF SHARES	
			2016	2015
Authorised				
Ordinary no par value shares			**5 000 000 000**	8 000 000
	2016 R	2015 R	**2016 Number of shares**	2015 Number of shares
Issued				
Ordinary no par value shares	**45 759 072**	92	**108 340 118**	183 836

A special resolution was passed on 8 September 2015 converting par value shares to no par value, a further special resolution was passed for a share split of 1:544 and a further special resolution was passed to increase the authorised share capital by 648 000 000 shares.

Refer to note 14 of the consolidated and company annual financial statements for details of the movement in authorised and issued share capital.

4. DIVIDENDS

Dividends already declared and paid to the shareholders during the year, after the appropriate approval was granted by the Board, are R19 967 291 (2015: R43 500 000) as reflected in the statements of changes in equity.

Final dividend of 15.8 cents per ordinary share was approved by the Board on 8 September 2016 in respect of the year ended 30 June 2016, which brings the total interim and final dividend declared for the year to 25.0 cents per ordinary share.

The local dividends tax rate is 15%.

5. INSURANCE AND RISK MANAGEMENT

The Group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the Group's insurance brokers. All insurable risks are considered to be adequately covered.

6. DIRECTORATE

The directors in office during the year were as follows:

Name	Office	Designation	Changes
TM Dennison	Chief Executive Officer	Executive	
PWE Rawson	Executive director	Executive	Resigned 27 August 2015
CG Cunningham	Chief Financial Officer	Executive	Appointed 27 August 2015
MC Olivier	Chairman	Non-executive independent	
JB Winship	Director	Non-executive independent	
RB Patmore	Director	Non-executive independent	Appointed 28 October 2015

During the year under review Mr PWE Rawson was appointed as a director of a major subsidiary.

7. DIRECTORS' INTERESTS IN SHARES

As at 30 June 2016, the directors of the company held direct and indirect beneficial interests in its issued ordinary shares, as set out below.

	NUMBER OF SHARES			
Interests in shares	**Direct 2016**	Direct 2015	**Indirect 2016**	Indirect 2015
Directors				
TM Dennison	**8 719 342**	8 704 000	**–**	–
PWE Rawson	**2 982 952**	3 303 168	**–**	–
CG Cunningham	**–**	–	**13 940**	–
MC Olivier	**–**	–	**2 887 572**	4 699 327*
JB Winship	**1 642 039**	–	**–**	3 054 320**
	13 344 333	12 007 168	**2 901 512**	7 753 647

* *Effective indirect interest based on MC Olivier's shareholding in the direct investor at 30 June 2015.*
** *Effective indirect interest based on JB Winship's shareholding in the direct investor at 30 June 2015.*

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. DIRECTORS' INTERESTS IN CONTRACTS

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

9. INTERESTS IN SUBSIDIARIES

Details of the Group's interest in subsidiaries are presented in the consolidated and company annual financial statements in note 6.

Subsidiaries	Holding %	Net profit after tax R	Ordinary issued share capital of subsidiary R
Trellicor Proprietary Limited	100	51 091 423	100
Trellidor Proprietary Limited	100	2 727 858	100
Trellidor Innovations Proprietary Limited	100	–	100
Trellidor Ghana Limited	85	3 240 348	4 594 179
		57 059 629	

Trellidor Innovations Proprietary Limited was incorporated on 15 April 2016 and is 100% owned by Trellidor Holdings Limited at 30 June 2016. Trellidor Innovations Proprietary Limited did not trade during the current year.

10. BORROWING POWERS

In terms of the Memorandum of Incorporation, the borrowing powers of the Group are unlimited. However, all borrowings by the Group are subject to Board approval.

11. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year-end Trellidor Holdings Limited, through its subsidiary, Trellidor Innovations Proprietary Limited acquired the Taylor Blind and NMC businesses from Odyssey House Proprietary Limited. Integral to the deal was the purchase of a minority stake of 7.5% by the managing director of the Taylor business. This investment by Novaspectacular Proprietary Limited was proportional to the investment by Trellidor Holdings Limited. During July 2016 Trellidor Innovations Proprietary Limited settled the first tranche of the purchase consideration of R130 605 817. The settlement of the second tranche of up to R30 000 000 by Trellidor Innovations Proprietary Limited is subject to the business meeting the 2017 profit target and may be settled in cash or alternatively, at the option of the seller, by an issue of shares at a price of R6 per share. The identifiable net assets attributable to the business amount to R98 532 807 at completion date. The directors believe the acquisition will enhance the earnings of the Group. Further details of this transaction are included in note 41.

The Group entered into financing arrangements after the reporting period, details of which are included in note 41.

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

12. GOING CONCERN

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and company annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group 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 Group. 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 Group.

13. LITIGATION STATEMENT

The Group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

A claim has been instituted by former employees of the Group who were dismissed. Refer to note 38 of the consolidated and company annual financial statements for further details.

Except as recorded above, the directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened that may have a material effect on the financial position of the Group.

14. AUDITOR

Mazars continued in office as the auditor of the company and its subsidiaries for 2016.

At the Annual General Meeting, the shareholders will be requested to reappoint Mazars as the independent external auditor of the company and its subsidiaries and to confirm Mr DB Bates as the designated lead audit partner for the 2017 financial year.

15. SECRETARY

CG Cunningham resigned as the secretary of the company on 28 October 2015 and P Nel was appointed on that date. P Nel's address details are:

Postal address	**Business address**
71 Cotswold Drive	71 Cotswold Drive
Westville	Westville
3629	3629

16. LIQUIDITY AND SOLVENCY

The directors have performed the liquidity and solvency tests required by the Companies Act, 71 of 2008 and are satisfied that the Group is sufficiently liquid and solvent.

17. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated and company annual financial statements have been authorised for issue by the directors on 12 September 2016. No authority was given to anyone to amend the consolidated and company annual financial statements after the date of issue.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

		GROUP		COMPANY	
	Notes	**2016 R**	2015 R	**2016 R**	2015 R
ASSETS					
Non-current assets					
Property, plant and equipment	3	**42 553 391**	41 488 834	**–**	–
Goodwill	4	**2 388 498**	2 388 498	**–**	–
Intangible assets	5	**1 629 879**	675 894	**–**	–
Investments in subsidiaries	6	**–**	–	**1 045 898**	1 045 798
Other financial assets	7	**450 000**	455 150	**–**	309 793
Deferred tax	8	**3 707 122**	2 702 024	**–**	–
		50 728 890	47 710 400	**1 045 898**	1 355 591
Current assets					
Inventories	9	**30 796 398**	21 369 847	**–**	–
Loans to Group companies	10	**–**	–	**–**	1 047 562
Other financial assets	7	**1 546 327**	1 080 672	**–**	–
Trade and other receivables	11	**44 434 785**	40 719 224	**2 159 868**	–
Current tax receivable		**–**	–	**–**	5 473
Cash and cash equivalents	12	**89 387 613**	15 424 293	**43 386 848**	31 779
		166 165 123	78 594 036	**45 546 716**	1 084 814
Total assets		**216 894 013**	126 304 436	**46 592 614**	2 440 405
EQUITY AND LIABILITIES					
EQUITY					
Attributable to equity holders of parent					
Stated capital	14	**45 759 072**	92	**45 759 072**	92
Reserves	15, 16 and 17	**581 777**	(201 798)	**900 000**	900 000
Retained income/(accumulated loss)		**103 500 885**	69 762 595	**(357 320)**	490 471
		149 841 734	69 560 889	**46 301 752**	1 390 563
Non-controlling interest	18	**(845 811)**	(1 294 401)	**–**	–
		148 995 923	68 266 488	**46 301 752**	1 390 563
LIABILITIES					
Non-current liabilities					
Other financial liabilities	19	**23 366 519**	18 776 249	**–**	–
Deferred tax	8	**–**	–	**40 601**	–
Provisions	20	**–**	5 644 237	**–**	–
		23 366 519	24 420 486	**40 601**	–
Current liabilities					
Other financial liabilities	19	**2 978 150**	3 676 557	**–**	–
Current tax payable		**3 563 324**	2 008 094	**117 573**	–
Trade and other payables	21	**37 515 819**	27 708 089	**132 688**	1 049 842
Provisions	20	**474 278**	224 722	**–**	–
		44 531 571	33 617 462	**250 261**	1 049 842
Total liabilities		**67 898 090**	58 037 948	**290 862**	1 049 842
Total equity and liabilities		**216 894 013**	126 304 436	**46 592 614**	2 440 405

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

		GROUP		COMPANY	
		2016	2015	**2016**	2015
	Notes	**R**	R	**R**	R
Revenue	23	**313 442 272**	293 775 739	**21 117 500**	43 500 000
Cost of sales	24	**(156 187 883)**	(144 916 961)	**–**	–
Gross profit		**157 254 389**	148 858 778	**21 117 500**	43 500 000
Other income		**6 391 171**	2 863 787	**–**	–
Operating expenses		**(88 227 231)**	(85 336 767)	**(3 341 705)**	(15 132)
Operating profit before interest	25	**75 418 329**	66 385 798	**17 775 795**	43 484 868
Investment revenue	27	**2 748 580**	320 414	**2 277 675**	117 651
Finance costs	28	**(2 291 358)**	(3 099 419)	**(212 413)**	(113 161)
Profit before taxation		**75 875 551**	63 606 793	**19 841 057**	43 489 358
Taxation	29	**(21 684 512)**	(18 097 072)	**(721 557)**	(32 942)
Profit for the year		**54 191 039**	45 509 721	**19 119 500**	43 456 416
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	30	**(245 789)**	81 235	**–**	–
Reclassification of hedging reserves to profit and loss	16	**992 496**	992 496	**–**	–
Income tax relating to items that may be reclassified		**–**	–	**–**	–
Other comprehensive income for the year net of taxation	30	**746 707**	1 073 731	**–**	–
Total comprehensive income for the year		**54 937 746**	46 583 452	**19 119 500**	43 456 416
Profit attributable to:					
Owners of the parent		**53 705 581**	45 419 116	**19 119 500**	43 456 416
Non-controlling interest		**485 458**	90 605	**–**	–
		54 191 039	45 509 721	**19 119 500**	43 456 416
Total comprehensive income attributable to:					
Owners of the parent		**54 489 156**	46 480 661	**19 119 500**	43 456 416
Non-controlling interest		**448 590**	102 791	**–**	–
		54 937 746	46 583 452	**19 119 500**	43 456 416
Earnings per share					
Basic and diluted earnings per share (cents)	32	**50.8**	45.4	**–**	–

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	GROUP							
	Share capital R	Foreign currency translation reserve R	Hedging reserve R	Total reserves R	Retained income R	Total attributable to equity holders of the Group R	Non-controlling interest R	Total equity R
Balance at 1 July 2014	92	1 383 313	(2 646 656)	(1 263 343)	67 843 479	66 580 228	(1 397 192)	65 183 036
Profit for the year	–	–	–	–	45 419 116	45 419 116	90 605	45 509 721
Other comprehensive income	–	69 049	992 496	1 061 545	–	1 061 545	12 186	1 073 731
Total comprehensive income for the year	–	69 049	992 496	1 061 545	45 419 116	46 480 661	102 791	46 583 452
Dividends	–	–	–	–	(43 500 000)	(43 500 000)	–	(43 500 000)
Total contributions by and distributions to owners of company recognised directly in equity	–	–	–	–	(43 500 000)	(43 500 000)	–	(43 500 000)
Balance at 1 July 2015	92	1 452 362	(1 654 160)	(201 798)	69 762 595	69 560 889	(1 294 401)	68 266 488
Profit for the year	**–**	**–**	**–**	**–**	**53 705 581**	**53 705 581**	**485 458**	**54 191 039**
Other comprehensive income	**–**	**(208 921)**	**992 496**	**783 575**	**–**	**783 575**	**(36 868)**	**746 707**
Total comprehensive income for the year	**–**	**(208 921)**	**992 496**	**783 575**	**53 705 581**	**54 489 156**	**448 590**	**54 937 746**
Issue of shares	**45 758 980**	**–**	**–**	**–**	**–**	**45 758 980**	**–**	**45 758 980**
Dividends	**–**	**–**	**–**	**–**	**(19 967 291)**	**(19 967 291)**	**–**	**(19 967 291)**
Total contributions by and distributions to owners of company recognised directly in equity	**45 758 980**	**–**	**–**	**–**	**(19 967 291)**	**25 791 689**	**–**	**25 791 689**
Balance at 30 June 2016	**45 759 072**	**1 243 441**	**(661 664)**	**581 777**	**103 500 885**	**149 841 734**	**(845 811)**	**148 995 923**
Notes	14	15	16				18	

	COMPANY			
	Share capital R	Other NDR R	Retained income/ (accumulated loss) R	Total equity R
Balance at 1 July 2014	92	900 000	534 055	1 434 147
Total comprehensive income for the year	–	–	43 456 416	43 456 416
Dividends	–	–	(43 500 000)	(43 500 000)
Balance at 1 July 2015	92	900 000	490 471	1 390 563
Total comprehensive income for the year	**–**	**–**	**19 119 500**	**19 119 500**
Issue of shares	**45 758 980**	**–**	**–**	**45 758 980**
Dividends	**–**	**–**	**(19 967 291)**	**(19 967 291)**
Balance at 30 June 2016	**45 759 072**	**900 000**	**(357 320)**	**46 301 752**
Notes	14	17		

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

		GROUP		COMPANY	
	Notes	2016 R	2015 R	2016 R	2015 R
Cash flows from operating activities					
Cash receipts from customers		309 591 086	299 278 974	20 308 100	43 509 941
Cash paid to suppliers and employees		(237 177 945)	(220 888 434)	(4 259 472)	1 032 430
Cash generated from operations	33	72 413 141	78 390 540	16 048 628	44 542 371
Interest income	27	2 748 580	320 414	2 277 675	117 651
Finance costs	28	(2 291 358)	(3 099 419)	(212 413)	(113 161)
Tax paid	34	(21 134 381)	(21 455 059)	(557 910)	(913 303)
Net cash from operating activities		51 735 982	54 156 476	17 555 980	43 633 558
Cash flows (used in)/from investing activities					
Purchase of property, plant and equipment	3	(7 245 822)	(3 218 573)	–	–
Proceeds on disposal of property, plant and equipment		807 301	30 494	–	–
Purchase of intangible assets	5	(1 062 958)	(16 063)	–	–
Acquisition of shares in subsidiary	6	–	–	(100)	–
Loans to Group companies repaid		–	–	–	872 967
Loans advanced to Group companies	10	–	–	–	(1 047 562)
Advances of other financial assets		(1 759 270)	(870 497)	–	–
Inflow from other financial assets		996 472	429 979	7 500	40 000
Net cash (used in)/from investing activities		(8 264 277)	(3 644 660)	7 400	(134 595)
Cash flows from (used in) financing activities					
Proceeds on share issue	14	45 758 980	–	45 758 980	–
Proceeds from other financial liabilities		5 806 896	–	–	–
Repayment of other financial liabilities		(971 834)	(2 835 389)	–	–
Dividends paid	35	(19 967 291)	(43 500 000)	(19 967 291)	(43 500 000)
Net cash from/(used in) financing activities		30 626 751	(46 335 389)	25 791 689	(43 500 000)
Total cash movement for the year		74 098 456	4 176 427	43 355 069	(1 037)
Cash at the beginning of the year		15 424 293	11 191 778	31 779	32 816
Effect of exchange rate movement on cash balances		(135 136)	56 088	–	–
Total cash at end of the year	12	89 387 613	15 424 293	43 386 848	31 779

ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2016

1. PRESENTATION OF CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS

The consolidated and company annual financial statements have been prepared in accordance with International Financial Reporting Standards, the Companies Act, 71 of 2008 and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The consolidated and company annual financial statements have been prepared on the historical cost basis, except as indicated below and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated and company annual financial statements incorporate the annual financial statements of the company and all investees which are controlled by the Group.

The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated and company annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and company annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated and company annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated and company annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated and company annual financial statements. Significant judgements include:

Impairment of financial assets at amortised cost

The Group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is determined by management based on historical information about the credit quality of the debt.

Impairment of inventories

Management have identified inventory items that have not moved in the last year and made estimates of the inventory items that are not expected to move in the next year. The write-down is included in the operating profit note 25.

Impairment of non-financial assets

The recoverable amounts of individual assets and/or cash-generating units 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.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. 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 goodwill, intangible and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, inflation and interest rates.

Provisions

Provisions are estimated by management based on the information available. Additional disclosure of these estimates of provisions are included in note 20.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Determination of acquisition date

Subsequent to year-end, the Group concluded a purchase agreement for the acquisition of the business of Odyssey House Proprietary Limited. Significant judgement was used in the determination of the acquisition date as the transaction occurred over the year-end.

Of the conditions precedent in the sales agreement, there were three main conditions that were not satisfied by 30 June 2016:

- Trellidor Holdings Limited obtained the financing for the transaction from the bank on 7 July 2016;
- The bankers of Odyssey House Proprietary Limited confirmed on 6 July 2016 that the various securities held would be released contingent on repayment of the existing banking facilities, as well as providing confirmation that the business could be disposed of; and
- Key management finalised terms of their contracts after year-end, their retention was a key criteria to the successful conclusion of the sale agreement.

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 Group 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 Group 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 Group 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 Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Operating lease commitments

The Group has entered into commercial property leases for the premises they occupy. The directors have determined, based on all available information, that the lessor retains the significant risks and rewards of ownership of these properties and, consequently, the property leases have been accounted for as operating leases.

Useful lives of intangible assets

The best estimate of the useful lives of intangible assets is linked to the period over which the Group expects economic inflows from the use of the patents and trademarks. The useful life is never longer than the legal limit of the patent and trademark.

The useful lives of development costs and product design are based on the length of the product cycle.

Useful lives and residual values of depreciable assets

The Group assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets. Changes in circumstances such as technological advances, prospective economic utilisation and physical condition of the assets could result in the actual useful lives or residual values differing from initial estimates. When the Group determines that the useful life of property, plant and equipment should be shortened or the residual value reduced, it depreciates the net book value in excess of the residual value over the revised remaining useful life, thereby increasing the depreciation expense.

1.3 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Costs incurred to add an improvement to the current condition of the building are capitalised as assets under construction. Once the construction is complete the costs are transferred to the appropriate category of property, plant and equipment and depreciated when the asset becomes available for use.

1. PRESENTATION OF CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

1.3 Property, plant and equipment (continued)

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write-off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

The depreciation charge for each year is recognised in profit or loss. The depreciation method and useful lives of property, plant and equipment are disclosed in note 3.

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

1.4 Goodwill

Goodwill is initially measured at cost, being the excess of the business combination consideration over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequently goodwill is carried at cost less any accumulated impairment. Goodwill is tested annually for impairment.

1.5 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost. Costs of intangible assets include all expenditure directly attributable to the acquisition of the assets. Development costs include the cost of material and labour incurred in the development of the product design.

Expenditure on research is recognised as an expense when it is incurred.

An intangible asset arising from development is recognised when all of the following conditions have been met:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

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

Amortisation of intangible assets is included in the operating expenses as incurred.

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

Item	Useful life
Patents and trademarks	10 – 20 years
Product design and development costs	10 years

The useful life and amortisation method of each intangible asset is reviewed at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

1.6 Impairment of non-financial assets

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

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

- tests intangible assets not available for use for impairment annually by comparing the carrying amount with the recoverable amount. This impairment test is performed at the same time every year.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or Groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

1.7 Interests in subsidiaries

Company annual financial statements
In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.8 Financial instruments

Classification
The Group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities at fair value through profit or loss – designated
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition.

Initial recognition and measurement
Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, including transaction costs except for equity investments for which a fair value through profit or loss is recognised on initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement
Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Loans and receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

1. PRESENTATION OF CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

1.8 Financial instruments (continued)

Effective interest rate method
The effective interest rate method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of a debt instrument to the net carrying amount on initial recognition.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Impairment of financial assets
At each reporting date the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to/(from) Group companies
These include loans to and from the holding company and fellow subsidiaries.

Loans to Group companies are classified as loans and receivables.

Loans from Group companies are classified as financial liabilities measured at amortised cost.

Other financial assets
Other financial assets comprises of loans to third parties and are classified as loans and receivables.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Where the effect of discounting is not material, receivables are measured at the amounts invoiced.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Cash and cash equivalents
Cash and cash equivalents are classified as loans and receivables.

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables
Trade and other payables are classified as financial liabilities at amortised cost.

Other financial liabilities
Borrowings are classified as financial liabilities at amortised cost.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

1.8 Financial instruments (continued)

Derivative financial instruments and hedge accounting

Derivatives are classified as financial assets or liabilities at fair value through profit or loss.

The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The company uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are classified as derivatives designated as hedging instruments in effective hedges.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The company enters into cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk related to a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the company formally designates and documents the hedge relationship to which the company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Cash flow hedges

The company has cash flow hedges in the form of interest rate swaps. The interest rate swap is used as a hedge for the exposure of changes in the cash flows on interest on its secured borrowings that are subject to a variable interest rate. Refer to notes 19 and 31 for more details.

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve while any ineffective portion is recognised immediately in profit or loss within other operating expenses.

When a hedging instrument no longer qualifies for hedge accounting, the hedge accounting is discontinued prospectively from the date it becomes ineffective. All hedge differences are recognised immediately in profit or loss. Any gains or losses previously recognised in equity remain in equity until the related cash flows occur. From that point on the interest rate swap will be accounted for as a derivative and classified as a "financial liability at fair value through profit or loss" or "held for trading" with changes in fair value being recognised in profit or loss.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

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

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

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

1.10 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.

Ordinary shares are classified as equity.

1. PRESENTATION OF CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

1.11 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

It is probable that taxable profit will be available against which a deductible temporary difference can be utilised when there are sufficient taxable temporary differences relating to the same taxation authority and the same tax entity which are expected either to reverse in the same period as the deductible temporary difference or to reverse in periods into which a tax loss resulting in the deferred tax asset can be carried forward.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

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, in other comprehensive income; or
- a business combination.

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

1.12 Provisions and contingencies

Provisions are recognised when:

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

1.13 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue comprises:

- sale of manufactured security products; and
- royalties from franchisees.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Management fees received by the company are recognised as revenue over the period during which the service is performed.

1.14 Cost of sales

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

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the reporting period in which the service is rendered, such as 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are governed by the Pension Fund Act and are charged as an expense as the related serviced is rendered.

1.16 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statements of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the company's incremental borrowing rate.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on an accrual basis.

Any contingent rents are expensed in the period they are incurred.

1. PRESENTATION OF CONSOLIDATED AND COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Translation of foreign currencies

Functional and presentation currency

Items included in the consolidated and company annual financial statements are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and company annual financial statements are presented in South African Rand which is the Group functional and presentation currency.

Foreign currency transactions

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

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

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

Net investment in foreign operations

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statements of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in other comprehensive income and accumulated in the foreign currency translation reserve.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.19 Segmental reporting

Operating segments are components of entities from which revenue may be earned and expenses may be incurred, whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resource allocations and for which discrete financial information is available. The Group operates as a single operating segment, the manufacture of barrier security, which the Chief Operating Officer assesses for resource allocation.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2016 or later periods:

IFRS 9 Financial Instruments
This new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard incorporates classification and measurement requirements that are driven by cash flow characteristics and the Group business model. Financial instruments are classified into one of three classes:

- at amortised cost;
- fair value through profit and loss; and
- fair value through other comprehensive income.

The effective date of the standard is for years beginning on or after 1 January 2018.

The Group expects to adopt the standard for the first time in the 2019 annual financial statements.

It is unlikely that the standard will have a material impact on the consolidated and company annual financial statements.

IFRS 15 Revenue from Contracts with Customers
New standard that establishes a single, comprehensive and robust framework for the recognition, measurement and disclosure of revenue.

The effective date of the standard is for years beginning on or after 1 January 2018.

The Group expects to adopt the standard for the first time in the 2019 consolidated and company annual financial statements.

The impact of this standard is currently being assessed.

IAS 1 Presentation of Financial Statements
Amendment as part of a major initiative to improve presentation and disclosure in financial reports, designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements, such as the following:

- materiality consideration;
- line items in the Statement of Financial Position and Statement of Comprehensive Income can be aggregated or disaggregated as relevant; and
- ordering of notes to assist understandability and comparability.

The effective date of the amendment is for years beginning on or after 1 January 2016.

The Group expects to adopt the amendment for the first time in the 2017 consolidated and company annual financial statements.

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

IFRS 16 Leases
New standard that introduces a single accounting model for lessees, while the accounting for lessors is left largely unchanged from its predecessor (IAS 17 Leases).

The effective date of the standard is for years beginning on or after 1 January 2019.

The Group expects to adopt the standard for the first time in the 2020 consolidated and company annual financial statements.

The expected impact of the standard will result in the Group capitalising the right to use the premises from which it operates. This resulting lease asset for the right of use of the premises will be amortised over the lease period.

3. PROPERTY, PLANT AND EQUIPMENT

	GROUP					
	2016			2015		
	Cost R	Accumulated depreciation R	Carrying value R	Cost R	Accumulated depreciation R	Carrying value R
Land	5 625 481	–	5 625 481	5 762 925	–	5 762 925
Buildings	23 712 086	(4 686 079)	19 026 007	23 712 086	(4 064 601)	19 647 485
Plant, machinery and moulds	44 658 053	(34 575 825)	10 082 228	42 986 245	(30 866 287)	12 119 958
Furniture and fixtures	1 980 731	(1 601 468)	379 263	1 980 731	(1 413 668)	567 063
Motor vehicles	682 020	(264 079)	417 941	223 339	(223 337)	2
Office equipment	1 158 441	(801 136)	357 305	1 145 492	(676 371)	469 121
IT equipment	1 808 117	(1 232 791)	575 326	1 538 071	(977 832)	560 239
Computer software	1 596 187	(1 357 257)	238 930	1 600 843	(1 141 726)	459 117
Leasehold improvements	4 645 744	(3 393 609)	1 252 135	4 506 397	(2 840 969)	1 665 428
Assets under construction	4 587 291	–	4 587 291	217 792	–	217 792
Equipment and loose tools	395 160	(383 676)	11 484	404 874	(385 170)	19 704
Total	90 849 311	(48 295 920)	42 553 391	84 078 795	(42 589 961)	41 488 834

Reconciliation of property, plant and equipment

	GROUP						
	2016						
	Opening balance R	Additions R	Disposals R	Transfers R	Foreign exchange movements R	Depreciation R	Total R
Land	5 762 925	–	(137 444)	–	–	–	5 625 481
Buildings	19 647 485	–	–	–	–	(621 478)	19 026 007
Plant, machinery and moulds	12 119 958	1 763 093	–	171 775	(30 943)	(3 941 655)	10 082 228
Furniture and fixtures	567 063	–	–	–	–	(187 800)	379 263
Motor vehicles	2	458 624	–	–	51	(40 736)	417 941
Office equipment	469 121	34 158	–	–	(6 217)	(139 757)	357 305
IT equipment	560 239	284 936	(3 345)	7 017	(9 312)	(264 209)	575 326
Computer software	459 117	–	(17)	–	–	(220 170)	238 930
Leasehold improvements	1 665 428	117 720	–	39 000	–	(570 013)	1 252 135
Assets under construction	217 792	4 587 291	–	(217 792)	–	–	4 587 291
Equipment and loose tools	19 704	–	–	–	(2 325)	(5 895)	11 484
	41 488 834	7 245 822	(140 806)	–	(48 746)	(5 991 713)	42 553 391

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment

	GROUP						
	2015						
	Opening balance R	Additions R	Disposals R	Transfers R	Foreign exchange movements R	Depreciation R	Total R
Land	5 762 925	–	–	–	–	–	5 762 925
Buildings	20 153 487	163 138	–	–	–	(669 140)	19 647 485
Plant, machinery and moulds	14 089 062	2 163 377	(63 576)	114 959	707	(4 184 571)	12 119 958
Furniture and fixtures	760 919	–	–	–	–	(193 856)	567 063
Motor vehicles	1 043	–	–	–	–	(1 041)	2
Office equipment	293 460	310 840	–	–	302	(135 481)	469 121
IT equipment	516 166	287 410	–	–	282	(243 619)	560 239
Computer software	750 535	–	–	–	16	(291 434)	459 117
Leasehold improvements	1 859 866	68 617	–	354 080	–	(617 135)	1 665 428
Assets under construction	469 039	217 792	–	(469 039)	–	–	217 792
Equipment and loose tools	28 619	7 399	–	–	5	(16 319)	19 704
	44 685 121	3 218 573	(63 576)	–	1 312	(6 352 596)	41 488 834

Property, plant and equipment encumbered as security

The following assets have been pledged as security for the secured long-term borrowings referred to in note 19:

		GROUP		COMPANY	
		2016 R	2015 R	**2016 R**	2015 R
Plant, machinery and moulds		**1 874 370**	2 083 154		
Land and buildings		**23 346 711**	24 105 633		
Motor vehicles		**401 991**	–		
Depreciation rates					
The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:					
Land indefinite life					
Buildings straight-line basis	(years)	**50**	50		
Leasehold improvements straight-line basis	(years)	**10**	10		
Plant, machinery and moulds straight-line basis	(years)	**3 to 10**	3 to 10		
Furniture and fixtures straight-line basis	(years)	**6**	6		
Motor vehicles straight-line basis	(years)	**4**	4		
Office equipment straight-line basis	(years)	**6**	6		
IT equipment straight-line basis	(years)	**3**	3		
Computer software straight-line basis	(years)	**2**	2		
Equipment and loose tools straight-line basis	(years)	**4 to 5**	4 to 5		

Disposals

Included in disposals are land with an original cost of R137 444 and other assets with an original cost of R134 723 which had no further economic benefit and has been written off or disposed of.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Details of properties

Erf 158 and Erf 159 Phoenix Industrial Park

The property is described as Erf 159 Phoenix Industrial Park, Registration Division FT, Province of KwaZulu-Natal, in extent 2,3090 (2015: 2,4229) hectares and Erf 158 Phoenix Industrial Park, Registration Division FT, Province of KwaZulu-Natal, in extent 0,6282 hectares.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
– Purchase price: 1 December 2005	**27 006 000**	27 006 000	**–**	–
– Additions since purchase	**4 837 609**	2 469 010	**–**	–
– Disposals	**(137 444)**	–	**–**	–
– Accumulated depreciation	**(4 686 079)**	(4 064 600)	**–**	–
	27 020 086	25 410 410	**–**	–

4. GOODWILL

	GROUP					
	2016			2015		
	Cost	**Accumulated impairment**	**Carrying value**	Cost	Accumulated impairment	Carrying value
	R	**R**	**R**	R	R	R
Goodwill	**2 388 498**	**–**	**2 388 498**	2 388 498	–	2 388 498

Goodwill relates to the Rollerstyle and Clearguard product ranges. Management have tested goodwill for impairment based on a five-year cashflow forecast for each product assuming inflation linked growth. Based on the results of the impairment test performed no impairment was required.

5. INTANGIBLE ASSETS

	GROUP					
	2016			2015		
	Cost R	Accumulated amortisation R	Carrying value R	Cost R	Accumulated amortisation R	Carrying value R
Patents and trademarks	957 514	(520 713)	436 801	1 542 492	(866 598)	675 894
Product design	1 647 422	(454 344)	1 193 078	–	–	–
Total	2 604 936	(975 057)	1 629 879	1 542 492	(866 598)	675 894

Reconciliation of intangible assets

	GROUP					
	2016					
	Opening balance R	Additions R	Transfers R	Foreign exchange movements R	Amortisation R	Total
Patents and trademarks	675 894	98 696	(297 132)	(514)	(40 143)	436 801
Product design	–	964 262	297 132	–	(68 316)	1 193 078
	675 894	1 062 958	–	(514)	(108 459)	1 629 879

Reconciliation of intangible assets

	GROUP			
	2015			
	Opening balance R	Additions R	Amortisation R	Total R
Patents and trademarks	769 117	16 063	(109 286)	675 894

Additions and transfers

Additions to product design in the current year arise from internal development. Product design with a book value of R297 132 was transferred out of patents and trademarks during the year to better reflect the nature of the intangible assets.

6. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries:

	COMPANY			
	Holding 2016 %	Holding 2015 %	Carrying amount 2016 R	Carrying amount 2015 R
Trellidor Proprietary Limited	100.00	100.00	100	100
Trellidor Ghana Limited	85.00	85.00	–	–
Trellicor Proprietary Limited	100.00	100.00	1 045 698	1 045 698
Trellidor Innovations Proprietary Limited	100.00	–	100	–
			1 045 898	1 045 798

Principle place of business

Trellidor Ghana Limited is a subsidiary of Trellicor Proprietary Limited and is thus indirectly owned by the Group. All the entities are domiciled and operate in South Africa except for Trellidor Ghana Limited which is domiciled and operates in Ghana.

	GROUP		COMPANY	
	2016 R	2015 R	**2016 R**	2015 R
7. OTHER FINANCIAL ASSETS				
Loans and receivables				
WD Jaggard	**302 293**	309 793	**302 293**	309 793
The loan is interest free, unsecured and repayable in monthly instalments				
Loans to franchisees	**1 996 327**	1 226 029	**–**	–
Various loans issued to franchisees, attracting interest at approximately prime plus 2%, secured by franchise rights with repayments linked to sales via a reduced trade discount on a monthly basis, payment of any commercial "deal" profits that arise during the period and monthly payments.				
	2 298 620	1 535 822	**302 293**	309 793
Loans and receivables (impairments)	**(302 293)**	–	**(302 293)**	–
	1 996 327	1 535 822	**–**	309 793
Non-current assets				
Loans and receivables	**450 000**	455 150	**–**	309 793
Current assets				
Loans and receivables	**1 546 327**	1 080 672	**–**	–
	1 996 327	1 535 822	**–**	309 793
Security of loans and receivables				
Loans secured by franchise rights	**1 996 327**	1 226 029	**–**	–
Unsecured loans	**–**	309 793	**–**	309 793
	1 996 327	1 535 822	**–**	309 793
Fair values of loans and receivables				
Loans and receivables	**1 996 327**	1 535 822	**–**	309 793
The directors consider the carrying amounts of the loans to franchisees to approximate their fair value as they bear interest at market related rates.				
Loans and receivables impaired				
As of 30 June 2016, loans and receivables of R302 293 (2015: Rnil) were impaired and provided for.				
Impairment of loans and receivables is determined based on default by the debtor on monthly repayments.				
Reconciliation of provision for impairment of loans and receivables				
Loan to WD Jaggard				
Opening balance	**–**	–	**–**	–
Provision for impairment	**302 293**	–	**302 293**	–
	302 293	–	**302 293**	–

Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired are evaluated by management on an ongoing basis based on the franchisee's financial position where applicable, past experience and other relevant factors. The credit quality is currently assessed as being good.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R

8. DEFERRED TAX

Deferred tax liability				
Property, plant and equipment	**(623 956)**	(1 304 741)	**–**	–
Prepaid expenses	**(198 829)**	(486 768)	**(40 601)**	–
Doubtful debts	**(767)**	(673)	**–**	–
Section 24C allowance	**(18 058)**	(47 036)	**–**	–
Total deferred tax liability	**(841 610)**	(1 839 218)	**(40 601)**	–
Deferred tax asset				
Unrealised profit in inventories	**1 305 972**	493 935	**–**	–
Provisions	**3 137 737**	3 948 752	**–**	–
Income received in advance	**105 023**	98 555	**–**	–
Total deferred tax asset	**4 548 732**	4 541 242	**–**	–
Deferred tax liability	**(841 610)**	(1 839 218)	**(40 601)**	–
Deferred tax asset	**4 548 732**	4 541 242	**–**	–
Total net deferred tax asset (liability)	**3 707 122**	2 702 024	**(40 601)**	–
Reconciliation of net deferred tax asset (liability)				
At beginning of year	**2 702 024**	552 422	**–**	–
Taxable/(deductible) temporary difference movement on provisions	**(811 015)**	1 608 832	**–**	–
Taxable/(deductible) temporary difference movement on tangible fixed assets	**680 787**	799 018	**–**	–
Taxable/(deductible) temporary difference on prepayments	**287 939**	(160 739)	**(40 601)**	–
Taxable/(deductible) temporary difference on income received in advance	**6 468**	(8 580)	**–**	–
Taxable/(deductible) temporary difference movement on Section 24C allowance	**28 977**	(10 099)	**–**	–
Taxable/(deductible) temporary difference movement on doubtful debt allowance	**(94)**	8 387	**–**	–
Taxable/(deductible) temporary difference movement on unrealised profit in inventories	**812 036**	(87 217)	**–**	–
	3 707 122	2 702 024	**(40 601)**	–

Utilisation of deferred tax assets

The directors are satisfied that the underlying entities will have sufficient future taxable profits to utilise the deferred tax assets.

9. INVENTORIES

Raw materials, components	**25 267 654**	19 875 894	**–**	–
Work in progress	**1 184 533**	1 021 807	**–**	–
Finished goods	**758 662**	703 562	**–**	–
Goods in transit	**3 962 495**	–	**–**	–
Production supplies	**57 894**	87 262	**–**	–
	31 231 238	21 688 525	**–**	–
Provision for obsolescence of raw materials	**(434 840)**	(318 678)	**–**	–
	30 796 398	21 369 847	**–**	–

The provision for obsolescence is calculated by identifying inventory items that have not moved in the previous 12 months and which are not expected to move in the next 12 months.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
10. LOANS TO GROUP COMPANIES				
Subsidiaries				
Trellicor Proprietary Limited	**–**	–	**–**	1 047 562

The loan was repaid during the year.

Credit quality of loans to Group companies

The credit quality of loans to Group companies that are neither past due nor impaired is assessed by management as good. The holding company provides support to Group companies as required and there have been no instances of default.

Fair value of loans to Group companies

The directors consider the carrying amount of the loans to approximate their fair value due to their short-term nature.

11. TRADE AND OTHER RECEIVABLES

	GROUP 2016 R	GROUP 2015 R	COMPANY 2016 R	COMPANY 2015 R
Trade receivables	**40 516 055**	38 203 536	**809 400**	–
Impairment for bad debts	**(328 658)**	(244 408)	**–**	–
Provision for credit notes	**(413 504)**	(655 470)	**–**	–
Prepayments	**2 471 987**	2 117 172	**1 349 185**	–
Deposits	**304 106**	298 425	**–**	–
VAT	**–**	299 231	**–**	–
Employee loans	**66 342**	62 929	**–**	–
Other receivables	**1 818 457**	637 809	**1 283**	–
	44 434 785	40 719 224	**2 159 868**	–

Trade and other receivables pledged as security

R20 000 000 of Trellicor Proprietary Limited's trade receivables are pledged as security for overdraft facilities referred to in note 12.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired are assessed by reference to external credit ratings. If there is no independent external rating, management assesses the credit quality of customers, taking into account their financial position, past experience and other factors.

Fair value of trade and other receivables

The directors consider the carrying amount of trade and other receivables to approximate the fair value due to their short-term nature.

11. TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables past due but not impaired

Trade receivables which are less than 30 days past due are not considered to be impaired.

Past due but not impaired trade receivables relate to customers for whom there is no history of default or for whom management is aware of the client's particular circumstances and are of the opinion that the receivable is fully recoverable.

At 30 June 2016, R1 960 725 (2015: R3 340 598) were past due but not impaired and the ageing of these amounts is as follows:

	GROUP		COMPANY	
	2016 R	2015 R	**2016 R**	2015 R
Ageing of local trade debtors				
30 to 90 days	**763 721**	485 751	**–**	–
90 to 120 days	**–**	2 250 921	**–**	–
	763 721	2 736 672	**–**	–
Ageing of foreign trade debtors				
30 to 90 days	**723 350**	382 370	**–**	–
Over 90 days	**473 654**	221 556	**–**	–
	1 197 004	603 926	**–**	–
	1 960 725	3 340 598	**–**	–

Trade and other receivables impaired

As of 30 June 2016, trade and other receivables of R328 658 (2015: R246 117) were impaired and provided for.

	GROUP		COMPANY	
Reconciliation of provision for impairment of trade and other receivables				
Opening balance	**(246 117)**	(463 815)	**–**	–
Provision for impairment	**(82 541)**	(246 117)	**–**	–
Amounts written off as uncollectable	**–**	21 142	**–**	–
Unused amounts reversed	**–**	442 673	**–**	–
	(328 658)	(246 117)	**–**	–

The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Credit risk

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan and receivable mentioned above. The Group does not hold any collateral as security.

Currencies

The carrying amount of trade and other receivables are denominated in the following currencies:

	GROUP		COMPANY	
US Dollar	**1 602 220**	2 995 559	**–**	–
British Pound	**193 587**	86 541	**–**	–
Euro	**2 750**	6 345	**–**	–
Ghanaian Cedi	**3 152 569**	1 542 441	**–**	–
	4 951 126	4 630 886	**–**	–

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
12. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	**38 899**	55 632	**–**	–
Bank balances	**89 348 714**	15 368 661	**43 386 848**	31 779
	89 387 613	15 424 293	**43 386 848**	31 779
Due to the short-term nature of cash and cash equivalents the carrying amount is deemed to approximate fair value.				
The total amount of undrawn facilities available for future operating activities and commitments	**20 789 410**	20 514 695	**–**	–
Facilities				
At year-end the Group had negotiated the following facilities:				
Overdraft facility (working capital)	**13 750 000**	13 750 000	**–**	–
Credit card facility (First card)	**100 000**	100 000	**–**	–
Asset finance (Wesbank facility)	**8 000 000**	8 000 000	**–**	–
Guarantees	**1 000 000**	1 000 000	**–**	–
Forward exchange contracts	**250 000**	250 000	**–**	–
Settlement: Global banking	**–**	200 000	**–**	–
	23 100 000	23 300 000	**–**	–

Facilities and security

The following terms and conditions are required to be complied with in order to ensure the ongoing availability of the facilities approved with First National Bank Limited:

- The Group's shareholders' interest will not reduce to below R35 000 000. Shareholders' interest for these purposes includes ceded loan accounts, share capital and retained earnings and excludes any intangible assets, intercompany debit loans and loans to other entities; and
- The utilisation of the short-term direct, pre-settlement and/or contingent facilities in excess of R7 000 000 will not exceed 40% of the combined value of good ceded debtors. For these purposes, good ceded debtors excludes those outstanding for longer than 60 days, those provided for as bad or doubtful, intercompany debtors and any such other accounts as the bank may identify and advise the Group. This implies that to utilise the facility in full, good debtor cover of at least R20 000 000 is required. This good debtor cover is currently being achieved; and
- Unless approved by the bank, the concentration of any one debtor is not to exceed 10% of the total good debtor book.

These terms and conditions have been achieved in the current and prior years.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R

12. CASH AND CASH EQUIVALENTS (continued)

Collateral pledged				
Total financial assets pledged as collateral for overdraft facilities	**20 000 000**	20 000 000	**–**	–

Any and all rights which Trellicor Proprietary Limited has over its debtors are pledged as security for banking facilities from First National Bank Limited.

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

The credit quality of cash at bank and short-term deposits, excluding cash on hand can be assessed by reference to external credit ratings of the Group's bankers.

	GROUP 2016 R	GROUP 2015 R	COMPANY 2016 R	COMPANY 2015 R
Currencies				
US Dollar	**2 484 399**	3 991 882	**–**	–
British Pound	**73 838**	–	**–**	–
Australian Dollar	**–**	14 874	**–**	–
Euro	**–**	152 365	**–**	–
Ghanaian Cedi	**1 231 202**	359 246	**–**	–
	3 789 439	4 518 367	**–**	–

13. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	GROUP			
	2016		2015	
	Loans and receivables R	Total R	Loans and receivables R	Total R
Other financial assets	1 996 327	1 996 327	1 535 822	1 535 822
Trade and other receivables	41 648 808	41 648 808	38 239 890	38 239 890
Cash and cash equivalents	89 387 613	89 387 613	15 424 293	15 424 293
	133 032 748	133 032 748	55 200 005	55 200 005

	COMPANY			
	2016		2015	
	Loans and receivables R	Total R	Loans and receivables R	Total R
Loans to Group companies	–	–	1 047 562	1 047 562
Other financial assets	–	–	309 793	309 793
Trade and other receivables	810 683	810 683	–	–
Cash and cash equivalents	43 386 848	43 386 848	31 779	31 779
	44 197 531	44 197 531	1 389 134	1 389 134

14. STATED CAPITAL

		GROUP	
		2016	2015
Authorised			
No par value shares (8 000 000 ordinary shares of R0.0005 each)	(shares)	5 000 000 000	8 000 000

A special resolution was passed on 8 September 2015 for a share split of 1:544 and a further resolution was passed to increase the authorised stated capital by 648 000 000 shares to 5 000 000 000 total authorised shares.

		2016	2015
Reconciliation of number of shares issued			
Reported as at 1 July 2015	(shares)	183 836	183 836
Share split (1: 544)	(shares)	99 822 948	–
Issue of shares – ordinary shares	(shares)	8 333 334	–
	(shares)	108 340 118	183 836
Issued			
Ordinary no par value shares	(Rand)	45 759 072	92

During the year 8 333 334 shares were issued at R6 per share by way of a private placement of shares offered to invited investors in conjunction with the listing of the company on the Johannesburg Stock Exchange. Further details of the share issue are available on the SENS issued by Trellidor Holdings Limited on 9 October 2015 and in the Pre-Listing Statement available on the company's website.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
15. FOREIGN CURRENCY TRANSLATION RESERVE				
The translation reserve comprises exchange differences on consolidation of foreign subsidiaries into the presentation currency of the Group. The consolidated and company annual financial statements are presented in Rand which is the Group's presentation currency.				
Opening balance	**1 452 362**	1 383 313	**–**	–
Movement	**(208 921)**	69 049	**–**	–
	1 243 441	1 452 362	**–**	–
16. HEDGING RESERVE				
The hedge reserve represents the effective portion of gains or losses on the interest rate swap as a hedging instrument recognised directly in equity. As the hedge no longer qualifies for hedge accounting the remaining balance is recognised in comprehensive income over the same period as the hedged instrument affects profit or loss.				
Opening balance	**(1 654 160)**	(2 646 656)	**–**	–
Movement	**992 496**	992 496	**–**	–
	(661 664)	(1 654 160)	**–**	–
17. OTHER NON-DISTRIBUTABLE RESERVE				
The other non-distributable reserve represents the surplus on restructuring of a subsidiary.				
Surplus on valuation	**–**	–	**900 000**	900 000
18. NON-CONTROLLING INTEREST				
Opening balance	**(1 294 401)**	(1 397 192)	**–**	–
Share of profit for the year	**485 458**	90 605	**–**	–
Share of foreign currency translation reserve	**(36 868)**	12 186	**–**	–
	(845 811)	(1 294 401)	**–**	–

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
19. OTHER FINANCIAL LIABILITIES				
At fair value through profit or loss				
Absa Bank Limited – interest rate swap	**441 175**	1 384 374	**–**	–
Refer to note 31 for details of the derivative financial instrument.				
Held at amortised cost				
BOE Private Bank	**23 915 935**	18 547 575	**–**	–
The loan is secured by first and second covering mortgage bonds over land and buildings with a total book value of R23 346 711 as described in note 3 and a limited suretyship of R25 000 000 by Trellicor Proprietary Limited. The loan bears interest at prime less 0,75% per annum and is repayable in monthly instalments until 1 September 2025.				
Wesbank Corporate – First National Bank Limited	**1 987 559**	2 476 445	**–**	–
Instalment sale agreements which are repayable in average monthly instalments of R151 376 (2015: R85 364) secured by plant, machinery, moulds and vehicles with a carrying value of R2 276 361 (2015: R2 083 154) as referred to in note 3, and bear interest at variable rates linked to the prime overdraft rate.				
Merchant West	**–**	44 412	**–**	–
The loan was repaid during the year.				
	25 903 494	21 068 432	**–**	–
	26 344 669	22 452 806	**–**	–
Non-current liabilities				
Fair value through profit or loss	**–**	1 384 374	**–**	–
At amortised cost	**23 366 519**	17 391 875	**–**	–
	23 366 519	18 776 249	**–**	–
Current liabilities				
Fair value through profit or loss	**441 175**	–	**–**	–
At amortised cost	**2 536 975**	3 676 557	**–**	–
	2 978 150	3 676 557	**–**	–
	26 344 669	22 452 806	–	–

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
19. OTHER FINANCIAL LIABILITIES (continued)				
Instalment purchase agreements				
Capital reconciliation of instalment purchase agreements is as follows:				
Opening balance	**2 476 445**	3 289 199	**–**	–
Borrowings raised	**438 536**	–	**–**	–
Repayments	**(927 422)**	(812 754)	**–**	–
Closing balance	**1 987 559**	2 476 445	**–**	–
Minimum payments due on instalment purchase agreements are as follows:				
Within one year	**1 009 273**	1 033 660	**–**	–
In second to fifth year inclusive	**1 234 760**	1 881 641	**–**	–
	2 244 033	2 915 301	**–**	–
Less: Future finance charges	**(256 474)**	(438 856)	**–**	–
Present value of minimum payments	**1 987 559**	2 476 445	**–**	–
Analysis of present value of minimum payments due:				
Within one year	**839 544**	859 204	**–**	–
In second to fifth year inclusive	**1 148 015**	1 617 241	**–**	–
	1 987 559	2 476 445	**–**	–
Fair value of financial liabilities at amortised cost				
The directors consider the carrying amounts of financial liabilities at amortised cost to approximate their fair value as the loans bear interest at market related rates.				
Fair value hierarchy of financial liabilities at fair value through profit or loss				
For financial liabilities recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.				
Level 1 represents those assets which are measured using unadjusted quoted prices for identical liabilities.				
Level 2 applies inputs other than quoted prices that are observable for the liabilities either directly (as prices) or indirectly (derived from prices).				
Level 3 applies inputs which are not based on observable market data.				
Level 2				
Absa Bank Limited – Interest rate swap	**441 175**	1 384 374	**–**	–

The Absa Bank Limited interest rate swap financial liability has a maturity date of 27 February 2017 and is designated as a financial liability at fair value through profit and loss. In the past the Group had applied hedge accounting with regard to the interest rate swap as the hedge was assessed as being effective. Since the hedge no longer qualifies for hedge accounting the hedge accounting was discontinued prospectively. All subsequent hedge differences are recognised immediately in profit and loss. Gains and losses that were previously recognised in equity are continuously released to the statement of comprehensive income until the full repayment of the bank borrowings as the swap affects profit and loss.

19. OTHER FINANCIAL LIABILITIES (continued)

The portion recognised in profit or loss due to the change in fair value of the interest rate swap amounts to a gain of R943 199 (2015: R576 978).

The notional principal amounts of outstanding interest swap contracts at 30 June 2016 were R40 000 000 (2015: R40 000 000).

At 30 June 2016 the fixed interest rate maintained at 12.30% (2015: 12.30%), and the floating rate at the prime interest rate in South Africa.

The valuation technique used by the third party, Absa Bank Limited, is the discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

20. PROVISIONS

	GROUP				
	2016				
Reconciliation of provisions	Opening balance R	Additions R	Utilised during the year R	Reversed during the year R	Total R
Product warranties	224 722	249 556	–	–	474 278
Long-term incentive bonus	5 644 237	–	(4 412 174)	(1 232 063)	–
	5 868 959	249 556	(4 412 174)	(1 232 063)	474 278

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Non-current liabilities	–	5 644 237	–	–
Current liabilities	474 278	244 722	–	–
	474 278	5 866 959	–	–

Warranty provision

The warranty provision represents management's best estimate of the Group's liability in respect of products, based on historical data of products returned.

Long-term bonus incentive

Certain employees participate in a long-term incentive plan. This is a bonus scheme linked to the growth in the Group's long-term value. The long-term incentive plan is divided into tranches, each tranche representing a period of time. The first tranche was issued effective 1 July 2011, a second tranche was issued effective 1 July 2012, a third tranche was issued effective 1 July 2013 and a fourth tranche was issued effective 1 July 2014. During the year this plan was paid out.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R

21. TRADE AND OTHER PAYABLES

	2016 R	2015 R	**2016 R**	2015 R
Trade payables	**13 487 994**	12 034 644	**–**	–
Amounts received in advance	**2 480 751**	1 409 622	**–**	–
Value added tax	**1 602 922**	1 158 322	**47 006**	–
Other payables	**3 446 783**	1 972 817	**–**	–
Accrued leave pay and bonus	**3 989 750**	3 353 041	**–**	–
Accrued short-term incentive bonus	**5 838 004**	3 856 123	**–**	–
Accrued expenses	**4 634 341**	923 164	**85 682**	2 280
Dividends withholding tax payable	**–**	1 047 562	**–**	1 047 562
Other payroll accruals	**2 035 274**	1 952 794	**–**	–
	37 515 819	27 708 089	**132 688**	1 049 842

Fair value of trade and other payables

The directors consider the carrying amount of trade and other payables to approximate their fair value due to the short-term nature of the trade and other payables.

Currencies

The carrying amounts of trade and other payables are denominated in the following currencies:

	2016 R	2015 R	**2016 R**	2015 R
US Dollar	**4 216 410**	481 906	**–**	–
Euro	**–**	3 613	**–**	–
Ghanaian Cedi	**638 720**	1 715 049	**–**	–
	4 855 130	2 200 568	**–**	–

Trade and other payables consist of purchases from suppliers at normal trade terms and are generally payable between 30 to 90 days.

22. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	GROUP					
	2016			2015		
	Financial liabilities at amortised cost R	**Fair value through profit or loss – held for trading R**	**Total R**	Financial liabilities at amortised cost R	Fair value through profit or loss – held for trading R	Total R
Other financial liabilities	**25 903 494**	**441 175**	**26 344 669**	21 068 432	1 384 374	22 452 806
Trade and other payables	**21 569 118**	**–**	**21 569 118**	14 930 629	–	14 930 629
	47 472 612	**441 175**	**47 913 787**	35 999 061	1 384 374	37 383 435

	COMPANY					
	2016			2015		
	Financial liabilities at amortised cost R	**Fair value through profit or loss – held for trading R**	**Total R**	Financial liabilities at amortised cost R	Fair value through profit or loss – held for trading R	Total R
Trade and other payables	**85 682**	**–**	**85 682**	2 280	–	2 280

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R
23. REVENUE				
Sale of goods	**312 497 414**	293 159 704	**–**	–
Management fees	**–**	–	**1 217 500**	–
Royalty income	**944 858**	616 035	**–**	–
Dividends received	**–**	–	**19 900 000**	43 500 000
	313 442 272	293 775 739	**21 117 500**	43 500 000
A graph representing revenue from sale of goods by geography is presented on page 12.				
24. COST OF SALES				
Sale of goods				
Cost of inventories expensed	**97 159 932**	89 709 085	**–**	–
Impairment of inventories	**116 162**	29 729	**–**	–
Other costs of goods sold	**58 911 789**	55 178 147	**–**	–
	156 187 883	144 916 961	**–**	–
25. OPERATING PROFIT BEFORE INTEREST				
Operating profit before interest for the year is stated after accounting for the following:				
Operating lease charges				
Premises				
– Contractual amounts	**1 009 215**	764 690	**–**	–
Motor vehicles				
– Contractual amounts	**471 785**	200 940	**–**	–
Equipment				
– Contractual amounts	**22 064**	70 435	**–**	–
	1 503 064	1 036 065	**–**	–
(Profit)/loss on disposal of property, plant and equipment	**(666 495)**	33 082	**–**	–
Freight and insurance recoveries	**(1 035 042)**	(989 091)	**–**	–
Sale of steel and aluminium scrap	**(1 192 685)**	(1 424 303)	**–**	–
Impairment on other financial assets	**302 293**	–	**302 293**	–
Unwinding of cash flow hedge	**992 496**	992 496	**–**	–
Net (profit)/loss on exchange differences	**(2 280 780)**	311 593	**–**	–
Amortisation on intangible assets	**108 459**	109 288	**–**	–
Depreciation on property, plant and equipment	**5 991 713**	6 352 596	**–**	–
Short-term employee benefits	**67 445 740**	70 246 126	**492 750**	–
Long-term employee benefits	**4 412 175**	532 394	**–**	–
Post-employment benefits	**3 504 628**	2 725 882	**–**	–
Research and development costs	**202 084**	181 773	**–**	–
Advertising	**14 978 501**	15 113 787	**–**	–
Cartage	**6 807 457**	6 567 381	**–**	–
Consulting fees	**3 420 459**	1 644 588	**1 315 368**	–
Electricity and water	**6 385 603**	6 476 478	**–**	–
Impairment of inventories	**116 162**	29 729	**–**	–
Hedging gains or losses				
Fair value on interest rate swap	**(943 199)**	(576 978)	**–**	–

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R

26. RETIREMENT BENEFITS

Defined contribution plan

It is the policy of the Group to provide retirement benefits to all its employees. The Group makes contributions to the Trellicor Pension Fund which is subject to the Pensions Fund Act and the MEIBC Provident Fund.

The Group is under no obligation to cover any unfunded benefits.

	GROUP 2016 R	GROUP 2015 R	COMPANY 2016 R	COMPANY 2015 R
The total Group contribution to such schemes	**3 504 628**	2 725 882	**–**	–

27. INVESTMENT REVENUE

	GROUP 2016 R	GROUP 2015 R	COMPANY 2016 R	COMPANY 2015 R
Interest revenue				
Bank	**2 494 200**	230 821	**2 277 630**	117 651
Other interest	**254 380**	89 593	**45**	–
	2 748 580	320 414	**2 277 675**	117 651

28. FINANCE COSTS

	GROUP 2016 R	GROUP 2015 R	COMPANY 2016 R	COMPANY 2015 R
Non-current borrowings	**1 065 729**	1 713 150	**–**	–
Bank	**212 413**	113 161	**212 413**	113 161
Interest rate swap	**963 671**	1 226 718	**–**	–
Other interest paid	**49 545**	46 390	**–**	–
	2 291 358	3 099 419	**212 413**	113 161

29. TAXATION

		GROUP 2016 R	GROUP 2015 R	COMPANY 2016 R	COMPANY 2015 R
Major components of the tax expense					
Current					
Local income tax – current period		**22 695 454**	20 246 673	**682 838**	32 942
Local income tax – recognised in current tax for prior periods		**(5 843)**	–	**(1 882)**	–
		22 689 611	20 246 673	**680 956**	32 942
Deferred					
Originating and reversing temporary differences		**(1 005 099)**	(2 149 601)	**40 601**	–
		21 684 512	18 097 072	**721 557**	32 942
Reconciliation of the tax expense					
Reconciliation between applicable tax rate and average effective tax rate:					
Applicable tax rate	(%)	**28.00**	28.00	**28.00**	28.00
Exempt income	(%)	**–**	–	**(28.08)**	(28.00)
Tax incentives	(%)	**(0.04)**	(0.01)	**–**	–
Non-taxable fair value adjustments	(%)	**(0.35)**	(0.25)	**–**	–
Difference in tax rate of foreign subsidiary	(%)	**(0.17)**	0.08	**–**	–
Non-deductible expenses	(%)	**0.69**	0.63	**3.73**	0.08
Prior year overprovision	(%)	**(0.01)**	–	**(0.01)**	–
Capital gains	(%)	**0.46**	–	**–**	–
	(%)	28.58	28.45	3.64	0.08

30. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income

	GROUP				
	2016				
	Gross R	**Tax R**	**Net before non-controlling interest R**	**Non-controlling interest R**	**Net R**
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations					
Exchange differences arising during the year	**(245 789)**	**–**	**(245 789)**	**36 868**	**(208 921)**
Effects of cash flow hedges					
Reclassification adjustment for cash flow hedges transferred to profit or loss	**992 496**	**–**	**992 496**	**–**	**992 496**
Total items that may be reclassified to profit or loss	**746 707**	**–**	**746 707**	**36 868**	**783 575**
	2015				
	Gross R	Tax R	Net before non-controlling interest R	Non-controlling interest R	Net R
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations					
Exchange differences arising during the year	81 235	–	81 235	(12 186)	69 049
Effects of cash flow hedges					
Reclassification adjustment for cash flow hedges transferred to profit or loss	992 496	–	992 496	–	992 496
Total items that may be reclassified to profit or loss	1 073 731	–	1 073 731	(12 186)	1 061 545

31. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING INFORMATION

The following information relates to derivative financial instruments included in other financial liabilities:

	GROUP			
	2016		2015	
	Assets R	**Liabilities R**	Assets R	Liabilities R
Absa Bank Limited – Interest rate swap	**–**	**441 175**	–	1 384 374

The full fair value of a hedging derivative is classified as a non-current liability if the remaining maturity of the hedged item is more than 12 months and as a current liability, if the maturity of the hedged item is less than 12 months.

		GROUP		COMPANY	
		2016	2015	**2016**	2015
		R	R	**R**	R
32. EARNINGS PER SHARE					
Headline earnings					
Profit for the year attributable to ordinary shareholders		**53 705 581**	45 419 116		
Adjusted for:					
(Profit)/loss on disposal of property, plant and equipment		**(541 609)**	23 819		
Gross amount		**(666 495)**	33 082		
Tax effect		**124 886**	(9 263)		
		53 163 972	45 442 935		
Number of shares					
Number of shares issued	(shares)	**108 340 118**	183 836		
Weighted average number of ordinary shares in issue during the year	(shares)	**105 630 646**	100 006 784		
Diluted weighted average number of shares	(shares)	**105 630 646**	100 006 784		
Basic and diluted earnings per share	(cents)	**50.8**	45.4		
Basic and diluted headline earnings per share	(cents)	**50.3**	45.4		
33. CASH GENERATED FROM OPERATIONS					
Profit before taxation		**75 875 551**	63 606 793	**19 841 057**	43 489 358
Adjustments for:					
Depreciation		**5 991 713**	6 352 596	**–**	–
Amortisation		**108 459**	109 288	**–**	–
Net (profit)/loss on disposal of property, plant and equipment		**(666 495)**	33 082	**–**	–
Unrealised loss/(gain) on restatement of foreign bank balances		**135 136**	(56 088)	**–**	–
Interest received		**(2 748 580)**	(320 414)	**(2 277 675)**	(117 651)
Finance costs		**2 291 358**	3 099 419	**212 413**	113 161
Unwinding of cash flow hedge		**992 496**	992 496	**–**	–
Movements in provisions		**(5 394 681)**	2 346 180	**–**	–
Interest rate swap		**(943 199)**	(576 978)	**–**	–
Impairment loss		**302 293**	–	**302 293**	–
Movement in inventory obsolescence		**116 162**	–	**–**	–
Changes in working capital:					
Inventories		**(9 542 714)**	888 501	**–**	–
Trade and other receivables		**(3 715 562)**	2 637 977	**(2 159 868)**	9 941
Trade and other payables		**9 611 204**	(722 312)	**130 408**	1 047 562
		72 413 141	78 390 540	**16 048 628**	44 542 371
34. TAX PAID					
Balance at beginning of the year		**(2 008 094)**	(3 216 480)	**5 473**	(874 888)
Current tax for the year recognised in profit or loss		**(22 689 611)**	(20 246 673)	**(680 956)**	(32 942)
Balance at end of the year		**3 563 324**	2 008 094	**117 573**	(5 473)
		(21 134 381)	(21 455 059)	**(557 910)**	(913 303)

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
35. DIVIDENDS PAID				
Dividends	(19 967 291)	(43 500 000)	(19 967 291)	(43 500 000)
Dividends per share of R0.18 (2015: R236.62) were distributed to the shareholders.				
36. RELATED PARTIES				
Relationships				
Subsidiaries refer to note 6				
Members of key management:				
TM Dennison				
CJ Wright				
CG Cunningham				
PWE Rawson				
Related party balances				
Loan accounts – Owing by related parties				
Subsidiaries	–	–	–	1 047 562
Refer to note 10 for terms and conditions.				
Amounts included in trade receivables regarding related parties				
Subsidiary	–	–	809 400	–
Terms are mutually agreed by the parties.				
Related party transactions				
Management fees received from related parties				
Subsidiary	–	–	(1 217 500)	–
Dividends received from related parties				
Subsidiaries	–	–	19 900 000	43 500 000
Compensation to directors and other key management				
Short-term employee benefits	10 278 001	9 589 914	492 750	–
Post-employment benefits	387 808	359 500	–	–
Long-term employee benefits	3 416 009	374 540	–	–
	14 081 818	10 323 954	492 750	–

37. DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

Executive directors	Emoluments for services to subsidiaries R	Long-term employee benefits R	Pension fund contributions for services to subsidiaries R	Total R
2016				
TM Dennison	**4 343 572**	**1 708 005**	**145 485**	**6 197 062**
PWE Rawson	**2 470 621**	**1 424 518**	**112 607**	**4 007 746**
CG Cunningham	**1 156 435**	**–**	**56 365**	**1 212 800**
	7 970 628	**3 132 523**	**314 457**	**11 417 608**
2015				
TM Dennison	4 066 376	172 920	138 025	4 377 321
MV Araujo	695 295	28 700	18 067	742 062
PWE Rawson	2 338 347	144 220	98 135	2 580 702
	7 100 018	345 840	254 227	7 700 085

Non-executive directors	Directors' fees R	Directors' fees for services to subsidiaries R	Total R
2016			
MC Olivier	**168 750**	**21 000**	**189 750**
JB Winship	**168 750**	**21 000**	**189 750**
RB Patmore	**155 250**	**–**	**155 250**
	492 750	**42 000**	**534 750**
2015			
MC Olivier		105 000	105 000
JB Winship		84 000	84 000
		189 000	189 000

Prescribed officers	Emoluments for services to subsidiaries R	Long-term employee benefits R	Pension fund contributions for services to subsidiaries R	Total R
2016				
CJ Wright	**1 772 623**	**283 486**	**73 351**	**2 129 460**
2015				
CG Cunningham	607 165	–	35 624	642 789
CJ Wright	1 693 731	28 700	69 649	1 792 080
	2 300 896	28 700	105 273	2 434 869

Executive directors' and prescribed officers' contracts

The terms of executive directors and prescribed officers contracts are in line with all other employees.

38. CONTINGENCIES

A dispute is in process against the Group's subsidiary, Trellicor Proprietary Limited, relating to former employees who were dismissed by Trellicor Proprietary Limited. The employees are claiming compensation for loss of earnings. The company, however, has a counter claim against the employees for damage to property. The directors are of the opinion that the current dispute will not result in a material outflow, if any, to the Group.

The information usually required by the statement on provisions, contingent liabilities and contingent assets is not disclosed on the grounds that it can be expected to be prejudicial to the outcome of the case.

	GROUP		COMPANY	
	2016 R	2015 R	**2016 R**	2015 R
Guarantees				
First National Bank Limited has issued the following guarantees on behalf of the Group to the following parties:				
Ethekwini Municipality	**202 580**	202 580	**–**	–
The South African Post Office	**40 000**	40 000	**–**	–
	242 580	242 580	**–**	–

39. COMMITMENTS

	GROUP		COMPANY	
	2016 R	2015 R	**2016 R**	2015 R
Authorised capital expenditure				
Already contracted for but not provided for				
Property, plant and equipment	**5 633 679**	321 165	**–**	–

This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities and existing cash resources.

40. RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders. Capital adequacy and liquidity are managed by monitoring the net debt-to-equity ratio, interest cover and debt service ratios.

The net debt ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents. Total equity is represented in the statements of financial position. The ratio is closely monitored by management.

The Group is required to maintain certain shareholder interest ratios in terms of its agreements with its financiers as referred to in note 12. As at 30 June 2016 the Group were not in breach of any covenants and there was no change to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year. New covenants on the term loans disclosed in note 41 will apply from July 2016 and will be monitored by the Group.

The debt:equity ratio at 2016 and 2015 respectively were as follows:

	GROUP		COMPANY	
	2016 R	2015 R	**2016 R**	2015 R
Total borrowings				
Other financial liabilities (refer to note 19)	**25 903 494**	21 068 432	**–**	–
Less: Cash and cash equivalents (refer to note 12)	**89 387 613**	15 424 293	**43 386 848**	31 779
Net debt	**(63 484 119)**	5 644 139	**(43 386 848)**	(31 779)
Total equity	**148 995 923**	68 266 488	**46 301 752**	1 390 563
Total capital	**85 511 804**	73 910 627	**2 914 904**	1 358 784
Debt:equity ratio	**(0.43)**	0.08	**(0.94)**	(0.02)

40. RISK MANAGEMENT (continued)

Financial risk management

The Group's financial instruments consist primarily of cash resources invested with financial institutions, accounts receivable, accounts payable, loans to/(from) Group companies, long-term loans, an interest rate swap and instalment sale agreements. The Group's activities expose it to a variety of financial risks including credit, interest, foreign currency, capital and liquidity risk.

Risk management policies have been established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are regularly reviewed to reflect changes in market conditions and the Group's activities. The Group through training, management standards and procedures aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

There have been no major changes to the Group's overall risks or financial risk management objectives, policies and processes from the previous period.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining facilities under committed credit lines.

These facilities are used whenever an entity within the Group requires cash to maintain operations. Overall credit lines are approved by the Board. There is a concentration risk in that both of the major facilities used (Wesbank and FNB) are part of the FirstRand Group. However, this risk is mitigated by the fact that the FirstRand Group is a strong financial services provider and that a large substitution market exists. Credit facilities also exist with Absa Bank Limited and Nedbank Limited.

Management monitors rolling forecasts of the entity's cash and cash equivalents on the basis of expected cash flow. There is a central cash management function at Group level, which manages cash flows and balances, ensuring liquidity by operation as required and the maximisation of the overall return on free cash.

Trade and other receivables are used to offset the risk that arises from trade and other payables.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	GROUP			
	Less than one year R	Between one and two years R	Between two and five years R	Over five years R
At 30 June 2016				
Other financial liabilities	**4 933 272**	**4 816 713**	**12 114 046**	**16 677 000**
Trade and other payables	**21 569 118**	**–**	**–**	**–**
Trade and other receivables	**(41 648 808)**	**–**	**–**	**–**
At 30 June 2015				
Other financial liabilities	4 131 622	3 921 116	10 158 069	4 839 977
Trade and other payables	14 930 629	–	–	–
Trade and other receivables	(38 239 890)	–	–	–

	COMPANY			
	Less than one year R	Between one and two years R	Between two and five years R	Over five years R
At 30 June 2016				
Trade and other payables	**85 682**	**–**	**–**	**–**
Trade and other receivables	**(810 683)**	**–**	**–**	**–**
At 30 June 2015				
Loan to Group company	(1 047 562)	–	–	–
Trade and other payables	2 280	–	–	–

40. RISK MANAGEMENT (continued)

Interest rate risk

Based on the various scenarios, the Group manages its cash flow interest rate risk by using a floating-to-fixed interest rate swap. Such interest rate swap has the economic effect of converting borrowings from floating to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at monthly intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional amounts.

The Group's interest rate risk arises from cash deposits and financial liabilities, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through a central cash management mechanism at Group level, which enables the Group to maximise returns whilst minimising risk.

Group

At 30 June 2016, if interest rates on bank balances had been 0.5% higher/lower with all other variables held constant, pre-tax profit for the year would have been R446 744 (2015: R76 843) higher/lower, mainly as a result of higher interest income on bank balances.

As the reference rate applicable in the interest rate swap is fixed at 12.30% per annum, a change in the prime rate of interest has no economic impact on the Group. This assumes a constant debt level of R40 000 000 and no change in the bank's margin that is charged to the Group.

Company

At 30 June 2016, if interest rates on bank balances had been 0.5% higher/lower with all other variables held constant, pre-tax profit for the year would have been R216 934 (2015: R158) higher/lower, mainly as a result of higher interest income on bank balances.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet their contractual obligations. Credit risk consists mainly of cash deposits, cash equivalents and trade receivables and other financial assets.

The Group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counter-party.

The measurement and control of credit risk relating to trade receivables is achieved through a combination of weekly reviews by executive management, monthly review by the Executive Committee and a quarterly review by the Trellidor Holdings Limited board. The latter reviews are undertaken by people independent of the daily operations of the Group. Executive management is held accountable for any defaults. A suitable provision is made for doubtful debts, which is formally reviewed at least on a quarterly basis.

Financial assets exposed to credit risk at year-end were as follows:

	GROUP		COMPANY	
	2016	2015	**2016**	2015
Financial instrument	**R**	R	**R**	R
Cash and cash equivalents	**89 387 613**	15 424 293	**43 386 848**	31 779
Trade receivables	**41 648 808**	38 240 697	**810 683**	–
Financial assets	**1 996 327**	1 535 822	**–**	309 793
Loans to Group companies	**–**	–	**–**	1 047 562

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, British Pound, Australian Dollar and the Ghanaian Cedi.

The Group imports raw materials and components and exports finished goods. These transactions are foreign currency based, hence there is exposure to foreign currency risk in the form of transactions and translation expenses from fluctuations in foreign currency exchange rates. The Group does not hedge foreign exchange fluctuations but utilises, as part of its risk management, the natural hedging that arises from being an importer and exporter of goods.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

At 30 June 2016, if the currency had weakened/strengthened by 1% against the US Dollar with all other variables held constant, pre-tax profit for the year would have been R1 298 (2015: R63 319 higher/lower) lower/higher, mainly as a result of foreign exchange gains or losses on translation of US dollar denominated trade receivables and trade payables.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R	R	**R**	R

40. RISK MANAGEMENT (continued)

Foreign currency exposure at the end of the reporting period				
Current assets				
Trade and other receivables, USD106 557 (2015: USD243 672)	**1 602 220**	2 995 559	**–**	–
Trade and other receivables, GBP9 609 (2015: GBP4 478)	**193 587**	86 541	**–**	–
Trade and other receivables, EUR165 (2015: EUR465)	**2 750**	6 345	**–**	–
Trade and other receivables, GHS845 057 (2015: GHS553 767)	**3 152 569**	1 542 441	**–**	–
Cash and cash equivalents, USD165 227 (2015: USD324 807)	**2 484 399**	3 991 882	**–**	–
Cash and cash equivalents, AUD nil (2015: AUD1 580)	**–**	14 874	**–**	–
Cash and cash equivalents, EUR nil (2015: EUR11 172)	**–**	152 365	**–**	–
Cash and cash equivalents, GBP3 665 (2015: GBP nil)	**73 838**	–	**–**	–
Cash and cash equivalents, GHS330 028 (2015: GHS128 762)	**1 231 202**	359 246	**–**	–
Liabilities				
Trade and other payables, USD280 415 (2015: USD39 200)	**4 216 410**	481 906	**–**	–
Trade and other payables, EUR nil (2015: EUR265)	**–**	3 613	**–**	–
Trade and other payables, GHS171 211 (2015: GHS614 713)	**638 720**	1 715 049	**–**	–
Exchange rates used for conversion of foreign items were:				
USD	**15.04**	12.29		
GBP	**20.15**	19.32		
EUR	**16.67**	13.64		
AUD	**11.16**	9.41		
GHS	**3.73**	2.79		

The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

41. EVENTS AFTER THE REPORTING PERIOD

Business combinations occurring subsequent to year-end

Taylor Blinds and Shutters and NMC Decorative Mouldings businesses

Subsequent to year-end Trellidor Holdings Limited, through its subsidiary, Trellidor Innovations Proprietary Limited acquired the Taylor Blind and NMC businesses from Odyssey House Proprietary Limited. Integral to the deal was the purchase of a minority stake of 7.5% by the managing director of the Taylor business. This investment by Novaspectacular Proprietary Limited was proportional to the investment by Trellidor Holdings Limited. Taylor Blinds and Shutters specialises in designing, manufacturing, marketing, distributing and servicing blinds and shutters in the South African market while NMC Decorative Mouldings distributes imported decorative mouldings. The acquisition of the businesses provides the Trellidor Group with strong brands, management team and distribution network for the development of the home improvements market, distinct from Trellidor business.

The initial accounting for this business combination was provisionally completed at the time the consolidated and Group annual financial statements were approved. The figures disclosed as the fair value of assets acquired and liabilities assumed at the date of signature are provisional and subject to the finalisation of the valuations used in the determination of the fair values.

	2016 R
Fair value of assets acquired and liabilities assumed	
Property, plant and equipment	6 002 226
Intangible asset – Taylor brand	27 515 000
Intangible asset – customer database	24 456 000
Inventories	39 922 248
Trade and other receivables	22 141 927
Cash and cash equivalents	7 466 238
Other financial liabilities	(19 773 394)
Trade and other payables	(9 197 438)
Total identifiable net assets	98 532 807
Non-controlling interest	7 389 961
Goodwill	51 955 049
Purchase consideration	157 877 817
Acquisition date fair value of consideration paid	
Cash*	130 605 817
Contingent consideration arrangement	27 272 000
	157 877 817

* *The cash payment was from cash on hand, term loan 1 noted below and investment from the minority shareholder.*

Non-controlling interest

Non-controlling interest, which is a present ownership interest, and entitles their holders to a proportionate share of the entity's net assets in the event of liquidation, is measured at the present ownership interests proportionate share of the acquiree's identifiable net assets.

41. EVENTS AFTER THE REPORTING PERIOD (continued)

Business combinations occurring subsequent to year-end continued

Contingent consideration arrangements

As part of the purchase agreement with Odyssey House Proprietary Limited, a contingent consideration has been agreed. This Second Tranche involves a cash payment of R30 000 000, alternatively the seller may require the Second Tranche to be settled through the issue of Trellidor shares at an issue price of R6 per share.

This Second Tranche is subject to the business achieving a sustainable profit after tax of R33 000 000 in a 12-month period ending 30 April 2016. Should the sustainable profit after tax be less than the target, the Second Tranche shall be reduced by R5.50 for each Rand of such shortfall. The shortfall shall be limited to R30 000 000.

In addition, if, after the acquisition date, it transpires that the net working capital remaining in the business is insufficient to meet the business's cash and working capital requirements and to cover any provisions, in the ordinary course of business, for the profit period, the Second Tranche consideration will be reduced by R1 for each R1 of such shortfall.

The fair value of the contingent consideration arrangement was determined by using the discounted cash flow method and is estimated to be R27 272 000. The significant unobservable valuation inputs are provided below:

Discount rate	10.5%
Assumed probability – adjusted profit before tax of the businesses acquired	100%

Significant decrease in the profit after tax of the Taylor and NMC business would result in lower fair value of the contingent consideration liability, while significant increase/(decrease) in the discount rate would result in lower/(higher) fair value of the liability.

As at 31 July 2016, the key performance indicators of the Taylor and NMC business show that it is highly probable that the target will be achieved due to a significant expansion of the business. The fair value of the contingent consideration reflects this development, amongst other factors.

Trade receivables acquired

The fair value and gross amount of receivables acquired amounts to R21 149 795, none of which have been impaired and it is expected that the full contractual amounts will be collected.

Acquisition-related costs

The acquisition-related costs incurred in the period to 12 June 2016 were immaterial and are included in administration expenses. Transaction costs incurred after year-end will be expensed in administration expenses in the new financial year.

Revenue and profit or loss of Taylor Blinds and Shutters and NMC Decorative Mouldings businesses

The acquisition of these businesses occurred after year-end. In the latest audited financial statements of Odyssey House Proprietary Limited these businesses contributed revenue of R230 624 322 and profit before taxation of R24 813 976 from continuing operations of the Group. As noted previously the contingent consideration purchase price is subject to achieving a sustainable profit after tax (before cost of debt) of R33 000 000.

Loan finance

Term Loan 1

Subsequent to year-end the Group obtained a 60-month term loan from First National Bank for R70 000 000. This loan bears interest at prime less 0.5% per annum. The loan is secured by a cession of Trellicor Proprietary Limited's debtors and credit balances at the bank, suretyship by Trellicor Proprietary Limited (limited to R100 000 000), cession by Trellidor Innovations Proprietary Limited of its debtors and credit balances at the bank and a suretyship by Trellidor Innovations Proprietary Limited (limited to R50 000 000).

Term Loan 2

Subsequent to year-end the Group obtained a 60-month term loan from First National Bank amounting to R20 000 000. This loan was used to repay the Absa loan within the Taylor Blind and NMC business acquired by Trellidor Innovations Proprietary Limited. Interest is prime less 0.5%. The loan is secured by a cession of Trellicor Proprietary Limited debtors and credit balances at the bank, suretyship by Trellidor Holdings Limited (limited to R25 000 000), cession by Trellidor Innovations Proprietary Limited of its debtors and credit balances at the bank, subordination of loans from Trellidor Holdings Limited and Novaspectacular Proprietary Limited to Trellidor Innovations Proprietary Limited.

Term Loan 3

A 60-month loan has been agreed with the minority shareholder, Novaspectacular Proprietary Limited. This loan ranks together with the intercompany loan from Trellidor Holdings Limited to Trellidor Innovations Proprietary Limited and whilst it can be repaid in terms of the term, it is subordinate to the R20 000 000 Term Loan issued by First National Bank.

SHAREHOLDER ANALYSIS
FOR THE YEAR ENDED 30 JUNE 2016

	Number	Shareholding	Percentage
Non-public shareholders			
Directors and associates of the company (direct holding)	4	13 746 163	12.69
Directors and associates of the company (indirect holding)	2	2 901 512	2.68
Shareholders (excluding Fund Managers) holding more than 10%			
BP2S Jersey/Huntress (CI) Nominees Limited	1	10 840 166	10.00
Public shareholders	675	80 852 277	74.63
	682	108 340 118	100.00
Fund managers with a shareholding greater than 5% of issued shares			
Mazi Capital Proprietary Limited	25	17 297 624	15.97
Peregrine Capital Proprietary Limited	2	7 099 447	6.55
Sanlam	3	6 973 300	6.44
	30	31 370 371	28.96
Beneficial shareholders with a holding greater than 5% of the issued shares			
Government Employees Pension Fund	1	8 632 127	7.97
Peregrine High Growth	1	5 783 747	5.34
	2	14 415 874	13.31

SHAREHOLDER DIARY
FOR THE YEAR ENDED 30 JUNE 2016

Financial year-end	30 June 2016
Announcement of annual results	13 September 2016
Integrated Annual Report posted	November 2016
Annual general meeting	1 December 2016
Announcement of interim results	mid-March 2017

NOTICE OF ANNUAL GENERAL MEETING

TRELLIDOR HOLDINGS LIMITED

(formerly Trellicor Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1970/015401/06)
(Share code: TRL ISIN ZAE000209342)
("Trellidor" or "the Company")

Notice is hereby given of the Annual General Meeting of shareholders of Trellidor to be held at the Company's Registered Office, 20 Aberdare Drive, Phoenix Industrial Park, Durban, on 1 December 2016 at 08h30 ("AGM").

Purpose

The purpose of the AGM is to transact the business set out in the agenda below.

Agenda

- Presentation of the audited annual financial statements of the Company, including the reports of the directors and the Audit, Risk and Compliance Committee for the year ended 30 June 2016. The integrated annual report, of which this notice forms part, contains the consolidated annual financial statements and the aforementioned reports. The integrated annual report is available on the Company's website at www.trellidor.com, or may be requested and obtained in person, at no charge, at the registered office of Trellidor during office hours.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

  Note:

  For any of the ordinary resolutions numbers 1 to 6 and 8 to 9 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 7 as well as special resolutions 1 to 5 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

ORDINARY BUSINESS

1. Retirement and re-election of director

In accordance with the Company's Memorandum of Incorporation ("MOI"), the Listings Requirements of the JSE Limited ("JSE") and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), require that a component of the non-executive directors rotate at every AGM of the Company and, being eligible, may offer themselves for re-election as directors.

A brief curriculum vitae of John Winship appears on page 17 of the integrated annual report of which this notice forms part.

ORDINARY RESOLUTION 1
"Resolved that John Winship, who retires by rotation in terms of the Company's MOI and who, being eligible offers himself for re-election, be and is hereby re-elected as a director of the Company."

2. Re-appointment of auditor

In terms of section 90 of the Companies Act, the auditors of a public company are required to be appointed at the Company's AGM. The purpose of ordinary resolution 2 is to confirm the re-appointment of Mazars as independent auditors to the Company, as nominated by the Audit, Risk and Compliance Committee as required under section 90 of the Companies Act, for the ensuing financial year, and to confirm that the directors shall be empowered to ratify their remuneration, as determined by the committee in terms of the committee Charter, which amount shall be approved and endorsed by the directors.

ORDINARY RESOLUTION 2
"Resolved that Mazars be and is hereby re-appointed as auditors to the Company, and Dave Bates as the designated audit partner, until the conclusion of the next AGM be confirmed, and that their remuneration be determined by the Audit, Risk and Compliance Committee in terms of the committee Charter, which amount the directors shall be empowered to ratify."

3. Re-appointment of the members of the Audit, Risk and Compliance Committee of the Company

In terms of section 94 of the Companies Act, the Audit Committee must constitute three members who must be appointed by shareholders at the company's AGM, all of whom must, in terms of the King Code of Governance Principles ("King Code"), be independent non-executive directors. It is accordingly proposed to re-appoint the members of the Audit, Risk and Compliance Committee, proposed by the Nomination and Remuneration Committee and as set out below.

A brief curriculum vitae of each of the Audit, Risk and Compliance Committee members appears on page 17 of the integrated annual report of which this notice forms part.

ORDINARY RESOLUTION 3
"Resolved that Ralph Patmore, being eligible, be and is hereby re-appointed as a member of the Audit, Risk and Compliance Committee of the Company, as recommended by the Nomination and Remuneration Committee of the Company, until the next AGM of the Company."

ORDINARY RESOLUTION 4
"Resolved that Mark Olivier, being eligible, be and is hereby re-appointed as a member of the Audit, Risk and Compliance Committee of the Company, as recommended by the Nomination and Remuneration Committee of the Company, until the next AGM of the Company."

ORDINARY RESOLUTION 5
"Resolved that, subject to the passing of ordinary resolution 1, John Winship, being eligible, be and is hereby re-appointed as a member of the Audit, Risk and Compliance Committee of the Company, as recommended by the Nomination and Remuneration Committee of the Company, until the next AGM of the Company."

4. Approval of Remuneration Policy

In terms of principle 2.27 of the King Code, shareholders should approve the Company's Remuneration Policy through a non-binding advisory vote. The purpose of ordinary resolution 6 is therefore to indicate to the Board shareholders' approval of the Company's Remuneration Policy.

ORDINARY RESOLUTION 6: NON-BINDING ENDORSEMENT OF TRELLIDOR'S REMUNERATION POLICY
"Resolved that, the shareholders endorse, by way of a non-binding advisory vote, the Company's Remuneration Policy and its implementation, as set out in the remuneration policy included in the integrated annual report of which this notice forms part, be and is hereby approved."

5. General authority to issue ordinary shares for cash

In terms of the Company's MOI, the Company may only issue unissued shares for cash if such shares have first been offered to existing shareholders in proportion to their shareholding, unless otherwise authorised by shareholders. The purpose of ordinary resolution 7 is therefore to authorise the directors of the Company to issue shares for cash on a non *pro rata* basis, as and when they in their discretion deem fit when appropriate opportunities arise. The Board has no current plans to exercise this authority but wishes to ensure that by having it in place, the Company will have the flexibility to take advantage of any business opportunity that may arise in future. The authority will be subject to the Companies Act and the JSE Listings Requirements.

ORDINARY RESOLUTION 7
"Resolved that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's MOI, the Companies Act and the Listings Requirements of the JSE ("Listings Requirements"), provided that:

- the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond 15 months from the date of this resolution;
- the general issues of shares for cash under this authority may not exceed, in the aggregate, 15% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shares issued pursuant to an acquisition, shares issued to the Company's Share Incentive Trust ("the Trust") or options granted by the trust in accordance with the Listings Requirements shall not diminish the number of ordinary shares that comprise the 15% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 15% of the Company's issued ordinary share capital (net of treasury shares) amounts to 16 251 017 ordinary shares;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements and not to related parties;
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

6. Remuneration of non-executive directors

SPECIAL RESOLUTION 1: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THEIR SERVICES AS DIRECTORS

"Resolved that the fees payable by the Company to the non-executive directors for their services as directors (in terms of section 66 of the Companies Act) be and are hereby approved for the financial year ending 30 June 2017 and for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, as follows:

Annual fee	
Board Chairman	R239 000
Non-executive director	R239 000

The reason for and effect of special resolution 1

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next AGM of the Company.

7. Share repurchases by the Company and its subsidiaries

SPECIAL RESOLUTION 2: SHARE BUY-BACK BY TRELLIDOR AND ITS SUBSIDIARIES

"Resolved that the directors be authorised in terms of the Company's MOI, until this authority lapses at the next AGM of the Company or unless it is then renewed at the next AGM of the Company and provided that this authority shall not extend beyond 15 months, to enable the Company or any subsidiary of the Company (if applicable) to acquire shares of the Company subject to the JSE Listings Requirements and the Companies Act, on the following bases:

- the repurchase of shares must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the Company and the counterparty;
- the Company (or any subsidiary) must be authorised to do so in terms of its MOI;
- the number of shares which may be repurchased pursuant to this authority in any financial year (which commenced 1 July 2016) may not in the aggregate exceed 20% (or 10% where the repurchases are effected by a subsidiary) of the Company's share capital as at the date of this notice;
- repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the shares in question for the five business days immediately preceding the repurchase;
- repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place and the dates and quantities of shares to be repurchased during the prohibited period have been determined and full details thereof submitted to the JSE prior to commencement of the prohibited period;
- after the Company has repurchased shares which constitute, on a cumulative basis, 3% of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the Company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements applicable from time to time;
- the Company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and
- a resolution has been passed by the Board of Directors of the Company and its subsidiaries (the "Group") authorising the repurchase, and the Company has passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the application of the solvency and liquidity test by the Board, there have been no material changes to the financial position of the Company."

The reason for and effect of special resolution 2

The reason for special resolution 2 is to afford directors of the Company a general authority for the Company (or a subsidiary of the Company) to effect a repurchase of the Company's shares on the JSE. The directors are of the opinion that it would be in the best interests of the Company to approve this general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the shares issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action. The effect of the resolution will be that the directors will have the authority, subject to the JSE Listings Requirements and the Companies Act to effect repurchases of the Company's shares on the JSE.

In terms of section 48(2) (b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a Company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

Certain information relating to the Company as required by the JSE Listings Requirements is set out in the attached Annexure which forms part of this notice.

8. Approval of financial assistance

SPECIAL RESOLUTION 3: INTER-COMPANY FINANCIAL ASSISTANCE

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance") will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

Reason for and effect of special resolution 3

The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority, until the next AGM of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, *inter alia,* authorised to grant loans to its subsidiaries and to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

SPECIAL RESOLUTION 4: FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance") will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next AGM Meeting of the Company."

Reason for and effect of special resolution 4

The reason for and effect of special resolution number 4 is to grant the directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for or acquiring any options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

Additional disclosure in respect of special resolution 3 and special resolution 4

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months; the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.

9. Electronic participation

In terms of the Company's MOI and section 63(2) and 63(3) of the Companies Act, shareholders or their proxies may participate at the AGM by way of telephone conference call and, if they wish to do so:

- must contact the Company Secretary (email: paulanel@pncs.co.za) by no later than 12h00 on 28 November 2016 in order to obtain dial-in details for the conference call; and
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate at the AGM.

VOTING AND PROXIES

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 28 October 2016.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this AGM is Friday, 25 November 2016, with the last day to trade being Tuesday, 22 November 2016.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy in order for their vote/s to be valid. The form of proxy for certificated and own-name dematerialised shareholders is included in this integrated annual report.

A shareholder of the Company entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and to vote in his stead. The proxy need not be a shareholder of the Company.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share in the Company by such shareholder.

A form of proxy is attached for the convenience of certificated and own-name dematerialised shareholders holding shares in the Company who cannot attend the AGM but wish to be represented thereat.

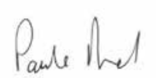
Such shareholders must complete and return the attached form of proxy and lodge it with the transfer secretaries of the Company.

Dematerialised shareholders who have not elected own-name registration in the sub-register of the Company through a Central Securities Depository Participant ("CSDP") and who wish to attend the AGM, must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised shareholders who have not elected own-name registration in the sub-register of the Company through a CSDP and who are unable to attend, but wish to vote at the AGM, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker. Such shareholders are advised that they must provide their CSDP or broker with separate voting instructions in respect of the shares.

Forms of proxy may also be obtained on request from the Company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received at least 48 hours prior to the AGM. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

By order of the Board



Paula Nel
Company Secretary

Registered office
20 Aberdare Drive
Phoenix Industrial Park
Durban, 4001
(PO Box 20173, Durban North, 4016)

Transfer secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

ANNEXURE
TO THE NOTICE OF ANNUAL GENERAL MEETING

GENERAL INFORMATION ON THE COMPANY TO SUPPORT THE RESOLUTIONS PROPOSED IN THE NOTICE OF AGM

The following information is required by the JSE Listings Requirements with regard to the resolution granting a general authority to the Company to repurchase its securities (special resolution 2).

The JSE Listings Requirements require the following disclosures, some of which are elsewhere in the integrated annual report of which this notice forms part as set out below:

- Major beneficial shareholders of the Company page 84
- Capital structure of the Company page 66

Material change

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs or financial position of the Company and the Group since the date of signature of the audit report for the financial year ended 30 June 2016 and up to the date of this notice.

The Board of Directors has no immediate intention to use this authority to repurchase company shares. However, the Board of Directors is of the opinion that this authority should be in place should it become apparent to undertake a share repurchase in the future.

Directors' responsibility statement

The directors whose names are given on pages 17 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information given in this notice of AGM and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by law and the JSE Listings Requirements.

Statement by the Company's Board of Directors in respect of repurchases of shares

Pursuant to and in terms of the JSE Listings Requirements, the directors of the Company hereby state that the intention of the directors is to utilise the authority at their discretion during the course of the period so authorised as and when suitable opportunities present themselves, which may require immediate action.

The directors are of the opinion that, after considering the effect of the maximum repurchase permitted and for a period of 12 months after the date of this AGM:

1. The Company and the Group will be able to pay their debts as they become due in the ordinary course of business;
2. The consolidated assets of the Company and the Group, fairly valued in accordance with the accounting policies used in the Company's latest audited consolidated annual financial statements, will be in excess of the consolidated liabilities of the Company and the Group; and
3. The share capital, reserves and working capital of the Company and the Group will be adequate for the purposes of the ordinary business of the Company and the Group.

FORM OF PROXY

TRELLIDOR HOLDINGS LIMITED
(formerly Trellicor Holdings Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1970/015401/06)
(Share code: TRL, ISIN ZAE000209342)
("Trellidor" or "the Company")

Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy for certificated and own-name dematerialised shareholders in order for their vote/s to be valid.

This form of proxy is for use by the holders of the Company's certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the AGM of the Company on 1 December 2016 at 08h30 or any adjournment if required. Additional forms of proxy are available at the Company's registered office.

They are not for the use by holders of the Company's dematerialised shares who have not selected own-name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the AGM and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the AGM but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

I/We (full name in print)

of (name/s in block letters)

being the registered holder of ordinary shares in the capital of the Company, do hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the meeting,

as my/our proxy to act for me/us at the AGM (and any adjournment thereof) convened for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions ("resolutions") to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the shares registered in my/our name in accordance with the following instructions:

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done, the proxy will vote as he/she deems fit.

ORDINARY RESOLUTIONS		For	Against	Abstain
1	To re-elect John Winship as an independent non-executive director			
2	To re-appoint Mazars as independent auditors to the Company			
3	To re-elect Ralph Patmore as a member of Company's Audit, Risk and Compliance Committee until the next AGM			
4	To re-elect Mark Olivier as a member of the Company's Audit, Risk and Compliance Committee until the next AGM			
5	To re-elect John Winship as a member of the Company's Audit, Risk and Compliance Committee until the next AGM			
6	Non-binding advisory vote to approve the Remuneration Policy			
7	To authorise the directors of the Company to issue shares for cash, as and when they in their discretion deem fit			
SPECIAL RESOLUTIONS		For	Against	Abstain
1	To approve the non-executive directors' remuneration for their services as directors			
2	To grant a general authority to repurchase issued shares			
3	To approve the granting of financial assistance in terms of section 45 of the Companies Act			
4	To approve the granting of financial assistance in terms of section 44 of the Companies Act			

Signed at on the of 2016

Signature

Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the AGM.

Please read notes on the reverse page

NOTES TO THE FORM OF PROXY

Certificated and own-name dematerialised shareholders are advised that they must complete a form of proxy for certificated and own-name dematerialised shareholders in order for their vote/s to be valid.

1. The form of proxy must only be used by certificated ordinary shareholders or dematerialised ordinary shareholders who hold dematerialised shares with "own name" registration.
2. Dematerialised shareholders are reminded that the onus is on such shareholder to communicate with their CSDP.
3. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the meeting". The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the registrars not less than 48 hours before the commencement of the AGM.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The Chairman of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or unless this requirement is waived by the Chairman of the AGM.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered with the Company.
11. Where there are joint holders of shares:
    - Any one holder may sign the form of proxy; and
    - The vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of shareholders) who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).

    The Chairman of the AGM may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the Chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
12. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

    Hand deliveries to:
    Computershare Investor Services (Pty) Ltd
    Ground Floor, 70 Marshall Street
    Johannesburg, 2001

    Postal deliveries to:
    Computershare Investor Services (Pty) Ltd
    PO Box 61051
    Marshalltown, 2107

    to be received by no later than 08h30 on 29 November 2016 (or 48 hours before any adjournment of the AGM which date, if necessary, will be notified on SENS).
13. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory(ies).

CORPORATE INFORMATION

Share code: TRL

ISIN: ZAE000209342

JSE sector: Industrials – Building Material & Fixtures

Year-end: 30 June

Company registration number: 1970/015401/06

Country of incorporation: South Africa

Date of incorporation: 23 November 1970

Website: www.Trellidor.co.za

Registered office
20 Aberdare Drive
Phoenix Industrial Park
Durban, 4001
(PO Box 20173, Durban North, 4016)

Legal Advisor
Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
11 Buitengracht Street Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Corporate Advisor and Sponsor
PSG Capital Proprietary Limited
(Registration number 2006/015817/07
1st Floor, Ou Kollege
35 Kerk Street, Stellenbosch, 7600

and

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley, Sandton, 2196
(PO Box 650957, Benmore, 2010)

Independent Reporting Accountants and Auditors
Mazars
Mazars House
197 Peter Mokaba Road
Morningside, Durban, 4001
(PO Box 70584, Overport, 4067)

Bankers
First National Bank
(Registration number 1929/001225/06)
Cranbrook Park
14 Cranbrook Crescent
La Lucia Ridge, Umhlanga, 4051
(PO Box 1246, Umhlanga, 4320)

Company Secretary
Paula Nel
BCom FCIS
20 Aberdare Drive
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Durban, 4001
(PO Box 20173, Durban North, 4016)

Enquiries relating to the integrated annual report
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