

TRELLIDOR HOLDINGS LIMITED

SUMMARISED CONSOLIDATED AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



Strength. Quality. Variety.
Trellidor is a proudly South African company.

THE **TRELLIDOR** GROUP



The core values of the Group are built on the three pillars of
Innovation, Quality and Service.

With these pillars as our base we have successfully built a reputation for delivering **trusted high-quality products and exceptional service.**

TRELLIDOR
THE ULTIMATE CRIME BARRIER

TAYLOR
BLINDS & SHUTTERS Est.1959

nmc DESIGN
ELEMENTS

Salient Points

40.8 cents
(2020: 13.8 cents)

Headline
earnings
per share

R96 million
(2020: R55 million)

Cash from
operations
for the year

R518 million
(2020: R422 million)

Revenue for
the year

21.00 cents
(2020: 8.0 cents)

Total dividends
declared per
share

R12 million
(2020: R22 million)

Buy-back
of shares

Commentary

INTRODUCTION

Trellidor Holdings Limited (“the group”) comprises the Trellidor and Taylor group (“Taylor”) businesses.

Trellidor is the market leading manufacturer of custom-made barrier security products, distributed via a dedicated and skilled branch and franchise network operating throughout South Africa, Africa and the UK.

The Taylor group business incorporates Taylor, a major manufacturer and distributor of custom-made blinds, decorative and security shutters and NMC, an importer and distributor of corning and skirting products. The Taylor group has a strong presence in the Western and Southern Cape.

OVERVIEW

The group’s performance has been positive with revenue for the year increasing by 23% to R518 million (F20: R422 million). This is especially pleasing given the uncertain economic environment and logistical disruptions, as governments around the world continued to respond to the Covid-19 pandemic throughout the financial period. While economic conditions remained weak, the group has benefited from an apparent upswing in consumer spend being focused on their residences. The operating environment has been challenging with sharply increasing raw material prices, factory disruptions through increased absenteeism, and logistical delays leading to stock shortages, all of which have had a negative impact on margins.

The group has however managed to absorb these costs during F21 with gross profit margin improving to 42.3% compared to the previous year (F20: 41.6%), predominantly due to; an improved recovery of fixed and semi-variable costs resulting from production levels returning to near pre-Covid-19 levels.

Excluding the once-off impairment of goodwill in Taylor recognised in F20, operating expenses were well managed and increased by 4.3% year-on-year. Accordingly, the group is reporting a HEPS of 40.8 cents (F20: 13.8c), an increase of 196% and a profit after tax of R40.3 million which represents a 265% improvement from the prior year (F20: R24.5 million loss after tax). Basic earnings per share of 40.7 cents (F20: loss of 20.8 cents) increased by 296%.

The strong cash generation abilities of the group continued through the period with cash generated from operations improving from R55.0 million to R96.4 million in F21. The group utilised the cash it generated to purchase the Trellidor UK business (R11.5 million), pay the postponed F20 interim dividend and distribute the F21 interim dividend (R17.7 million), buy back shares (R11.7 million) and service debt and interest (R24.4 million).

In line with the special resolutions passed at the November 2020 AGM, the group repurchased a further 4 993 776 of its own shares during the period. These were purchased out of available cash resources at an aggregate value of R11.7 million and at an average price of R2.35 per share. These repurchased shares have subsequently been cancelled. Remaining shares in issue are 95 209 820, and weighted average number of shares for the period was 97 682 387.

The group has interest-bearing liabilities of R80.4 million (F20: R99.0 million) which incurred R5.7 million (F20: R6.8 million) of net interest for the year ended 30 June 2021. Gearing is at a conservative level and its financial risk is well managed.

The results presentation will be uploaded onto the company’s website during the course of the week ending 10 September 2021.

SEGMENTS

TRELLIDOR

Revenue increased 22.8% to R315.3 million (F20: R256.8 million) predominately driven by a recovery in the South African market following the hard Covid-19 lockdown in F20. The rest of Africa has struggled to shake-off the prolonged effects of Covid-19 and is 11% down from F20.

Our strategy to repurchase main centre franchises has been successful with the three Trellidor RSA branches, situated in Durban North, Durbanville and on the Johannesburg West Rand, having had a strong 12 months with sales in these regions increasing 46% against the comparative period. This is against the average growth in the main centres, excluding the branches, of 13% over the same period.

In line with the group's performance, Trellidor's gross margin has improved to 48.4% (F20: 46.0%) as result of the increased production throughput with the increased sales levels. Operating profit before interest of R50.5 million (F20: R35.4 million) increased by 42.5%.

The Trellidor business remains highly cash generative, even during uncertain economic conditions. Operations generated R63.4 million (F20: R43.0 million) in cash for the year.

TAYLOR

Revenue increased 23.8% to R204.3 million (F20: R165.1 million) driven by supportive markets in both the Western Cape and Gauteng, recovering from the hard Covid-19 lockdown in F20. Particularly pleasing is NMC's performance during the period with revenue of this division increasing 41% year-on-year. NMC products are more directly aligned to primary base building products than the balance of the group's products. Sales through the Trellidor Franchise network continues to show improvement and finished F21 50% up on F20.

Gross margins reduced to 32.7% (F20: 36.5%) mainly as result of sales commission being restructured in the current year. Excluding the commission restructure, Taylor's gross margin would have been 34.8% in F21. The additional decline has been driven by the significant increase in imported raw material and freight costs which were not fully recovered through selling price increases during the year. In addition, labour costs also increased due to unforeseen overtime in an effort to respond to raw material supply delays.

Excluding the once-off impairment of goodwill in Taylor recognised in F20 and after the restructuring of commissions, operating expenses were well managed and decreased by 6.3% year-on-year. Accordingly, operating profit before interest increased from a loss of R39.7 million in F20 to a profit of R12.6 million F21.

At half-year we reported improved cash generation by Taylor and this trend continued through H2 with cash generated from operations improving to R31.4m in F21 from R17.9m in the prior year.

DIVIDEND

The Board of Directors has declared a final gross dividend of 11.00 cents (F20: nil cents) per ordinary share. This brings the total gross dividend for the year ended 30 June 2021 to 21.00 cents (F20: 8.00 cents) per ordinary share.

PROSPECTS

The group's strong performance for the period reflects a more efficient business and an enhanced and better quality distribution capacity. We have noted improvements in the economy more recently, however it is coming off a low base and we anticipate the overall weak economic conditions to remain.

The group is in a good position to benefit from the gradually improving conditions given the key sales growth strategies already implemented and planned. Increased inventory levels and continued reinforcement of our strict hygiene protocols should assist us in mitigating against the disruptive effects of Covid-19. Efficiencies have been improved in both businesses over the last few years, and positive sales growth will support improving profitability.

- The recently acquired Trellidor branches in three of the major cities in South Africa have shown positive results. A further acquisition of two additional franchises in Johannesburg has been completed effective July 2021, and these operations have been merged into the existing Johannesburg branch acquired last year, giving better scale

PROSPECTS (continued)

and opportunity. This strategy remains open and we will be seeking further acquisition opportunities of main centre franchises as they become available;

- The Trellidor UK business was acquired effective 2 November 2020, and performed to expectation through F21 despite the severe UK Covid-19 disruptions. Key growth strategies of broadening the customer and product base are planned for F22, which will also benefit from a full 12 months performance. The UK business has a strong brand and a loyal customer base that has been developed over more than 25 years. This branch is key to our growth strategy within the UK and over time it will provide a base for growth outside the UK.
- Product innovation remains a key strategy for both Trellidor and Taylor and during the F21 both businesses introduced new products to meet changing customer needs in both the local and international markets. The benefit of these products should be seen in F22. Additional product developments are planned for release during F22.
- Our African network, which has underperformed in F21, is anticipated to recover and will continue to be a key focus area through F22.
- Pricing reviews are complete and given the relative stability of raw material pricing following the significant increases through F21, particularly for Taylor, margin recovering increases will be implemented in the short-term.

In addition to sales growth strategies, the group will continue to focus on improving operational efficiencies and margins which will position it to benefit from any improving economic conditions.

The Board will continue to assess the opportunity to apply excess cash to buy-back shares to enhance shareholder value.

AUDITOR'S REPORT

The summarised consolidated financial results have been extracted from audited consolidated annual financial statements but is itself not audited. The annual financial statements from which this report is extracted have been audited by Mazars on which they expressed an unmodified opinion. A copy of the consolidated financial statements for the year ended 30 June 2021 together with the audit report is available for inspection at the company's registered office and are available on the company's website, [holdings.trellidor.co.za](https://www.holdings.trellidor.co.za).

The directors take full responsibility for the preparation of the summarised report and that the financial information has been correctly extracted from the underlying consolidated annual financial statements. The consolidated annual financial statements were approved by the board on 6 September 2021. Information included under the heading "Prospects" and any reference to future financial information included in the summarised financial results have not been audited or reviewed. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of their report with the accompanying financial results from the company's registered office.

WEBINAR

Shareholders are advised the Company will be hosting a webinar at 10:00 on Monday, 6 September 2021 to present the financial results to the market. Contact the office of the sponsor to obtain the instructions to join the presentation.



TM Dennison
Chief Executive Officer
6 September 2021

Cash Dividend Declaration

Notice is hereby given that the directors have declared a final gross dividend of 11.00 cents per share for the year ended 30 June 2021.

The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The final net ordinary dividend is 8.80 cents per share for ordinary shareholders.

The issued share capital at the declaration date is 95 209 820 shares. The income tax number of the company is 9419378840.

The salient dates for the dividend are as follows:

- Declaration date: Monday, 6 September 2021
- Last day of trade to receive a dividend: Tuesday, 28 September 2021
- Shares commence trading "ex" dividend: Wednesday, 29 September 2021
- Record date: Friday, 1 October 2021
- Payment date: Monday, 4 October 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 29 September 2021 and Friday, 1 October 2021, both days inclusive.

Statement of Financial Position

for the year ended 30 June 2021

	Notes	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
Assets			
Non-current assets			
Property, plant and equipment		57 591	56 829
Right-of-use assets ('RoU assets')		15 356	19 618
Goodwill	3	46 773	39 244
Intangible assets		41 695	43 422
Loans receivable		4 807	3 281
Deferred tax		7 577	3 101
		173 799	165 495
Current assets			
Loans receivable		4 001	3 538
Inventories	8	107 607	93 079
Trade and other receivables		61 459	52 972
Current tax receivable		1 528	3 638
Cash and cash equivalents		17 758	23 411
		192 353	176 638
Total assets		366 152	342 133
Equity and liabilities			
Equity			
Equity attributable to equity holders of the parent			
Stated capital		401	12 143
Reserves		5 845	6 776
Retained income		169 928	139 845
		176 174	158 764
Non-controlling interest		2 934	2 432
		179 108	161 196
Liabilities			
Non-current liabilities			
Lease liabilities		7 361	9 247
Other financial liabilities	9	63 653	81 529
Deferred tax		395	260
		71 409	91 036
Current liabilities			
Lease liabilities		7 560	12 081
Bank overdraft		12 580	7 340
Other financial liabilities	9	22 623	17 453
Trade and other payables	10	70 876	42 632
Current tax payable		1 447	1 834
Provisions		549	545
Dividend accrual		-	8 016
		115 635	89 901
Total liabilities		187 044	180 937
Total equity and liabilities		366 152	342 133

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2021

	Notes	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
Revenue	5	518 387	421 548
Cost of sales		(298 972)	(246 033)
Gross profit		219 415	175 515
Other operating income		6 389	10 005
Operating expenses		(163 274)	(193 990)
Operating profit (loss)		62 530	(8 470)
Investment income		1 392	1 415
Finance costs		(8 024)	(10 454)
Profit (loss) before taxation		55 898	(17 509)
Taxation		(15 569)	(7 030)
Profit (loss) for the year	6	40 329	(24 539)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Exchange differences on translating foreign operations		(1 004)	(381)
Total comprehensive income (loss) for the year		39 325	(24 920)
Profit (loss) attributable to:			
Owners of the parent		39 755	(21 270)
Non-controlling interest		574	(3 269)
		40 329	(24 539)
Total comprehensive income (loss) attributable to:			
Owners of the parent		38 822	(21 594)
Non-controlling interest		503	(3 326)
		39 325	(24 920)
Earnings (loss) per share for the period attributable to the owners of the parent			
Basic and diluted earnings per share (cents)	7	40.7	(20.8)

Statement of Changes in Equity

for the year ended 30 June 2021

	Stated capital R'000	Foreign currency translation reserves R'000	Share-based payment reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the Group R'000	Non- controlling interests R'000	Total equity R'000
Balance at 01 July 2019	34 056	323	5 704	6 027	180 819	220 903	5 759	226 661
Loss for the year	-	-	-	-	(21 270)	(21 270)	(3 269)	(24 539)
Other comprehensive income	-	(324)	-	(324)	-	(324)	(58)	(381)
Total comprehensive loss for the year	-	(324)	-	(324)	(21 270)	(21 594)	(3 327)	(24 920)
Buy-back of shares	(21 913)	-	-	-	-	(21 913)	-	(21 913)
Employees share option	-	-	1 073	1 073	-	1 073	-	1 073
Dividends	-	-	-	-	(19 704)	(19 704)	-	(19 704)
Balance at 01 July 2020	12 143	(1)	6 777	6 776	139 845	158 764	2 432	161 196
Profit for the year	-	-	-	-	39 755	39 755	574	40 329
Other comprehensive income	-	(931)	-	(931)	-	(931)	(72)	(1 004)
Total comprehensive income for the year	-	(931)	-	(931)	39 755	38 824	502	39 325
Buy-back of shares	(11 742)	-	-	-	-	(11 742)	-	(11 742)
Dividends	-	-	-	-	(9 672)	(9 672)	-	(9 672)
Balance at 30 June 2021	401	(932)	6 777	5 845	169 928	176 174	2 934	179 108

Statement of Cash Flows

for the year ended 30 June 2021

	Notes	Audited	Audited
		30 June 2021	30 June 2020
		R'000	R'000
Cash flows from operating activities			
Cash generated from operations		96 350	54 972
Interest income		1 392	1 415
Finance costs		(7 938)	(10 613)
Tax paid		(19 328)	(8 807)
Net cash from operating activities		70 476	36 967
Cash flows from investing activities			
Purchase of property, plant and equipment		(7 080)	(5 765)
Proceeds on sale of property, plant and equipment		144	687
Purchase of other intangible assets		(2 323)	(2 761)
Business combination		(11 535)	(8 285)
Proceeds from other financial assets		3 311	-
Advances of other financial assets		(3 400)	-
Receipts from loans receivable at amortised cost		-	342
Net cash (used in)/from investing activities		(20 883)	(15 782)
Cash from financing activities			
Buy-back of shares		(11 742)	(21 913)
Proceeds from other financial liabilities		-	40 617
Repayment of other financial liabilities		(17 845)	(13 756)
Repayment of loans from minority		(867)	(2 016)
Proceeds of loans from minority		-	1 822
Repayment of lease liabilities		(12 299)	(8 101)
Advance of lease liabilities		-	1 483
Dividends paid		(17 688)	(11 688)
Net cash (used in)/from financing activities		(60 441)	(13 552)
Total cash movement for the year		(10 848)	7 633
Cash at the beginning of the year		16 071	8 421
Effect of exchange rate movement on cash balances		(45)	17
Total cash at end of the year		5 178	16 071

Notes to the Financial Results

for the year ended 30 June 2021

1. Basis of preparation

The summarised consolidated audited results for the year ended 30 June 2021 (results for the year) have been prepared in accordance with framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations, the Companies Act of Committee (IFRIC) interpretations, the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The report contains the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting and are in compliance with the Listings Requirements of the JSE Limited.

The accounting policies as well as the methods of computation used in the preparation of the results for the year ended 30 June 2021 are in terms of IFRS and are consistent with those applied in the audited annual financial statements for the year 30 June 2020. The company's directors are responsible for the preparation and fair presentation of the summarised provisional consolidated results. These results have been compiled under the supervision of the Chief Financial Officer, DJR Judge CA(SA).

2. Business combinations

UK acquisition

On 2 November 2020 the group acquired 100% of the share capital of Really Secure Company UK Limited trading as Trellidor UK. This UK franchise operation, based in the Birmingham area, forms an integral part of the Trellidor international network. This franchise will be managed as an owned Trellidor branch, with the expectation of improving service delivery in the region, increasing our customer base and improving efficiency to the end user. Goodwill of R8,018,085 arising from the acquisition consist largely of market awareness of the brand that has been created by the previous franchise owner. Goodwill is not deductible for Income tax purposes.

	2 November 2020 R'000
FAIR VALUE OF ASSETS ACQUIRED AND LIABILITIES ASSUMED:	
Property, plant and equipment	2 112
Righ-of-use assets	2 403
Deferred tax	62
Trade and other receivables	10 059
Inventories	2 224
Bank balances	15 545
Trade and other payables	(3 786)
Lease liabilities	(2 433)
Current tax payable	(1 204)
Goodwill	8 018
	33 000
ACQUISITION DATE FAIR VALUE OF CONSIDERATION PAID	
Trade and other payables	21 054
Contingent cash consolidation paid 31 March 2021	6 026
Contingent cash consolidation payable 30 September 2021	5 920
	33 000
NET CASH OUTFLOW ON ACQUISITION	
Consideration paid	(21 054)
Contingent consideration payable 31 March 2021	(6 026)
Cash acquired	15 545
	(11 535)

The consideration payable for the acquisition is payable in 3 months, being on acquisition date (GBP 969 991), 31 March 2021 (GBP 300 000), and 30 September 2021 (maximum amount payable GBP 300 000). The second tranche was contingent on the completion of a successful due diligence process being completed. This was done and the full amount was paid. The third tranche is capped at a maximum amount of GBP 300 000 and will be adjusted in relation to annual sales targets achieved for the year-ended 30 June 2021. The minimum amount payable is GBP 0. At acquisition, the expected value of this contingent consideration was based on the budgeted revenue forecasts for the year as indicated in the business valuation being achieved. Based on the results as at 30 June 2021 89% of the target has been achieved and therefore 84% the full amount is due and payable.

2. Business combinations (continued)

Acquisition costs of R577,237 arose as a result of the transaction. These have been recognised as part of administrative expenses in the statement of comprehensive income. The acquisition of the UK franchise during the period increased the revenue of the group by R15,048,371 and a profit before tax of R1,912,635 which was for the period 02 November 2020 to 30 June 2021.

The fair value and gross amount of receivables acquired of R10,058,711 and the full contractual amounts are expected to be collected. If the acquisition had occurred on 1 July 2020, it is estimated that Group revenue would have increased by approximately 5% to R528,423,213 million and group profit before tax for the period would have increased by approximately 9% to R59,489,182.

3. Goodwill

Goodwill includes the Taylor and NMC acquisition goodwill, which has a carrying value of R34.2 million (2020: R34.2 million) and the Trellidor UK acquisition goodwill, with a carrying value of R8.0m, which management has tested for impairment during the year and based on the results of the test performed, no impairment was identified. In assessing future income, management has considered the assumptions relating to sustainable growth. In assessing sustainable growth, management has taken into consideration the continued impact of the Covid-19 pandemic, and the probable impact it could have on the performance of the two CGU's over the next 24 months.

	Opening balance	Additions through business combinations	Foreign exchange movements	Impairment loss	Total
	R'000	R'000	R'000	R'000	R'000
AS AT 30 JUNE 2021					
Goodwill	39 244	8 018	(489)	-	46 773
AS AT 30 JUNE 2020					
Goodwill	74 797	1 869	-	(37 422)	39 244

4. Segment information

The group has three reportable segments that are used by the Chief Executive Officer to assess for resource allocation and to make key operating decisions and assess performance. These operating segments are differentiated and identified by the products they manufacture, the services they provide and the markets they operate in. These reportable segments as well as the products and services from which each of them derives revenue are set out below:

REPORTABLE SEGMENT	PRODUCTS AND SERVICES
Trellidor	Manufacture and distribution of custom-made barrier security products
Taylor	Manufacture and distribution of custom-made blinds, decorative and security shutters and distribute cornicing/skirting products
Holdings	Management of the Group treasury function and receives management fee income

Notes to the Financial Results continued

for the year ended 30 June 2021

4. Segment information (continued)

	Trellidor R'000	Taylor R'000	Holdings R'000	Internal R'000	Consolidated R'000
AS AT 30 JUNE 2021					
South Africa	244 303	198 215	49 362	(50 587)	441 293
Rest of Africa	47 884	6 125	-	-	54 009
Rest of World	23 084	-	-	-	23 084
REVENUE BY LOCATION	315 271	204 340	49 362	(50 587)	518 386
Security products	312 025	-	-	-	312 025
Decorative products	1 932	204 340	-	(1 225)	205 047
Management fee	-	-	12 817	(12 817)	-
Royalty income	1 314	-	-	-	1 314
Dividends	-	-	32 000	(32 000)	-
Interest income	-	-	4 545	(4 545)	-
REVENUE BY SOURCE	315 271	204 340	49 362	(50 587)	518 386
EBITDA	60 185	25 900	36 485	(37 313)	85 257
PROFIT BEFORE TAX	47 495	7 372	33 548	(32 517)	55 898
Net finance cost	(2 982)	(5 239)	(2 923)	4 512	(6 632)
Depreciation	(6 198)	(1 489)	(14)	-	(7 701)
Depreciation of RoU assets	(3 250)	(6 839)	-	183	(9 906)
Amortisation	(259)	(4 960)	-	-	(5 219)
Movement in ECL allowance	1 214	220	544	(544)	1 434
Employee costs	(80 039)	(43 473)	(9 146)	-	(132 658)
Advertising	(18 010)	(6 555)	-	-	(24 565)
SEGMENT ASSETS	204 221	157 578	136 091	(131 738)	366 152
Cash and cash equivalents	11 936	1 816	4 008	-	17 760
Capital expenditure – assets	9 368	2 976	504	-	12 848
Capital expenditure – RoU assets	4 908	2 394	-	(913)	6 389
SEGMENT LIABILITIES	(110 910)	(109 945)	(46 780)	80 590	(187 045)
Bank overdraft	(2 782)	(9 798)	-	-	(12 580)

4. Segment information (continued)

	Trellidor R'000	Taylor R'000	Holdings R'000	Internal R'000	Consolidated R'000
AS AT 30 JUNE 2020					
South Africa	194 028	161 172	47 627	(47 906)	354 921
Rest of Africa	53 621	3 887	-	-	57 508
Rest of World	9 119	-	-	-	9 119
REVENUE BY LOCATION	256 768	165 059	47 627	(47 906)	421 548
Security products	254 780	-	-	(59)	254 721
Decorative products	757	165 059	-	(220)	165 596
Management fee	-	-	11 750	(11 750)	-
Royalty income	1 231	-	-	-	1 231
Dividends	-	-	31 476	(31 476)	-
Interest income	-	-	4 401	(4 401)	-
REVENUE BY SOURCE	256 768	165 059	47 627	(47 906)	421 548
EBITDA	42 194	(26 442)	35 812	(39 991)	11 573
PROFIT (LOSS) BEFORE TAX	32 177	(46 585)	32 489	(35 590)	(17 509)
Net finance cost	(3 259)	(6 869)	(3 313)	4 401	(9 040)
Depreciation	(4 287)	(1 642)	(10)	-	(5 939)
Depreciation of RoU assets	(2 075)	(6 741)	-	-	(8 816)
Amortisation	(396)	(4 891)	-	-	(5 287)
Impairment	(1 332)	(37 422)	-	-	(38 754)
Movement in ECL allowance	(1 944)	(216)	861	(861)	(2 160)
Employee costs	(69 911)	(41 081)	(7 776)	-	(118 768)
Advertising	(11 607)	(8 404)	-	-	(20 011)
SEGMENT ASSETS	178 358	155 130	140 337	(131 693)	342 132
Cash and cash equivalents	14 911	1 630	6 870	-	23 411
Capital expenditure – assets	4 893	2 320	323	-	7 536
Capital expenditure – RoU assets	4 029	230	-	-	4 259
SEGMENT LIABILITIES	(86 900)	(112 571)	(62 191)	80 718	(180 944)
Bank overdraft	-	(7 340)	-	-	(7 340)

Notes to the Financial Results continued

for the year ended 30 June 2021

5. Disaggregation of revenue from customers

	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
Revenue from source type	518 387	421 548
Sale of security products	312 026	337 048
Sale of decorative products	205 047	83 270
Royalty income	1 314	1 231
Revenue by geographical location	518 387	421 548
South Africa	441 294	354 921
Rest of Africa	54 008	57 508
Rest of World	23 085	9 119
Revenue recognised by timing of transfer		
Point in time – delivery date	518 387	421 548

6. Operating profit / (loss)

	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
Operating profit (loss) before interest for the year is stated after accounting for the following, amongst others :		
Advertising	24 565	20 011
Amortisation on intangible assets	5 219	5 287
Auditor's remuneration	2 110	3 019
Cartage	10 393	8 499
Commission	8 818	5 767
Consulting fees	4 118	2 695
Movement on ECL allowance	(1 435)	2 160
Depreciation on RoU asset	9 907	8 816
Depreciation on property, plant and equipment	7 702	5 939
Gas, electricity and water	7 603	5 824
Impairment of goodwill	-	37 422
Loss (profit) on exchange differences	3 281	(1 926)
Post-employment benefits	5 583	5 454
Share-based payment expense	-	1 073
Short-term employee benefits	127 076	119 266

7. Earnings per share

	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
Profit (loss) attributable to ordinary shareholders	39 755	(21 270)
Adjusted for:		
Profit (loss) on disposal of property, plant and equipment	55	(125)
Gross amount	82	(179)
Non-controlling interest	(4)	4
Tax effect	(23)	50
Impairment of goodwill	–	34 615
Gross amount	–	37 422
Non-controlling interest	–	(2 807)
Impairment of property, plant and equipment	–	959
Gross amount	–	1 332
Non-controlling interest	–	(373)
HEADLINE EARNINGS	39 810	14 179

	Audited 30 June 2021 '000	Audited 30 June 2020 '000
Number of shares in issue	95 210	100 204
Weighted and diluted weighted average number of ordinary shares in issue during the period	97 682	102 418
Earnings and diluted earnings per share (cents)	40.7	(20.8)
Headline and diluted headline earnings per share (cents)	40.8	13.8

8. Inventories

	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
Raw materials	99 403	91 448
Work in progress	1 561	2 245
Finished goods	4 443	2 116
Goods in transit	7 270	2 877
	112 677	98 686
Provision for obsolescence	(5 070)	(5 607)
	107 607	93 079

Notes to the Financial Results continued

for the year ended 30 June 2021

9. Other financial liabilities

	Number of shares	
	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
FNB – Holdings Facility	43 886	52 794
FNB – Innovations Facility	1 670	6 046
FNB – Property Finance	30 415	34 863
Novaspectacular Investments Proprietary Limited	4 385	5 279
J. Millburn – Deferred Consideration	5 921	-
	86 277	98 982

10. Trade and other payables

Financial instruments

Trade payables	34 586	14 833
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Non-financial instruments

Amounts received in advance	13 316	10 981
Accrued leave pay and bonus	11 209	5 059
Accrued expenses	7 071	6 719
VAT	952	1 608
Other payroll accruals	3 742	3 432
	70 876	42 632

11. Contingencies

A dispute, which has previously been disclosed, is in process relating to former employees who were dismissed by a subsidiary of the company during the 2013 financial period. On 17 April 2020 the labour court delivered its judgement in respect of the dismissal dispute and found that the dismissal of certain employees was substantively fair but the dismissal of certain "night shift" employees was substantively unfair. The judgement ordered reinstatement of the 42 night shift employees and limited back-pay from 1 January 2017. Leave to appeal the judgement was filed and subsequently denied.

On 7 September 2020, the Judge President was petitioned for leave to appeal and on 9 November 2020 the petition was granted. Senior counsel is of the opinion that the prospects of the appeal succeeding are probable. In the event of an unfavourable ruling, the reinstatement order would stand however we are advised that we would have legal grounds to challenge the back-pay order which had been estimated at R25.0 million.

Corporate Information

Trellidor Holdings Limited

(Registration number 1970/015401/06)
20 Aberdare Drive, Phoenix Industrial Park,
Durban
(PO Box 20173, Durban North 4016)
Share Code: TRL
ISIN: ZAE000209342
("the Company" or "Group")

Directors of Trellidor

MC Olivier (Chairman)* #
TM Dennison (Chief Executive Officer)
DJR Judge (Chief Financial Officer)
JB Winship* #
RB Patmore* #

* *Non-executive*

Independent non-executive

Company Secretary

P Nel
(BComm ACIS)
71 Cotswold Drive
Westville, 3629

Registered office

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

Date of incorporation

23 November 1970

Place of incorporation

South Africa

Auditors and Independent Reporting Accountants

Mazars
Ridgeside Office Park,
21 Richeford Circle,
Umhlanga Ridge,
Durban, 4319
(PO Box 70584, Overport, 4067)

Corporate sponsor

PSG Capital (Pty) Ltd
(Registration Number 2006/015817/07)
1st Floor, Ou Kollege Building,
35 Kerk Street,
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

2nd Floor, Building 3
11 Alice Lane,
Sandhurst,
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer Secretaries

Computershare Investor Services (Pty) Ltd
(Registration Number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Announcement date

6 September 2021

Notes



Notes



Providing our customers with **peace of mind**, keeping them safe, by supplying products that continue to put the **protection** of customers, their families and their assets first is at the **centre of everything we do.**



holdings.trellidor.co.za