TRELLIDOR HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT
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

Contents

Navigation

Financial Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Manufactured Capital

Natural Capital

see page 19

About this report

This is the company's sixth integrated annual report since listing on the JSE on 28 October 2015. The report covers the operational activities and financial performance of the group for the year from 1 July 2020 to 30 June 2021.

We endeavour to provide a transparent and balanced appraisal of the material issues that faced our business during the year under review and that impacted our ongoing ability to create value. The report is aimed primarily at our shareholders (current and potential) and aims to provide an account of our investment strategy and the operational, financial, economic, social and environmental performance of our assets.

Corporate information

The group's executive directors are CEO, Terry Dennison and CFO, Damian Judge. The Group's independent non-executive Chairman is Mark Olivier.

They can be contacted via Trellidor at 20 Aberdare Drive, Phoenix Industrial Park, Durban, Tel: +27 31 508 0800.

For additional contact details please refer to page 90 of this report. The group welcomes feedback and any suggestions for the company's future reports. Please forward any comments to:
investor.relations@trellidor.co.za.

Basis of preparation

This report was prepared in accordance with the requirements of the South African Companies Act, No. 71 of 2008, as amended ("Companies Act"), the JSE Listings Requirements, the principles and recommended practices of the King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV") (Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved) and the International Integrated Reporting Framework.

It strives to:

- provide a transparent and balanced appraisal of the material issues that faced our business during the year under review;
- provide in an integrated manner, an account of the financial and non- financial performance of the group; and
- address the material issues, risks and opportunities faced by the group in the normal course of business as well as the group's governance, social and environmental responsibilities to create value, in the short, medium and long term for each of its identified stakeholders.

The group's integrated annual report contains a summary extract of the annual financial statements.

The integrated annual report, as well as the comprehensive annual financial statements for the financial year ended 30 June 2021, are available on the company's website at holdings.trellidor.co.za.

Assurance

The company's external auditor, Mazars, have provided assurance on the annual financial statements and expressed an unqualified audit opinion.

The financial statements have been prepared under the supervision of Damian Judge the CFO of the group.

The content of the integrated annual report has been reviewed by the Board but has not been externally assured.

Forward-looking statements

This report may include certain forward-looking statements concerning the group's strategy, financial conditions, growth plans and expectations which have not been reviewed or audited by the external auditors.

These 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.

Forward-looking statements apply only as of the date on which they are made, and the company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

No assurance can therefore be given that these views will prove to be correct and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

Statement of responsibility

The Audit, Risk and Compliance Committee and the Board acknowledge their responsibility in ensuring the integrity of this integrated annual report, and the accurate extraction of the financial results.

Mark Olivier
Chairman

Terry Dennison
CEO

Ralph Patmore
Chairman Audit, Risk and Compliance committee

TRELLIDOR HOLDINGS LIMITED

("Trellidor", "the Company" or "Group")
Registration number: 1970/015401/06
JSE share code: TRL
ISIN: ZAE000209342

Group Overview

Group Overview

Salient Points

Headline earnings per share	**40.8 cents** (2020: 13.8 cents)
Cash from operations for the year	**R96 million** (2020: R55 million)
Revenue for the year	**R518 million** (2020: R422 million)
Total dividends declared per share	**21.0 cents** (2020: 8.0 cents)
Buy-back of shares	**R12 million** (2020: R22 million)

Completed the purchase of the United Kingdom franchise

Successful implementation of the Trellidor Production Management software in the Taylor Factory

Trellidor added 3 new products to it's Lifestyle Range.

Taylor launched ShutterStyle® adding to it's aluminium louver shutter range

Sales through the three Trellidor RSA branches have increased 46% year-on-year.

Who is the Trellidor Group

The Trellidor Group has a **proven track record** of over 45 years in the physical barrier security, window coverings and door opening solutions. Comprising two main trading brands, **Trellidor and Taylor**, we have become the **leading manufacturer of custom-made solutions** with an extensive franchisee distributor network that spans **South Africa, Africa, United Kingdom, and European countries.**

OUR CORE VALUES

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.

OUR DEFINITION OF VALUE

Providing our customers with peace of mind, by 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.

OUR VALUE CREATION STRUCTURE

TRELLIDOR HOLDINGS LIMITED

The JSE listed entity and ultimate investment company of the Group. The driver of overall Group strategies, capital allocation and investor relations.

TRELLIDOR (PTY) LTD. 100%

Property investment arm of the Group. Currently owns the Trellidor Factory premises.

TRELLICOR (PTY) LTD. 100%

Market leading manufacturer of custom-made barrier security Trellidor products, distributed via a dedicated and skilled franchise network operating throughout South Africa, Africa, United Kingdom and other European countries.

TRELLIDOR INNOVATIONS (PTY) LTD. 92.5%

Referenced as the "The Taylor Group" it incorporates Taylor, a major manufacturer and distributor of custom-made blinds, decorative and security shutters and NMC, an importer and distributor of cornicing and skirting products.

TRELLIDOR UK LTD. 100%

UK investment arm of the Group.

TRELLIDOR RETAIL (PTY) LTD. 100%

Currently owns and operates the Trellidor branches in Durban, Cape Town and Johannesburg. The retail arm of the local Trellidor business unit.

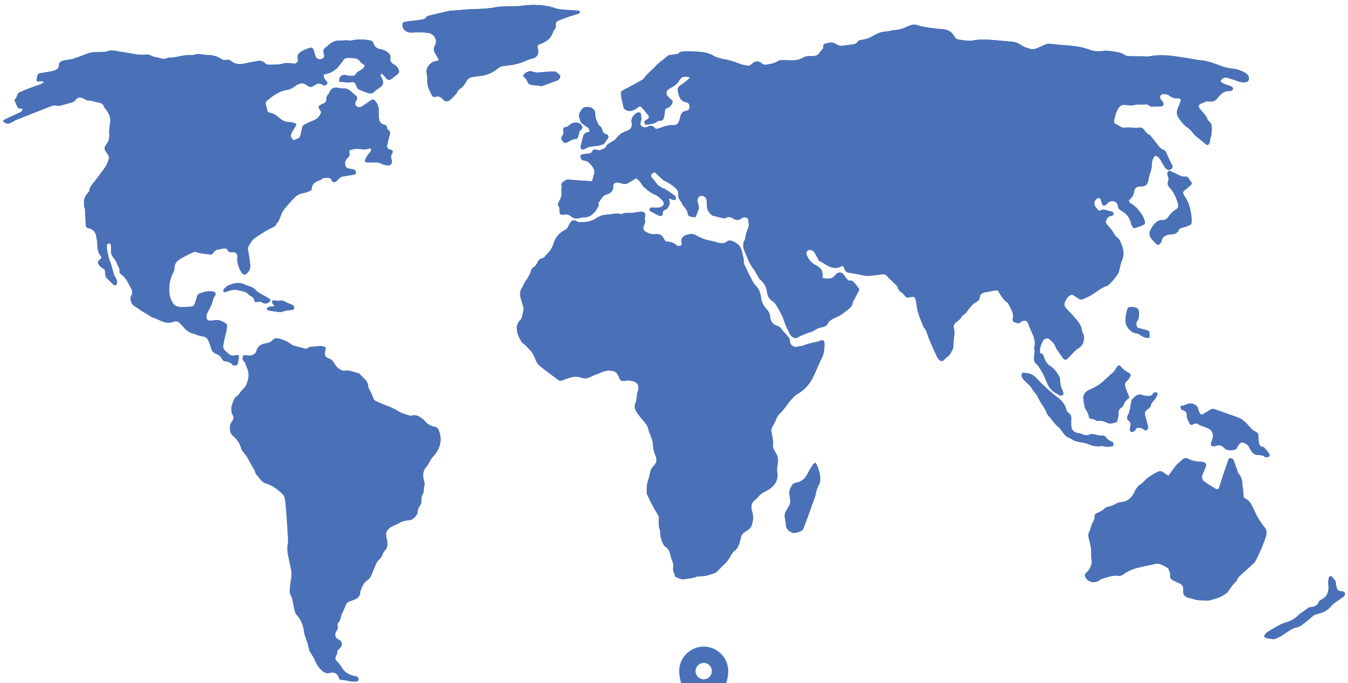
TRELLIDOR GHANA LTD. 85%

A Group owned and operated branch in Ghana which includes a trim shop operation for efficient speed to market of custom-made products.

REALLY SECURE COMPANY UK LTD. 100%

A Group owned and operated branch in UK which includes a trim shop operation for efficient speed to market of custom-made products.

Our Brands



Angola
Australia
Botswana
Caribbean
DRC

Ethiopia
Ghana
Israel
Ivory Coast
Kenya

Lesotho
Malawi
Mauritius
Mozambique
Mayotte

Nigeria
Namibia
Reunion
Seychelles
Swaziland
Sweden

South Africa
Tanzania
Uganda
United Kingdom
Zambia
Zimbabwe

TRELLIDOR GROUP IS REPRESENTED IN **27** COUNTRIES

TRELLIDOR HAS **54** RSA FRANCHISES

TRELLIDOR HAS **5** BRANCHES

NMC HAS **3** BRANCHES

TAYLOR HAS **2** BRANCHES

TRELLIDOR FRANCHISES **47** DISTRIBUTING TAYLOR

TRELLIDOR® THE ULTIMATE CRIME BARRIER

Trellidor, brand strong in South Africa, is a name synonymous with sliding door security and is a leading manufacturer of barrier security products. The national and international distribution footprint sets Trellidor apart from its competitors with a presence in 18 African countries, United Kingdom, Israel, Australia and other European countries.

nmc DESIGN ELEMENTS

NMC Belgium, manufactures cornices, dado rails, skirtings and polystyrene mouldings which are designed for a wide variety of interior and exterior architectural applications and are distributed under license in Africa by Trellidor Innovations through dedicated branches in Cape Town, Johannesburg and Durban as well as through select Trellidor franchises.

TAYLOR BLINDS & SHUTTERS Est 1959

Taylor Blinds and Shutters is a leading manufacturer of made-to-measure Blind, Shutter and Screen solutions for window and door covering needs. Taylor also offers expert installation and after-sales service to clients across South Africa with dedicated branches in Cape Town and Johannesburg.

Our Leadership

Terence Mark Dennison* (54)

Group CEO | *CA(SA) ("Terry")*

B * * *

**Invitees to committee meeting*

Damian James Robert Judge* (38)

Group CFO | *CA(SA)*

B * *

**Invitees to committee meeting*

Peter Walter Edward Rawson* (63)

Group Marketing and Sales Executive
BA (Rhodes) ("Pete") Prescribed Officer

B * * *

Board Functions

Ultimate control of the Group rests with the board of directors and the board is responsible for setting the strategic direction of the Group, while the CEO and executive management are responsible for the implementation of the Group's strategy and the day-to-day operational decisions and business activities.

The Chairman of the board provides independent leadership and guidance, facilitates suitable deliberation on matters requiring the board's attention and ensures the efficient operation of the board as a unit.

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

The Board operates according to a Board Charter, a copy is available at holdings.trellidor.co.za.

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Trellidor Holdings Board

Terry Dennison (CEO), Damian Judge (CFO), Mark Olivier (Chairman), Ralph Patmore (lead independent) and John Winship.

The Trellidor Board of directors are committed to upholding the highest standards of good governance by working towards the realisation of four key governance outcomes: ethical culture, good performance, effective control and legitimacy.

Detailed CVs are available at holdings.trellidor.co.za

Sub-Committees

Audit, Risk and Compliance Committee

Assists the Board in discharging its duties relating to the management of financial and other risks, the safeguarding of assets, internal controls and the preparation of accurate financial reporting and statements in compliance with all applicable accounting standards, legal requirements and corporate governance.

Remuneration and Nominations Committee

The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board that are fair and responsible for its consideration and final approval regarding the nomination, appointment and remuneration of directors, executives and senior management.

Social and Ethics Committee

(Also referred to as the Transformation, Social, Ethics and Sustainability Committee)

Develops strategies that empower the Group to make meaningful and measurable positive impact in the South African Community by prioritising socially and ethically conscious business practices and promoting equal opportunity and fairness for all citizens in the broader South African Community.

Committee Chair

Mark Cyril Olivier (52)

Chairman | *CA(SA)*

John Bartram Winship (67)

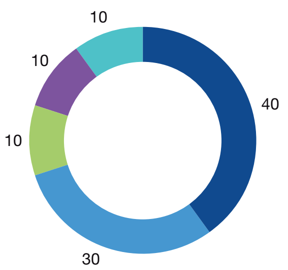
B. Business Science (UCT), Certificate of Investment (Institute of Actuaries)

Ralph Bruce Patmore (69)

Lead Independent | *BComm (Wits), MBL (SBL)*

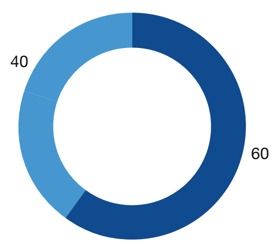
Trellidor Sectoral experience

Education
(%)



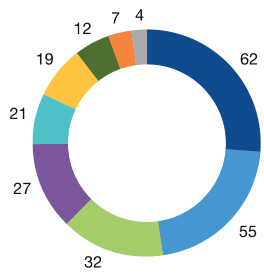
- B Comm
- CA(SA)
- B Business Science
- MBL (SBL)
- Certificate of Investment - Institute of Actuaries

Tenure
(%)



- 10+ years
- 3 to 10 years

Sectoral Experience
(Years)



- Asset Management
- Manufacturing
- Building and Construction
- Corporate Finance
- Agriculture
- Property
- Private Equity
- Insurance
- Private Banking

Board and Committee outcomes

In line with the prior year, in addition to their ongoing "normal" responsibilities and duties, the Board and its Committees again spent time assessing the impact of COVID-19 on the Group's business, its employees and key stakeholders and monitored the implementation of the plans, processes, protocols and procedures that had been put in place following the ongoing assessment, to ensure the safety of the employees and the continuity of the business. This is reported on in more detail in the body of the report.

Evaluation

To improve the Board's effectiveness, formal evaluations of the Board, individual directors, Board Committees and the Chairman are conducted every two years. Appropriate measures are taken to address any weaknesses highlighted through this evaluation process. An informed evaluation was completed for the reporting period. It was found that the Board and its Committees had duly completed their responsibilities during the year in accordance with their Charters. It was concluded that the Board and its Committees operate effectively and efficiently and no changes to the Board or any of the Committees is envisaged.

How the Group Creates Value

How the Group Creates Value

Our Definition of Value

Positive growth drivers

- Strong cash generation enables reinvestment into the business
- Proven track record of high margin and profitable operations
- Skilled and experienced management teams to execute strategies across the Group
- Established and valuable brands supported by quality products
- An ongoing focus on continuous improvement of efficiencies and performance

Diversified geographies and product offering

- Well positioned in both South Africa and Africa
- Products distributed through more than 100 franchises and distributors across the globe
- A unique national distribution network for Trellidor and Taylor products
- Competitors tend to be regionally focused lacking country-wide distribution
- Dedicated product development teams focused on innovation of new and existing products

Strong market position

- Dominant market position in South Africa
- Premium custom-made products increase the barriers to entry and avoid the low margin commodity sector
- Internationally accredited manufacturing facilities with additional capacity to meet growing demand
- Member of Proudly SA

Our Growth Strategy

Internal organic growth is our key strategic objective and it is one we pursue with a long-term view. **Expanding our African** footprint by **optimising our operational efficiency, acquiring strategic franchises, acquiring the Trellidor UK franchise, investing in our internal sales capacity** and through in-house **innovation in our product offering**. Our long-term view is supported by short-term objectives that are designed to capacitate in realising this long-term goal.

Optimising our operational efficiency

Operating as efficiently as possible throughout the Group's operations is key to ensuring that the Group adequately responds to the changes in the economic environment and capitalise on the relevant opportunities.

Objective

Continue to enhance manufacturing and operational efficiencies, profitability and working capital utilisation, by leveraging off information system technology.

- *The implementation of phase 2 of the factory ERP system in Taylor which was delayed due to the Lockdown, was completed during F21.*
- *The development of phase 3 is underway, which include advanced features that will be implemented in both Trellidor and Taylor through the course of F22.*

Internal organic growth

Ensuring that our sales and distribution network is operating as effectively as possible and that we have the human capacity to develop sales opportunities in new markets. This assists the Group in maintaining its revenue levels in difficult economic conditions and makes it well placed to take advantage when there are signs of economic improvement.

Objective

Improve the effectiveness of the sales and distribution network.

- *The purchase of two more franchises in Johannesburg which will add scale to our existing branch in the region means we now have significant scale in Johannesburg and Durban.*
- *The purchase of the UK franchise will enable growth in region and potentially provides a platform to access additional markets across Europe.*
- *Building on the growth of Taylor product sales through the Trellidor franchise and branch network, an extensive training program is ongoing.*

In-house product innovation

Development of new and innovation of our existing products to enhance the Group's brands and meet market demands. These can be manufactured and distributed by the Group's existing resources.

Objective

Investment in in-house product innovation.

- *Taylor's entry level aluminium shutter range, was launched through H2 F21 and has been well received by the market.*
- *In an effort to broaden Trellidor's product offering into gated communities, the Estate range aluminium louvre shutter and Clear Guard products were launched through H2 F21.*
- *Trellidor has also released a high-end aluminium roller shutter under the Roller Style brand which includes enhanced security features. The range is set to expand through F22 with the launch of a commercial focused derivative of this roller-shutter.*

Resource considerations:

Our long-term growth strategy is underpinned by a thoughtful deployment of our financial and non-financial capital that bolsters our operations, enables us to achieve our medium-term targets and create value. Our financial and non-financial capitals, which are either increased, decreased or transformed through the activities of the business, are broken down into six capital segments.

An Analysis of our Capitals

Financial Capital

Our financial capital is derived from a number of sources including our franchise network, income garnered from our shareholders and retained earnings

- Long-and short-term borrowings (interest-bearing debt)
- Effective management of cash and capital allocation
- Franchise distribution model
- Strong working capital management

Intellectual Capital

Our intellectual capital includes our tacit know-how and industry experience. This enables us to develop a diversified array of products and services and differentiate ourselves through an industry-leading business model.

- Strong, well-known brands in South Africa
- Growing brand awareness in Africa and overseas
- Research and development team with extensive experience and innovative ideas
- Ongoing market research
- ISO 9001: 2015 certification
- International certification on selected products
- Patented products and components
- Regulatory compliance

Human Capital

Our human capital is the life-blood of the business, comprising the human resources and labour that steer and drive the business.

- Properly constituted board and sub-committees with approprate skills, experience and independence.
- Strict compliance with the Occupational Health and Safety Act, No. 85 of 1993
- Skilled installers
- Strong and effective marketing team
- Ongoing investment in training at in-house manufacturing facilities
- Provision of training for franchisees

Social and Relationship Capital

Our social and relationship capital are the strategic relationships and links we have with our internal and external operating environment, enabling us to pool a range of resources to execute our strategy.

- Franchisees and distributors
- Strong relationship with major suppliers
- Corporate social investment such as supporting the Sunflower Foundation, schools, orphanages (community-based facilities)
- Consideration of environmental impact

Manufactured Capital

Our physical assets both provide the tangible resources we need to conduct our business but also provide the infrastructure to house our operations to generate our products and services.

- Modern manufacturing facilities in Durban and Cape Town producing steel, aluminum and textile products
- Assembly plants in Africa and the United Kingdom
- Manufacture to customer order
- Gas fired ovens

Natural Capital

We make use of various natural resources to optimally conduct our operations in a way that pursues our strategy. These natural resources make up our natural capital which we use in a diligent and sustainable way.

- Environmental initiatives
- Electricity consumption decreased
- Focus on reducing CO2 greenhouse gas emissions
- Adherence to high quality standards of waste water

Business Model

Our two main operating segments, **Trellidor** and **Taylor** have unique processes in producing **premium barrier security, blinds and shutters.**

Capital inputs

Financial Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Manufactured Capital

Natural Capital

Our set of capital inputs enable optimal conditions for the group to create market-leading, custom-made products throughout our business activities.

see page 19

Our Brands

TRELLIDOR
THE ULTIMATE CRIME BARRIER

Trellidor is one of the strongest brands in South Africa and is a name synonymous with sliding door security.

Trellidor's strong brand commands a premium on pricing for its products. The Trellidor brand is built on its reputation for trusted, high-quality security products and exceptional service. Trellidor's production process takes place from its modern manufacturing plant in Durban where customer orders are tracked end-to-end using a bespoke ordering system.

TAYLOR
BLINDS & SHUTTERS Est 1959

Taylor Blinds and Shutters is a leader in the window and door covering market in South Africa. Innovation, quality and service are the pillars of the business.

The Taylor brand continues to grow from strength to strength as it utilises the Trellidor franchise network to increase its market reach. Taylor's blinds and shutters are produced at its 8 000m^2 manufacturing plant in Cape Town. Customer orders are tracked using a bespoke ordering system and products are produced in industry leading time. Innovation, quality and service are the pillars of the business.

nmc DESIGN ELEMENTS

NMC South Africa was established in 1999 and is the exclusive importer of NMC Products.

Process

Trellidor:

- Roll forming
- Fabricating
- Powder coating
- Assembly
- Packaging

Taylor:

- Design
- Manufacturing
- Marketing
- Distribution
- Servicing

Our business model is underpinned by a strong appreciation for the interrelated parts of our value creation process, including;

Products	Distribution	Capital inputs

Barrier Security

Traditional Trellidor
Clear Guard
Rollerstyle
Polycarbonate Bar
Security Shutters

see page 38

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

The Franchise Network includes:

- **5** Branches in South Africa, the UK, and Africa
- **54** Franchises in South Africa
- **21** Franchises in 18 other African countries

Blinds and Shutters

Aluminium Shutters
PVC Shutters
Timber Shutters
Blinds

see page 43

Taylor has an accomplished distribution network that services various parts of the Western and Southern Cape, with strong distribution channels emerging in Gauteng. It continues to develop a channel through the Trellidor franchise network.

NMC Products

Closed-cell Polystyrene
Polyurethane Decorative Moulding

see page 45

NMC distributes their products out of branches in Johannesburg, Durban and Cape Town, with the majority of the distribution out of Johannesburg.

Financial Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Manufactured Capital

Natural Capital

see page 19

Agile risk management see page 22

Strong strategic focus see page 18

Stakeholder inclusivity see page 23

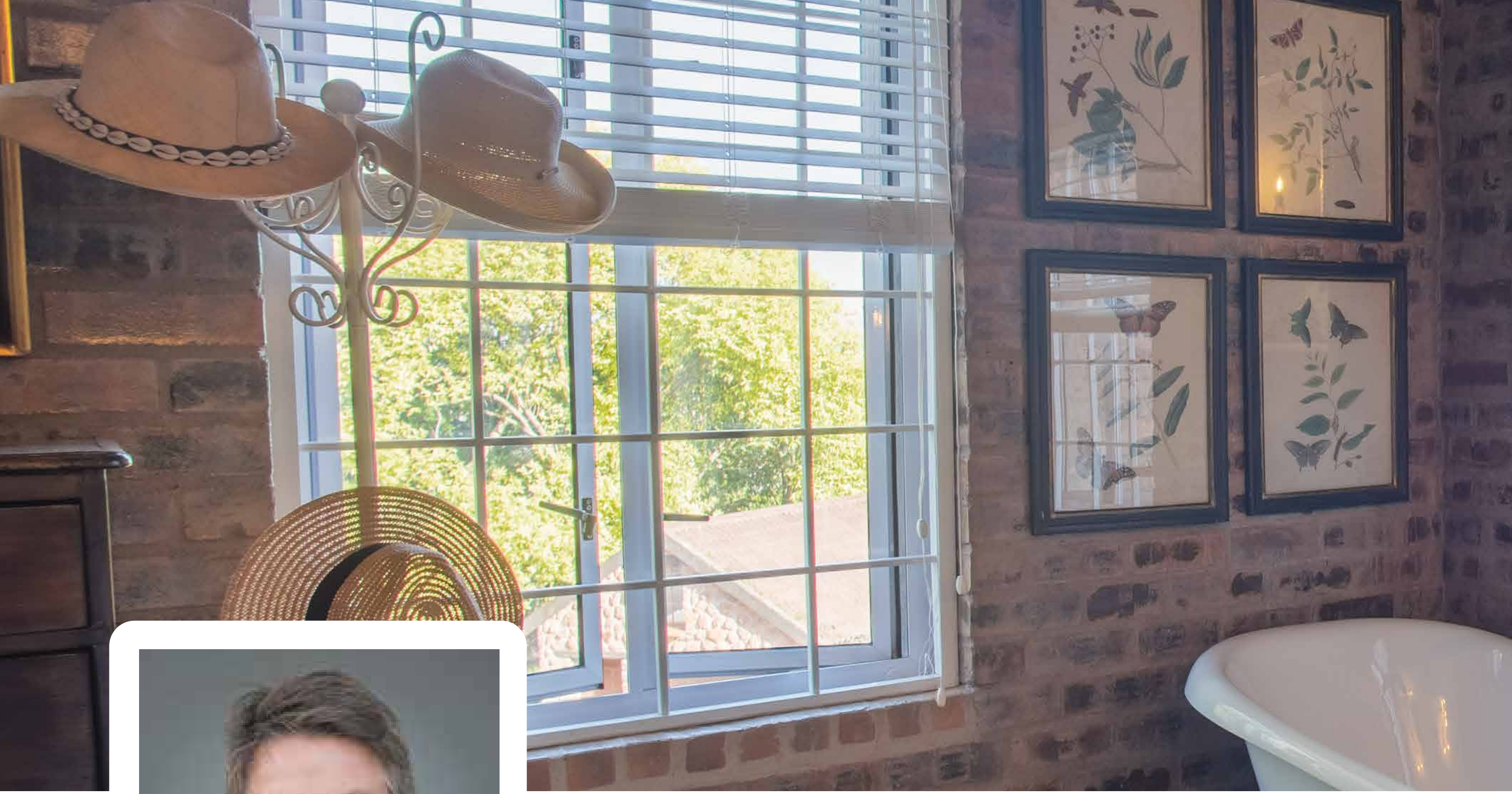
Risk and Opportunities

Material matters	Risks	Mitigations	Opportunities
Economic climate	The continued negative economic pressures both macro and micro within South Africa will impact the consumer for an extended period and as result downward pressure will impact our ability to achieve top line growth and maintain GP margins. Prolonged challenging economic conditions impact negatively on smaller owner-managed business, like many of our existing franchises.	Geographic spread assists with diversifying and reducing impact of microeconomic factors. We continue to manage negative economic pressures by remaining focused on maintaining GP margins and returns. Timeous review and updating of price lists, driving operational efficiencies and strict overhead controls. Broad product range targets middle income, upper-middle income and upper income consumers, mitigating pressure in any single market segment. Sale of select Taylor products through the Trellidor franchise network continues to grow and has enabled the franchise owner to diversify their product offering and reduce their reliance on a single product stream in tough trading conditions.	Trellidor has established an African footprint, achieved with limited capital investment, through appointing a network of franchisees. Through the continued development and appointment of franchisees in new African territories we reduce our exposure to a single economy and increase demand for production to service multiple countries. The purchase of the United Kingdom franchise presents an opportunity to increase the human capacity in the branch to not only maintain existing relationships, but expand sales in the region.
Maintaining competitiveness	Trellidor is the leading brand in barrier security and sets the standard in its field. In an ever-changing global environment, maintaining this position is an ongoing challenge.	The successful development and launching of new products that meet and enhance the group's brands and meet new market demands that can be manufactured and distributed by the group's existing resources. Before launching new products, a vigorous testing process is applied and all consultants and installers in the distribution network undergo a comprehensive training and certification process. Member of Proudly SA to solidify our status as a producer of home grown quality products.	Acquisitions that offer the opportunity to capitalise on group knowledge and know-how, synergies in manufacturing, distribution and/or product and brand strength will assist in maintaining our competitive edge. The group is investing in it's digital route-to-market in response to changing consumer behaviors in regard to the selling process. Acquisition targets are high-quality and well-established businesses serving similar markets and with a potential to maximise on synergies within the group.
Foreign exchange	The group remains reliant on imported raw materials for a number of product sets and therefore is potentially, exposed to currency fluctuation risk.	Mitigation of foreign exchange risk by "self-hedging" where possible using foreign currency sales to generate foreign currency required to fund imported materials. In businesses where "self-hedging" is not available forward exchange contracts are utilised to manage the impact of fluctuating exchange rates.	The expansion of the group with synergistic acquisitions, like in the case of Taylor, presents an opportunity for group buying of key raw materials and components and enables the group to leverage improved pricing from suppliers with the increased volumes.

Our Stakeholders

Trellidor's relationships are critical to its ability to **create value and enhance the business' sustainability. The Group seeks to engage all stakeholders productively and proactively** on all material issues, and in doing so identify and address opportunities and risks. Trellidor regularly engages with the stakeholder groups described in the table below.

Stakeholder	Key issues for stakeholders	Key issues for Trellidor	How we communicate
Investors	• Stable investment performance • Risk management • Ability to execute on strategy • Profitability and ROI (share price and dividends) • Cash generation • Corporate governance • Growth prospects • Transparent leadership • Sustainability	• Access to capital • Support and feedback	• Annual and interim results announcements • SENS announcements • Annual General Meeting • One-on-one meetings communicating non-price sensitive information • Investor presentations at results roadshows • Integrated annual report • Website and emails • Social media presence on LinkedIn
Funders	• Capital management • Sustainability • Profitability • Cash generation • Liquidity and solvency • Corporate governance and compliance • Risk management	• Access to debt • Favourable rates	• Agreed reporting frameworks • Annual and interim results announcements • Regular meetings • Integrated annual report • SENS announcements
Employees and trade unions	• Job security and sustainability • Fair remuneration • Personal growth and development • Employment equity and diversity • Skills development • Safe and healthy working conditions • Bargaining Council agreement	• Committed, energised and stable workforce • Upholding standards and brand value • Labour relations • OHS Act compliance	• Agreed reporting frameworks • Regular feedback meetings • Union meetings • Integrated annual report • Training programmes • Employment equity consultation • Bargaining Council agreement
Suppliers	• Timely payment • Sales volumes • Fair business practices	• Reliable supply of materials • Consistent quality	• Fair business practices
Franchisees	• Security of supply • Pricing, marketing, training and technical support	• Upholding standards and brand value	• One-on-one meetings • Conferences • Training seminars
Customers	• Quality • Reliability • Service levels	• Customer satisfaction and loyalty	• Marketing • Franchisees • Product brochures • Digital quoting and ordering systems
Government and regulators	• Employment equity • Environmental impact • Health and safety • Taxation • Adherence to the JSE Listings Requirements, King IV and company legislation • Skills development	• Continued operations and investment	• Regulatory returns • SENS announcements • Engagement as required



Chairman's report

MARK OLIVIER

Dear Shareholders,

The year's trading has again been characterised by the dislocations caused by the Covid-19 pandemic. Throughout the year, economic and social restrictions have been in place to curtail human interactions albeit at different levels with varying restrictions on activity.

The damaging impact on the South African economy is evident in a fall in GDP, lower employment and significantly higher levels of public debt. Consumer confidence has been damaged, diminishing demand for the Group's premium products.

A highly uncertain operating environment, the business's sub optimal scale and operating issues in Taylor constrain the Board's strategic response. Strategies to improve operating efficiency and cash flow generation have been the Board's focus and only low risk, organic growth strategies have been deployed. Improving ROIC and preserving capital have trumped growth as a priority.

Significant investment of management's time has been deployed in improving the performance of Taylor. The business has stabilised and from a loss in the prior year generated free cash flow of R28 million during the current financial year. Work continues on improving Taylor's profitability and geographical growth strategies are now more in focus.

Over the last two years management have been highly successful at implementing strategies to improve operational efficiencies and cash flow generation. The "right-sizing" strategies reduced operating risk and has allowed the Group to take on an increase in fixed overheads, resulting from the branch and UK growth strategies. Before taking on higher risk growth strategies in the future we need to allow these strategies to settle.

The operating results are described in detail in the CEO and CFO's report. My report provides, in particular, an update on the strategies deployed during the year and the plan in place for the year ended 30 June 2022.

Strategic developments during the year

Last year's Chairman's report set out the Board's key strategies for the year ended 30 June 2021 and its view that a weak economic operating environment would endure. Given this context, the Board focused capital on lower risk organic growth opportunities and implemented strategies to improve the profitability and cash generating capacity of the business. The Board has also maintained low levels of gearing reflecting an uncertain operating environment.

All things considered, the strategies established by the Board have been adequately implemented by the executive team.

We were anticipating better margins and earnings growth, however, cash generation and return on invested capital has exceeded the Board's expectations. The key strategies executed during the year were, as follows:

- the strategy to acquire franchises in the main centres is meeting its financial milestones. The total investment made in the branches is approaching R11 million. Branch sales grew 46% compared to average sales growth of 13% achieved by franchises in the same regions;
- revenue synergies between the Taylor and Trellidor businesses continued to develop with sales of Taylor products through the Trellidor network increasing by 50% year-on-year;
- the acquisition of the UK franchise completed in November 2020 and a new management team has been installed. The business has performed in line with our expectations and has generated a return, in eight months of trading, that has exceeded the Group's ROIC target of 18%;
- operating efficiencies have been delivered by the right-sizing projects in both Trellidor and Taylor and overheads were well managed. The gross profit margin has improved despite significantly higher than projected raw material and freight prices and excess overtime in the initial manufacturing of the new "lifestyle" products. In addition, operating costs increased by only 4.3%, notwithstanding incremental overheads resulting from the ownership of the branches and the UK business, as well as non recurring costs relating to the right-sizing projects;

> *"I highlight again the success of the execution of the cash preservation and generation strategy that resulted in a free cash flow generation for the year of R69.9 million!"*

- given an unprecedented operating risk environment, including the disruption of supply chains and a spike in material input prices, the Board has been acutely focused on maximising cash generation and achieving ROIC in excess of the Group's target. In this respect, the Group generated a free cash flow of R70 million which compares favourably with free cash flow generation in 2019 of R45m. Trade payables funded an R15m increase in inventory levels to mitigate supply chain risks. Credit risk has been well managed. Only nominal bad debt write-offs have been necessary in the last two years of heightened risk. ROIC of 19.1% was achieved which is in excess of our target and the 17% ROIC produced in 2019;

- the expansion of the product range, including aesthetically pleasing "lifestyle" products to enhance penetration in gated estates, was delayed due to supply disruptions and the targeted volume growth and margin was not achieved. The issues relating to the industrialisation of new products have been addressed. The new products were launched on a virtual platform, which proved successful;

- the earnings growth anticipated from the development of new markets and the sale of a broader product range in Africa did not transpire and sales were disappointing. The African markets have struggled to recover from Covid-19 related lockdowns and other restrictions during the year. In addition, a restructure of the sales team has also contributed to the underperformance; and

- the upgraded online ordering system was successfully implemented in Taylor during the year with further enhancements planned for both businesses through F22. This system provides a basis for an ecommerce strategy.

Last year the Board agreed to impair the investment in Taylor in terms of IAS 36. During the year material improvements have been made to the quality of the Taylor distribution network, enhancements to the manufacturing process and introduction of new products. Following a loss last year, Taylor produced an operating profit of R13 million in the current year and free cash flow of R28 million, resulting in a ROIC of 11% net of the impairment or 8.2%, based on the original cost of investment. This is below the Group's target return. It will be a challenge to achieve target ROIC but following management's interventions there is a better line of sight of further improvements in return.

Capital allocation and financial position

As noted above, during the financial year the Group generated a free cash flow of R69.9 million (F20: R40.4 million) which is a remarkable achievement given the operating environment. During the year, the free cash flow was deployed as follows:

- R7.0 million capital expenditure to maintain operational capacity;
- R11.5 million in buying the UK franchise;
- R11.7 million invested in the share buy-back programme;
- R17.7 million in relation to the F20 postponed interim and F21 interim dividends; and
- R24.4 million repayment of debt capital and interest.

The Group's interest bearing net debt position (excluding IFRS accounted lease liabilities) as at 30 June 2021 is R80.4 million (F20: R99.0 million). This level of debt is less than 2.0x the current financial year'ss ustainable free cash flow generation and is well within the Board's target Net debt / sustainable EBITDA ratio of 1.35x. The Group's financial risk remains well managed and debt capacity is in place to finance the Board's medium term growth considerations.

Governance

The Board and its committees have operated effectively. Following appropriate review, I am satisfied that all the committees are constituted with members of relevant skills, knowledge and experience and that our stakeholders can take comfort with the Group's governances that are in place.

I'm also satisfied that the strategy established by the Board is appropriate, is being executed diligently by management and will, over time, create significant value for shareholders without putting the business at significant risk.

The senior management team continues to work well during unprecedented times of uncertainty. The foundations of a succession plan are also in place. In this respect, the Sales and Marketing Director is up for retirement in 2022. A review of the Sales and Marketing division, taking into account the future needs of the business, has commenced.

As the majority of key financial performance objectives were met during the year, the Board determined that it was appropriate to pay a short-term incentive to the senior management team and long-term incentive to the executive directors. The details of the two incentive schemes are covered in the Remuneration Committee Report. In addition, the remuneration of senior executives, which was not increased during F21, was adjusted by a general inflationary increase for the year ended June 2022.

Chairman's report (continued)

The contingent liability detailed in the Summarised Consolidated Annual Financial Statements (note 11) provides information on a petition to the Judge President in relation to a reinstatement judgement on 42 employees dismissed in 2013. The Board has been advised that the judgement is flawed and that a positive outcome is probable. Of note is that the South African Judiciary has taken over eight years to deal with this matter!

Looking ahead

The measures taken by the Government to manage the pandemic are likely to have lasting effects on investor and consumer confidence and job creation in South Africa.

We are continuing to project a weak economy in South Africa, which will dampen demand for the Group's products, particularly from the middle to upper-middle income segment of the market.

Accordingly, we don't expect much growth from the traditional business in South Africa. Sales growth will be driven by the acquisition of the UK business and South African franchises, new products and a recovery in Africa, as follows:

- a further acquisition of two additional franchises in Johannesburg has been completed effective July 2021. These operations have been merged into the existing Johannesburg branch, established last year, which will deliver the benefits of enhanced scale. We will be seeking further acquisition opportunities of main centre franchises, as they become available;
- by broadening the UK's distribution network and enhancing its product range with existing products adapted for the UK market. In addition, for the first time, the UK business's results will be included in the Group's results for a full twelve months;
- product innovation remains a key strategy for both Trellidor and Taylor and during F21 both businesses introduced new products to meet changing customer needs in both the local and international markets. The economic benefit of the introduction of these products should be evident in F22. Additional product developments are also planned for release during F22; and
- the African network, which underperformed in F21, is anticipated to recover and plans are in place to broaden the African network. The African division is under new management.

Disruption to the supply chain and significantly higher material input prices (steel and aluminium prices have risen more than 20%) will need to be managed. The right-sizing projects including group purchasing synergies executed over the last 18 months have, to some extent, shielded the group's gross margin from higher input prices. Two price increases during the year are forecast to maintain margin.

Operating costs are very well managed and that discipline will continue. However, there will be a material increase in operating costs due to the UK acquisition and the acquisition of franchises. Sales volume growth and an increase in gross margin and free cash flow generation, associated with these strategies, will more than offset the increase in operating costs.

The Board will maintain the business's low level of gearing and will continue to be acutely focused on high quality cash generation and achieving a targeted return on invested capital in excess of 18%. However, inventories are likely to increase due to higher material prices, the UK acquisition and strategies to mitigate supply chain disruptions. The resulting increase in working capital will be offset, to some extent, by better customer payment terms associated with the branch strategy.

Capital expenditure will be slightly higher than depreciation due to an investment in solar power which will enhance the Group's ESG rating and provide a material cost saving over the medium term. Investment in the Group's online ordering system continues with the goal of allowing sales representatives to quote on Group products from a single digital platform.

An organic and low risk approach to growth will be pursued until the restructure of Taylor has bedded down and the branch strategy has delivered. The Board continues to support the view that companies that consistently generate growth at high rates of return on invested capital are, over time, generally rewarded by stock markets.

Dividend

The Board declared an interim dividend in March 2021 of 10.0 cents per share which was paid in May 2021. The Board, after reviewing the financial performance for the year and assessing liquidity and solvency has resolved to declare a final dividend of 11.0 cents per share, bringing the total dividend declared to 21.0 cents (F20: 8.0 cents) per share for the year ended 30 June 2021.

In addition, during the financial year, as part of the announced buy-back programme, 4 993 776 shares at an average price of R2.35 per share were repurchased and cancelled. Since the buy-back programme commenced in F18, 13.1m (12.1%) shares at an average price of R3.48 per share, have been repurchased and cancelled.

The Company's future dividend policy will continue to reflect its capacity to generate cash flow growth and return on invested capital but will take into account capital requirements to finance growth.

The Board will continue to assess the opportunity to apply excess cash to buy-back shares to enhance shareholder value. Accordingly, the Board will be seeking to extend its authority, previously granted by shareholders, to continue with an active programme to buy-back its shares.

Appreciation

I would like to thank my fellow directors for their contribution to the governance processes and for their assistance in formulating and adapting strategy to reflect the new realities post the National Lockdown.

On behalf of the Board, I would also like to thank our executive directors and the senior management team for their commitment, drive and savvy demonstrated in extraordinary circumstances.

I highlight again the success of the execution of the cash preservation and generation strategy that resulted in a free cash flow generation for the year of R69.9 million!

Finally, we thank our customers for their ongoing support and our franchisees, distributors and suppliers for our continuing relationships.

Mark Olivier
Chairman

Value Outcomes

Value Outcomes

CEO's Report

TERENCE DENNISON

The Trellidor group comprises two main operating segments being Trellidor and the Taylor group.

Trellidor is the market leading manufacturer of custom-made barrier security products, distributed through a dedicated and skilled franchise network operating throughout South Africa and Africa with further representation in Israel, the UK and parts of Europe. Products are manufactured at our modern facility in Durban and supported by assembly shops in parts of Africa and the UK, including the company's subsidiary in Ghana 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 extruded cornicing and skirting products. The Taylor Group has a strong presence in the Western and Southern Cape. The Taylor blinds and shutter ranges are manufactured at our factory in Cape Town.

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 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.

Growth strategies

As reported in the F20 year ended results, key strategic objectives set for the group during F21 were as follows:

- Enhancement of route to market in South Africa and abroad to facilitate growth.
- Cash preservation and generation.
- Focus on improving operational efficiencies and active cost management within the group.
- Continue with the share buy-back program.
- Introduction of new products both locally and abroad.

> *The group's strong performance for the period reflects a more efficient business and an enhanced and better quality distribution capacity that was supported by a better than expected economic recovery in South Africa. In particular, robust residential property sales and strong consumer demand for home improvement type products drove demand for the group's products.*

Enhancement of route to market in South Africa and abroad to facilitate growth

The Durban and Johannesburg West branches are now fully integrated, and the results have been excellent. Comparative sales through the Trellidor branches have increased 46% year-on-year compared to 13% in the main centre peer group. Subsequent to year-end, we completed the purchase of two more franchises in Johannesburg which brings scale to our operations in the region for F22.

The purchase of the Trellidor UK business has been completed effective 02 November 2020 with performance for the year in line with our expectations. Further details of the acquisition are disclosed in note 2 of the summarised consolidated annual financial statements. Africa sales were negatively impacted by Covid restrictions and logistical difficulties during F21 and as a result Africa sales declined from the comparative period. Cross border disruptions and severe tourism constraints, coupled with national elections in key territories impacted results.

Cash preservation and generation

Cash generation has been excellent with Cash from operations up 75% to R96m from R55m in the prior year. Particularly pleasing the improvement in Taylor's cash generation, which is also up 75% year-on-year.

Reducing costs in the short and medium terms to mitigate the uncertainty as a result of Covid-19 restrictions and in anticipation of future weak economic conditions has had a positive impact on cash generation while not restricting performance.

Focus on improving operational efficiencies and active cost management within the group

Operating expenses have been well managed, increasing 4.3% year-on-year which includes the operating expenses of the recently acquired Durban and Johannesburg West branches, as well as eight months of the newly acquired Trellidor UK business. This comparison is after excluding the F20 impairment in goodwill charge.

Gross Profit margins have imporved despite once-off restructuring costs and significant increases in the cost of raw materials and freight.

Continue with the share buy-back program

Since the buy-back programme commenced in F18, 13.1m (12.1%) shares have been repurchased and cancelled. During F21 5.0m shares at an average price of R2.35 were repurchased and cancelled. Currently we have 95.2m shares in issue.

Introduction of new products both locally and abroad

4 new products were launched through the second half of H2 F21 to meet changing customer needs, and improve market penetration in certain sectors, primarily being gated estates. An extension to the commercial product offering is planned for F22 for the RSA market.

Prospects

The continued Covid-19 restrictions, the third wave and the looting and riots has subdued demand in late F21 and early F22. This is also reflected by a decline in housing transaction volumes following the sharp recovery post the National lockdown.

Sales in July and August are in line with prior year with the impact of the looting and riots being mitigated by improved performance by our UK operation as the UK economy starts to unlock with the relaxing of Covid-19 restrictions. Our UK branch is now fully staffed and will be included in F22 results for the full year (F21 included 8 months trading).

As stated above, in July 2021 we completed the acquisition of the Johannesburg North and Midrand franchises which have been consolidated into our existing Johannesburg branch. Following the initial success of the main centre franchise repurchase strategy through F21, we will continue to execute on these opportunities as and when they become available.

We anticipate a recovery in our Africa markets, and have increased investment in marketing and management support for these markets.

Product innovation remains a key strategy for both Trellidor and Taylor. Trellidor will be launching additional product configurations to its newly launched Estate range as well as expanding its commercial product offering with the introduction of a high-end roller shutter into the RSA market. The recently introduced product derivatives in H2 F21, have started to gain traction and have been well accepted in the market.

The impact of significant raw material and freight cost increases, particularly in steel and aluminium, will put pressure on margins and will be responded to through selling price increases through H1 F22 to partially offset the impact.

Given the strong cash generation abilities and prospects of the group, the Board will continue

CEO's Report (continued)

assess the opportunity to repurchase shares with excess cash to enhance shareholder value. A final dividend of 11c per share has been declared, which bring the total dividend declared for F21 to 21c, representing a circa. 6.2% dividend yield based on the 30 Day VWAP share price for September.

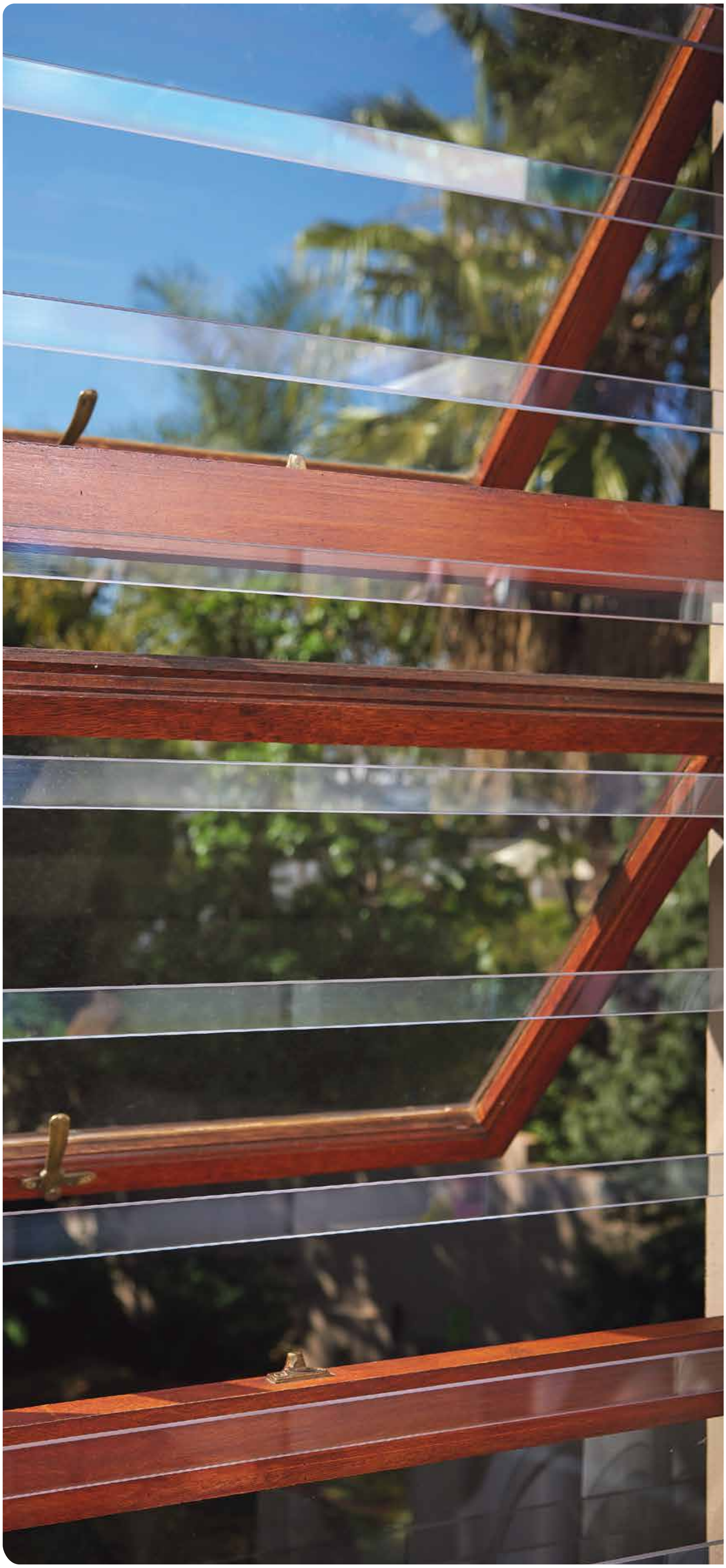
The group's strong performance for the period reflects a more efficient business and an enhanced and better quality distribution capacity. Whilst we have noted improvements in the economy more recently, it is coming off a low base and we anticipate the overall weak economic conditions to remain.

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.

Appreciation

I would like to express my thanks to our shareholders, the Board, fellow executives, managers, employees, our franchisees, distributors and our suppliers for their support and commitment to the Group through the year in a challenging economic environment.

Terry Dennison
Group CEO



CFO's Report

DAMIAN JUDGE

Group Performance

As reported, group revenue for the year increased by 23% to R518 million (F20: R422 million). The group's gross profit margin of 42.3% was stronger compared to the previous year (F20: 41.6%), predominantly due to; operating efficiency strategies implemented in both factories and a stronger recovery of fixed and semi-variable costs resulting from a more supportive topline.

Operating expenses were well managed and increased by 4.3% year-on-year, excluding the R37.4 million impairment of goodwill in Taylor in the prior year. This increase, which overall is in line with inflation levels, includes the additional overheads of the Durban North, Johannesburg West and UK branches.

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%.

As previously reported, Covid-19 had a significant impact on the Taylor business in F20. As part of our annual impairment test of goodwill last year, we had to be conservative in our forecasts given the uncertainty around the "Covid recovery" and the overall weak economic environment. As part of our forecasts, we anticipated a return to pre-Covid or F19 revenue levels for Taylor in F22. Pleasingly, revenue increased to R204.3 million in F21 which is 5.3% ahead of F19 levels.

Cash Sustainability

The cash preservation strategies, implemented from April 2020, were very successful despite the extreme economic conditions and it is pleasing to note cash from operations increased to R96.4 million from R55.0 million in the previous period. The strong cash generation abilities of the group during the year have enabled us 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).

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 strong cash generative nature of the business means that we must maintain an effective capital allocation strategy.

During the year, this strategy has focused on internal growth strategies and enhancing shareholder returns.

Dividend

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year taking into account debt covenant requirements. At its discretion, the Board of directors may consider a special dividend, where appropriate.

Depending on the perceived need to retain funds for expansion or operating purposes, the Board of directors may pass on the payment of dividends. No final dividend was declared in 2020 as part of our cash preservation strategy in response to Covid-19. The Board did however resolve to pay the 2020 postponed-interim dividend from income reserves, in respect of the six months ended 31 December 2019.

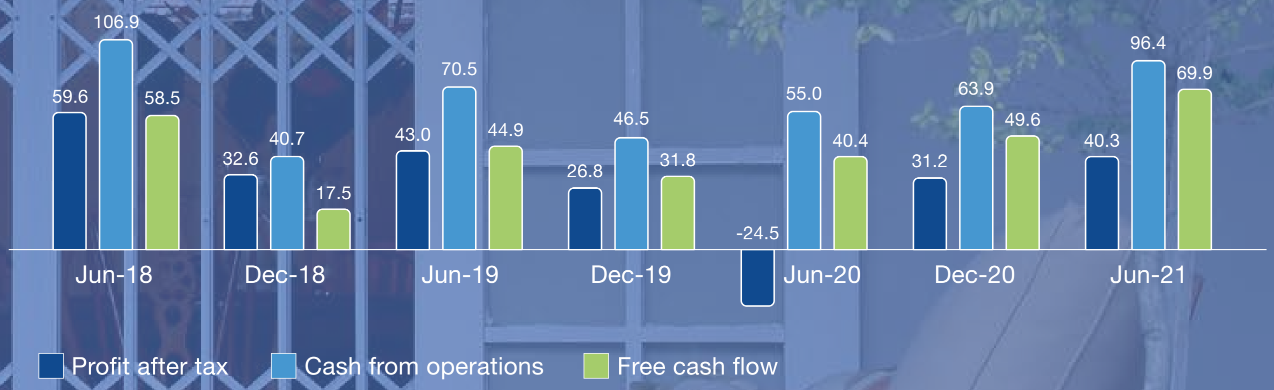
In line with the dividend policy the Board of Directors has declared a final gross dividend of 11.00 cents (F20: nil cents) per ordinary share. This brings the total gross dividend for the year ended 30 June 2021 to 21.00 cents (F20: 8.00 cents) per ordinary share.

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 behind F20 levels.

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.

Cash conversion (RM)



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.

Group Financial performance through F21 has exceeded expectations

+23%	**+163%**	**+75%**
Revenue	Total dividend per share	Cash from operations

Annual Review

The accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

Consideration has also been given to the risks involved in the business, results of internal audit reviews, the size of the business and the nature of transactions who is satisfied that the internal controls in place are adequate to address the key risks in the business.

During the year under review, there were no material breakdowns in internal control, although as result of ongoing system review, improvements have been identified. We have completed the centralising of the Group's payroll function and are continuing with our implementation of a standard ERP system across all Group entities. Phase 1 of the updated version of our bespoke online ordering and production system was implemented at Taylor during F21.

The group maintains a transparent tax policy to ensure diligent and timeous reporting and payment of taxes to the respective authorities. Management performed an assessment of the group's ability to remain a going concern and is satisfied that the Trellidor Group will continue to be in operational existence for the following financial year.

Damian Judge
Group CFO

How Trellidor Creates Value

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

The Trellidor brand

Trellidor's strong brand commands a premium on pricing for our products. The Trellidor brand is built on our reputation for delivering trusted, high-quality security products and exceptional service. Trellidor is brand strong in South Africa and is a name synonymous with sliding door security.

Brand awareness in Africa is growing along with our sustained expansion across the continent. Innovation, quality and service are the pillars of the business.

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 9001:2015 certified.

Manufacturing

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, Reunion, Mauritius, Seychelles, DRC, Tanzania, Mayotte, Kenya and Ethiopia. The newly acquired branch in the United Kingdom operates an assembly plant that services the whole of the UK and Ireland.

Materials used in the manufacturing process include steel, aluminum, 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 upmarket 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 (LPCB), which sets Trellidor apart from local competitors.

Trellidor Product Range

RETRACTABLE SECURITY

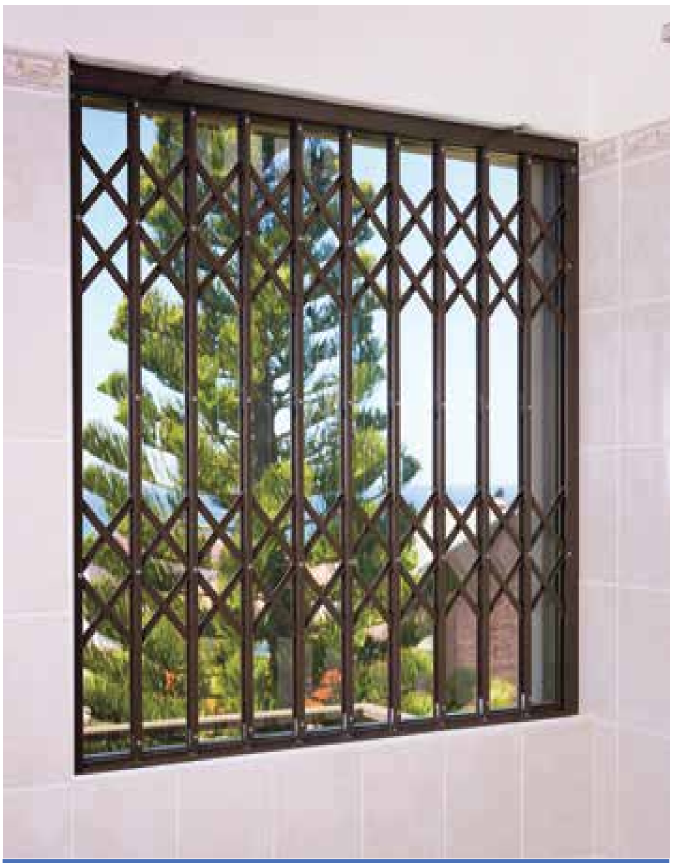
COTTAGE GUARD

POLYCARBONATE BAR

CLEAR GUARD

ROLLERSTYLE

SHUTTER SECURITY



FIXED SECURITY

BURGLAR GUARD

Trellidor Product Range (continued)

ESTATE SECURITY SHUTTER

ESTATE CLEARGUARD

ROLLERSTYLE LDS

How Trellidor Creates Value (continued)

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.

54

RSA FRANCHISES

1 Manufacturer under license in Israel

21

INTERNATIONAL FRANCHISES

18 African countries

5

BRANCHES

Company-owned assembly plants in Ghana and the UK.
RSA sales branches in Cape Town, Durban and Johannesburg.

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 sale service

The franchise and branches conduct installations on orders they generate. All product and installations include a three to five year warranty that is serviced by the franchisee or branch. 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. Trellidor is well placed to service the growing African economies.

How Taylor Creates Value

Taylor comprises the **Taylor Blinds and Shutters** and **NMC South Africa** businesses. These businesses were acquired during July 2016.

The brands

Taylor Blinds and Shutters was founded in 1959 and specialises in designing, manufacturing, marketing, distributing and servicing a wide range of blinds and shutters and is a leader in the window and door covering market in South Africa.

Innovation, quality and service are the pillars of this business.

NMC South Africa was established in 1999 as the exclusive importer of the Belgian-based world leader in the production of closed-cell polystyrene and polyurethane decorative mouldings, such as cornices, dado rails and skirting. NMC South Africa has the distribution rights for South Africa and several countries in sub-Saharan Africa.

Manufacturing

Taylor blinds and shutters are produced at its 8,000m^2 manufacturing plant in Cape Town.

Customer orders are tracked using a bespoke ordering system and products are produced in industry leading time. Taylor blinds and shutters are custom-made, generally within one to two weeks of placement of order. The products are manufactured from the highest quality materials and fittings, much of which are imported.

All NMC cornices and mouldings distributed in South Africa are imported under agreement from NMC Belgium where the products are manufactured.

Stock is held in the key centres of Johannesburg, Durban and Cape Town.

Products

Taylor offers high quality custom-made blind and shutter products that are aesthetically pleasing and often specified by architects and interior decorators.

The blinds offered are venetian, roller, woven and verticals. Shutters offered are timber, Thermowood® (wood substitute) shutters as well as aluminium hurricane wind resistant shutters and ShutterGuard and ShutterStyle security shutters. NMC distributes imported decorative mouldings for a wide variety of interior and exterior architectural applications focusing on cornices and skirtings.

All Taylor blinds and shutters and NMC products are built around the three pillars of innovation, quality and service.

Distribution

Taylor has a well-established, loyal distribution network and customers for both the blinds and shutters, concentrated in the Western and Southern Cape. However, strong growth has been achieved more recently in Gauteng.

Geographic growth opportunities exist and continues to be of strategic importance for the Group with expansion through the Trellidor franchise network on certain Taylor products and investment in internal sales-resources being the key focus. NMC distributes their products out of branches in Johannesburg, Durban and Cape Town, with the majority of the distribution out of Johannesburg. Wholesalers form a large part of the route to market in the outlying regions.

Marketing and sales

Marketing and advertising spend focuses on creating growing awareness for Taylor's products and brands. Continued innovation is targeted to keep products up-to-date and desirable to our markets.

Marketing spend encompasses all key communication channels where we aim to drive fresh, modern and innovative messaging.

Installation and after sales service

Branches in Cape Town and Johannesburg, supported by a network of skilled distributors, design and install products to customer specification.

Installation is a key factor in delivering a top-quality solution and cements the overall quality and customer centric ethos. Taylor and NMC offer installation training to all our distributors on a regular basis. A dedicated customer service department deals with all after sales service and warranty requirements. All Taylor products are backed by warranties and serviced by the branch and distributor network

Footprint

Taylor Blinds and Shutters has two branches, one in Cape Town and the second in Gauteng. NMC South Africa branches are located in Gauteng, Durban and Cape Town.

Taylor Product Range

SHUTTERGUARD®

HURRICANE SHUTTERS

THERMOWOOD® SHUTTERS

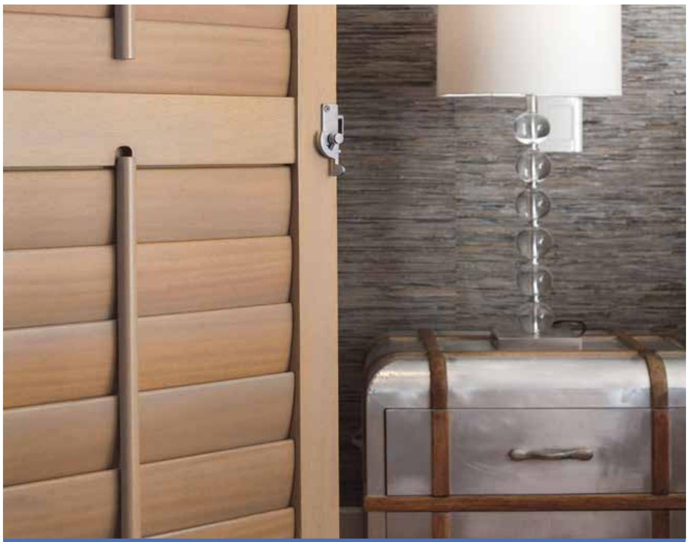
WOVEN BLINDS

WOODEN VENETIAN BLINDS

ALUMINIUM VENETIAN BLINDS

VERTICAL BLINDS

ROLLER BLINDS



TIMBER SHUTTER

OUTDOOR BLINDS

SHUTTERSTYLE

NMC Product Range

CORNICES

DADO RAILS

SKIRTINGS

POLYSTYRENE MOULDINGS

How the Group is Governed

How the Group is Governed

Corporate Governance Report

Governance structure at the date of this report

TRELLIDOR HOLDINGS BOARD

Terry Dennison (CEO)[^]
Damian Judge (CFO)[^]
Mark Olivier (Chairman)[$]
Ralph Patmore (Lead Independent)[$]
John Winship[$]

BOARD SUB-COMMITTEES

Audit, Risk and Compliance Committee

Ralph Patmore [C]
Mark Olivier
John Winship

Remuneration and Nominations Committee

Mark Olivier (Nominations) [C]
John Winship (Remuneration) [C]
Ralph Patmore

Social and Ethics Committee

Mark Olivier [C]
Ralph Patmore
John Winship
Damian Judge

Attendance at meetings during the financial year

Attendees at meetings	Board +	Audit, Risk and Compliance	Remuneration and Nominations	Social and Ethics
Mark Olivier	5(5)	4(4)	4(4)	2(2)
Ralph Patmore	5(5)	4(4)	4(4)	2(2)
John Winship	5(5)	4(4)	4(4)	2(2)
Terry Dennison	5(5)	4(4)[#]	4(4)[#]	2(2)[#]
Damian Judge	5(5)	4(4)[#]	4(4)[#]	2(2)
Peter Rawson	5(5)[#]	3(4)[#]	-	2(2)[#]

[#] Invitee to the committee/board | [$] Independent Non-executive director
[C] Chairman of particular committee | [^] Executive director
[+] Includes 1 special Board meeting

Meeting attendance

The Board and committee meetings were held quarterly in line with the Group's financial reporting cycle. All directors attended all the meetings of the Board and the committees on which they served during the 2021 financial year. In addition, one special Board meeting was held. The details are reflected in the schedule above.

Expertise

The Board together with the Nominations Committee have assessed the expertise of the directors and are comfortable with the Board and Committee members' level of expertise as well as with the Committee compositions.

Board composition

As evidenced below, the Board has the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively. The diversity in membership experience creates value by promoting better decision-making and effective governance. The diversity of experience set out hereunder reflect the composition of the Board as at the date of this report.

Board committees

Audit, Risk and Compliance Committee	AR&CC
Remuneration and Nominations Committee	REMCO
Transformation, Social, Ethics and Sustainability Committee	SETCOM
Chairman of particular committee	C

Diversity of expertise

Policy: To create an experienced Board with the appropriate balance of knowledge and skills in areas relevant to the Group.

Name	Education	Tenure	Previous Sectoral Experience	
John Winship $	B Business Science – actuarial Certificate of Investment – Institute of Actuaries	Appointed 26/10/2006	Insurance Private banking Asset management Private equity	- long-term & short-term - 7 years (overseeing & director) - 4 years (overseeing role) - 44 years - 16 years
Mark Olivier $	BCom CA(SA)	Appointed 26/10/2006	Asset management Property Corporate finance NED experience	- 16 years - 16 years - 26 years - 12 years
Ralph Patmore $	BCom, MBL	Appointed 28/10/2015	Manufacturing Building & Construction NED experience	- 21 years (Executive & Non-executive) - 31 years (Executive & Non-Executive) - 11 years
Terry Dennison ^	BCom CA(SA)	Appointed 01/06/2002	Manufacturing Agri-processing Agriculture	- 23 years (Executive) - 6 years - 6 years
Damian Judge ^	BCom CA(SA)	Appointed 01/03/2019	Manufacturing	- 10 years (Executive)

$ *independent non-executive* | ^ *executive*

Meeting attendance

The position of the Board remains unchanged from the prior year in terms of their approach to governance and how governance is managed.

The Board members accept responsibility as the custodians of corporate governance within the Group and are therefore accountable to stakeholders for the provision of value-enabling governance. The Board is constituted, in terms of the Company's Memorandum of Incorporation, of a majority independent non-executive directors who bring diversity to Board deliberations and create sustained value by constructively challenging management.

Trellidor continues to be committed to upholding the highest standards of ethics and good governance while pursuing wealth and value creation for its stakeholders. This process encompasses a stakeholder inclusive approach which includes timely, relevant, and meaningful reporting to shareholders and other stakeholders providing a proper and objective perspective of the Company and its activities. The members of the Board act with independence of mind and in a manner that they believe is reasonable, accountable, fair, and transparent.

The Board remains the focal point of good governance and exercises sound judgement and leadership with integrity, guided by principles of responsibility, accountability, fairness, and transparency. As previously reported, the Board assessed the application of the principles set out in King IV and continues to strive towards achieving the four desired governance outcomes, namely ethical culture, good performance, effective control, and legitimacy. The relevant recommended practices associated with each principle are applied to give effect to that principle. The Company's King IV application register is available at holdings.trellidor.co.za. The Board remains committed to continuously improving governance and continues, on an ongoing basis, to review its governance practices in line with updated recommended practice notes to fully meet the requirements of King IV.

In line with its Code of Ethics, the Company continues to promote the highest standards of ethical behaviour among all persons involved in the Group's operations. This is upheld by the Board and is communicated to employees. The Code provides detailed guidance as to their ethical conduct and they are required to adhere to the Code in all daily interactions. The Company's zero-tolerance policy in respect of the committing or concealment of fraudulent acts by employees, contractors, or suppliers remains in place. Trellidor's employees and directors accept that any breach of the code of ethics exposes them to the possibility of disciplinary action, which could result in the termination of employment or office.

As part of the Board's commitment to best practices in corporate governance and in order to ensure application and compliance with King IV and relevant laws, regulations and responsible corporate citizenship, mechanisms, and policies, which are appropriate to the Company's business, are in place. The Board reviews these from time to time.

By continuing to uphold the highest possible corporate governance standards, Trellidor is comfortable that it provides its stakeholders with confidence that it is a well- governed and well-conducted business.

The formal steps taken by the directors are summarised on the following pages.

Corporate Governance Report (continued)

Trellidor Board

Composition	The Board at the time of issuing this report consisted of two executive directors and three non-executive directors, all of whom are independent. The Board has ensured that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals can dominate the Board's decision-making. The non-executive directors are individuals of caliber 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, diversity and employment equity, standards of conduct and other important decisions. The Board has again applied its mind, as recommended by King IV, practice recommendations 7.29 and 7.30(d), to the independence of Mark Olivier and John Winship who have both served as non-executive directors since 2006 and is comfortable that they remain independent. They also bring valuable expertise and experience to the Board. Although not required but in the interest of enhanced governance, in 2017, the Board appointed a lead independent non-executive director. Ralph Patmore continues as the lead independent non-executive director. The non-executive directors are required to sign a formal letter of appointment, in which they confirm their commitment to the Board and any committees they may be appointed to. An overview of each director's age and experience is set out on pages 12 and 13 of this integrated annual report, with their detailed CVs on the Company's website at holdings.trellidor.co.za.
Frequency of meetings	Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The Board met five times prior to the end of the financial year. Four of the meetings were the standard quarterly meetings and an additional meeting was held to address ad-hoc matters, mostly in respect of Covid-19 related matters.
Roles and responsibilities	The Chairman, Mark Olivier, is an independent non-executive director whose role continues to be separate from that of the CEO, Terry Dennison. Their roles and responsibilities have been clearly defined and are distinct to ensure checks and balances in terms of decision-making. The Chairman is considered to be independent in terms of King IV. Damian Judge is appointed as the Group's full time financial director. 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 and the Board is responsible for setting the strategic direction of the Group, and although still responsible for, it has delegated to the CEO and executive management the responsibility for the implementation of the Group's strategy and the day-to-day operational decisions and business activities. The Board is also responsible for key policies and for approving financial objectives and targets. The Board, as a whole, continues to act as the focal point for and custodian of the Company's corporate governance, ensuring that Trellidor is a responsible corporate citizen in light of the impact its operations might have on the environment and the society in which it operates. The Board is also responsible for identifying and managing the Group's risks. The Board has analysed these risks and agreed their tolerance levels. The ongoing management of these risks is addressed by the Audit, Risk, and Compliance Committee and the executive directors. The Board is of the view that the risk management processes that are in place effectively assist in managing the Group's risks. A risk assessment, identifying the various risks together with the associated mitigating measures has been completed and the major materials risks as well as identified opportunities, appear on page 22 of this integrated annual report. The Board operates according to a Board Charter, which is available at holdings.trellidor.co.za. The Charter ensures compliance with the principles of King IV and relevant legislation. It sets out the powers of the Board and provides a clear division of responsibilities and the accountability of Board members, both collectively and individually. The information needs of the Board are reviewed annually and directors have unrestricted access to all Company information, records, documents, and property to enable them to discharge their responsibilities sufficiently. Efficient and timely methods of informing and briefing Board members prior to Board meetings are in place and in this regard key risk areas, key performance areas and non-financial aspects relevant to the Company have been identified and continue to be monitored. Directors are provided with information in respect of key performance indicators, variance reports and industry trends.
Evaluation	The Board has agreed that in order to improve its effectiveness, regular evaluations (formally every two years) 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. On completion of the latest informal evaluation for the current reporting period, it was found that the Board has duly completed its responsibilities in accordance with its Charter. The Board together with the Nominations Committee has considered both the composition of the Board and it various committees as well as the independence of the non-executive directors and believe that the Board members bring a wealth of industry and financial experience with the non-executive directors remaining independent. The Board is comfortable that the size and composition of the Board and the various Committees is appropriate for the size of the Company. In summary the Board confirmed that it is comfortable with both the performance and composition of the Board of Directors and of the individual Board sub-committees. Directors' and officers' liability insurance is provided by the Company. This cover is reviewed annually.

Appointments to the Board

There is both a formal Diversity Policy# and Board Appointment Policy in place and appointments to the Board follow a formal and transparent process, and are considered by the Board as a whole following the recommendation of the Nominations Committee. In this way the Board ensures that it has the right balance of skills, experience, background, independence, and business knowledge necessary to discharge its responsibilities. The appointments are subject to confirmation by the shareholders at the Annual General Meeting. They are free from any dominance of any one particular shareholder.

The Board, in conjunction with the Company Secretary and Sponsors, has established a formal orientation programme which will enable any new incoming directors to familiarise themselves with the Company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. New directors with no or limited board experience would receive development and education to inform them of their duties, responsibilities, powers, and potential liabilities.

All non-executive directors will be subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Memorandum of Incorporation.

Meetings of the Board and Committee meetings are formally minuted; these include any meetings at which appointment of directors is discussed and/or confirmed.

Directors' personal interests and conflict of interest

The Board has determined a policy for detailing the manner in which a director's interest in transactions is declared and the interested director's involvement in the decision-making process. This policy is followed by all directors.

A full list of directors' their shareholdings, additional directorships and any potential conflicts of interest is maintained, considered at each Board and Committee meeting, 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.

Dealing in securities by the directors

The Group has adopted a policy that regulates dealings in the Group's securities by directors, Group employees and their associates, 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, any period while the Company is trading under cautionary announcement and at any other time deemed necessary by the Board. Directors, Group employees and their associates are not allowed to deal in the Group's securities during closed periods.

The policy is managed by the Company Secretary with the persons authorised to clear directors for trading in open periods being the Chairman and, in his absence, (or in the case of any potential conflict) the lead independent director.

Board committees and delegation of authority

The Board delegates certain functions to well-structured committees. These committees assist the Board by giving detailed attention to certain of the Board's responsibilities and they operate within defined written terms of reference/charters, as well as within the delegation of authority framework.

The Board determines and amends, as necessary, the scope and responsibilities of the committees, as well as the appointment of new committee members.

The Board has approved a delegation of authority framework, which delegates certain responsibilities and/or decisions to the Executive and the Board Committees while retaining authority, where appropriate, at Board level.

The framework in addition to delegating authority, also defines authority limits. The delegated responsibilities in terms of certain functions to the Audit, Risk and Compliance Committee, the Remuneration and Nominations Committee and the Transformation, Social, Ethics and Sustainability Committee remain unchanged.

The Board is conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities.

The Board continues to maintain effective control. The various committees' terms of reference / charters and the authority framework are reviewed at least annually.

External advisers and executive directors who are not members of specific committees are invited to attend committee meetings by invitation, if deemed appropriate by the relevant committee.

These invitees are not entitled to any fees for their attendance at the meetings.

The Chairman continues to provide leadership to the Board in all deliberations ensuring independent input and oversees its efficient operation.

While the CEO reports directly to the Board, the CEO and CFO continue to be responsible for proposing, updating, implementing, and maintaining the strategic direction of Trellidor as well as ensuring controlled operations. In this regard, they are assisted by senior management of the Group.

The Board approved and adopted a Diversity Policy in line with the JSE Listings Requirements and assesses factors such as gender, skill set, race, integrity, age, field of knowledge and experience. A copy is available on the Group's website holdings.trellidor.co.za

Trellidor Board

Audit, Risk and Compliance Committee

Composition	Three members Ralph Patmore (Chairman), John Winship and Mark Olivier, all of whom are independent non- executive directors. The Chairman of the Board is a member of the Committee. Despite this being contrary to the recommendations of King IV, the Board is of the opinion that Mr Olivier is sufficiently independent to discharge his duties as a member of the Committee. Members contribute extensive financial expertise and experience as well as knowledge of Trellidor.
Frequency of meetings	Committee meetings are held at least quarterly, with additional meetings convened when circumstances necessitate. The committee met four times prior to the end of the financial year with all of the members present at each meeting.
Responsibilities	The committee's primary objective is the provision to the Board of additional assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in the discharge of their duties. The committee has and will continue to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed, and that satisfactory standards of governance, reporting and compliance are in operation. Refer to further detail in the committee report on page 70. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

Nominations Committee#

Composition	Three members Mark Olivier (Chairman), John Winship and Ralph Patmore, all of whom are independent non- executive directors. Members contribute extensive expertise and experience as well as knowledge of Trellidor.
Frequency of meetings	Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee has however scheduled a meeting to take place prior to each quarterly board meeting and they met four times prior to the end of the financial year with all of the members present at each meeting.
Responsibilities	The Nominations Committee is responsible for assisting the Board with the appointment of directors by making appropriate recommendations in this regard. It is responsible for reviewing the Board composition and structures, including the size and composition of the various Board Committees, and considering whether there is an appropriate split between executive, non-executive and independent directors. It is responsible for the appropriate induction and training of directors and conducting performance reviews of the Board and various Board Committees. It is also responsible for ensuring the proper and effective functioning of the Board and assists the Chairman in this regard. This includes the consideration of succession planning in respect of the executive directors and senior management. A formal succession plan has been presented to, and has been approved by, the committee. In the event of a vacancy the committee will consider candidates, in line with both the Board Appointment Policy and the Group's Diversity Policy, on merit, against objective criteria and with due regard for the potential benefits of diversity at Board level. The committee will continue to discuss and annually agree on all measurable targets for achieving diversity on the Board. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

 # The Remuneration and Nominations Committees meet jointly, the Chairmanship changes to address Nominations and Remuneration matters separately.

Remuneration Committee#

Composition

Three members John Winship (Chairman), Ralph Patmore and Mark Olivier, all of whom are independent non-executive directors.

Members contribute extensive expertise and experience as well as knowledge of Trellidor.

Frequency of meetings

Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee has however scheduled a meeting to take place prior to each quarterly board meeting and they met four times prior to the end of the financial year with all of the members present at each meeting.

Responsibilities

The Remuneration Committee is constituted as a committee of the Board for the purposes of considering executive and non-executive director's remuneration. It also appraises the performance of the CEO and CFO at least annually.

The committee further has the responsibility and authority to consider and make recommendations to the Board on, inter alia, the Remuneration Policy of the Company, the payment of performance bonuses, executive remuneration, short, medium, and long-term incentive schemes, and employee retention schemes.
The committee uses external market surveys and benchmarks to determine executive directors' remuneration and benefits as well as non-executive directors' fees.
Refer to further detail in the Remuneration Committee report on page 62.

The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

 # The Remuneration and Nominations Committees meet jointly, the Chairmanship changes to address Nominations and Remuneration matters separately.

Social and Ethics Committee

(Also referred to as the Transformation, Social, Ethics and Sustainability Committee)

Composition

Four members, Mark Olivier (Chairman), Ralph Patmore, John Winship and Damian Judge which comprise three independent non-executive directors and one executive director. The Chairman of the Board also chairs this Committee. Despite this being contrary to the recommendation of King IV, the Board is of the opinion that Mr Olivier is sufficiently independent to discharge his duties as the Committee chair.

Members contribute extensive expertise and experience and knowledge of Trellidor.

Frequency of meetings

Committee meetings are held at least bi-annually, with additional meetings convened when circumstances necessitate. The committee met twice prior to the end of the financial year with all of the members present at each meeting.

Responsibilities

The Committee's responsibilities encompass monitoring, measuring and regulating the impacts of the Group on its material stakeholders and environments, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, and the impact of the Company's activities and of its products or services), consumer relationships and labour and employment issues. Ethical standards, in dealings with all stakeholder Groups, including suppliers, customers, business partners, government, communities and society at large, are in place and their ongoing implementation is monitored by the committee. 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 committee also takes responsibility for advising the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influence the Group's triple bottom-line reporting. The committee will also draw to the Board's attention any other matters within its mandate and also reports to the shareholders at the Company's Annual General Meeting.

In order to carry out its functions, the committee is entitled to request information from any directors or employees of the Company, attend and be heard at shareholders' meetings, and receives notices in respect of such meetings.

Refer to further detail in the committee report on page 56.

The committee has fulfilled its mandate as prescribed by the Regulations to the Companies Act and that there were no instances of material non-compliance to disclose. The committee operates according to a Charter, which is available at holdings.trellidor.co.za. The Committee confirms that it has fulfilled its responsibilities in terms of its charter, for the period under review.

Corporate Governance Report (continued)

Employment equity

The Group is compliant with the requirements of the Employment Equity Act. A summary of the Employment Equity Plan, submitted to the Department of Labour is tabled below.

Group	Male	Female
African	22%	13%
Indian	17%	5%
Coloured	17%	14%
White	8%	3%

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

Broad-based Black Economic Empowerment Annual Compliance Report

The JSE requires a listed company to publish its report on its compliance with section 13(G)(2) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended (the "B-BBEE Act"), that it provides to the B-BBEE Commission, in the prescribed form, a report on its compliance with broad- based black economic empowerment.

Trellidor is compliant with both the JSE Listings Requirements and section 13(G)(2) of the B-BBE Act and is in the process of having the relevant documentation finalised. A copy of the relevant documents are available on the Company's website, holdings.trellidor.co.za. The Group continues with its strategy to improve its B-BBEE scorecard.

King IV Compliance Review and Application Register

The Board endorses the Code of Corporate Practices and Conduct as contained and recommended in King IV and the JSE Listings Requirements. As reported previously, a King III/IV gap analysis was completed. The details of the initial gap analysis, together with the ongoing progress that has been made, are recorded in the application register, which is included on the Trellidor website, holdings.trellidor.co.za.

The Board remains comfortable that all the relevant gaps identified have either been addressed or are well progressed in terms of being addressed.

For the 2021 financial year, the Board hereby confirms that the Company has applied the principles of King IV and explained the application of the relevant recommended practices to achieve the principles.

The Board continues to strive to ensure that the material interests of all the Company's stakeholders are protected and that adherence to the principles of good corporate governance espoused by King IV remains a commitment of the Group.

It is the intention of all directors that the principles of integrity and the highest ethical standards are upheld by all who serve the Company and its stakeholders.

The Board is satisfied that appropriate governance structures exist and are operational within the Company, and it has implemented the procedural recommendations that have emanated from King IV as well as appropriate legislation.

Governance documents available on the Company's website:

- Board and committee charters.
- Chairman's charter.
- Lead independent director charter.
- Director trading, external communication confidentiality policy.
- Declaration of interest policy.
- King IV application register.
- Ethics and code of conduct policy.
- Board appointment policy.
- Diversity policy.
- Form B-BBEE 1 lodged with B-BBEE Commission.
- SENS announcements.
- PAIA Manual.
- POPI Policy.

Covid-19

In terms of the Companies Act, No. 71 of 2008, as amended, the Board of directors is ultimately responsible for guiding and managing the Company, and as such would be the body vested with the responsibility of ensuring that the Company emerges from a crisis of the nature currently facing South Africa.

In formulating their response to the Covid-19 pandemic, the Trellidor directors are comfortable that they have adhered to their common law and codified duties, set out in the Companies Act. They confirm that they have acted in good faith; for proper purpose; and in the best interests of the company; and with the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the company as carried out by that director, and having the general knowledge, skill and experience of that director.

The Board has met once outside of the scheduled quarterly meetings in order to address the ongoing impact of the pandemic on the Company, its employees, and other stakeholders. The Board is comfortable that appropriate action has and is being taken by the Company in order to manage the financial implications of the pandemic, its ongoing financial obligations and also to ensure that its operations, including its facilities, are being operated in terms of the Lockdown regulations issued in terms of the Disaster Management Act, 2002 and all other applicable areas of law such as employment, health and safety and data protection.

The Group has continued to operate efficiently and effectively, albeit remotely, during the Government Lockdown period.

The CEO and CFO reports will include more detail around how Covid-19 has been practically managed, and its implications addressed.

Independent advice

All independent non-executive directors have unrestricted access to management and all Company information and resources, as well as to the Company Secretary, the Group's external and internal 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. The information needs of the Board are reviewed annually.

Company Secretary

The Company Secretary advises the Board of any relevant regulatory changes and/or updates. In addition, she provides a central source of guidance to the Board, individual directors, and sub-committees on how to discharge their responsibilities in the best interests of the Company as well as on matters of ethics and good corporate governance.

The Company Secretary attends all Board and committee meetings and is responsible for overseeing the preparation in advance of comprehensive agendas and meeting packs. Further, responsibility lies with her for overseeing the accurate recording and dissemination of the minutes of these meetings.

This includes any meetings at which appointment of directors is discussed and/ or confirmed. 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 JSE Sponsor and other experts in this regard to ensure that the directors have adequate information to discharge their responsibilities efficiently.

The Company Secretary, Paula Nel, a suitably qualified, competent and experienced Company Secretary, has been appointed and appropriately empowered to fulfill duties and provide assistance to the Board. The Company Secretary is an independent contractor and not a director or employee of the Company. She has an arm's length relationship with the Board, who can also remove her from office.

The Company Secretary is subject to an annual evaluation by the Board. Having completed the evaluation process, the Board is satisfied with the expertise, experience, competence, and qualifications of the Company Secretary and confirms that the relationship between the Board and the Company Secretary remains at arm's length.

Information and technology ("IT") governance

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

The Information and technology functions of the Group are outsourced, where appropriate, to approved external service providers.

The risks regarding the security, back-up, conversion and update of the information and 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.

Information and technology governance is an integral part of the Company's approach to governance. Executive management is tasked with managing IT risks, with oversight from the committee.

The Board is mindful of the importance of safeguarding Company information and intellectual capital and ensures that appropriate technology architecture is maintained to protect information. Executive management, with the committee's oversight, ensure effective management of IT resources and facilitates achieving the Company's strategic objectives.

The committee together with the Board review opportunities for improved efficiencies and value that technology can add to the business. Equally, they are conscious of risks that may affect the security of classified information and intellectual capital.

The CFO is responsible for IT and has the appropriate levels of knowledge and experience and interacts regularly with the committee on IT governance matters.

The Board continued to monitor the remote operations that were necessitated by the extended National Lockdown, and the Board remained comfortable that Management had continued to manage the administrative and sales side of the business without compromising the integrity or security of the IT systems.

Promotion of access to information Act ("PAIA")

There were no requests for information lodged with the Group in terms of the Promotion of Access to Information Act, No 2 of 2000 as amended. The PAIA manual is available on the Company's website. holdings.trellidor.co.za

Protection of Personal Information Act ("POPIA")

The Board is comfortable that Management have performed a POPIA gap analysis and have amended and/or implemented systems, processes and procedures to ensure that the Group is POPIA compliant. The POPIA policy is available on the Company's website holdings.trellidor.co.za.

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, and their audit to this end includes an assessment of internal controls. The preparation of the annual financial statements remains the responsibility of the Board.

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 or for assistance 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 JSE Sponsor, monitors compliance with the recommendations set out in King IV, as well as the requirements of the JSE Listings Requirements and the Companies Act.

Legal and legislation-related matters are addressed at each Board meeting and, specifically, new legislation which affects the Company is discussed in detail.

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 judgments, damages, penalties, or fines were recorded or levied against Trellidor, its directors or employees for non-compliance with any legislation.

The Group directors have confirmed that, to the best of their knowledge, the Group i) complied with the provisions of the Companies Act of South Africa, and ii) operated in accordance with its Memorandum of Incorporation, during the year under review.

Social and Ethics Committee Report

TRELLIDOR believes that the livelihood of individuals can be improved through corporate initiatives which enable access to education and which support employment equity, enterprise development and preferential procurement.

The information below constitutes the report of the Social and Ethics Committee ("Committee") in accordance with the requirements of the Companies Act, in respect of the 2021 financial year of Trellidor Holdings Limited. As reported on page 12, the Committee is chaired by Mark Olivier and further comprises John Winship, Ralph Patmore and Damian Judge.

Mark Olivier representing the Committee, attends the annual general meeting to answer any questions relating to matters within the committee's ambit and to deliver the Committee's report to the shareholders.

The Social and Ethics Committee's responsibilities in respect of the Group encompass monitoring, measuring and regulating it's social and economic development, its corporate citizenship, labour relations and impacts of the Group on its material stakeholders and environments. The committee also takes responsibility for advising the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influence the Group's triple bottom-line reporting.

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 Committee Charter sets out the committee's scope and responsibilities and it is reviewed annually to confirm compliance with King IV and the Companies Act and to ensure the incorporation of best practice developments.

The effectiveness of the Committee is assessed annually (formally every two years) by the Board. On completion of this assessment it was found that the Committee had duly completed its responsibilities during the year in accordance with its Charter.

The Committee continues with aligning its strategic focus areas, in addition to its statutory responsibilities, with the Sustainable Development Goals (SDGs) and has reported under the following key categories:

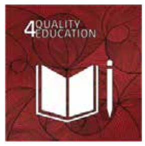
- Environment
- Social
- Governance

The outcomes of the strategic focus areas for the year are as follows:

Category	Activity	Achievement	SDGs
Environment	Water consumption management	As part of our ongoing drive to improve our understanding of our waste and effluent levels at each production facility, the Production and Product Development representatives of the Sustainability Working Group have been tasked with investigating how we can best measure these outputs at each plant. Based on the outcomes of this investigation we have focused on the inputs to the process to reduce harmful outputs. As such during the year we have replaced environmentally harmful chemicals with more environmentally friendly alternatives and have reduced our operating temperatures from 60C to 45C in the pre-treatment process of the powder coating plant. In the jig-stripping plant, we have been adjusting the size of our sludge filters to identify the optimum level to maximise the use of the more harmful chemicals. Through this process we have reduced the quantity of harmful chemicals purchased in this process by 66%. Focus will now shift back to the pre-treatment process where we will be looking to replace the use of deionized water with portable water through a reverse osmosis process. By eliminating the use of deionized water, we will eliminate the need to use caustic and hydrochloric acid in the pre-treatment process. All regenerated water can now be recycled through the factory for things like toilets, floor cleaning etc. and this will in turn reduce the load on the effluent plant and reduce the disposal of waste-water.	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
Environment	Waste management	An accredited waste management company processes chemical waste, and where possible it is recycled for re-use. The business also makes use of recycling facilities for waste generated within the business model – this includes the separation and recycling of aluminum, steel, plastics, card and paper.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER

Category	Activity	Achievement	SDGs
Environment	Taking the lead on green initiatives	In an effort to build the Group's reputation as a leader in the movement towards sustainable business practice, Trellidor will be embarking on phase 1 of a Solar Energy Project during the forthcoming financial period. We anticipate reducing our reliance on Eskom for electricity by 50% for Factory A as well as improving our ESG rating as this project is estimated to reduce our carbon footprint by 488t per annum.	13 CLIMATE ACTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Social	Member of Proudly South African	During the year the group continued its membership with Proudly South African (PSA) enabling the Trellidor and Taylor locally manufactured products to carry the iconic Proudly South African logo. As members of PSA we contribute towards the work the organisation does in promoting and developing local businesses and products. These activities include: • Business sector forums which present the case for local procurement to business owners. • Public sector procurement forums which focus on the roles and responsibilities of supply chain and procurement officials from all 3 tiers of government and SOEs in respect of the PPPFA and on our tender monitoring system. • Sector specific forums which focus on sectors in distress or those that offer the greatest number of direct as well as indirect job opportunities. • The implementation and ongoing support of an online shopping platform dedicated to locally produced products (www.rsamade.co.za). The hosting of the annual Buy Local Summit & Expo which showcases PSA member companies and specifically recruits procurement departments of various public and private organisations to interact with its members.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social	Workplace and employment Transformation and Employment Equity	At Board level, in respect of Board appointments, the Group has adopted a Diversity Policy which is followed in conjunction with the Board Appointment Policy when considering any future Board appointments. From an employee perspective, the Group is compliant with the Employment Equity Act. The detail is set out on page 54 of the Integrated Annual Report.	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
Social	Protocols on decent work and working conditions	The Group has an explicit and detailed Safety, Health, Environment, Risk and Quality (SHERQ) Policy, including Covid-19 related regulations, and a SHERQ team who are dedicated to ensuring its implementation, monitoring and compliance. Monthly Health and Safety Committee meetings are held to receive feedback regarding SHERQ and allow the committee to respond accordingly. The Covid-19 steering committee, which was established in March 2020, met regularly during the year to ensure the group adequately responded to the various Lockdown Level conditions as and when they evolved. Health and Safety performance (accidents, illnesses etc.) is measured and reported on regularly. Successful completion of annual audits ensure that the Trellidor Durban production processes are ISO 9001:2015 certified.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH

Social and Ethics Committee Report
(continued)

Category	Activity	SDGs
Social	Social and economic development projects	 

Learner Education and Training

As part of its long-standing commitment and focus to develop a learning organisation culture, within our internal and external communities, Trellidor successfully embarked on three South African Qualifications Authority (SAQA) recognised learnerships this year. This was done in conjunction with Innovative Shared Services (ISS), an accredited service provider.

National Certificate: Generic Management: NQF Level 5

Despite the challenges presented by the Covid 19 pandemic lockdowns, the learnership opportunity was advertised at our Phoenix operations and the ten best suited applicants in terms of past academic qualifications and performance, gender and race were selected from our Trellidor scheduled employees.

This qualification was specifically selected as it is designed to develop management skills for team leaders and future shift leaders. The learnership resulted in the improvement of learners knowledge and skills to be more effective as team leaders and also created a pool of candidates of future shift leaders.

Learners become competent in building relationships; creating effective teams; managing performance and continuous improvement; delegation; recruitment and coaching; operational strategies; risk, financial and knowledge management; and business ethics.

Candidates had to have passed English and Maths or Maths Literacy at Grade 12 NQF level 4 to qualify for the course. Learning was a combination of formats, including classroom-based, online, and blended learning.

There was a rewarding 100 % pass rate, with all 10 Learners completing the qualification well within the stipulated timeframe. Some of these Learners have already been promoted due to their dedication, improved levels of self-confidence and work performance.

Learners have indicated that they wish to continue with NQF level 6. Management agreed to subsidise 33% of the cost towards their studies on the basis that learners proceed with on-line studies in their own time.

National Certificate: Generic Management: NQF Level 5

A second group of seven employees, currently at Shift Leader level in the business, embarked on the same course, which commenced in April 2021.
In the pipeline for later this year, depending on grants allocated, we intend offering NQF level 4 Learnerships for employees in leadership positions who did not meet minimum learning qualifications requirements to register for the NQF level 5 Learnerships.

National Certificate: Freight Handling: NQF Level 3

Historically, Trellidor has invested in training for Disabled Leaners, conducted off-site. This year, training for People with Disabilities was brought on site and Learners were integrated into the workplace to help create a culture of inclusion for all.

Workplace adjustments had to be made in our operations to ensure accessibility and further to accommodate specific disabilities.

We shortlisted and selected Learners who lived in and around our local communities and ensure a representative group of Learners in terms of gender and race.

Eight Learners with a range of disabilities from paralysis to epilepsy, schizophrenia and visual impairment embarked on a freight handling course, focused on warehousing and distribution. Topics covered include business skills; occupational health and safety; freight handling; communication skills; and numeracy.

The candidates attend class on-site two days a week and work at the Trellidor production plant two days a week. This is a 12-month programme, with the possibility of providing future employment for some of the candidates or the opportunity of a second Learnership. Alternatively, candidates may be placed by ISS with other companies.

Trellidor Learning and Development Academy:

Trellidor along with ISS are in the advanced stages of rolling out onsite and online sales and installation training programs. It is focused on improving and maintaining the high level of skills and overall product and installation skills and knowledge required of employees working in Trellidor franchises and branches within South Africa and around the world.

The allocation of a premises on site to facilitate the establishment of the Trellidor Learning and development academy is progressing well.

Category	Activity	Achievement	SDGs
Social	Social and economic development projects	During the year, the Trellidor Group responded to its social and economic development responsibilities by participating in several community development initiatives: • Seed of Hope equips Grade 8 to 12 students through life skills, leadership development and career preparation; provides support groups for the elderly and new moms, crisis intervention and community care as well providing programs where sewing, baking and employment-seeking skills are taught. Trellidor assisted by providing products to secure their newly renovated counselling rooms and training facility. • Feed the Babies educates the caregivers in educare centres in Early Childhood Development programs; provides centres with a fortified, concentrated cereal that contains the correct ratio of vitamins, proteins and minerals required for the development of a young child; provides educare centres with items such as blankets, mattresses, tables and chairs, stationery, toys and any other necessities and assists needy educare centres in uplifting the condition of their premises. Trellidor assisted by providing products to secure their office and storage and office facilities. • Mbambangwe School is a public state secondary school located at Mbambangwe Secondary, Bhekulwandle, Amanzimtoti. • Logwood Village is a home for Intellectually Disabled Adults. At Logwood Village we are committed to guiding and supporting adults with Intellectual Disabilities towards self-actualization and a full and meaningful life, while upholding their right to respect and dignity within a community, where they are given the opportunity of achieving independence to direct their own lives. • IkamvaYouth provides a safe space for learners to be after class ends, where they receive help with their homework and a host of other services and support to ensure they succeed. Since their humble beginnings, Ikumva has grown from one branch to more than fifteen and support over 5,000 learners per year through their various programs. • The DHS Foundation is committed to the development and upliftment of Durban High School through partnership with the school community of Old Boys, parents, staff, and learners. We aim to ensure the continued growth of DHS as a centre of excellence, learning and opportunity. • Taylor continues to support Young Bafana, which is a non-governmental organization in Cape Town, offering a holistic development programme for children from historically and socially disadvantaged backgrounds in South Africa by means of soccer and education by making monthly cash donations.	
Governance	Procurement	The Group encourages business relationships with suppliers, who pursue sound employment equity and black economic and empowerment programs. The Group promotes the development of black-owned businesses and is proactively putting in place initiatives that it anticipates will assist it in improving its BBBEE rating. The Group continues to seek opportunities to sustainably increase its participation in enterprise development. The Trellidor business model has assisted in the development of some 54 franchises in South Africa and 18 in Africa.	

Social and Ethics Committee Report
(continued)

Category	Activity	Achievement	SDGs
Governance	Customer data security and privacy	An external service provider manages all IT services within the Group. Their service level agreement ensures that the Group's IT systems and data are managed to ensure compliance with world class standards. An IT Policy that governs both system use and data storage is in place and all employees are required to ensure compliance with the policy and its practices. Users gain access to systems with an authenticated username and password. Confidential paperwork is sent offsite to an accredited Service provider who deals with the storage and where required destruction of documents in terms of Industry standards. During the year, the Group completed its gap-analysis in terms of the Protection of Personal Information Act (POPI Act) and implemented the recommendation to ensure compliance with the Act before 30 June 2021.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Governance	Prevention of unfair discrimination	The Committee regularly reviews the various policies and procedures that management have put in place which ensure the prevention of unfair discrimination. The Board, the Committee and management do not support and/or tolerate any behavior that is deemed or perceived to be discriminatory in any way.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Governance	Tax compliance	The Group Tax Committee, which aims to actively monitor compliance across the operating entities. When required, expert tax consultants attend committee meetings. On a quarterly basis the Group companies confirm their tax compliance status with the relevant tax authority and no instances of non-compliance were reported. Self-audits were requested by SARS for Trellidor and Taylor. These were performed and submitted with no amended assessments being issued.	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Governance	Ethics	As reported in the Governance section of this report, the adopted Code of Ethics underpins both the Board and employees conduct and behaviour so as to ensure that they uphold the highest standard of ethics.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

In accordance with its mandate, the Committee met twice during the year under review. Attendance at Committee meetings is set out on page 48 of the Integrated Annual Report.

The committee confirms that it has fulfilled its mandate as prescribed by the Regulations to the Companies Act and that there were no instances of material non-compliance to disclose.

The Committee is satisfied that Trellidor is fulfilling its social and ethical obligations as a good corporate citizen as well as having fulfilled its statutory duties. The Committee will continue to make enhancements to its reporting and align its strategic focus areas with SDGs that are significant to the Group.

Mark Olivier
Chairman

Remuneration Report

The Remuneration Report is structured into 3 sections in line with King IV guidelines: 1.Background Statement, 2. Policy and 3. Implementation Report.

PART 1: BACKGROUND STATEMENT

This remuneration report outlines the background, philosophy and policy and the implementation details of the remuneration of executive directors, executive management and non-executive directors, and at a high level, the rest of the employees of the Trellidor Holdings Group ("Group").

The Group's performance subsequent to the Level 5 National Lockdown in response to the Covid-19 pandemic has been encouraging. The various defensive strategies to conserve cash resources, enhance efficiencies and protect margin management implemented as a result of the National Lockdown have been successful.

Management also focused on enhancing distribution efficiencies by bedding down recent main centre franchise area acquisitions and successfully concluded the acquisition of the Trellidor UK franchise during F21. These actions will assist the Group going forward, to take advantage of the relatively buoyant market post lock down. The inherently weak South African economy however remains a concern.

The executive team remained unchanged during the year and are committed to the continued focus on the Group strategy and its implementation.

The Group presented its remuneration policy and implementation report to shareholders for non-binding advisory votes at its annual general meeting ("AGM") on 20 November 2020.

The non-binding vote in respect of the remuneration policy was 90.15% (2019: 96.04%) for and 9.85% (2019: 3.96%) against.

The non-binding vote in respect of the implementation report was 96.32% (2019: 96.75%) for and 3.68% (2019: 3.25%) against.

These are well above the thresholds recommended in King IV. As the votes were passed by the requisite majorities, no further engagement with shareholders was necessitated.

The STI scheme, as explained in the Policy section, has remained unchanged. The Share Option LTI scheme will remain in place until the awards already made have vested or expired. This scheme runs to October 2021 for the original award and October 2022 for the subsequent award. It is unlikely that any benefit will accrue to the share option scheme. A new cash based LTI has been implemented with effect from F21.

The focus of the Remuneration Committee of the Board ("Remco") for next year will be on ensuring the STI and LTI drive the desired behaviours and achieve the short and longer term objectives aligned to stakeholders' interests. We continue to improve the Group's alignment with King IV.

The contents of this report were provided by the Group and the final draft approved by the Chairman of the Remco. The Remco is satisfied with the Group's application of both the recommendations of King IV and the JSE Listings Requirements.

Ongoing enhancements to the Group's remuneration policy and practices will continue to be assessed in future reporting periods. We believe the objectives of the remuneration policy are being achieved and the continued improvement in the report and policies will ensure better alignment with the Group, shareholder and stakeholder interests.

I would like to take this opportunity to thank the members of the Remco for their support and advice.

PART 2: OVERVIEW OF THE REMUNERATION POLICY

Non-binding advisory vote on remuneration policy

This remuneration policy is subject to an advisory vote by shareholders at the forthcoming AGM.

Remuneration philosophy

The philosophy is to align remuneration with the strategy, mission, vision and values of the Group by applying a total reward approach to pay. The intent is to attract, motivate and retain the right skills and talent for the Group to meet its desired outcomes whilst considering various stakeholders' perspectives.

The policy aims to establish a balance between fixed and variable pay (short- and long-term incentives) which rewards and motivates superior performance. The policy aims to ensure an appropriate level of equity, transparency, and consistency across the Group.

The Remuneration Committee

Committee responsibilities

The roles and responsibilities of the Remco are determined and approved by the Board, as explained in the corporate governance section of this integrated annual report, which deals with Board Committee structures and responsibilities.

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

The Committee's Charter requires the Committee to meet twice annually, with additional meetings if required. The Committee has scheduled a meeting to take place prior to each quarterly Board meeting for the past year. Attendance at Committee meetings is set out on page 48 of the Integrated Annual Report. The formal Remuneration Committee Charter sets out the Committee's responsibilities. The Charter is reviewed annually to ensure compliance with King IV, the JSE Listings Requirements and 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.

The Committee is an independent and objective body, which is responsible for advising on, and then on the Board's behalf overseeing and monitoring the implementation of the Group's remuneration policy.

It is tasked with ensuring that directors and executives are remunerated fairly and responsibly and to this end the Committee reviews the mix of remuneration, bonuses and incentives (both short- and long- term), thereby ensuring alignment of total remuneration with the needs of the business's short- and longer-term objectives.

Key responsibilities of the Committee are to:

- review the Group's remuneration policy, which is presented annually for a non-binding advisory shareholder vote at the Annual General Meeting;
- oversee the implementation of the remuneration policy;
- review and approve the annual remuneration packages of the executive directors and senior executives, including annual cash- settled incentive schemes, ensuring they are appropriate and in line with the remuneration policy;
- recommend fees for the non-executive directors to the shareholders;
- issue guidelines for general salary increases across the Group;
- make recommendations to the Trustees of the Share Incentive Trust with regard to the long-term incentive and the resultant allocation of shares where applicable;
- in conjunction with the Transformation, Social, Ethics and Sustainability Committee review the human capital management practices in place with reference to key focus areas and those specifically required by South African labour legislation;
- annually review the Committee's Charter and recommend amendments thereto as required;

- undertake an annual assessment of the effectiveness of the Committee and report these findings to the Committee and the Board. A formal review is done every two years and an informal review annually; and

- review the remuneration report and disclosure of directors' remuneration that appears in the Group's integrated annual report.

To fulfil its remuneration responsibilities, the Committee has unrestricted access to any information required from any employee and, if necessary, to obtain external legal or other independent professional advice. The Group's remuneration policy and remuneration implementation report are tabled at the AGM for non-binding advisory votes by shareholders.

Shareholder engagement

Where practical, the Remco continues to constructively engage with dissenting as well as other shareholders on matters related to disclosure, performance conditions and the structuring of remuneration packages.

In the event that either the Trellidor remuneration policy (as contained in Part 2 of this report) or the remuneration implementation report (as contained in Part 3 of this report), or both, are voted against by 25.0% or more of voting rights exercised by shareholders on such votes the Remco will take the following steps as a minimum:

- An engagement process to ascertain the reasons for dissenting votes.

- Appropriately address legitimate and reasonable objections raised, which may include amending the remuneration policy or clarifying or adjusting the remuneration governance and/or processes.

Key principles of the remuneration policy

In designing a remuneration policy which is fair, transparent and responsible, Trellidor considered the following factors:

- remuneration which motivates executive management to achieve the business strategy and targets;

- remuneration which creates a strong, performance-oriented environment for executive management and all employees;

- remuneration which drives and rewards executives and all employees fairly based on their performance and which ensures alignment between executive management and shareholder interests to create shareholder value;

- remuneration of executive management which is fair and reasonable in the context of overall employees;

- remuneration which attracts, motivates and aims to retain high-calibre talent while keeping within market benchmark pay levels; and

- remuneration which promotes an ethical culture and responsible corporate citizenship.

Elements of remuneration

The remuneration structure for the executives and selected managers consists of the following elements:

1. Total Guaranteed Pay (TGP)

TGP on a cost-to-company basis consisting of, inter alia, a base salary, contributions to pension and/or provident funds, medical aid, group life and income disability. Travel allowances and/or the use of a company vehicle form part of agreed cost to company remuneration where justified.

Trellidor regularly conducts benchmarking studies to establish appropriate remuneration levels and practices to ensure fair, transparent and responsible remuneration for all staff including management. Trellidor makes use of market surveys to conduct remuneration benchmarking for all staff.

2. Variable pay

Short-Term Incentive (Annual Incentive): Participation is for executives and selected managers. The incentive is linked to the financial performance of the Company and individual performance. The committee retains the overall discretion to review and moderate any calculated STI to avoid unintended outcomes, as well as to modify and amend the design of the scheme from time-to-time as it sees fit.

The Share Option Long-Term Incentive (Share Scheme): In the form of share options for selected key employees. The Share Incentive Scheme is governed by the Share Incentive Trust, whose trustees are two of the non-executive directors, currently Ralph Patmore and John Winship.

Shareholders have approved a maximum share option allocation of 10 000 000 shares and with the maximum to any individual of 5 000 000 shares. No new tranches have been issued after the initial two allocations and this share option scheme will not be renewed after the final tranches have vested.

The Cash Long-Term Incentive (Cash Incentive): Participation is for executives. The incentive is linked to the financial performance of the Company. The committee retains the overall discretion to review and moderate any calculated LTI to avoid unintended outcomes, as well as to modify and amend the design of the scheme from time-to-time as it sees fit.

The table overleaf sets out the elements of the Trellidor remuneration design and how they link to Company performance and strategy:

Remuneration Report (continued)

Remuneration element	Key features	Eligibility	Link to strategy
Total Guaranteed pay	Total Guaranteed pay is the fixed remuneration which comprises both a cash element and benefits. These benefits are inclusive of pension and/or provident funds, medical aid, group life and income disability. Where justified a travel allowance and/or use of a company vehicle may be structured as part of the remuneration.	All employees	Attraction, retention and recruitment of talented executives and competent employees to drive business performance.
Short-Term Incentive Scheme	The primary objective of the bonus scheme is to serve as a short-term incentive designed to motivate and reward the participants for achieving the annual goals set at the beginning of the year. The STI provides executives and senior managers with the opportunity to earn an annual bonus dependent on Group and individual performance. The factors taken into consideration when making payments are: • annual financial results relative to target; and • individual performance against key performance indicators (KPIs). The STI pool is capped as follows: 6% of earnings before interest and tax (EBIT) before provision for incentive provided that the pool is less than or equal to the growth in EBIT over the prior year. ROIC must be 18% or more for any pool to be created. This is a hurdle/ gatekeeper. In addition, each individual participant will have a maximum short-term incentive payment based on the following: • CEO - 100 % of TGP • CFO and senior executives - 60% of TGP • Other participants - 40% of TGP Allocation of the pool is determined using the following: • Group Financial targets - 33.33% • Individual KPIs - 33.33% • Remco discretion - 33.33% Individual KPIs: based on assessment rating of the individual where: 0 = unacceptable = 0% 1 = progress made toward measure = 50% 2 = acceptable performance = 100% 4 = above expectation = 125%	Executives and key employees #	To reward successful achievement of Company targets and personal performance. The financial measures used are: • Earnings before Interest and Tax (EBIT) • Return on Invested Capital (ROIC) calculated as follows: (EBIT – effective tax) / (Audited opening balance of operating invested capital – final dividends declared not paid) ROIC hurdle of 18% or more ensures that a minimum rate of return is provided for shareholders before the participants pool accumulates. The ROIC hurdle was reduced to 12% for the F21 financial year to take into consideration the impact of Covid-19 on the economy but reverts to 18% for F22. EBIT, higher than the previous year, is directly related to the growth strategy and sharing an amount in excess of the hurdle ensures only above target performance is rewarded. Financial measures linked to Company and business units drives performance linked to an individual's area of focus. The individual KPIs for each executive and selected manager cascaded from the Group scorecard aligns all participants with the strategy. The Remco discretionary 33.33% provides Remco the opportunity to reward individuals who, over and above the other measures, have performed above expectation. In the event that there is no incentive pool, the Remco may award, at its sole discretion, one or more individuals a bonus up to a maximum of 20% of total guaranteed pay (TGP) for that individual in recognition of their exceptional performance.
Share Option Long-Term Incentive Scheme (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 30-day period (unless extended at the discretion of the Board), thereafter, failing which such options lapse.	Executives and key employees #	To drive the long-term strategic business priorities of the Group. The original Share Incentive Scheme has its fifth vesting and the subsequent award has its fourth vesting in October 2021. The original Share Incentive Scheme has completed its vesting options and no subsequent awards have been or will be issued in its place. A replacement scheme has been designed and implemented and the existing scheme will be phased out.
New Long-Term Incentive (Cash Based)	The primary objective of the new LTI is to incentivise and retain key employees by deferring and distributing cash incentives over a 3 year period. The LTI provides executives and key senior managers with the opportunity to receive a bonus over an extended period dependent on Group financial performance. The factors taken into consideration when making payments are: • annual financial results; • minimum shareholder return; and • the individual participant remaining employed by the Group The LTI pool is capped at 2.4% of earnings before interest and tax (EBIT) before any incentive provided that the pool is less than or equal to the growth in EBIT over the prior year. ROIC must be 18% or more for any pool to be created. This is a hurdle/gatekeeper. The annual pool is divided between the participants and vests in equal instalments over the following three year period, provided that the participant remains an employee as at the vesting date. Allocation of the pool is determined at the discretion of REMCO.	Executives and key employees #	To reward successful achievement of Company targets and retain key employees. The financial measures used are: • Earnings before Interest and Tax (EBIT) • Return on Invested Capital (ROIC) calculated as follows: (EBIT – effective tax)/(Audited opening balance of operating invested capital – final dividends declared not paid) ROIC hurdle of 18% or more ensures that a minimum rate of return is provided for shareholders before the participants pool accumulates. The ROIC hurdle was reduced to 12% for the F22 financial year to take into consideration the impact of Covid-19 on the economy but reverts to 18% for F22. EBIT, higher than the previous year, is directly related to the growth strategy and sharing an amount in excess of the hurdle ensures only above target performance is rewarded. Financial measures linked to Company and business units drives performance linked to an individual's area of focus. In the event that there is no incentive pool, no LTI will be payable.

 # Non-executive directors do not participate.

Executive and prescribed officers contracts

Employment agreements are in place for the executive directors, Terry Dennison and Damian Judge. These employment agreements include standard termination and other provisions, for contracts of this nature. Similar employment contracts are in place for the other senior executives.

Termination policy

In the event of a termination, the Company has the discretion to allow the relevant employee to either work out their notice or to pay the TGP for the stipulated notice period in lieu of notice. Furthermore, the the rules of the various plans clearly outline termination provisions under different circumstances, as set out below:

Plan	Voluntary, resignation, dismissal	Retirement, ill-health disability	Retrenchment and death
STI	Automatic forfeiture of award for current year.	Award is pro-rated.	Award is pro-rated.
Share Incentive Scheme	All unvested awards shall be forfeited in their entirety and will lapse immediately on the date of termination.	If the participant retires, falls ill or is disabled prior to the vesting date, they shall remain entitled to the same rights and obligations for the next 12 months as if they remained employed by the Company. Any rights and obligations after the 12 month period lapse.	If the participant is retrenched or dies prior to the vesting date, they or the executor/ legal representative shall remain entitled to the same rights and obligations for the next 12 months as if they remained employed by the Company. Any rights and obligations after the 12 month period lapse
New LTI	All unpaid cash-awards shall be forfeited in their entirety and will lapse immediately on the date of termination.	If the participant retires, falls ill or is disabled prior to payment date, they shall remain entitled to the same cash-awards for the next 12 months as if they remained employed by the Company. Any cash-awards payable after the 12 month period lapse.	If the participant is retrenched or dies prior to the payment date, they or the executor/ legal representative shall remain entitled to the same cash-awards for the next 12 months as if they remained employed by the Company. Any cash-awards payable after the 12 month period lapse

Non-executive directors' remuneration

In reviewing the fees for non-executive directors, the Board, assisted by the Committee, makes recommendations on the fees payable to non-executive directors taking into consideration fees paid to non-executive directors of comparable companies and the importance attached to the retention and attraction of high-caliber individuals as non-executive directors.

As required by the Companies Act the remuneration of non-executive directors will be presented for a binding vote by a special resolution at the AGM at least every second year. The table below sets out the non-executive directors' fees template for the Board and Committees. In assessing whether or not the fees should be escalated, the remuneration and nominations committee have taken into consideration the impact of Covid-19.

	2022		2021	
	Annual fee Rand	Per meeting fee Rand	Annual fee Rand	Per meeting fee Rand
Board Chairman	49 850	38 775	47 475	36 925
Director	44 300	27 700	42 200	26 375
Audit, Risk and Compliance Committee				
Chairman	-	33 230	-	31 650
Member	-	22 160	-	21 100
Remuneration and Nominations Committee				
Chairman	-	16 620	-	15 825
Member	-	11 075	-	10 550
Social and Ethics Committee				
Chairman	-	11 075	-	10 550
Member	-	8 310	-	7 913

Following a 0% increase in fees for the 2021 financial year, the fees proposed for the 2022 financial year reflect a 5.0% increase. Fees exclude Value Added Tax. The 2022 fees will be proposed to the shareholders at the Annual General Meeting on 10 November 2021.

Note that:

1. No fees are paid to any invitees to the Board or committee meetings.
2. The executive directors are not paid any fees for their membership and/or attendance at the Board or committee meetings.

PART 3: IMPLEMENTATION REPORT

Shareholders will be requested to cast a non-binding advisory vote on the remuneration implementation report as contained in this part 3 of the Remuneration Report.

In this part of the report, details are provided of the remuneration paid to executive and non- executive directors for the financial year ended 30 June 2021. The Remco considers these payments are in line with Company's remuneration policy.

Non-executive director fees[1]

2021	Directors' fees Rands	Total Rands
MC Olivier	342 875	342 875
JB Winship	311 226	311 226
RB Patmore	332 326	332 326
	986 427	986 427
2020		
MC Olivier	325 032	325 032
JB Winship	295 112	295 112
RB Patmore	315 145	315 145
	935 289	935 289

[1] These fees are approved at the AGM and the increased fee is paid from the quarter following the AGM.

Guaranteed package increases

In determining the guaranteed package increases for the CEO, CFO and Prescribed Officers for F21, the Remco considered relevant market survey data from various publicly available market surveys. The remuneration for executives is benchmarked against companies of comparable size and complexity with reference to market capitalisation, revenue, profitability and number of employees.

For F22 the committee approved an average increase of 8.7% for the CEO, CFO and the other Group executive. Remuneration was not increased in the F21 year in response to the economic impact of the pandemic. The incentive provided that the pool is less than or equal to the growth in EBIT over the prior year. ROIC must be 18% or more for any pool to be created. This is a hurdle/ gatekeeper. The annual pool is divided between the participants and vests in equal instalments over the following three year period, provided that the participant remains an employee as at the vesting date.

Allocation of the pool is determined at the discretion of REMCO.

Single figure of remuneration

The total remuneration of executive directors and prescribed officers on a single figure basis, as required by King IV is shown below:

2021	Guaranteed package Rand	STI[3]	cash LTI[3]	LTI[1]	Total remuneration Rand
TM Dennison	3 400 210	1 269 000	106 000	-	4 775 210
DJR Judge	2 005 152	374 000	106 000	-	2 485 152
PWE Rawson	2 553 908	361 000	106 000	-	3 020 908
	7 959 270	2 004 000	318 000	-	10 281 270

2020	Guaranteed package Rand	STI[2]	LTI[1]	Total remuneration Rand
TM Dennison	3 401 470	-	-	3 401 470
DJR Judge	1 769 770	-	-	1 769 770
PWE Rawson	2 409 437	-	-	2 409 437
	7 580 677			7 580 677

(1) The final tranches of share options due to vest in October 2021 are currently underwater and are unlikely to have any value when they vest.

(2) No STI awards were made for the year due to the Group not achieving targeted performance and the negative impact of the Covid-19 Lockdown.

(3) For the purpose of this report, this is the amount approved by the board of directors. For the purpose of the financial statements it is the amount accrued for at year-end before approval.

Short-term incentive payments for F21

The incentives were determined using the STI scheme as presented in the Policy section. In F21 the ROIC hurdle target was achieved and therefore an incentive payment pool was created. As result an STI distribution was made in line with the 6% cap of earnings before interest and tax (EBIT) before STI provision and after LTI provision and the pool did not exceed the growth in EBIT over the prior year.

Share options Long-term incentive payments for F21

On 18 October 2016, 5 060 984 options were awarded to key employees of the Group. Further options totalling 1 830 920 were approved for award on 18 October 2017 to key employees of the Group.

No further awards were made or will be made under this scheme. For further details refer to the Annual Financial Statements on the company website, holdings.trellidor.co.za.

This brought the total options awarded to 6 891 904. Shareholders have approved a maximum share option allocation of 10 000 000 shares with the maximum to any individual of 5 000 000 shares.

The third vesting of the options was in October 2020 and as the options were underwater, zero value vested and the options expired. There are two tranches outstanding which vest in October 2021, and October 2022. The results of the vesting will be reported on in the remuneration report covering the vesting period. Options totalling 1 340 294 vested and expired in October 2020.

Cash Long-term incentive payments for F21

The incentives were determined using the Cash LTI scheme as presented in the Policy section. In F21 the ROIC hurdle target was achieved and therefore an incentive payment pool was created. As result an LTI distribution was made in line with the 2.4% cap of earnings before interest and tax (EBIT) before STI and LTI provision and the pool did not exceed the growth in EBIT over the prior year.

Annual Financial Results

Annual Financial Results

Audit, Risk and Compliance Committee Report

The information below constitutes the report of the Audit, Risk and Compliance Committee ("committee") in respect of the year under review, as required by the Companies Act of South Africa, for the Trellidor Holdings Limited Group.

The committee is an independent statutory committee and, in addition to having specific statutory responsibilities to the shareholders in terms of the Companies Act, also assists the board through advising and making submissions on financial reporting, oversight of the risk management process and internal financial controls, the external and internal audit functions, information and technology governance, as well as the statutory and regulatory compliance of the company.

Terms of reference/charter

The committee has adopted a formal charter which has been approved by the board and has been incorporated in the Board charter. The charter sets out the committee's responsibilities and it is reviewed annually to confirm compliance with King IV™ and the Companies Act and to ensure the incorporation of further best practice developments.

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Membership

The committee comprises three independent non-executive directors who have served on the committee throughout the period. The CEO, CFO and representatives from the external and internal auditors attend the committee meetings by invitation only. The external and internal auditors have unrestricted access to the committee. Despite King IV™'s recommendation that the chairperson of the board should not be a member of the audit committee, the board is of the opinion that the current composition of the committee is satisfactory to discharge the committee's roles and responsibilities.

At the date of this report, the committee comprised the following directors:

Name	Period served
RB Patmore (Chairman)	28 October 2015 - current
JB Winship	28 October 2015 - current
MC Olivier	28 October 2015 - current

The nomination committee and the board are satisfied that these members have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations, 2011. They have also considered and are comfortable with the committee composition. The re-appointment of committee members will be a matter for consideration by shareholders at the forthcoming Annual General Meeting. The company secretary is the secretary of this committee.

Ralph Patmore, representing the committee, attends the Annual General Meeting to answer any questions relating to matters within the committee's ambit.

Meetings

The committee performs the duties required of it by Section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

Four scheduled meetings of the committee were held during the financial year, this being in accordance with its charter, King IV™, the JSE Listings Requirements and the Companies Act.

The committee meets with external audit and the Chairman with internal audit and external audit without the presence of management at least once per annum.

A formal evaluation of the comittee is completed every two years by the board whilst an assessment of its effectiveness is completed every year by the committee itself. Both the evaluation and the assessment were completed this year and the committee was found to be effective and to have duly completed and discharged all its responsibilities in accordance with its written terms of reference.

Responsibilities

In the execution of its statutory duties relating to the financial year under review, the committee:

- Reviewed the principles, policies and practices adopted in the preparation of the financial statements of the Group to ensure that the financial statements of the Group and any other formal announcements relating to the financial performance complied with all statutory and regulatory requirements as was required;
- Ensured that both the consolidated interim and consolidated final financial statements of the Group, in respect of the first six-month period and the full financial period respectively, complied with all statutory and regulatory requirements;
- Nominated and recommended the appointment of the external auditors Mazars to the shareholders at the Annual General Meeting;
- Determined the auditor's terms of engagement, confirmed their independence, and approved their fees;
- Reviewed the Group's compliance with applicable legislation and requirements of regulatory authorities;
- Reviewed the reports of the Group's external and internal auditors to ensure the adequacy and effectiveness of the Group's financial, operating compliance and risk management controls;
- Determined the nature and extent of any non-audit services performed by the external auditors and ensured that these were kept to a minimum;
- Pre-approved any proposed agreement with the auditors for the provision of non-audit services to the company or Group;
- Received and dealt appropriately with any concerns or complaints, whether from within or outside the company, or on its own initiative, in relation to the matters as set out in the Companies Act;
- Performed duties that are attributed to it by its mandate from the board, the Companies Act, the JSE Limited and regulatory requirements;
- Considered the JSE's proactive monitoring report as issued in February 2020 and the possible impact on the annual financial statements;
- Approved materiality for the Group consolidated financial statements in terms of IFRS Practice Statement 2 - Making Materiality Judgements;
- Considered proposed changes to the Companies Act, JSE Listings Requirements and King IV™.
- Evaluated and concluded it is satisfied with the accounting treatment and disclosures of the contingent liability arising from the labour court dispute.

In addition to its statutory duties, the committee also performed the following duties:

- Reviewed and approved the Group's Internal Audit Charter;
- Reviewed the scope and report provided by the internal auditors;
- Reviewed the effectiveness of the internal financial controls;
- Reviewed the expertise and experience of the CFO, and the finance function;
- Reviewed the Group's going concern status.
- Discussed and addressed the company and group's tax matters.

The committee is satisfied that the internal controls are effective.

Risk management

The committee, is responsible for monitoring that management's processes and procedures are adequate to identify, assess, manage and monitor group-wide risks.

The committee has performed the following duties:

- Oversaw risk management by reviewing and approving the key risks facing the Group;
- Reviewed the management of risk and monitored compliance effectiveness within the Group;
- Assisted the board in its review of the Group's risk management and compliance policies;
- Monitored compliance with the JSE Listings Requirements.

The committee is satisfied that the appropriate risk management processes and policies are in place.

External auditor

In the execution of its statutory duties relating to the financial year under review, the committee has:

- Nominated and recommended Mazars for re-election as the independent external auditor of the company under section 94(8) of the Companies Act and Tertius Erasmus as the designated audit partner, who is a registered independent auditor, for the 2020 audit. The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act and as per the standards stipulated by the auditing profession;

Audit, Risk and Compliance Committee Report (continued)

- Taken into consideration such factors as the timing of the audit, the extent of the work required and the scope and in consultation with executive management agreed the engagement letter, terms, audit plan and budgeted audit fees for the financial year ended 30 June 2020. The committee considered the fee to be fair and appropriate;
- Considered and approved the external audit fee;
- Satisfied itself that the external auditor is suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- Ensured that the appointment of the auditors complied with the provision of the Companies Act, and any other legislation relating to the appointment of auditors;
- Ensured that the appropriate financial reporting procedures exist and are operating as contemplated in paragraph 3.84(g)(ii) of the JSE Listing Requirements;
- Determined the nature and extent of any non-audit services that the auditors may provide to the company or Group and pre-approved any proposed agreement with the auditors for the provision of non-audit services to the company or Group; so as to ensure the independence of the external auditor is maintained. Information relating to non-audit services provided by the appointed external auditor of the company has been disclosed in the notes to the annual financial statements. Separate disclosures have been made of the amounts paid to the appointed external auditors for non-audit services as opposed to audit services;
- Prepared a report, which has been included in the annual financial statements of the company for the financial year under review; received and dealt appropriately with any concerns or complaints, whether from within or outside the company, or on its own initiative, in relation to the matters as set out in the Companies Act; and
- Made submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting.

Based on processes followed by the committee and assurances received from the external auditor, nothing has come to our attention with regard to the independence of the external auditors.

Significant matters identified as areas of focus by the external auditors in planning for the external audit included the valuation of goodwill and going concern as a result of the possible ongoing impact of Covid-19. The committee is satisfied that all significant matters have been appropriately considered and disclosed in the financial statements.

The committee has requested that they be provided with any decision letters/explanations issued by IRBA or any other regulator and any summaries relating to monitoring procedures/deficiencies issued by the audit firm. There were no matters pertaining to the Group that were raised by IRBA or any other regulator.

The external auditors presented the committee with their audit findings, with no significant matters having been identified. The committee follows a comprehensive process to discuss and assess all audit findings.

Internal audit

Due to the size of the Group, 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 PKF Durban and PKF Cape Town. The Group's situation and needs in terms of an internal audit function are reassessed on an annual basis.

Annual Financial Statements

The committee has reviewed the consolidated and separate financial statements of the Group for the financial year ended 30 June 2021, and is satisfied that they comply, in all material aspects, with the requirements of the Companies Act, International Financial Reporting Standards ('IFRS'), International Financial Reporting Interpretation Committee ("IFRIC") interpretations, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listing Requirements of the JSE Limited.

These financial statements, have been reviewed and recommended by the committee to the board for approval. The board subsequently approved the annual financial statements and they will be open for discussion at the forthcoming Annual General Meeting.

Chief Financial Officer and finance function

The external auditor has expressed an unqualified opinion on the financial statements for the year ended 30 June 2021.

The committee on an annual basis obtains feedback from the external auditors and considers and satisfies itself as to the appropriateness of the expertise and experience of the CFO and must confirm this by reporting to shareholders in its annual report that the committee has executed this responsibility.

In this regard, the committee is satisfied that after assessing the competence and performance of the CFO, they believe he possesses the appropriate expertise and experience to meet his responsibilities in that position. The committee is also satisfied with the expertise of the financial staff and the adequacy of resources within the finance function. The committee in making these assessments has satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements.

Based on the processes and assurances obtained the committee is of the view that the accounting practices are effective and that appropriate financial reporting procedures exist and are working.

Regulatory compliance

The committee has complied with all the applicable regulatory and legal responsibilities.

Going concern

The committee through its review of the 2022 budget, cash flows, and discussions with executive management reported to the board that it supports management's view that the Group will continue to operate as a going concern for the foreseeable future. Consideration has also been given to the impact of Covid-19 and the impact on the going concern status of the business, and the committee is comfortable that although there has been a negative impact it has not impacted the going concern status of the business. The annual financial statements have been prepared on the going concern basis.

Integrated Annual Report

The committee has reviewed and commented on the annual financial statements and the disclosure of sustainability issues included in this integrated annual report to ensure that they are reliable and do not conflict with the financial information disclosed in this integrated annual report. It has recommended the approval of the integrated annual report, to the board, which report the board has formally approved.

Subsequent Events

The committee has considered the events that have occured between the date of the financial statements and the date of this report, as disclosed in the subsequent events note to the financial statements.

The committee has reviewed this note as well as management's assessent of events and where appropriate provided its input thereto.

RB Patmore
Audit, Risk and Compliance Committee Chairman
Durban

Directors' Approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards ('IFRS').

The external auditor is engaged to express an independent opinion on the consolidated and separate annual financial statements.

In compliance with paragraph 3.84(k) of the JSE Listings Requirements, the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 68 to 87, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in the design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

TM Dennison
CEO
2 September 2021

DJR Judge
CFO
2 September 2021

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 , as amended, I certify that, as far as I am aware, the Group and Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

P Nel
Company Secretary
Durban
2 September 2021

Independent Auditor's Report

The unmodified independent auditor's report can be found on page 9 of the annual financial statements on Trellidor's website holdings. trellidor.co.za. Tertius Erasmus is the designated audit partner responsible for the audit.

Director's Report

Directors' interests in shares

As at 30 June 2021, the directors of the company held direct and indirect beneficial interests in its issued ordinary shares, as set out below.

Interest in shares

	2021		2020	
Directors	**Direct**	**Indirect**	**Direct**	**Indirect**
TM Dennison	8 819 342	-	8 819 342	-
MC Olivier	-	1 884 333	-	1 884 333
JB Winship	-	1 642 039	1 642 039	-
DJR Judge	405 785	5 300	-	5 300
	9 225 127	3 531 672	10 461 381	1 889 633

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

Directors' interests in contracts

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

Directors' emoluments and service contracts

The executive directors have service contracts with the company which include a three-month notice period. The non-executive directors enter a formal letter of appointment on acceptance of their board position.

During the year loans were advanced to two directors of the group for the purchase of shares in the company. Loans advanced to directors and the directors' emoluments are disclosed in note 40 of the annual financial statements.

Interests in subsidiaries

Details of the group's interest in subsidiaries are presented in note 9 of the annual financial statements.

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.

Events after the reporting period

The board has reconsidered the solvency and liquidity test of the Group in terms of Section 46(3)(a) of the Companies Act and has resolved to distribute the final dividends declared on 6 September 2021.

The group was deeply saddened and concerned about the unrest that broke out in South Africa in July 2021. Although the Durban factory was closed for 5 days as a precautionary measure, there was no damage incurred and the backlog of orders was caught up.

Subsequent to year-end the group completed the acquisition of the Trellidor Johannesburg North and Midrand franchises as part of its main centre franchise repurchase strategy. These franchises were acquired of an estimated net asset value of R4,000,000.

No other matters or circumstances have arisen since the reporting date that may significantly affect the operations of the Group and company, the results of these operations, or the state of affairs in future financial years.

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 11 for further details.

Director's Report (continued)

Insurance

The group has appropriate insurance cover against crime risks as well as professional indemnity.

Promotion of Access to Information Act

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

Auditors

Mazars continued in office as auditors for the company and its subsidiaries for 2021 in terms of section 90 of the Companies Act.

At the AGM, the shareholders will be requested to reappoint Mazars as the independent external auditors of the group and company and to confirm Mr T Erasmus as the designated lead audit partner for the 2022 financial year.

Governance

The board remains aligned with the King IV™ recommendations and continues to explore the six capitals (financial, manufactured, human, intel-intelectual, natural, and social relationship) and link them appropriately into the strategy.

Secretary

The company secretary is P Nel.

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

Date of authorisation for issue of financial statements

The consolidated annual financial statements have been authorised for issue by the directors on 2 September 2021. No authority was given to anyone to amend the annual financial statements after the date of issue.

Going concern

The directors are of the opinion that the group and company have adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the group's financial statements.

The directors have satisfied themselves that the group and company are in a sound financial position, have adequately considered the possible impacts of Covid-19 on future performance and that they have access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors have also performed the liquidity and solvency tests required by the Companies Act and are satisfied that the group is sufficiently liquid and solvent.

Special resolutions

No additional special resolutions were passed during the 2021 financial year other than those passed at the company's Annual General Meeting.

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

or 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)	6	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		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

at 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-controling 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
at 30 June 2021

	Audited 30 June 2021 R'000	Audited 30 June 2020 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 2 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 R'000	Additions through business combinations R'000	Foreign exchange movements R'000	Impairment loss R'000	Total 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 resourse 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

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)**

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 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)**

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

Notes to the Financial Results (continued)

for the year ended 30 June 2021

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**

9. Other financial liabilities

	Audited 30 June 2021 R'000	Audited 30 June 2020 R'000
	Number of shares	
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**

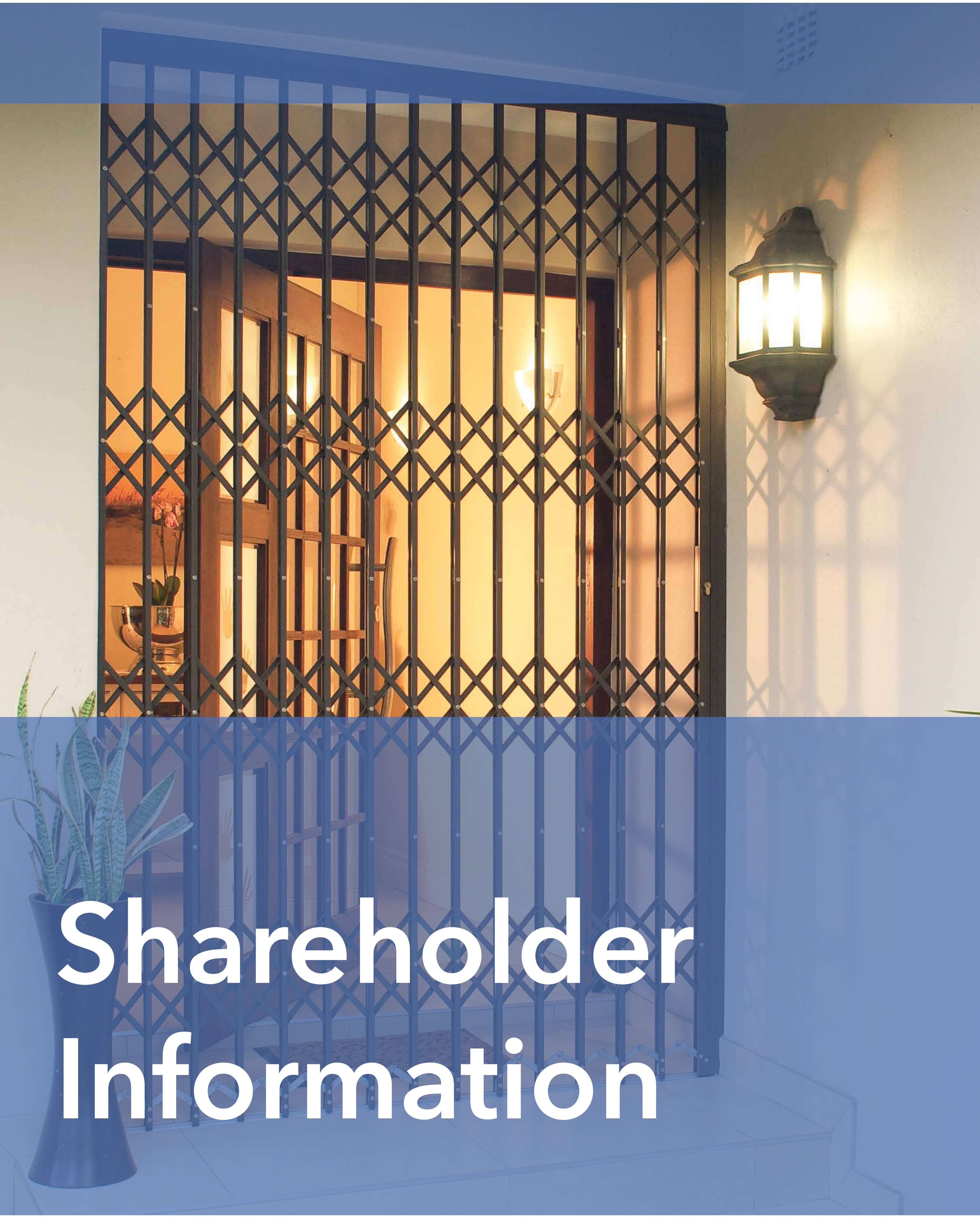
10. Trade and other payables

Financial instruments		
Trade payables	34 586	14 833
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.



Shareholder Information

Shareholder Analysis

Shareholder type	Number	Shareholding	%
Non- public shareholders	8	16 397 435	17.22
• Directors and associates of the company - direct holding	5	12 865 763	13.51
• Directors and associates of the company - indirect holding	3	3 531 672	3.71
Public shareholders	2 656	78 812 385	82.78
	2 664	95 209 820	100
Fund managers with a shareholding greater than 5% of issued shares			
Mazi Asset Management Proprietary Limited	33	12 660 274	13.30
Aylett and Co. Proprietary Limited	4	9 378 767	9.85
Peresec Prime Brokers Proprietary Limited	1	5 769 078	6.06
	38	27 808 119	29.21

	Number of shares	
	2021	2020
Authorised		
No par value shares	5 000 000 000	5 000 000 000
Issued		
Reconciliation of number of shares issued:	**95 209 820**	**105 765 143**
Opening balance as at 1 July	100 203 596	105 765 143
Shares repurchased and cancelled	(4 993 776)	(5 561 547)
Closing balance as at 30 June	95 209 820	100 203 596

Shareholder Diary

Financial year-end	30 June 2021
Announcement of annual results	6 September 2021
Integrated annual report made available	19 October 2021
Annual general meeting	10 November 2021
Announcement of interim results	Mid to end March 2022

Corporate Information

Trellidor Holdings Limited
(Registration Number 1970/015401/06)
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 # $

 # Independent non-executive
$ Lead independent director

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 Advisor and 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)

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