TRELLIDOR HOLDINGS LIMITED

(REGISTRATION NUMBER 1970/015401/06)
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investment holding company whose subsidiaries are engaged in manufacturing activities and the selling and installation of products.
Directors	TM Dennison RB Patmore DJR Judge SI Bird KG Hodgson
Registered office	20 Aberdare Drive Phoenix Industrial Park Durban 4001
Business address	20 Aberdare Drive Phoenix Industrial Park Durban 4001
Postal address	PO Box 20173 Durban North 4016
Bankers	First National Bank, a division of FirstRand Bank Limited ('FNB')
Auditor	PKF Durban Registered Auditor
Secretary	P Nel
Company registration number	1970/015401/06
Level of assurance	These consolidated financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The consolidated annual financial statements were independently compiled by: S de Beer CA(SA)

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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 which has also 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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1. Membership

During the reporting period, the committee comprised four independent non-executive directors. Three of whom served on the committee throughout the period, and the fourth MC Oliver who retired 07 December 2023, in line with his retirement from the Trellidor Board, at the Annual General Meeting. 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.

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

Name	**Period served**
RB Patmore (Chairman)	28 October 2015 - current
KG Hodgson	14 December 2023 - current
SI Bird	01 June 2022 - current
MC Olivier	28 February 2016 - Resigned 07 December 2023

The nomination committee and the board are satisfied that these members have the requisite 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. On the recommendation of the nomination committee, the reappointment 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.

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

2. 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 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 committee is completed every two years by the board whilst an assessment of its effectiveness is completed every year by the committee itself. The evaluation was completed in 2024 and will be completed again in the 2026 financial period in line with the evaluation cycle. The assessment was completed this year together with the formal evaluation 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.

Audit, Risk and Compliance Committee Report

3. 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 the consolidated interim, consolidated final financial statements of the group and the separate financial statements of the company, in respect of the first six-month period and the full financial period, complied with all statutory and regulatory requirements;
- Nominated and recommended the appointment of the external auditors PKF Durban to the shareholders at the Annual General Meeting, under section 90 of the Companies Act; a registered auditor who, in the opinion of the committee, is independent;
- Determined the auditor's terms of engagement, and approved their fees;
- Ensured that the appointment of the auditor complied with the provision of the Companies Act, and any other legislation relating to the appointment of auditors;
- 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;
- 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;
- 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 Listings Requirements and regulatory requirements;
- Considered the JSE's proactive monitoring report as issued in November 2023 and the possible impact on the annual financial statements;
- Approved materiality for the group consolidated financial statements and the company's separate 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.

In addition to its statutory duties, the committee also performed the following duties:
- Annual review of the Committee's Charter;
- Annual review of 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; and
- Discussed and addressed the company and group's tax matters.

The committee is satisfied that the internal controls are effective.

4. 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:
- Overseen 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; and
- Monitored compliance with the JSE Listings Requirements.

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

Audit, Risk and Compliance Committee Report

5. External auditor

Independence of external auditors

The committee reviewed the independence of PKF Durban ("PKF") as external auditor with R Boulle as the independent individual registered auditor who undertook the audit for the current year. The committee considered all information as required by Section 3.84 and 3.86 of the JSE Listings Requirements in assessing PKF's independence, registration as a Registered Auditor and the ability to perform a quality audit of the group.

After considering the factors below, the committee is satisfied that PKF is independent of Trellidor Holdings Limited and the Group.

This assessment was made after considering the following:
- Confirmation from the external auditors that they, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Trellidor Holdings Limited and/or the Group. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- The current auditors do not, other than in their capacity as external auditors or rendering permitted non-audit services, receive any remuneration or other benefits from Trellidor Holdings Limited and/or the Group;
- The auditor's independence was not impaired by the non-audit services performed having regard to the nature of the non-audit services undertaken and the quantum of the audit fees relative to the total fee base;
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor. Although not yet applicable, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements;
- The criteria specified for independence by the Independent Regulatory Board for Auditors (IRBA);
- Information provided by the auditors in terms of the JSE Listings Requirements, Section 3.84 (g)(ii).

The committee confirms that the external auditor has functioned in accordance with its terms of reference for the 2024 financial year.

External auditors' fees

The committee:
- Approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2024 financial year.

External auditors' performance

The committee:
- Reviewed and approved the external audit plan, ensuring that material risk areas were included, and that coverage of the significant business processes was acceptable;
- Monitored the effectiveness of the external auditors in terms of audit quality and expertise; and
- Reviewed the external audit reports and management's response and considered their effect on the financial statements and internal financial control.

6. 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 BDO.

The group's situation and needs in terms of an internal audit function are reassessed on an annual basis.

Audit, Risk and Compliance Committee Report

7. Annual Financial Statements

The committee has ensured that the group has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the group to allow the group to effectively prepare and report on the financial statements of the group.

The committee has reviewed the consolidated financial statements of the group and company for the financial year ended 30 June 2024, and is satisfied that they comply, in all material aspects, with the requirements of the Companies Act, IFRS® Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these annual financial statements, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings 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 presented at the forthcoming Annual General Meeting in compliance with the Companies Act.

8. Chief Financial Officer and finance function

The committee has considered and 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.

9. Regulatory compliance

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

10. Going concern

The financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The committee through its review of the past causes of the loan covenant breaches, the 2025 budget, cash flows, reports and discussions with executive management, reported to the board that it supports management’s view that the group, despite ongoing macro-economic challenges, particularly in the domestic market, will continue to operate as a going concern for the foreseeable future. The committee concurred that the consolidated annual financial statements be prepared on the going concern basis.

The committee is not aware of any material changes that may adversely impact the group. The committee is also not aware of any material non-compliance with statutory requirements or of any pending changes to legislation which may affect the group.

11. Integrated Annual Report

The committee will review and comment on the financial information and the disclosure of sustainability issues included in the integrated annual report to ensure that they are reliable and do not conflict with the financial information disclosed in the annual financial statements. The committee will then recommend the approval of the integrated annual report, to the board, which report the board will then formally approve.

12. Subsequent events

The committee has considered the events that have occurred 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 assessment of events and where appropriate provided its input thereto.

Audit, Risk and Compliance Committee Report

13. Complaints and/or concerns

No complaints or concerns were received by the committee on any matters relating to the accounting practices and internal audit of the group, the content or auditing of the consolidated and separate annual financial statements, the internal financial controls of the group or on any other related matter during the year under review.

RB Patmore
Audit, Risk and Compliance Committee Chairman
Durban
26 September 2024

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these consolidated annual financial statements, the requirements of the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited. The external auditor is engaged to express an independent opinion on the financial statements.

The consolidated annual financial statements are prepared in accordance with IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these consolidated annual financial statements, the requirements of the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the group’s cash flow forecast for the year to 30 June 2025. The assessment has taken into consideration the macro-economic challenges and economic uncertainties the group is expected to face while trading in the evolving economic environment. Based on this review and considering the group’s current financial position, the directors are satisfied that the group possesses sufficient resources to sustain its operations for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditor and their report is presented on pages 12 to 14.

The consolidated annual financial statements set out on pages 15 to 62, which have been prepared on the going concern basis, were approved by the board of directors on 26 September 2024 and were signed on their behalf by:

TM Dennison	**DJR Judge**

Group Chief Executive Officer and Group Chief Financial Officer Responsibility Statement

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 15 to 62, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- To the best of our knowledge and belief, 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;
- 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 as executive directors with primary responsibility for implementation and execution of controls;
- We are not aware of any fraud involving directors; and
- Where we were not satisfied, we disclosed to the Audit, Risk and Compliance Committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls, and remediated the deficiencies.

TM Dennison	**DJR Judge**
Chief executive officer	**Chief financial officer**
26 September 2024	**26 September 2024**

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, I certify that the group and company has lodged with the Commissioner 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
26 September 2024

Practitioner's Compilation Report

To the Shareholders of Trellidor Holdings Limited

We have compiled the consolidated annual financial statements of Trellidor Holdings Limited, as set out on pages 19 to 62, based on information the directors have provided. These consolidated annual financial statements comprise the statement of financial position of Trellidor Holdings Limited as at 30 June 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and material notes to the consolidated annual financial statements, and accounting policy information.

We performed this compilation engagement in accordance with the International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist the directors in the preparation and presentation of these consolidated annual financial statements in accordance with the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these consolidated annual financial statements, the requirements of the Companies Act of South Africa, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These consolidated annual financial statements and the accuracy and completeness of the information used to compile them are the directors' responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information the directors have provided to us to compile these consolidated annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these consolidated annual financial statements are prepared in accordance with the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these consolidated annual financial statements, the requirements of the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited.

NLK Financial Services

NLK Financial Services
Director: S de Beer
Chartered Accountant (SA)
Durban
26 September 2024

PKF Durban

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Independent Auditor's Report
To the Shareholders of Trellidor Holdings Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Trellidor Holdings Limited and its subsidiaries (the group) set out on pages 19 to 61, which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Trellidor Holdings Limited and its subsidiaries as at 30 June 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How the matter was addressed in the audit**
Valuation of goodwill and intangible assets with indefinite useful lives	
As disclosed in note 4, the consolidated financial statements include goodwill and intangible assets with indefinite useful lives. As required by IAS 36 *Impairment of Assets*, for the cash-generating units to which goodwill and intangible assets with indefinite useful lives has been allocated, management test the cash-generating units for impairment annually, and whenever there is an indication that the cash-generating unit may be impaired.	Our audit procedures included: • we obtained an understanding of the impairment testing methods used through discussions with management, including familiarising ourselves with the process around preparing the budgets that drive the cash flows; • we assessed whether the approach adopted by management in using the discounted cash flow

These tests are conducted by comparing the carrying amount of the cash-generating unit, including the goodwill and intangible assets with indefinite useful lives, with the recoverable amount of the cash-generating unit. The recoverable amounts are determined using the discounted cash flow valuation method which involves a number of key assumptions. The significant judgements applied by management include:

- estimating the future cash inflows and outflows to be derived from continuing use of the asset; and
- determining the key assumptions being the discount rates, growth rates and terminal growth rates.

The annual impairment testing of these assets are considered to be a key audit matter due to the magnitude of the carrying value of these assets and the subjectivity of the key assumptions used.

- valuation method was in line with the applicable requirements of IAS 36 *Impairment of Assets*;
- we have tested the mathematical accuracy of the results of the discounted cash flow valuation method through re-performing the calculations;
- we made use of our internal valuation expertise, where necessary, to determine our own estimates of key assumptions in order to assess whether these were within a reasonable range;
- we analysed the future projected cash flows used in the model to determine whether they were reasonable and supportable;
- we subjected the key assumptions to sensitivity analyses; and
- we evaluated the appropriateness of the disclosures including about those assumptions to which the outcome of the impairment test is most sensitive.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trellidor Holdings Limited Consolidated Annual Financial Statements for the year ended 30 June 2024" and in the document titled "Trellidor Holdings Limited Separate Annual Financial Statements for the year ended 30 June 2024", which includes the Audit, Risk and Compliance Committee's Report, the Company Secretary's Certification and the Directors' Report as required by the Companies Act of South Africa, the Group Chief Executive Officer and Group Chief Financial Officer Responsibility Statement and the Shareholder Analysis, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PKF Durban has been the auditor of Trellidor Holdings Limited for 2 years.

PKF Durban.

PKF Durban
Partner: R.C. Boulle
Registered Auditor
Durban
Date: 26 September 2024

PKF

Directors' Report

The directors have pleasure in submitting their report on the consolidated annual financial statements of Trellidor Holdings Limited and the group for the year ended 30 June 2024.

1. Nature of business

Trellidor Holdings Limited is an investment holding company incorporated in South Africa. The company's subsidiaries are engaged in the manufacture and sale of custom-made barrier security products, blinds, decorative and security shutters, and the importing and selling of cornicing/skirting products.

The group operates principally in South Africa, United Kingdom and Ghana.

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

2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these consolidated annual financial statements, the requirements of the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year unless stated otherwise.

Overview

During the period under review the Group faced two significant challenges:
- Declining revenue in the domestic market; and
- Elevated opening debt levels as at 30 June 2023, at higher interest rates.

With reference to the above, the following was achieved:
- Revenue from international markets of R173.0 million; and
- Net debt was reduced from R146.7 million to R115.7 million driven by increased profitability and improvements in Taylor's working capital.

Group revenue for the year increased by 12.6% to R565.8 million (2023: R502.3 million). Operating profit increased to R62.5 million (2023: R21.9 million) and profit after tax increased to R34.7 million (2023: R3.5 million), translating into headline earnings per share of 36.1 cents (2023: 4.2 cents).

Net cash generated from operations was R51.1 million (2023: R20.2 million excluding the Labour Appeal Court settlement), reducing net debt by R31.0 million, or 21.1%.

In Trellidor, revenue for the year increased by 22.6% to R404.2 million (2023: R329.6 million), driven by a strong performance by the UK division, which offset the weak demand in South Africa. As result operating profit increased to R57.8 million (2023: R15.9 million).

Demand in the market for Taylor’s decorative products was muted. Revenue for the year decreased by 5.0% to R133.2 million (2023: R140.2 million). Operating profit decreased to R2.5 million (2023: R3.0 million, excluding the gains from the sale of the NMC business unit).

Similarly NMC’s revenue for the year decreased by 11.2% to R29.7 million (2023: R33.4 million) and operating profit decreased to R0.9 million (2023: R3.3 million).

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

3. Stated capital

Refer to note 14 of the consolidated annual financial statements for further detail of the authorised and issued stated capital.

Directors' Report

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. 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.

Given the current level of net debt, the board of directors, in line with the Companies Act solvency and liquidity test, have recommended that the company not make any distributions to shareholders for the 2024 financial year end (2023: Rnil). The objective of the board is to revert to paying dividend, once borrowings and gearing levels have normalised.

5. Directorate

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

Directors	Office	Designation	Changes
TM Dennison	Chief Executive Officer	Executive	
DJR Judge	Chief Financial Officer	Executive	
KG Hodgson	Chairman	INED	Appointed 14 December 2023
MC Olivier	Director	INED	Resigned 07 December 2023
RB Patmore	Director	INED	
SI Bird	Director	INED	

6. Directors' interests in shares

As at 30 June 2024, the directors of the company held direct and indirect beneficial interests in its issued ordinary shares, as set out below:

	2024		2023	
	Direct	Indirect	Direct	Indirect
Interest in shares				
TM Dennison	8 919 342	-	8 819 342	-
MC Olivier	-	-	-	1 884 333
DJR Judge	405 985	5 300	405 985	5 300
KG Hodgson	133 069	1 604 711	-	-
	9 458 396	**1 610 011**	**9 225 327**	**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.

7. Directors' interests in contracts

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

8. Directors' emoluments and service contracts

The executive directors have service contracts with the company which include a three-month notice period.

The directors’ emoluments are disclosed in note 28 of the consolidated annual financial statements.

Directors' Report

9. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated annual financial statements in note 6.

10. Borrowing powers

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

11. Litigation statement

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

12. Insurance and risk management

The group has appropriate insurance cover against crime risks as well as professional indemnity. This cover was assessed and confirmed by the Audit, Risk and Compliance Committee and the board.

13. 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.

14. Governance

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

15. Special resolutions

No additional special resolutions were passed during the 2024 financial year other than those passed at the company’s Annual General Meeting.

16. Going concern

The financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors through their review of the past causes of the loan covenant breaches, the 2025 budget, cash flows, reports and discussions with executive management, reported to the board that it supports management’s view that the group, despite ongoing macro-economic challenges, particularly in the domestic market, will continue to operate as a going concern for the foreseeable future. The directors concurred that the consolidated annual financial statements be prepared on the going concern basis.

The directors are not aware of any material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory requirements or of any pending changes to legislation which may affect the group.

17. Events after the reporting period

Details of all material events occurring between the reporting date and the date of authorising the annual financial statements have been disclosed in note 30 to the consolidated annual financial statements.

Directors' Report

18. Auditors

PKF Durban continued in office as auditors for the company and its subsidiaries for 2024.

At the AGM, the shareholders will be requested to reappoint PKF Durban as the independent external auditors of the company and its subsidiaries and to confirm R Boulle as the designated lead audit partner for the 2025 financial year.

19. Secretary

The company secretary is P Nel.

Postal and business address:	71 Cotswold Drive Westville 3629

20. Date of authorisation for issue of financial statements

The consolidated annual financial statements have been authorised for issue by the directors on 26 September 2024. No authority was given to anyone to amend the consolidated annual financial statements after the date of issue.

Statement of Financial Position as at 30 June 2024

		Group	
	Notes	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	64 294 011	68 982 399
Right-of-use assets	3	35 570 425	40 624 101
Intangible assets and goodwill	4	109 622 095	105 824 475
Loans receivable	8	4 685 972	6 455 528
Deferred tax	7	19 232 127	16 693 671
		233 404 630	**238 580 174**
Current Assets			
Loans receivable	8	4 770 930	4 790 535
Trade and other receivables	9	60 306 316	48 769 569
Inventories	10	118 202 853	127 992 147
Cash and cash equivalents	11	11 999 451	7 391 275
Current tax receivable		436 546	2 980 848
		195 716 096	**191 924 374**
Total Assets		**429 120 726**	**430 504 548**
Equity			
Stated capital	14	401 010	401 010
Reserves		(3 907 214)	1 219 418
Retained income		207 157 762	172 818 042
		203 651 558	174 438 470
Non-controlling interest		(1 155 540)	(1 212 794)
		202 496 018	**173 225 676**
Liabilities			
Non-Current Liabilities			
Lease liabilities	3	21 784 450	29 781 722
Deferred tax	7	2 956 750	1 603 844
Other financial liabilities	15	75 306 199	-
		100 047 399	**31 385 566**
Current Liabilities			
Lease liabilities	3	11 869 971	10 210 946
Bank overdraft	11	28 046 085	32 626 333
Other financial liabilities	15	24 297 374	121 505 223
Trade and other payables	16	52 158 371	58 923 044
Provisions		540 288	2 233 714
Current tax payable		9 665 220	394 046
		126 577 309	**225 893 306**
Total Liabilities		**226 624 708**	**257 278 872**
Total Equity and Liabilities		**429 120 726**	**430 504 548**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2024 R	2023 R
Revenue	18	565 789 652	502 300 297
Cost of sales	19	(325 444 758)	(308 916 277)
Gross profit		**240 344 894**	**193 384 020**
Other operating income		8 587 523	7 372 851
Movement in credit loss allowances	20	(1 903 100)	(796 305)
Other operating expenses		(184 491 467)	(178 016 809)
Operating profit	20	**62 537 850**	**21 943 757**
Investment income	22	2 518 739	1 468 393
Finance costs	23	(20 772 810)	(18 231 456)
Profit before taxation		**44 283 779**	**5 180 694**
Taxation	24	(9 574 841)	(1 705 415)
Profit (loss) for the year		**34 708 938**	**3 475 279**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(5 438 594)	2 888 574
Other comprehensive income for the year net of taxation		**(5 438 594)**	**2 888 574**
Total comprehensive income (loss) for the year		**29 270 344**	**6 363 853**
Profit (loss) attributable to:			
Owners of the parent		34 339 722	3 629 093
Non-controlling interest		369 216	(153 814)
		34 708 938	**3 475 279**
Total comprehensive income (loss) attributable to:			
Owners of the parent		29 213 090	6 591 825
Non-controlling interest		57 254	(227 972)
		29 270 344	**6 363 853**
Earnings per share			
Per share information			
Earnings and diluted earnings per share (cents)	31	36.1	3.7

Statement of Changes in Equity

	Stated capital	Foreign currency translation reserve	Share-based payment reserve	Total reserves	Retained income	Total attributable to equity holders of the group	Non-controlling interest	Total equity
	R	R	R	R	R	R	R	R
Group								
Balance at 01 July 2022	**401 010**	**(1 743 314)**	**6 776 715**	**5 033 401**	**162 412 234**	**167 846 645**	**(984 822)**	**166 861 823**
Profit for the year	-	-	-	-	3 629 093	3 629 093	(153 814)	3 475 279
Other comprehensive income	-	2 962 732	-	2 962 732	-	2 962 732	(74 158)	2 888 574
Total comprehensive income for the year	**-**	**2 962 732**	**-**	**2 962 732**	**3 629 093**	**6 591 825**	**(227 972)**	**6 363 853**
Transfer between reserves	-	-	(6 776 715)	(6 776 715)	6 776 715	-	-	-
Balance at 01 July 2023	**401 010**	**1 219 418**	**-**	**1 219 418**	**172 818 040**	**174 438 468**	**(1 212 794)**	**173 225 674**
Profit for the year	-	-	-	-	34 339 722	34 339 722	369 216	34 708 938
Other comprehensive income	-	(5 126 632)	-	(5 126 632)	-	(5 126 632)	(311 962)	(5 438 594)
Total comprehensive income for the year	**-**	**(5 126 632)**	**-**	**(5 126 632)**	**34 339 722**	**29 213 090**	**57 254**	**29 270 344**
Balance at 30 June 2024	**401 010**	**(3 907 214)**	**-**	**(3 907 214)**	**207 157 762**	**203 651 558**	**(1 155 540)**	**202 496 018**
Notes	14							

Trellidor Holdings Limited

(Registration number 1970/015401/06)
Consolidated Annual Financial Statements for the year ended 30 June 2024

Statement of Cash Flows

	Notes	Group 2024 R	Group 2023 R
Cash flows from operating activities			
Cash (used in)/generated from operations	25	71 115 179	7 223 624
Interest income	22	1 403 903	1 468 393
Dividends received	22	-	-
Finance costs	23	(20 768 413)	(17 714 709)
Tax paid	26	(624 637)	(2 525 029)
Net cash from operating activities		**51 126 032**	**(11 547 721)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 442 378)	(6 452 108)
Proceeds from disposal of property, plant and equipment	2&20	199 918	1 648 920
Purchase of intangible assets	4	(2 323 589)	(4 367 161)
Business combinations	5	(1 977 913)	(837 385)
Receipts from loans receivable	8	295 924	1 762 888
Net cash from investing activities		**(6 248 038)**	**(8 244 846)**
Cash flows from financing activities			
Repayment of other financial liabilities	15	(21 901 650)	(17 780 928)
Proceeds from other financial liabilities	15	-	31 682 940
Payment of lease liabilities	3	(13 059 749)	(11 854 307)
Net cash from financing activities		**(34 961 399)**	**2 047 705**
Total cash movement for the year		**9 916 595**	**(17 744 862)**
Cash and cash equivalents at the beginning of the year		(25 235 058)	(7 901 049)
(Gains) losses on foreign exchange on cash and cash equivalents		(728 171)	410 853
Cash and cash equivalents at the end of the year	11	**(16 046 634)**	**(25 235 058)**

Notes to the Consolidated Annual Financial Statements

1. Segmental information

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision-maker, who is responsible for implementing the board's strategy and allocating resources and assessing performance of the operating segments, and who has been identified as the Chief Executive Officer. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer.

The group has four reportable segments that are used by the Chief Executive Officer, as chairman of the executive committee. These operating segments are differentiated and identified by the products they manufacture and distribute, the services they provide and the markets they operate in.

These reportable segments as well as the products, services and geographical area from which each of them derives revenue are set out below:

Reportable Segment	**Products, services and geographic information**
Trellidor	Trellidor is the market leading manufacturer of custom-made barrier security products, distributed via a dedicated and skilled franchise and branch network operating throughout South Africa, Africa and the UK.
Taylor	Taylor, which has a strong presence in the Western Cape, is a major manufacturer and distributor of custom-made blinds and decorative and security shutters.
NMC	NMC is an importer and distributor of cornicing and skirting products.
Holdings	Management of the group treasury function and receives management fee income.

Segmental revenue

Security products

The factory throughput of our traditional Trellidor type products makes up 64% (2023: 65%), burglar bars 2% (2023: 2%), the Roller style product set 7% (2023: 7%), security screens 13% (2023: 14%), and the aluminium louvre shutters contributed 14% (2023: 12%).

Decorative products

The factory throughput of decorative products was made up of 48% (2023: 49%) of aluminium shutters, PVC shutters contributed 10% (2023: 9%), the blind range 40% (2023: 40%), and timber shutters 2% (2023: 2%).

Sales of the NMC product set were made up of 52% (2023: 58%) of cornices, 39% (2023: 34%) of skirtings, 4% (2023: 3%) of wall panels, and 5% (2023: 5%) in glue sales.

Geographic regions

From a South African perspective, the factory throughput of Trellidor products can be split into two key areas, Main Centres, being Durban, Cape Town, Johannesburg and Pretoria, which contributed 31% (2023: 38%), the Outlying Regions, which made up 40% (2023: 36%). The rest of Africa contributed 11% (2023: 15%) and the rest of world contributed 17% (2023: 11%).

In terms of Taylor, Johannesburg contributed 17% (2023: 16%), Cape Town 80% (2023: 82%) and rest of the world 3% (2023: 2%) to factory throughput.

In terms of NMC, Johannesburg contributed 49% (2023: 51%), Cape Town 24% (2023: 23%) and Durban 26% (2023: 26%) of NMC's sales.

Notes to the Consolidated Annual Financial Statements

1. Segmental information (continued)

	2024 Trellidor	Taylor	NMC	Holdings	Inter-segment eliminations	Consolidated
Revenue by source						
Security products	401 379 509	-	-	-	-	401 379 509
Decorative products	1 633 631	133 191 791	29 650 730	-	(1 281 764)	163 194 388
Management fees	-	-	-	15 541 065	(15 541 065)	-
Royalty income	1 215 755	-	-	-	-	1 215 755
Dividends received	-	-	-	150 000	(150 000)	-
Interest received	-	-	-	11 061 862	(11 061 862)	-
	404 228 895	**133 191 791**	**29 650 730**	**26 752 927**	**(28 034 691)**	**565 789 652**

	2024 Trellidor	Taylor	NMC	Holdings	Inter-segment eliminations	Consolidated
Revenue by location of customer						
South Africa	235 783 094	129 093 090	28 788 830	26 752 927	(27 655 626)	392 762 315
Rest of Africa	50 295 753	4 098 701	861 900	-	-	55 256 354
Rest of World	118 150 048	-	-	-	(379 065)	117 770 983
	404 228 895	**133 191 791**	**29 650 730**	**26 752 927**	**(28 034 691)**	**565 789 652**

	2023 Trellidor	Taylor	NMC	Holdings	Inter-segment eliminations	Consolidated
Revenue by source						
Security products	327 650 730	-	-	-	-	327 650 730
Decorative products	1 114 335	140 169 407	33 445 556	-	(958 099)	173 771 199
Management fees	-	-	-	14 816 428	(14 816 428)	-
Royalty income	878 368	-	-	-	-	878 368
Dividends received	-	-	-	9 000 000	(9 000 000)	-
Interest received	-	-	-	9 938 173	(9 938 173)	-
	329 643 433	**140 169 407**	**33 445 556**	**33 754 601**	**(34 712 700)**	**502 300 297**

	2023 Trellidor	Taylor	NMC	Holdings	Inter-segment eliminations	Consolidated
Revenue by location of customer						
South Africa	242 187 715	135 969 782	32 671 701	33 754 601	(34 352 700)	410 231 099
Rest of Africa	49 951 517	4 199 625	773 855	-	-	54 924 997
Rest of World	37 504 201	-	-	-	(360 000)	37 144 201
	329 643 433	**140 169 407**	**33 445 556**	**33 754 601**	**(34 712 700)**	**502 300 297**

Segment results, assets and liabilities:

The performance of the operating segments is based on the measure of operating profit. This measure excludes the effects of ad-hoc and non-operational expenditure from the operating segments such as impairments and fair value adjustments.

The amounts presented with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Notes to the Consolidated Annual Financial Statements

1. Segmental information (continued)

The table below provides information on segment assets and liabilities as well as a reconciliation to total assets and liabilities, as per the statement of financial position:

	2024 Trellidor	Taylor	NMC	Holdings	Inter-segment eliminations	Consolidated
EBITDA	69 589 478	11 845 896	2 455 937	1 423 670	(1 225 086)	84 089 895
Profit/(loss) before tax	46 998 397	(7 258 585)	(771 152)	5 125 782	189 336	44 283 778
Reconciling items:						
Less: Investment income	1 388 697	24 876	33 783	12 133 245	(11 061 862)	2 518 739
Add: Finance cost	(12 236 202)	(9 820 696)	(1 729 202)	(8 399 905)	11 413 195	(20 772 810)
Add: Depreciation and impairment	(6 240 780)	(860 746)	(211 275)	(31 228)	-	(7 344 029)
Add: Depreciation of RoU assets	(5 122 057)	(7 623 715)	(1 279 777)	-	1 063 089	(12 962 460)
Add: Amortisation	(380 739)	(824 200)	(40 618)	-	-	(1 245 557)
Other disclosable items:						
Taxation	(10 453 229)	1 968 907	206 872	(1 297 391)	-	(9 574 841)
Movement in ECL allowance	(2 009 979)	180 295	(73 416)	-	-	(1 903 100)
Employee costs	(91 261 900)	(37 489 723)	(6 205 249)	(10 682 828)	-	(145 639 700)
Advertising	(19 387 771)	(6 329 181)	(440 041)	-	-	(26 156 993)
Segment assets^	257 907 212	144 014 289	24 827 179	171 638 770	(169 266 724)	429 120 726
Segment liabilities	(150 175 039)	(104 716 366)	(20 019 291)	(59 704 804)	107 990 792	(226 624 708)
Additions to Non-Current assets	15 423 687	563 150	557 267	-	-	16 544 104

^Segment assets include foreign non-current assets in Ghana of R1.45 million and R14,1 million in the UK.

	2023 Trellidor	Taylor	NMC	Holdings	Inter-segment eliminations	Consolidated
EBITDA	26 199 759	17 041 106	4 804 278	18 183 956	(24 679 663)	41 549 436
Profit/(loss) before tax	6 516 576	(991 159)	1 783 057	11 081 965	(13 209 746)	5 180 693
Reconciling items:						
Less: Investment income	857 192	9 536	45 898	555 767	-	1 468 393
Add: Finance cost	(10 233 241)	(9 196 208)	(1 581 619)	(7 633 205)	10 412 817	(18 231 456)
Add: Depreciation	(6 239 434)	(853 937)	(88 447)	(24 553)	-	(7 206 371)
Add: Depreciation of RoU assets	(3 776 133)	(7 442 834)	(1 370 283)	-	1 057 100	(11 532 150)
Add: Amortisation	(291 567)	(548 822)	(26 770)	-	-	(867 159)
Other disclosable items:						
Taxation	(1 757 209)	1 490 393	(238 245)	(1 200 354)	-	(1 705 415)
Movement in ECL allowance	(791 925)	(51 911)	47 531	(374 084)	374 084	(796 305)
Employee costs	(91 030 606)	(36 907 801)	(6 146 160)	(7 480 487)	-	(141 565 054)
Advertising	(22 503 281)	(4 385 692)	(919 909)	-	-	(27 808 882)
Segment assets^	243 197 210	166 329 645	24 256 485	184 767 480	(188 046 272)	430 504 548
Segment liabilities	(169 810 394)	(121 742 040)	(18 884 312)	(76 209 865)	129 367 738	(257 278 873)
Additions to Non-Current assets	30 079 579	2 800 571	4 653 077	53 973	(4 136 540)	33 450 660

^Segment assets include foreign non-current assets in Ghana of R2.76 million and R14.1 million in the UK.

Notes to the Consolidated Annual Financial Statements

2. Property, plant and equipment

Property, plant and equipment is initially measured at cost which includes all expenditure directly attributable to the acquisition or construction of the asset, and subsequently carried at cost less accumulated depreciation, except for land which is stated at cost.

Measurable expenditure incurred subsequently for major services, additions to or replacements of significant parts of property, plant and equipment are capitalised if it is probable that future economic benefits will flow to the company. Day-to-day repair and maintenance costs are included in profit or loss in the year they are incurred.

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Depreciation of an asset commences when the asset is available for its intended use. The assets carrying amount is depreciated down to residual value over its estimated useful life. The charge is recognised in profit or loss. The useful lives of items of property, plant and equipment have been assessed as follows:

Categories	**Depreciation method**	**Average useful life**
Land and buildings		
• Land		Indefinite
• Buildings	Straight line basis	50 years
• Buildings improvements	Straight line basis	10 to 20 years
Furniture, fittings and equipment	Straight line basis	4 to 8 years
Plant and machinery		
• Category A:	Straight line basis	4 to 7 years
• Category B:	Straight line basis	8 to 12 years
• Category C:	Straight line basis	13 to 20 years
Motor vehicles	Straight line basis	4 to 5 years
IT Equipment	Straight line basis	3 to 6 years
Assets under construction		Depreciated when available for use

Assets under construction

All costs associated with the design, construction, supervision and management of capital projects are held in the assets under construction account. Once the project is complete, costs are transferred to the appropriate category of property, plant and equipment and depreciated when the asset becomes available for use. Management assess whether there is an indication of impairment with reference to the detailed forecasts of the cash flows expected to be generated from the use of the asset.

	2024			2023		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	5 625 481	-	5 625 481	5 625 481	-	5 625 481
Buildings	41 700 210	(8 576 496)	33 123 714	41 700 210	(7 750 405)	33 949 805
Building improvements	14 197 736	(6 482 443)	7 715 293	14 022 761	(5 469 925)	8 552 836
Plant and machinery	46 469 896	(34 108 221)	12 361 675	50 665 551	(37 035 621)	13 629 930
Furniture, fittings and equipment	7 907 111	(4 835 356)	3 071 755	7 274 777	(3 881 894)	3 392 883
Motor vehicles	3 838 798	(2 963 164)	875 634	3 721 326	(2 571 923)	1 149 403
IT equipment	7 121 793	(5 758 454)	1 363 339	7 354 079	(5 372 421)	1 981 658
Assets under construction	157 120	-	157 120	700 403	-	700 403
Total	**127 018 145**	**(62 724 134)**	**64 294 011**	**131 064 588**	**(62 082 189)**	**68 982 399**

Notes to the Consolidated Annual Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Business combinations	Disposals	Transfers	Foreign exchange movements	Depreciation	Impairment loss	Closing balance
Land	5 625 481	-	-	-	-	-	-	-	5 625 481
Buildings	33 949 805	-	-	-	-	-	(826 091)	-	33 123 714
Building improvements	8 552 836	153 467	-	-	48 713	(13 390)	(1 026 333)	-	7 715 293
Plant and machinery	13 629 930	1 098 106	24 957	(493 296)	887 540	100 279	(2 885 841)	-	12 361 675
Furniture, fittings and equipment	3 392 883	629 867	58 419	(7 354)	60 367	(33 429)	(1 028 998)	-	3 071 755
Motor vehicles	1 149 403	342 755	101 610	(243 896)	43 385	(26 128)	(491 495)	-	875 634
IT equipment	1 981 658	295 377	-	(815)	60 768	(6 080)	(957 848)	(9 721)	1 363 339
Assets under construction	700 403	514 105	-	-	(1 057 388)	-	-	-	157 120
	68 982 399	**3 033 677**	**184 986**	**(745 361)**	**43 385**	**21 252**	**(7 216 606)**	**(9 721)**	**64 294 011**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Business combinations	Disposals	Transfers	Foreign exchange movements	Depreciation	Closing balance
Land	5 625 481	-	-	-	-	-	-	5 625 481
Buildings	23 889 260	10 673 602	-	-	-	-	(613 057)	33 949 805
Building improvements	7 617 072	233 091	-	(3 927)	1 579 144	112 967	(985 511)	8 552 836
Plant and machinery	15 325 653	1 293 515	36 500	(922 542)	1 097 359	193 008	(3 393 563)	13 629 930
Furniture, fittings and equipment	1 691 398	2 050 118	67 829	(45 155)	262 094	(17 698)	(615 703)	3 392 883
Motor vehicles	2 001 680	-	359 149	(541 866)	-	(36 177)	(633 383)	1 149 403
IT equipment	2 007 076	945 845	-	(32 612)	-	26 503	(965 154)	1 981 658
Assets under construction	1 771 734	1 929 537	-	(62 271)	(2 938 597)	-	-	700 403
	59 929 354	**17 125 708**	**463 478**	**(1 608 373)**	**-**	**278 603**	**(7 206 371)**	**68 982 399**

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings as referred to in note 15:

	Group 2024	Group 2023
Land and buildings	38 749 195	39 575 286

Cash flow movement of property, plant and equipment

	2024	2023
Additions as per note above	3 033 677	17 125 708
Additions acquired through financing	-	(10 673 600)
Non-cash additions	(490 905)	-
Adjustment in respect of foreign exchange rate movements	(100 394)	-
Net cash outflow	**2 442 378**	**6 452 108**

3. Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

3. Leases (continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

Group as a lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets.

The group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT and office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

In determining low-value assets, the group first assess whether or not the value of the underlying assets when it is (or was) new is greater than R100,000. In addition, the group assesses whether or not the use of the underlying asset is readily available to the group and is highly dependent or interrelated with other assets. Should the asset value be below R100,000, is readily available and not highly dependent or interrelated to other assets, it is considered low-value.

Right-of-use assets (RoU assets)

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial measurement of lease liability.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Rental contracts are typically made for fixed periods of 3 years to 5 years, with an average initial term of 3 years, but may have extension options included. Right-of-use assets purchased under instalment sale agreements (*ISA*) are depreciated over the useful lives as ownership of the underlying asset transfers at the end of the lease.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in note 1.4.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include:

- Fixed payments (including in-substance fixed payments);
- Amounts expected to be payable by the group under residual value guarantees;
- The exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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3. Leases (continued)

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss (note 23 - Finance cost) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The group's leasing activities and how these are accounted for:

The group leases various production facilities, office buildings, motor vehicles and plant and equipment. Rental contracts are made for fixed periods but may have extension options as described below. Leases are negotiated on an individual basis and contain different terms and conditions. All leased assets are managed through written contracts to reduce the risk of uncertainty in regards to the conditions or existence of a lease.

In assessing the lease period of the various production and office facilities, management considers the nature of the production and office equipment to be movable and adaptable to variety of facilities and as a result the likelihood of extending the lease term or terminating are both possible. The agreed lease period is therefore used in determining the lease payment until such time as the likelihood of extending or terminating the lease becomes probable.

The lease payments are discounted using the incremental borrowing rates which range between 7.50% to 12.25% (2023: 9.5% to 12.25%).

It is group policy to account for certain assets purchased under instalment sale agreements (ISA) as leased assets and which have been included in the below tables.

	Property	Motor vehicles	Plant and equipment	Total
Reconciliation of RoU assets:				
As at 01 July 2023	25 630 967	5 480 554	9 512 580	40 624 101
Recognised subsequent to 01 July 2023	5 460 009	2 536 852	-	7 996 861
Transfers	-	(43 385)	-	(43 385)
Depreciation expense	(10 269 291)	(1 898 169)	(795 000)	(12 962 460)
Lease remeasurement	3 210	(18 908)	-	(15 698)
Translation reserve	204 030	(233 024)	-	(28 994)
As at 30 June 2024	**21 028 925**	**5 823 920**	**8 717 580**	**35 570 425**
Reconciliation of lease liability:				
As at 01 July 2023	29 933 653	4 692 050	5 366 965	39 992 668
Recognised subsequent to 01 July 2023	5 460 009	2 455 485	-	7 915 494
Interest expense	2 140 985	427 165	529 781	3 097 931
Payments	(11 633 736)	(2 462 564)	(2 296 031)	(16 392 331)
Translation reserve	(42 537)	(24 473)	-	(67 010)
Lease remeasurement	(873 423)	(18 908)	-	(892 331)
As at 30 June 2024	**24 984 951**	**5 068 755**	**3 600 715**	**33 654 421**

Notes to the Consolidated Annual Financial Statements

3. Leases (continued)

	Property	Motor vehicles	Plant and equipment	Total
Reconciliation of RoU assets:				
As at 01 July 2022	34 968 077	2 837 934	4 428 622	42 234 633
Recognised subsequent to 01 July 2022	-	3 180 532	5 678 523	8 859 055
Depreciation expense	(9 585 061)	(1 352 524)	(594 565)	(11 532 150)
Lease remeasurement	681 057	-	-	681 057
Translation reserve	(433 106)	814 612	-	381 506
As at 30 June 2023	**25 630 967**	**5 480 554**	**9 512 580**	**40 624 101**
Reconciliation of lease liability:				
As at 01 July 2022	37 111 209	2 607 770	1 777 631	41 496 610
Recognised subsequent to 01 July 2022	575 757	3 299 762	5 369 227	9 244 746
Interest expense	2 593 729	326 382	280 370	3 200 481
Payments	(11 107 265)	(1 887 260)	(2 060 263)	(15 054 788)
Translation reserve	144 913	345 396	-	490 309
Lease remeasurement	615 310	-	-	615 310
As at 30 June 2023	**29 933 653**	**4 692 050**	**5 366 965**	**39 992 668**

	2024 R	2023 R
Split for lease liabilities:		
Non-current liabilities	21 784 450	29 781 722
Current liabilities	11 869 971	10 210 946
	33 654 421	**39 992 668**

Refer to note 17 for the maturity analysis of lease liabilities.

	2024 R	2023 R
Amounts recognised in profit and loss:		
Depreciation expense on RoU asset	12 962 460	11 532 150
Interest expense on lease liability	3 097 931	3 200 481
Expenses relating to short-term leases and low value assets	185 422	1 159 742
Total amount recognised in profit and loss	**16 245 813**	**15 892 373**

The cash outflow from leases during the year was R13 059 749 (2023: R11 854 307).

4. Intangible assets and goodwill

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

Goodwill is, from the date of the business combination, allocated to each of the cash-generating units, that are expected to benefit from the synergies of the combination. Irrespective of whether there is any indication of impairment, the group also tests goodwill acquired in a business combination for impairment annually by comparing the CGUs carrying amount with its recoverable amount. This impairment test is performed annually at the end of the reporting period.

An impairment is determined by assessing the recoverable amount of the CGU to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets are initially recognised at cost. Finite useful life intangible assets are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation and any impairment included in profit or loss as incurred.

4. Intangible assets and goodwill (continued)

No amortisation is provided for intangible assets which have been assessed as having indefinite useful lives, but they are tested for impairment annually at the same time every period and wherever there is an indication that the asset may be impaired by comparing its carrying amount with its value-in-use.

Amortisation is provided to write down the intangible assets as follows:

Categories	Amortisation method	Average useful life
Patents and trademarks	Straight line basis	10 to 20 years
Brand names		Indefinite
Goodwill		Indefinite
Computer software	Straight line basis	3 to 10 years
Product design	Straight line basis	10 years
Franchise rights		Indefinite
Assets under development		Amortised when available for use

Assets under development

Costs associated with development or maintaining intangible assets are recognised as the expense is incurred. Costs that are directly associated with the production of identifiable and unique intangible assets controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Once the project is complete, costs are transferred to the appropriate category of intangible asset. Finite intangible assets are then amortised over their useful life once the asset becomes available for use. Finite intangible assets are tested for impairment only if there is an indicator of impairment.

	2024			2023		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Patents and trademarks	1 979 940	(1 171 207)	808 733	1 980 058	(1 114 981)	865 077
Brand names	26 550 501	-	26 550 501	26 550 501	-	26 550 501
Goodwill	99 640 262	(37 422 000)	62 218 262	96 801 964	(37 422 000)	59 379 964
Computer software	7 711 996	(2 502 318)	5 209 678	5 434 318	(1 313 182)	4 121 136
Product design	2 217 008	(1 241 395)	975 613	2 158 495	(1 144 968)	1 013 527
Franchise rights	10 445 851	-	10 445 851	10 445 851	-	10 445 851
Assets under development	3 413 457	-	3 413 457	3 448 419	-	3 448 419
Total	**151 959 015**	**(42 336 920)**	**109 622 095**	**146 819 606**	**(40 995 131)**	**105 824 475**

Reconciliation of intangible assets and goodwill - 2024

	Opening balance	Additions	Business combinations	Transfers	Foreign exchange movements	Amortisation	Impairment loss	Closing balance
Patents and trademarks	865 077	-	-	-	-	(56 344)	-	808 733
Brand names	26 550 501	-	-	-	-	-	-	26 550 501
Goodwill	59 379 964	-	3 200 000	-	(361 702)	-	-	62 218 262
Computer software	4 121 136	59 169	-	2 240 437	(575)	(1 092 787)	(117 702)	5 209 678
Product design	1 013 527	58 512	-	-	-	(96 426)	-	975 613
Franchise rights	10 445 851	-	-	-	-	-	-	10 445 851
Assets under development	3 448 419	2 205 475	-	(2 240 437)	-	-	-	3 413 457
	105 824 475	**2 323 156**	**3 200 000**	**-**	**(362 277)**	**(1 245 557)**	**(117 702)**	**109 622 095**

Notes to the Consolidated Annual Financial Statements

4. Intangible assets and goodwill (continued)

Reconciliation of intangible assets and goodwill - 2023

	Opening balance	Additions	Business combinations	Disposals	Transfers	Foreign exchange movements	Amortisation	Closing balance
Patents and trademarks	369 577	429 135	-	-	133 107	-	(66 742)	865 077
Brand names	26 550 501	-	-	-	-	-	-	26 550 501
Goodwill	55 795 250	-	2 035 260	-	-	1 549 454	-	59 379 964
Computer software	1 840 454	1 385 493	-	(7 156)	1 628 964	-	(726 619)	4 121 136
Product design	1 137 764	82 573	-	-	(133 012)	-	(73 798)	1 013 527
Franchise rights	10 445 851	600 000	-	(600 000)	-	-	-	10 445 851
Assets under development	3 309 482	2 469 959	-	(701 963)	(1 629 059)	-	-	3 448 419
	99 448 879	**4 967 160**	**2 035 260**	**(1 309 119)**	**-**	**1 549 454**	**(867 159)**	**105 824 475**

Impairment testing of goodwill and indefinite intangible assets

When testing for impairment of goodwill and indefinite intangible assets during the year and assessing future income, management has considered the assumptions relating to the sustainable growth. In assessing sustainable growth, management has taken into consideration the ongoing macro-economic challenges and economic uncertainties resulting from the weakening economy and their impact on the current year performance of the CGU. Additionally, management has evaluated the probable effects these factors will have on performance over the foreseeable future, including the impact on consumer confidence and spending power in both the local and international economies.

Management, in assessing sustainable cash flows, has considered the impact anticipated conservative consumer spending capacity could have on demand and as a result future cash flow forecasts have not only accounted for reduced income but has also factored increased operating costs in line with board approved budgets and strategies to manage working capital requirements in line with demand. In projecting future cash flows, management uses board approved budgets for the first year and then thereafter an estimated annual growth in revenue for years 2 to 5.

The recoverable amount of goodwill and indefinite intangible assets are based on value-in-use calculations, this calculation utilises expected pre-tax cash flows, market related growth rate extended over the five-year forecast period is used; this is based on past performance and management's expectations of market development and a reasonable growth rate applied thereafter, discounted at a risk adjusted discount rate appropriate to the cash generating unit (CGU). The discount rates used in the discounted cash flow models are calculated using the weighted average cost of capital, taking into account the current market conditions in the market where the CGU is located.

The recoverable amount of the brand names and Rollerstyle product range are based on value-in-use calculations which utilises the royalty relief method.

Details of goodwill and indefinite intangible assets

The goodwill relates to the following CGUs:	**2024 R**	**2023 R**
Trellicor - Rollerstyle product range	1 500 000	1 500 000
Retail - local Trellidor franchises	16 436 812	13 236 812
UK - acquisition of Trellidor UK	8 802 179	9 163 881
Ghana - acquisition of Trellidor Ghana	888 498	888 498
Innovations - acquisition of Taylor Blinds and Shutters	24 022 331	24 022 331
Decor - acquisition of the NMC range	10 568 442	10 568 442
	62 218 262	**59 379 964**
Indefinite life intangible assets relates to the following CGUs:		
Retail - franchise rights	10 445 851	10 445 851
Innovations and Trellicor - brand names	26 550 501	26 550 501
	36 996 352	**36 996 352**

Notes to the Consolidated Annual Financial Statements

4. Intangible assets and goodwill (continued)

Key assumptions used in the projections for the period ending 2024	**Discount rate %**	**Royalty rate %**	**Growth rate[1] %**	**Sensitivity analysis[3]**	
				Decrease in growth rate by:	**Increase in discount rate by:**
Retail	19.83 %	N/A	8.00 %	2.35%	6.10%
Innovations	18.70 %	2.00 %	8.00 %	1.55%	2.75%
Décor	19.83 %	N/A	8.00 %	5.65%	N/A
Trellicor	19.82 %	5.00 %	4.00 %	N/A	N/A
Ghana	19.83 %	N/A	8.00 %	N/A	N/A
UK	12.82 %	N/A	5.00 %	N/A	N/A

Key assumptions used in the projections for the period ending 2023	**Discount rate %**	**Royalty rate %**	**Growth rate[2] %**	**Sensitivity analysis[3]**	
				Decrease in growth rate by:	**Increase in discount rate by:**
Retail	18.91 %	N/A	8.00 %	N/A	N/A
Innovations	18.91 %	2.00 %	8.00 %	3%	2%
Décor	18.91 %	N/A	8.00 %	N/A	N/A
Trellicor	18.91 %	5.00 %	4.00 %	N/A	N/A
Ghana	18.91 %	N/A	8.00 %	N/A	N/A
UK	12.95 %	N/A	5.00 %	N/A	N/A

[1]*Average growth rate applied for the periods beyond 2026 taking into consideration the economic conditions, increased inflation forecasts, consumer spending and industrial demand.*

[2]Average growth rate applied for the periods beyond 2025 taking into consideration the economic conditions, increased inflation forecasts, consumer spending and industrial demand.

[3]Sensitivity analysis:

The estimation of pre-tax cash flows is sensitive to the periods for which forecasts are available and to assumptions regarding the long-term sustainable cash flows.

A sensitivity analysis on assumptions used in the discounted cash flow has been done. Management have considered and assessed reasonable possible changes for the assumptions and have identified that should the growth rate or discount rate fluctuation be greater than rates stated above, the carrying amount of the goodwill and indefinite intangible assets that pertains to the CGU will exceed its recoverable amount, therefore result in an impairment to be recognised.

N/A - management have assessed that there are no reasonable possible change in the key assumption that would cause the carrying amount of the goodwill and the indefinite intangible assets to exceed the recoverable amount.

Management have considered and assessed possible changes for the other assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

5. Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred.

Goodwill is determined as the consideration paid less the fair value of the identifiable assets and liabilities of the acquiree.

Business combination during the year - Trellidor Milnerton franchise

On 01 September 2023, the group acquired the Trellidor Milnerton franchise operation in Cape Town, which will form an integral part of the Trellidor network. This franchise, in conjunction with the other owned franchise, will be managed as owned Trellidor branches with the expectation of improving service delivery in these regions and improve efficiency to the end user.

Goodwill of R3,200,000 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.

Fair value of assets acquired and liabilities assumed

	2024 R
Property, plant and equipment	184 986
Inventories	117 655
Trade and other payables	(243 817)
Loans payable	(1 280 911)
Goodwill	3 200 000
	1 977 913
Acquisition date fair value of consideration paid	
Cash	(1 977 913)

6. Investment in subsidiaries

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

	% holding 2024	% holding 2023
Trellidor Proprietary Limited	100 %	100 %
Trellidor Innovations Proprietary Limited	100 %	100 %
Trellicor Proprietary Limited	100 %	100 %
Trellidor UK Limited	100 %	100 %
Trellidor Décor Proprietary Limited	100 %	100 %
Trellidor Ghana Limited	85 %	85 %
Trellidor Retail Proprietary Limited	100 %	100 %
Really Secure Company Limited	100 %	100 %

Principal place of business

Trellidor Ghana Limited and Trellidor Retail Proprietary Limited are subsidiaries of Trellicor Proprietary Limited, Really Secure Company Limited is a subsidiary of Trellidor UK Limited and is thus indirectly owned by the group. All the entities are domiciled and operate in South Africa except for Trellidor Ghana Limited which is domiciled and operates in Ghana and Trellidor UK Limited and Really Secure Company Limited which is domiciled and operates in the UK.

The percentage shareholding is equal to the voting rights attached to each share.

6. Investment in subsidiaries (continued)

Ghana

In terms of IAS 29 Financial Reporting in Hyperinflationary Economies, the financial results of group entities whose functional currencies are the currencies of hyperinflationary economies must be adjusted in terms of the purchase power current at the end of the reporting period. With the economy of Ghana being assessed to be hyperinflationary during the current reporting period, the consumer price indices, as published by the Ghana Statistical Services, were used to adjust the historic cost local currency results and financial position of the group's Ghanaian subsidiary, Trellidor Ghana Limited. Using the consumer price index for June 2024 of 226.40 and given the size of the business of Trellidor Ghana Limited, the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies was not considered material to the group, so no adjustment has been made to the historical cost financial results of Trellidor Ghana Limited in the consolidation process.

7. Deferred tax

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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

	Group	
	2024 R	2023 R
Property plant and equipment	(7 545 249)	(4 296 053)
Intangible assets	521 587	299 053
Prepaid expenses	(619 875)	(146 800)
Expected credit loss allowance	(874 424)	(873 404)
Section 24C allowance	(1 987 970)	(1 798 104)
Unrealised profit in inventory	1 827 519	764 640
Provisions	6 662 074	5 658 320
Income received in advance	2 994 466	3 217 804
RoU asset	(15 038 638)	(16 962 408)
Lease liability	17 740 730	19 482 558
Section 18A deductions carried forward	67 614	108 500
Capital loss	276 677	-
Assessed loss	12 187 305	9 232 081
Accrued expenses	63 561	403 640
Total net deferred tax asset	**16 275 377**	**15 089 827**
Deferred tax asset	19 232 127	16 693 671
Deferred tax liability	(2 956 750)	(1 603 844)
Total net deferred tax asset	**16 275 377**	**15 089 827**

Reconciliation of deferred tax asset / (liability)

	2024 R	2023 R
At beginning of year	15 089 827	15 402 095
Temporary differences	2 739 330	975 521
Effect of decrease in tax rate	-	(224)
Prior period adjustment	-	(183 055)
Correction to opening balance	(1 553 780)	(1 104 510)
	16 275 377	**15 089 827**

7. Deferred tax (continued)

Utilisation of deferred tax asset

Management has utilised financial budgets and the strategic plan, which has been approved by the executive committee and the board of directors, to determine the recoverability of the deferred tax asset balance.

8. Loans receivable

Loans receivable, which includes loans to third parties, are measured at amortised cost using the effective interest rate method less any expected credit losses. The general approach is used in determining the expected credit losses.

Refer to note 17 for the further details of the accounting policy of financial instruments.

Loans to franchisees - performing	3 659 165	5 446 070
Loans advanced to franchisees, attracting interest at prime plus 3% and are secured by franchise rights. The monthly repayments are linked to sales via a reduced trade discount on a monthly basis, and /or monthly repayments.		
Loans receivable - D Judge - performing	1 085 298	993 599
Loans receivable - C Meekers - performing	1 096 681	1 020 654
The above loans to the directors were advanced for the purchase of shares in Trellidor Holdings Limited and are secured by these shares, bear interest at prime less 0.5% and are repayable in full by 31 December 2025.		
Skyatt Investments Proprietary Limited - performing	750 000	750 000
The above loan is unsecured, interest free and repayable on demand.		
Knysna Franchise - non-performing	2 865 758	3 035 740
The above loan is secured by franchise rights, bears interest at prime plus 1%. The monthly repayments are linked to sales via a reduced trade discount on a monthly basis, and /or monthly repayments.		
	9 456 902	**11 246 063**

Split between non-current and current portions

Non-current assets	4 685 972	6 455 528
Current assets	4 770 930	4 790 535
	9 456 902	**11 246 063**

Exposure to credit risk

Loans receivable (at amortised cost) inherently expose the group to credit risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. In order to mitigate the risk of financial loss from defaults, executive management is responsible for the management of credit risk and is held accountable for any defaults in loans receivable and does so through on going credit evaluations which include ongoing reviews by the executive committee and the Trellidor Holdings board to assess the credit quality. Any change in the credit quality is considered from the date credit was granted up to the reporting date. Credit quality is assessed by taking into account the counterparties financial position and past experience and other qualitative factors as mentioned in note 17. Individual risk limits are set based on internal or external ratings in accordance with limits set by management.

Loans receivable (at amortised cost) are subject to the impairment provision which requires a loss allowance to be recognised for all exposures to credit risk. A credit loss allowance is measured by applying the general approach and is monitored at the end of each reporting period.

An amount equal to lifetime expected credit losses (ECLs) is recognised where there has been a significant increase in credit risk, otherwise ECL is recognised as the 12 month ECL.

The loss allowance is updated at each reporting date based on changes in the credit risk since initial recognition. If an asset is considered to have a low credit risk at the reporting date because the counterparty has a strong capacity to meet its contractual cash flow obligations, then it is assumed that the credit risk has not increased significantly since initial recognition.

8. Loans receivable (continued)

A significant increase in credit risk is indicated when the counterparty is unable to make contractual payments, and any other economic indicators (i.e. national/global occurrences).

The quantitative criterion of credit impairment is when receivables are more than 90 days past due on their contractual payments which is a rebuttable presumption in IFRS 9. Evidence of impairment and default includes, among others, the failure of the counterparty to engage in a repayment plan with the group or a failure to make contractual payments for a period of greater than 90 days past due.

Reconciliation of loss allowance

The following table set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans receivable:

	Basis of loss allowance	Gross carrying amount	Loss allowance	Amortised cost
Group - 2024 - Instrument				
Franchisees - performing	12 month ECL	3 659 165	-	3 659 165
D Judge - performing	12 month ECL	1 085 298	-	1 085 298
C Meekers - performing	12 month ECL	1 096 681	-	1 096 681
Skyatt Investments - performing	12 month ECL	750 000	-	750 000
Knysna franchise - non-performing	Lifetime ECL	4 565 758	(1 700 000)	2 865 758
		11 156 902	**(1 700 000)**	**9 456 902**
Group - 2023 - Instrument				
Franchisees - performing	12 month ECL	5 446 070	-	5 446 070
D Judge - performing	12 month ECL	993 599	-	993 599
C Meekers - performing	12 month ECL	1 020 654	-	1 020 654
Skyatt Investments - performing	12 month ECL	750 000	-	750 000
Knysna franchise - performing	12 month ECL	3 035 740	-	3 035 740
		11 246 063	**-**	**11 246 063**

Reconciliation of loss allowances	**2024 R**
Opening balance	-
Transfer (to) lifetime expected credit losses (not credit impaired)	(1 700 000)
Closing balance	**(1 700 000)**

Fair value of loans receivable

The carrying value of loans receivable, measured at amortised cost approximates their fair value.

9. Trade and other receivables

Trade receivables listed below are initially measured at the transaction price received or receivable and subsequently measured at amortised cost using the effective interest rate method less expected credit losses. Other receivables and non-financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost.

The carrying amount of trade receivables are reduced through the use of an allowance account, and the amount of the loss is recognised separately in the statement of profit or loss and other comprehensive income.

9. Trade and other receivables (continued)

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables and monitored at each reporting date.

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on the historical loss rate is adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the ability of customers to settle the debt outstanding. The group has identified the gross domestic product growth rate and unemployment rate of South Africa to be the most relevant factor and accordingly adjusted the historical loss rate based on expected changes in the aforementioned factors.

The loss allowance is updated at each reporting date based on changes in the credit risk since initial recognition. If an asset is considered to have a low credit risk at the reporting date because the counterparty has a strong capacity to meet its contractual cash flow obligations, then it is assumed that the credit risk has not increased significantly since initial recognition.

A significant increase in credit risk is indicated when the debtor has missed at least one payment (i.e. 30/60 days past due), and any other economic indicators (i.e. national/global occurrences that will result in the counterparty being unable to make contractual payments).

The quantitative criterion of credit impairment is when receivables are more than 90 days past due on their contractual payments which is a rebuttable presumption in IFRS 9.

Evidence of impairment and default includes, among others, the failure of a debtor to engage in a repayment plan with the group or a failure to make contractual payments for a period of greater than 90 days past due. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

In determining whether or not a debt is uncollectable the executive management will review all steps that have been taken to recover the debt before approving the write-off. The group considers that a trade receivable is written-off and has no reasonable expectation of recoverability when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Trade receivable that are uncollectible and subsequent recoveries of such amounts previously written off, are credited against operating expenses in the statement of profit or loss and other comprehensive income.

Refer to note 17 for the further details of the accounting policy of financial instruments.

	Group	
	2024	**2023**
	R	**R**
Financial instruments:		
Trade receivables	58 057 668	45 727 889
Loss allowance	(1 806 479)	(1 998 289)
Trade receivables at amortised cost	56 251 189	43 729 600
Other receivable	2 182 885	1 985 808
Non-financial instruments:		
VAT	209 491	3 283
Other receivables	100 767	572 311
Prepayments	1 561 984	2 478 567
Total trade and other receivables	**60 306 316**	**48 769 569**

Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	58 434 074	45 715 408
Non-financial instruments	1 872 242	3 054 161
	60 306 316	**48 769 569**

9. Trade and other receivables (continued)

Trade and other receivables pledged as security for group facilities

Trade receivables with a carrying amount of R37,615,762 (2023: R32,493,440) has been ceded as security for the financing facilities of the group. Refer to note 12 for the facilities and securities held with FNB.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due. In order to mitigate the risk of financial loss from defaults, the group only deals with reputable customers with consistent payment histories.

The group's credit risk exposure to customers is influenced mainly by the individual characteristics of each customer. The group’s historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

Each business unit in the Trellidor group is responsible for the management of credit risk in receivables and does so through ongoing credit evaluations and credit control policies and procedures. Executive management is held accountable for any defaults. Any change in the credit quality of trade receivables is considered from the date credit was granted up to the reporting date. Credit quality of the customer is assessed by the business units in taking into account its financial position, past experiences and other qualitative factors mentioned in the accounting policy for trade receivables. The establishment and subsequent maintenance of credit limits is, in the majority of cases, based either on the applicable franchise right valuation or the specific credit insurance that can be secured.

Management implemented strategies for interventions such as regularly monitors customer purchase and payment behaviour which reduced the risk of debts becoming uncollectable and have allowed majority of our debtors to trade despite sustained pressure on the local and international economy. Management also follows a proactive process in managing overdue customers that enabled the group to identify specific impairment issues which have been provided for.

The credit loss rates are based on the payment profile of sales over a period of 24-months before 30 June 2024 and the corresponding historical credit losses experienced within this period. As debtors days are on average less than 60 days, this period reflects sufficient data points.

The risk profile remains weighted to a higher risk of loss on amounts more than 61 days past due. In considering the sustained economic pressure on debtors, management have assessed that the credit risk profile remains robust due to the implementation of strategies to manage and assess credit risk. Based on this assessment the current credit loss is considered adequate.

The loss allowance for the period was determined as follows:

	2024			2023		
Expected credit loss rate: Group ageing	**Gross carrying amount R**	**Loss allowance R**	**ECL rate %**	**Gross carrying amount R**	**Loss allowance R**	**ECL rate %**
Current (not past due)	45 643 816	(396 300)	0.87 %	13 690 507	(24 791)	0.18 %
Up to 30 days (past due)	4 867 882	(80 302)	1.65 %	4 083 906	(80 613)	1.97 %
Up to 60 days (past due)	2 584 866	(150 808)	5.83 %	3 142 149	(109 600)	3.49 %
More than 60 days (past due)	315 883	(236 488)	74.87 %	2 654 957	(465 951)	17.55 %
Specifically impaired	4 645 221	(942 581)		22 156 370	(1 317 334)	
Total	**58 057 668**	**(1 806 479)**		**45 727 889**	**(1 998 289)**	

9. Trade and other receivables (continued)

	Group 2024 R	Group 2023 R
Reconciliation of loss allowances		
The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:		
Opening balance	**(1 998 291)**	**(1 375 094)**
Amounts written off	101 330	25 235
Provision raised on new trade receivables	(827 697)	(647 061)
Provisions reversed on settled trade receivables	647 061	(149 244)
Translation reserve	271 118	147 873
Closing balance	**(1 806 479)**	**(1 998 291)**

Other receivables

In determining the amount of expected credit losses of other receivables, the group has taken into account any historic default experience, the financial positions of the counterparty at year end as well as the future cash flows of the counterparty. The other receivables comprising deposits, are assessed on an individual basis and considered to be low risk of default, with no amount past due as well as the parties having sufficient access to high liquid assets at year-end. The ECL has been determined over a 12-month period, resulting in an ECL identified being immaterial.

Exposure to currency risk

Refer to note 17 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

The fair values of ‘trade and other receivables at amortised cost’ are considered to be equal to the carrying value due to their short-term nature.

10. Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis. Management believes the use of the weighted average cost basis better matches current costs with revenues earned.

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

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

Raw materials	107 801 877	112 912 612
Work in progress	1 719 962	2 243 819
Finished goods	7 975 983	8 950 079
Goods in transit	6 778 315	10 678 179
	124 276 137	134 784 689
Provision for obsolescence of raw materials	(6 073 284)	(6 792 542)
	118 202 853	**127 992 147**
Inventory recognised as an expense in cost of sales	198 473 569	190 315 989

The provision for obsolescence is calculated by identifying inventory items that have not moved in the previous 12 to 24 months and are not expected to move in the next 12 months. A provision was made against inventory for obsolescence and management is satisfied that a sufficiently robust process was followed to confirm quantities and identify slow-moving inventory and therefore no additional impairments were identified.

Inventory, with a carrying value of R103,625,864 (2023: R115,683,293) have been encumbered as security for the second long-term borrowings as referred to in note 15.

	Group	
	2024 R	2023 R

11. Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents comprise cash on hand and cash held at the bank, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents as defined above is reflected net of bank overdrafts as they are considered an integral part of the group and company's cash management.

Bank overdrafts are classified as financial liabilities at amortised cost.

Cash and cash equivalents consist of:

	2024 R	2023 R
Cash on hand	163 926	200 956
Bank balances	11 835 525	7 190 319
Bank overdraft	(28 046 085)	(32 626 333)
	(16 046 634)	**(25 235 058)**
Current assets	11 999 451	7 391 275
Current liabilities	(28 046 085)	(32 626 333)
	(16 046 634)	**(25 235 058)**

The group had total undrawn facilities available at year-end for future operating activities and commitments of:

	2024 R	2023 R
The total amount of undrawn facilities available for future operating activities and commitments	35 727 734	31 146 667

Due to the short-term nature of cash and cash equivalents the carrying amount is deemed to approximate fair value.

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

The credit quality of cash at bank and short-term deposits, excluding cash on hand, can be assessed by reference to external credit ratings of the group's bankers. Based on this assessment, which is forward-looking in nature, and the historic performance of the bankers, the carrying amount is deemed to be appropriate with no indication of a credit loss.

The credit ratings of individual banks were reviewed and noted that Moody's credit rating has remained at Ba2 for the long-term local currency and foreign currency deposit ratings of FirstRand Bank Limited. Risk on South African banks is considered negligible as all cash deposits are guaranteed by the SA Reserve Bank and banks are financially sound. Zenith Bank Plc in Ghana (B3) and Barclays Bank (A1) in the UK remain on stable credit ratings.

Cash and cash equivalents pledged as security

Cash and cash equivalents with a carrying amount of R6,415,091 (2023: R4,359,288) has been ceded as security for the financing facilities of the group. Refer to note 12 for the facilities and securities held with FNB.

Exposure to currency risk

Refer to note 17 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

	Group	
	2024	**2023**
	R	**R**

12. Securities and Facilities - FNB

Overdraft facility	40 000 000	40 000 000
Credit card facility	2 000 000	2 323 000
Guarantees	3 000 000	3 000 000
Asset finance	15 000 000	15 000 000
Forward exchange contracts	3 250 000	3 250 000
Global banking	200 000	200 000
	63 450 000	**63 773 000**

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

- A limited cross-suretyship for the amount of R150,000,000 for the joint and several obligations of Trellidor Holdings Limited by all the entities in the Trellidor group excluding Trellidor UK Limited and Trellidor Ghana Limited;
- Cessions given by the group of any and all rights which they may have over the debtors of the group from time to time upon terms and conditions acceptable to the bank, excluding Trellidor Proprietary Limited, Trellidor UK Limited and Trellidor Ghana Limited;
- Unlimited cessions in favour of the bank of the group's debit bank balances held at FNB, excluding Trellidor Décor Proprietary Limited, Trellidor Proprietary Limited, Trellidor UK Limited and Trellidor Ghana Limited;
- General notarial covering bond of R40,000,000 together with a cession of the related short term insurance, in favour of the bank, over the moveable asset of the group, excluding Trellidor Décor Proprietary Limited, Trellidor UK Limited and Trellidor Ghana Limited; and
- Security over the group's land and buildings.

13. Contingencies

Guarantees

FNB has issued the following guarantees on behalf of the group to the following parties:

eThekwini Municipality	202 580	202 580
South African Post Office	40 000	40 000
Emira Property Fund Limited	-	1 416 923
Boxwood Property Investment Fund GP	1 416 923	-
Eskom Holdings Limited	238 700	238 700
	1 898 203	**1 898 203**

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14. Stated capital

Stated capital - Ordinary shares are classified as equity.

	Number of shares 2024	Number of shares 2023
Authorised stated capital		
No par value shares	5 000 000 000	5 000 000 000
Issued stated capital		
No par value	95 209 820	95 209 820

	Issued stated capital 2024 R	Issued stated capital 2023 R
No par value	401 010	401 010

15. Other financial liabilities

Other financial liabilities are measured at amortised cost, using the effective interest rate method.

Refer to note 17 for the further details of the accounting policy of financial instruments.

	2024	2023
Held at amortised cost		
Secured		
FNB - Holdings Facility 1	28 292 723	37 727 564
FNB - Holdings Facility 2	27 219 792	34 628 435
FNB - Innovations Facility	5 978 864	8 013 531
FNB - Property Finance 1	28 133 654	30 544 181
FNB - Property Finance 2	9 978 540	10 591 512
	99 603 573	**121 505 223**

Split between non-current and current portions

	2024	2023
Non-current liabilities	75 306 199	-
Current liabilities	24 297 374	121 505 223
	99 603 573	**121 505 223**

Reconciliation of liabilities arising from financing activities of the group:	2024	2023
Opening balance	121 505 223	96 413 387
Non-cash inflow	-	10 673 600
Interest accruals	12 714 225	10 756 652
Cash outflows	(21 901 650)	(17 780 928)
Cash inflows	-	31 682 940
Interest paid	(12 714 225)	(10 240 428)
Closing balance	**99 603 573**	**121 505 223**

FNB

The Holdings Facility 1 held by Trellidor Holdings Limited bears interest at prime less 0.5% per annum and is repayable in 32 remaining monthly instalments.

The Holdings Facility 2 held by Trellidor Holdings Limited bears interest at prime plus 0.5% per annum and is repayable in 37 remaining monthly instalments.

	Group	
	2024 R	2023 R

15. Other financial liabilities (continued)

The loan held by Trellidor Innovations Proprietary Limited bears interest at prime less 0.5% per annum and is repayable in 30 remaining monthly instalments.

The Property Finance Facility 1 bears interest at prime less 0.5% per annum and is repayable in 86 remaining monthly instalments.

The Property Finance Facility 2 bears interest at prime less 0.5% per annum and is repayable in 107 remaining monthly instalments.

Refer to note 12 for securities held for these facilities.

The group's loan agreements are subject to covenant clauses, requiring the group to meet certain key financial ratios. There were no covenant breaches in the current year, however in the prior period two of these covenants were breached prior to the period ending 30 June 2023. Consequently, in accordance with IAS 1 Presentation of Financial Statements, in the prior period these loans were classified as current, even though they are long-term loans. Subsequently, the group's primary lender completed its credit review and condoned the covenant breaches and level of net debt as of 30 June 2023, without amending the existing financial covenants or imposing any additional covenants or conditions. In the current year, the group has the unconditional right to defer settlement of the related loan liabilities for at least twelve months after the 30 June 2024, and therefore the loans have been classified between non-current and current portion. Refer to note 17 for further details regarding managements capital risk strategies.

Fair value of other financial liabilities

The carrying value of other financial liabilities, measured at amortised cost approximates their fair value.

16. Trade and other payables

Trade and other payables excluding non-financial liabilities listed below are measured at amortised cost, using the effective interest rate method.

Refer to note 17 for the further details of the accounting policy of financial instruments.

	2024 R	2023 R
Financial instruments:		
Trade payables	14 032 939	23 214 908
Foreign exchange contract	2 570 214	1 715 666
Accrued expenses	4 268 157	7 813 745
Non-financial instruments:		
Amounts received in advance	11 488 514	10 483 138
Leave pay and bonus accruals	11 586 661	8 732 822
Accrued expenses	1 098 137	992 009
Other payroll accruals	5 577 484	4 271 527
VAT payables	1 536 265	1 699 229
	52 158 371	**58 923 044**

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

	2024 R	2023 R
At amortised cost	20 871 310	32 744 319
Non-financial instruments	31 287 061	26 178 725
	52 158 371	**58 923 044**

Trade payables are unsecured, non-interest bearing and are normally settled within credit terms of 15 to 30 days.

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	Group	
	2024 R	2023 R

16. Trade and other payables (continued)

Amounts received in advance

Amounts received in advance arises from performance obligations partially satisfied in the current period and represent the group's obligation to transfer goods to a customer for which the group has received consideration.

Refer to note 18 - Revenue for further details regarding revenue recognition.

	2024 R	2023 R
Opening balance	10 483 138	11 618 794
Revenue recognised that was included in the contract liability balance at 01 July	(10 129 259)	(12 235 215)
Increase due to cash received, excluding amounts recognised as revenue	11 134 635	11 099 559
	11 488 514	**10 483 138**

Exposure to currency risk

Refer to note 17 - Financial instruments and financial risk management for details of currency risk management for trade payables.

Fair value of trade and other payables

The fair values of ‘trade and other payables at amortised cost’ are considered to be equal to the carrying value due to their short-term nature.

17. Financial instruments and risk management

Financial instruments comprise loans receivable, trade and other receivables (at amortised cost), cash and cash equivalents, bank overdrafts, financial liabilities, loans payable and trade and other payables (at amortised cost).

Initial recognition and measurement

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

Financial instruments held at amortised cost are measured initially at fair value plus direct transaction costs, except for trade receivables which are measured at the transaction price determined under IFRS 15.

Subsequent measurement

Financial assets are subsequently measured at amortised cost using the effective interest rate method, less any expected credit losses.

The group applies the following methods to determine the expected credit losses at each reporting period:

General approach: historical loss rate is adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the ability of customers to settle the debt outstanding. The group has identified the gross domestic product growth rate and unemployment rate of South Africa to be the most relevant factor and accordingly adjusted the historical loss rate based on expected changes in the aforementioned factors.

Loans receivables use the general approach, measuring the loss allowance at an amount equal to the 12-month ECL if the credit risk of the financial asset has not increased significantly since initial recognition and amount equal to the life time expected losses if the credit risk of the financial asset has increased significantly since initial recognition. Refer to note 8 for further details.

Simplified method: the loss allowance for financial assets is calculated based on the life-time expected losses.

Financial assets that use the simplified approach method include trade receivables. Refer to note 9 for further details.

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17. Financial instruments and risk management (continued)

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method, except for derivatives which are subsequently remeasured to fair value at the end of each reporting period.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the amortised cost.

Income and expenses relating to financial instruments that are recognised in profit and loss are presented within investment income and finance costs, except for impairment of financial assets and movement in expected credit losses, which is presented separately in the statement of profit or loss and other comprehensive income.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expires, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Capital risk management

The group's financial capital is derived from a number of sources including our franchise network, income garnered from our shareholders and retained earnings. Financial capital is managed through long-and short-term borrowings (interest-bearing debt), effective management of cash and capital allocation, franchise distribution model and strong working capital management.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. Capital adequacy and liquidity are managed by monitoring the return on invested capital (ROIC), net debt to EBITDA ratios and gearing ratio. There was no change to what the entity manages as capital or the strategy for capital maintenance from the previous year.

The Trellidor group is required to maintain and monitor the adjusted gearing ratio and senior debt to EBITDA (excluding right of use depreciation relating to IFRS 16) ratio covenants in terms of its agreements with its financiers. As at 30 June 2024. The Trellidor group was not in breach of any covenants and there was no change to what the entity manages as capital or the strategy for capital maintenance from the previous year.

The group generated, operating profit for the year of R62,5 million (2023: R21.9 million) and operating invested capital of R274.9 million (2023: R260.1 million), resulting in a ROIC of 17% (2023: 6%).

The group's dividend is limited to 50% of profit after tax in terms of the group's dividend policy based on available cash.

The relevant ratios for 2024 and 2023 respectively were as follows:

	Group	
	2024	**2023**
Net debt[1]	115 650 207	146 740 281
Equity	202 496 018	173 225 676
Gearing ratio	57.11 %	84.71 %
Net debt to EBITDA[2]	1.38x	3.53x

Net debt[1] can be defined as other financial liabilities less cash and cash equivalents - refer to notes 11 and 15.

EBITDA[2] can be defined as profit(loss) for the year adjusted for interest, tax, depreciation and amortisation of any intangibles - refer to note 1.

17. Financial instruments and risk management (continued)

Financial risk management

The group’s financial instruments consist primarily of cash resources invested with financial institutions, accounts receivable, accounts payable, loans from financial institutions and loans to third parties all measured at amortised cost. The group's activities expose it to a variety of financial risks including credit, interest, foreign currency, capital and liquidity risk.

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

There have been no major changes to the group's financial risk management policies and processes from the previous period.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group is exposed to credit risks from its operating activities. Credit risk arises principally from trade receivable, loans receivable and, to a lesser extent, short-term bank deposits.

The group did not consider there to be any significant credit risk exposure which has not been adequately provided for.

Refer to notes 8, 9 and 11 for further details regarding the group's maximum exposure to credit risk.

Liquidity risk

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

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

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

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

		2024					
		Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Liabilities							
Lease liabilities	3	17 660 635	15 771 889	7 792 370	-	41 224 894	33 654 421
Other financial liabilities	15	34 619 214	34 619 214	41 127 267	20 073 163	130 438 858	99 603 573
Trade and other payables	16	20 871 310	-	-	-	20 871 310	20 871 310
Bank overdraft	11	28 046 085	-	-	-	28 046 085	28 046 085
		101 197 244	**50 391 103**	**48 919 637**	**20 073 163**	**220 581 147**	**182 175 389**

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17. Financial instruments and risk management (continued)

		2023					
		Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Liabilities							
Lease liabilities	3	14 009 024	13 108 698	16 754 379	-	43 872 101	39 992 668
Other financial liabilities	15	34 405 724	41 848 556	80 251 153	31 448 524	187 953 957	121 505 223
Trade and other payables	16	32 744 319	-	-	-	32 744 319	32 744 319
Bank overdraft	11	32 626 333	-	-	-	32 626 333	32 626 333
		113 785 400	**54 957 254**	**97 005 532**	**31 448 524**	**297 196 710**	**226 868 543**

Interest rate risk

The group's interest rate risk arises from cash deposits (refer to note 11) and financial liabilities (refer note 15), which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through a central cash management mechanism at group level, which enables the group to maximise returns whilst minimising risk.

At 30 June 2024, if the prime interest rates which is considered the benchmark had been 0.5% higher/(lower) with all other variables held constant, pre-tax profit for the year would have been R622,418 (2023: R785,001) lower/(higher), mainly as a result of higher interest (income)/expense on borrowings.

Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, GB Pound and Euro.

The group imports raw materials and components and exports finished goods. These transactions are foreign currency based, hence there is exposure to foreign currency risk in the form of transactions and translation expenses from fluctuations in foreign currency exchange rates. The group utilises, as part of its risk management, the natural hedging that arises from being an importer and exporter of goods and forward exchange contracts where appropriate.

		Group	
Exposure in foreign currency amounts			
The net carrying amounts, in foreign currency of the above exposure was as follows:		**2024 R**	**2023 R**
Current assets			
Trade and other receivables:			
• USD 391,237 (2023: 496,364)	9	7 139 862	9 352 145
• GBP 91,865 (2023: 141,177)	9	2 115 113	3 379 071
• EUR 2,192 (2023: 41,969)	9	42 799	863 025
Cash and cash equivalents:			
• USD 29,546 (2023: 148,246)	11	538 356	2 793 147
• GBP 5 (2023: 22,316)	11	105	534 133
• EUR 5,244 (2023: 5)	11	102 212	103
Current liabilities:			
Trade and other payables:			
• USD 14,002 (2023: 16,969)	16	255 134	319 718
• EUR 127,382 (2023: 80,751)	16	2 482 803	1 660 515

Year end exchange rates used for conversion of foreign items were:

US Dollar	18.21	18.84
Great British Pound	23.02	23.94
Euro	19.49	20.56

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17. Financial instruments and risk management (continued)

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

Forward exchange contracts

Certain forward exchange contracts have been entered into for the purposes of managing foreign currency risk. The net market value of all forward exchange contracts at reporting date is calculated by comparing the forward exchange contracted rates to the equivalent market foreign exchange rates at reporting date. The present value of these net market values are then calculated using the appropriate currency specific discount curve.

	Contract rate	Market rate	Contract foreign currency amount	Contract Rand amount	Fair value of contract
2024 - Imports - goods					
Buy - Euro	20.710	19.491	20 063	415 505	391 048
Buy - Euro	20.450	19.491	24 247	495 851	472 598
Buy - Euro	20.450	19.491	16 130	329 859	314 390
Buy - Euro	19.900	19.491	50 294	1 000 851	980 280
Buy - Euro	19.700	19.491	16 649	327 985	324 506
				2 570 051	**2 482 822**

	Contract rate	Market rate	Contract foreign currency amount	Contract Rand amount	Fair value of contract
2023 - Imports - goods					
Buy - Euro	21.247	20.563	80 751	1 715 716	1 660 505
Buy - Euro	20.770	20.563	216	4 486	4 437
				1 720 202	**1 664 942**

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period, however we have noted the increased volatility in the global exchange markets during the year and therefore based our % on the average change in the exchange rates from the start of the financial year to year-end.

Group	**2024**		**2023**	
Fluctuation in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
(Decrease)/Increase in profit or loss				
US Dollar 8% (2023: 8%)	593 847	(593 847)	946 046	(946 046)
GBP 8% (2023: 8%)	169 217	(169 217)	313 056	(313 056)
Euro 8% (2023: 8%)	(187 023)	187 023	69 049	(69 049)
	576 041	**(576 041)**	**1 328 151**	**(1 328 151)**

Notes to the Consolidated Annual Financial Statements

	Group	
	2024 R	2023 R

18. Revenue

Revenue is measured at the transaction price received or receivable and represents the amounts receivable for goods and services provided in the customary business practices, net of trade discounts and settlements and value added tax.

Revenue from the sale of product includes sales and installation of custom-made security and decorative products. The sales are recognised when control of the product has transferred to the buyer. The control of the goods passes on delivery at the premises nominated by the customer. The delivery of products and the transfer of risks are detailed by the terms of sale.

Products are often sold with retrospective volume discounts, and early-settlement terms. These rights give rise to a variable consideration. Revenue from these sales are recognised based on the price specified on the sale invoice, net of estimated volume discounts and early settlement discounts. The general repayment terms of sale vary from upfront deposits, with the balance payable on completion, to payment terms of 30 days or 90 days from statement date depending on the nature and geographical region of the customer. No element of financing is deemed present as the sales are not made on extended credit terms (not greater than 12 months).

The group typically provides warranties for repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for as warranty provisions.

Royalties, which are generated from non-related entities who have a contractual right to manufacture and sell Trellidor products in a specific region or regions, are recognised on the accrual basis in the month in which the underlying sale has occurred in accordance with the substance of the relevant agreements.

Performance obligations partially satisfied in the current period is recognised in amounts received in advance and represent the group's obligation to transfer goods to a customer for which the group has received consideration. Refer to note 16 for further details.

Disaggregation of revenue from customers

	2024 R	2023 R
Revenue from source type and timing of transfer		
Sale of security products - invoice (point-in-time)	401 379 509	327 650 730
Sale of decorative products - invoice (point-in-time)	163 194 388	173 771 199
Royalty income - invoice (point-in-time)	1 215 755	878 368
	565 789 652	**502 300 297**

	2024 R	2023 R
Revenue by geographical location		
South Africa	392 762 315	409 871 100
Rest of Africa	55 256 354	54 924 996
Rest of World	117 770 983	37 504 201
	565 789 652	**502 300 297**

19. Cost of sales

	2024 R	2023 R
Sale of goods	198 473 569	190 315 989
Employee costs	81 673 120	81 325 118
Depreciation	10 585 072	10 935 349
Manufacturing expenses	34 712 997	26 339 821
	325 444 758	**308 916 277**

	Group	
	2024 **R**	**2023** **R**

20. Operating profit before interest and taxation

Short-term employee benefits

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

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

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

Foreign currency transactions

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

At the end of the reporting period:
- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

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

	2024 R	2023 R
Operating profit/(loss) before interest and taxation for the year is stated after accounting for the following amongst others:		
Advertising	26 156 993	27 808 882
Amortisation on intangible assets	1 245 557	867 159
Auditor's remuneration	2 418 938	2 334 292
Cartage	8 648 006	9 181 758
Commission	10 105 843	9 575 590
Consulting fees	2 891 603	3 034 229
Movement on ECL allowance	1 903 100	796 305
Depreciation on RoU asset	12 962 460	11 532 150
Depreciation on property plant and equipment	7 216 606	7 206 371
Gas, electricity and water	9 198 288	8 781 926
Impairment of property, plant and equipment and intangible assets	127 423	-
Net (gain)/loss on exchange differences	(829 786)	2 446 139
Net profit on disposal of fixed assets	(91 900)	(41 824)
Net loss on disposal of intangible assets	-	707 215
Net (gain)/loss on lease modification	(875 853)	15 105
Short-term employee benefits	145 639 700	141 565 054

Notes to the Consolidated Annual Financial Statements

	Group	
	2024 **R**	**2023** **R**

21. Retirement benefits

Defined contribution plan

Payments to defined contribution retirement benefit plans and provident funds are charged as an expense as they fall due.

It is the policy of the group to provide retirement benefits to all its employees. The group makes contributions to the pension and provident funds, which are subject to the Pension Funds Act and MEIBC regulations. The group is under no obligation to cover any unfunded benefits.

The total group contribution to such schemes	6 773 527	6 146 572

22. Investment income

Investments in financial assets: interest income		
Bank and other cash	1 379 362	705 163
Other financial assets	1 139 377	763 230
Total interest income	**2 518 739**	**1 468 393**

23. Finance costs

Other financial liabilities	12 714 225	10 240 428
Lease liabilities	3 097 931	3 200 481
Bank and other	4 960 654	4 790 547
Total finance costs	**20 772 810**	**18 231 456**

24. Taxation

Current tax is recognised when there is an expected charge or deduction for tax purposes. Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

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

Major components of the tax expense

Current		
Local income tax - current period	12 314 171	2 222 888
Local income tax - prior period (over) under provision	-	(61 513)
	12 314 171	**2 161 375**
Deferred		
Originating and reversing temporary differences	(2 739 330)	(639 015)
Arising from prior period adjustments	-	183 055
	(2 739 330)	**(455 960)**
	9 574 841	**1 705 415**

Notes to the Consolidated Annual Financial Statements

	Group	
	2024 **R**	**2023** **R**

24. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	2024	2023
Applicable tax rate	27.00 %	27.00 %
Tax incentives	(1.33)%	(7.48)%
Capital gains tax	- %	0.38 %
Lower foreign tax rates	(1.70)%	0.74 %
Non-deductible expenses	0.58 %	9.86 %
Donations deducted	(0.30)%	- %
Prior year under provision	- %	2.35 %
Capital loss	(0.62)%	- %
Growth and Sustainability Tax	0.12 %	- %
Deferred tax previously not recognised	(2.13)%	- %
	21.62 %	**32.85 %**

25. Cash generated from operations

	2024	2023
Profit before taxation	44 283 779	5 180 693
Adjustments for non-cash items:		
Depreciation and amortisation	21 424 623	19 605 679
Net (profit)/loss on disposal of property, plant and equipment	(91 900)	(41 824)
Net (profit)/loss on disposal of intangible assets	-	708 492
Net movement in credit loss allowances	1 903 100	796 305
Gain/(loss) on lease remeasurement	(875 853)	15 105
Impairment of property, plant and equipment and intangible assets	127 423	-
Bad debts written off	1 080 000	-
Movements in provisions	(1 693 711)	1 531 270
Movement in inventory obsolescence	(600 903)	902 911
Unrealised exchange differences	(1 176 888)	1 994 952
Adjust for items which are presented separately:		
Settlement in terms of labour court ruling	-	(31 781 254)
Interest income	(2 518 739)	(1 468 393)
Dividends received	-	-
Finance costs	20 772 810	18 231 456
Changes in working capital:		
(Increase)/decrease in inventories	10 272 542	(6 865 383)
(Increase)/decrease in trade and other receivables	(14 329 732)	(2 189 425)
Increase/(decrease) in trade and other payables	(7 461 372)	603 040
	71 115 179	**7 223 624**

26. Tax paid

	2024	2023
Balance at beginning of the year	2 923 084	2 559 430
Current tax recognised in profit or loss	(12 314 171)	(2 161 375)
Adjustment in respect of foreign exchange rate movements	(462 224)	-
Balance at end of the year	9 228 674	(2 923 084)
	(624 637)	**(2 525 029)**

Notes to the Consolidated Annual Financial Statements

27. Related parties

Relationships	
Members of key management	All directors (Refer to note 27)

Loan accounts - Owing by related parties	Group 2024 R	Group 2023 R
• Directors	2 181 979	2 014 253

For loans to/(from) related parties refer to note 8 for repayment terms.

28. Directors' emoluments

The primary objective of the Long-Term Cash Incentive Scheme ("LTI") is to incentives 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.

			2024		
Executive	**^Emoluments**	**Allowances**	***Bonus**	**Pension fund contributions**	**Total**
Paid by holding company					
TM Dennison	3 419 828	299 235	105 000	295 436	4 119 499
DJR Judge	2 277 267	124 041	105 000	227 916	2 734 224
	5 697 095	**423 276**	**210 000**	**523 352**	**6 853 723**

			2023		
Executive	**^Emoluments**	**Allowances**	***Bonus**	**Pension fund contributions**	**Total**
Paid by holding company					
TM Dennison	3 286 108	300 000	106 000	197 168	3 889 276
DJR Judge	2 145 227	175 548	246 000	160 892	2 727 667
	5 431 335	**475 548**	**352 000**	**358 060**	**6 616 943**

The terms of executive directors are in line with all other employees. ^Emoluments paid to the directors during the current and prior period related to short-term employee benefits.

*During the year R315,000, R105,000 per executive (2023: R318,000, R106,000 per executive), was allocated to the executive directors as part of the Long-Term Cash Incentive Scheme.

Notes to the Consolidated Annual Financial Statements

28. Directors' emoluments (continued)

Non-executive	Directors' fees	
Company	**2024**	**2023**
MC Olivier	176 160	370 728
JB Winship	-	168 580
RB Patmore	346 420	364 910
KG Hodgson	176 160	-
SI Bird	317 100	336 255
	1 015 840	**1 240 473**

29. Going concern

The financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors through their review of the past causes of the loan covenant breaches, the 2025 budget, cash flows, reports and discussions with executive management, reported to the board that it supports management's view that the group, despite ongoing macro-economic challenges, particularly in the domestic market, will continue to operate as a going concern for the foreseeable future. The directors concurred that the consolidated annual financial statements be prepared on the going concern basis.

The directors are not aware of any material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory requirements or of any pending changes to legislation which may affect the group.

30. Events after the reporting period

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

31. Earnings per share

	Group 2024 R	Group 2023 R
Profit/(loss) for the year attributable to ordinary shareholders	34 339 722	3 475 278
	-	-
Adjusted for:		
Loss/(profit) on disposal of property, plant and equipment	(67 087)	(30 531)
Gross amount	(91 900)	(41 824)
Tax effect thereon	24 813	11 293
Impairment of property, plant and equipment and intangible assets	127 423	-
Loss/(profit) on disposal of intangible assets	-	516 267
Gross amount	-	707 215
Tax effect	-	(190 948)
Headline earnings	**34 400 058**	**3 961 014**
Number of shares issued	95 209 820	95 209 820
Weighted and diluted weighted average number of ordinary shares in issue during the year	95 209 820	95 209 820
Earnings and diluted earnings per share (cents)	36.1	3.7
Headline and diluted headline earnings per share (cents)	36.1	4.2

Accounting Policies

Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated annual financial statements. This section sets out the group's accounting policies that relate to the financial statements as a whole. In addition, this section details new accounting standards, amendments and interpretations, and their effective period. An explanation of the expected impact on the financial position and performance of the group is also disclosed.

1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these consolidated annual financial statements, the requirements of the Companies Act of South Africa, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited.

The consolidated annual financial statements have been prepared on the going concern basis, which assumes that the group will continue in operation for the foreseeable future.

The consolidated annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies and incorporate the material accounting policies set out in the notes to the consolidated annual financial statements.

These accounting policies are consistent with the previous period. The group did not early adopt amendments that were not effective in the 2024 financial period. Refer to note 1.5 for further details.

All amounts in the annual financial statements, reports and supporting schedules are stated in South African Rands (ZAR) and is the functional and presentation currency of the group.

1.2 Consolidation

Basis of consolidation

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

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, within equity.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

1.3 Foreign currency translation reserve (FCTR)

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:
- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at an average exchange rate on a monthly basis; and
- All resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

On consolidation, foreign exchange differences arising from the translation of the net investment in a foreign operation are recognised in other comprehensive income and included in the foreign currency translation reserve in equity.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the transaction. The translation reserve comprises exchange differences on consolidation of the foreign subsidiaries into the presentation currency of the group.

1.4 Significant judgements and estimates

The preparation of annual financial statements in conformity with the IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements include:

Materiality statement

The need for materiality judgements is pervasive in the preparation of financial statements. Materiality judgement is required when making decisions about presentation, disclosure, recognition and measurement. The IFRS Accounting Standards requires information only to be disclosed when it is material. Therefore management is required to determine who is the primary users and their information needs.

Based on our professional judgement, notes and accounting policies which are useful to users, especially where particular accounting policies are based on judgement regarding choices within IFRS, have been disclosed. Notes and accounting policies for which no choice is permitted in terms of IFRS have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial reports make on the basis of those reports, which provide financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity’s financial report.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions, selecting the inputs, and applying either the general approach or simplified method to the impairment calculation at each reporting period.

For further details of the key assumptions and inputs used, refer to notes 8 and 9.

Impairment testing of goodwill and intangible assets

Management has applied significant judgement in determining the inputs for the forecast cash flows with regards to the growth rates as well as the working capital requirements and in the determination of the discount rates applied. Refer to note 4 further details.

Leases

In establishing whether or not it is reasonably certain that an extension or termination option of a property lease contract will be exercised, the group considers the nature of the activities being carried out in the specific premises. In cases where the activities are considered movable and can be carried out in various locations, the option to either extend or terminate is considered equally possible. In cases where the nature of the activities are considered immovable, the option to extend is considered probable.

In determining the incremental borrowing rate applied to lease liabilities, the group applies the current borrowing rates it would have to pay to borrow over similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar environment. Refer to note 3 for further details regarding the leasing activities of the group.

Accounting Policies

1.4 Significant judgements and estimates (continued)

Taxation

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

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Management applies judgement to determine whether sufficient future taxable profit will be available after considering historical profits and board approved forecasts. Refer to notes 7 and 24 for further details regarding the taxation of the group.

Significant estimates include:

Impairment of non-financial assets

The group assesses annually whether there is any indication that non-financial assets may be impaired. If any such indication exists, the group estimates the recoverable amount of the non-financial asset.

Determining whether non-financial assets are impaired requires an estimation of the value-in-use of the cash generating units to which they have been allocated. The value-in-use calculation requires the group to estimate expected pre-tax cash flows, market related growth for a foreseeable period (3 to 5 years) and a discount rate suitable to the small-cap industrial market in order to determine the present value.

If there is any indication that a non-financial asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. Indications of possible impairment includes, among others, a decrease in revenue and cash generation of the applicable business unit from the prior period.

Refer to notes 2 and 4 for further details.

Useful lives and residual values of assets

The useful lives of assets within each asset category are determined based on group replacement policies for the various assets or the best estimate of the period the group expects to use it. In assessing the residual values, the remaining life of the asset, its projected disposal value and future market conditions are taken into account. The useful lives and where applicable residual values are assessed annually based on factors including wear and tear, technological obsolescence, usage requirements and market information.

Refer to note 2 for further details.

Useful lives of intangible assets

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors including future growth plans, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

Refer to note 4 for further details.

Inventory valuation

Inventories are valued at the lower of cost and net realisable value. Management reviews the company’s inventory levels in order to identify slow-moving and obsolete stocks. Management then estimates the amount of inventory loss as an allowance on inventories.

Refer to note 10 for further details.

Accounting Policies

1.5 New Standards and Interpretations

New standards or revisions to current standards amendments that are effective for the first time for periods commencing on or after 1 January 2023 and applicable to future statements of the group. Only those standards that could be expected to be applicable to the group is set out below, i.e. those applicable to unrelated industries or economies are not dealt with herein.

	Effective date	Details of amendment and managements' impact assessment
Effective for current year		
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01 January 2023	In reference to Practice Statement 2 - Making Material judgments, accounting policies to be disclosed where the information is material, by nature or amount. Explains when accounting policy information is considered material, and also clarifies that when an entity chooses to disclose an immaterial accounting policy, it must not obscure or affect other material or required disclosures. Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these consolidated annual financial statements.
Amendments to IAS 8 - Definition of Accounting Estimates	01 January 2023	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. There was no difference in the accounting treatment identified from the amendment to the definitions and hence there was no impact on the annual financial statements.
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023	The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. No impact as the group is already applying the principle as outlined by the amendment and accounted for such transactions consistent with the new requirements.
Effective for future statements		
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current with Covenants	01 January 2024	Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. In the event that the waiver for a breach of covenant is not received, adoption of this standard will have a material impact on the group’s current classification of its liabilities approach.

1.5 New Standards and Interpretations (continued)

Effective for future statements (continued)		
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	01 January 2026 (Early application permitted)	In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which: • Clarifies that a financial liability is derecognised on the 'settlement date' when the obligation is discharged, cancelled, expires, or otherwise qualifies for derecognition. • Introduces an accounting policy option to derecognise financial liabilities settled through an electronic payment system before the settlement date if certain conditions are met. • Clarifies how to assess the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features and other similar contingent features. • Clarifies the treatment of non-recourse assets and contractually linked instruments. • Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms referencing a contingent event (including ESG-linked), and equity instruments classified at fair value through other comprehensive income. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments. The group is currently assessing the impact of these new accounting standards and amendments.
IFRS 18 - Presentation and disclosure in Financial Statements	01 January 2027(Early application permitted)	In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. The impact of the amendment on the annual financial statements is that the group will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, the group is required to present subtotals and totals for ‘operating profit or loss’, ‘profit or loss before financing and income taxes’ and ‘profit or loss’.

Shareholder Analysis

Shareholder type - 2024	Number	Shareholding	%
Non-public shareholders	5	11 068 407	11.62 %
Directors and associates of the company - direct holding	3	9 458 396	9.93 %
Directors and associates of the company - indirect holding	2	1 610 011	1.69 %
Public shareholders	3 364	84 141 413	88.38 %
	3 369	**95 209 820**	**100.00 %**
Fund managers with a shareholding greater than 5 % of issued shares			
Mazi Asset Management Proprietary Limited	29	11 127 542	11.69 %
Aylett and Co. Proprietary Limited	6	8 464 031	8.89 %
Peresec Prime Brokers Proprietary Limited	1	7 119 275	7.48 %
	36	**26 710 848**	**28.06 %**