TRELLIDOR HOLDINGS LIMITED

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

Trellidor Holdings Limited

(Registration number 1970/015401/06)
Separate 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 DJR Judge RB Patmore 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 separate financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The separate annual financial statements were independently compiled by: S de Beer CA(SA)

Trellidor Holdings Limited

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

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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 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 company, 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 separate annual financial statements be prepared on the going concern basis.

The committee is not aware of any material changes that may adversely impact the company. 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 company.

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 separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the separate annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS® Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these 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. The external auditor is engaged to express an independent opinion on the financial statements.

The separate annual financial statements are prepared in accordance with IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these 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 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 separate 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 company'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 company is expected to face while trading in the evolving economic environment. Based on this review and considering the company's current financial position, the directors are satisfied that the company possesses sufficient resources to sustain its operations for the foreseeable future.

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

The separate annual financial statements set out on pages 15 to 42, 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:

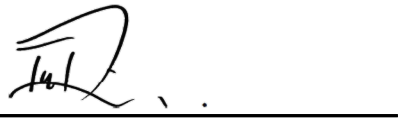
TM Dennison

DJR Judge

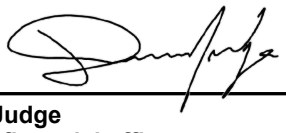
Company Chief Executive Officer and Company Chief Financial Officer Responsibility Statement

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

- The annual financial statements set out on pages 15 to 42, 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.



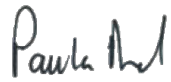
TM Dennison
Chief executive officer
26 September 2024



DJR Judge
Chief financial officer
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 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 separate annual financial statements of Trellidor Holdings Limited, as set out on pages 18 to 42, based on information the directors have provided. These separate 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 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 separate annual financial statements in accordance with the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these separate 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 separate 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 separate annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these separate annual financial statements are prepared in accordance with the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these separate 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.

NLK Financial Services

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

PKF

PKF Durban

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Independent Auditor's Report

To the Shareholders of Trellidor Holdings Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Trellidor Holdings Limited (the company) set out on pages 18 to 42, which comprise the separate statement of financial position as at 30 June 2024, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Trellidor Holdings Limited as at 30 June 2024, and its separate financial performance and separate 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 Separate Financial Statements section of our report. We are independent of the company 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 separate financial statements of the current period. There are no key audit matters pertaining to the separate financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trellidor Holdings Limited Separate Annual Financial Statements for the year ended 30 June 2024" and in the document titled "Trellidor Holdings Limited Consolidated 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 and the Group Chief Executive Officer and Group Chief Financial Officer Responsibility Statement. The other information does not include the separate or the consolidated financial statements and our auditor's reports thereon.

Partners: AE Paruk (Managing Partner) | RC Boulle | MK Brokensha | KJ Dall | S Gaffoor | PS Gering | A Harriparsad
RJ Kelly | R Levisohn | AM Mayat | C Marrier d'Unienville | N McHardy | K Moodley |GJ Morgan | AA Motala | T Naidoo
GJ Nijhuis | H Paruk | M Schroeder | BD Van Dyk | IRBA Practice. N906352

100 YEARS
1922 - 2022
(formerly David Strachan & Tayler)

PKF Durban is a member of PKF South Africa, the network of member firms of PKF South Africa (RF) (Pty) Limited, and PKF Global, the network of member firms of PKF International Limted. Each member firm is a seperate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s) of PKF South Africa or PKF Global.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

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

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

PKF

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

PKF

Directors' Report

The directors have pleasure in submitting their report on the separate annual financial statements of Trellidor Holdings Limited 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 subsidiaries operates principally in South Africa, United Kingdom and Ghana.

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

2. Review of financial results and activities

The separate annual financial statements have been prepared in accordance with IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these 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. The accounting policies have been applied consistently compared to the prior year unless stated otherwise.

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

Refer to note 24 for further details regarding the prior period restatement.

3. Stated capital

Refer to note 8 of the separate annual financial statements for further detail of the authorised and issued stated capital.

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
SI Bird	Director	INED	
RB Patmore	Director	INED	

INED - Independent non-executive

Directors' Report

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	8 819 342	-	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	-	-
	9 358 396	**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 company had an interest in and which significantly affected the business of the 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 21 of the separate annual financial statements.

9. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the separate annual financial statements in note 2.

10. Litigation statement

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

11. Insurance

The company 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.

12. 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.

13. Auditors

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

14. Secretary

The company secretary is P Nel.
Postal and business address: 71 Cotswold Drive
Westville
3629

Directors' Report

15. 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 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 company, 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 separate annual financial statements be prepared on the going concern basis.

The directors are not aware of any material changes that may adversely impact the company. 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 company.

16. 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 23 to the annual financial statements.

17. Date of authorisation for issue of financial statements

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

18. Availability of consolidated financial statements

The Trellidor Holdings Limited consolidated financial statements have been prepared and signed on 26 September 2024 and are available at the registered office.

The Trellidor Holdings Limited consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards, the IFRIC Interpretations issued and effective at the time of preparing these 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 and the group's independent auditor, PKF Durban has expressed an unqualified opinion thereon.

Trellidor Holdings Limited

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

Statement of Financial Position as at 30 June 2024

	Notes	2024 R	*Restated 2023 R	*Restated 01 July 2023 R
Assets				
Non-Current Assets				
Property, plant and equipment	1	44 051	75 279	55 649
Intangible assets		-	-	707 215
Investments in subsidiaries	2	62 256 152	62 256 152	52 256 152
Loans to group companies*	4	68 678 954	82 189 554	73 860 628
Deferred tax	3	587 654	-	447 212
		131 566 811	**144 520 985**	**127 326 856**
Current Assets				
Loans to group companies	4	28 569 625	35 560 950	20 696 407
Trade and other receivables	5	7 050 873	7 742 533	4 999 392
Cash and cash equivalents	6	4 451 463	154 834	1 661 605
		40 071 961	**43 458 317**	**27 357 404**
Total Assets		**171 638 772**	**187 979 302**	**154 684 260**
Equity				
Stated capital	8	401 010	401 010	401 010
Reserves		900 000	900 000	7 676 715
Retained income		110 632 957	109 000 906	89 887 929
		111 933 967	**110 301 916**	**97 965 654**
Liabilities				
Non-Current Liabilities				
Deferred tax	3	-	557 524	-
Other financial liabilities	9	37 726 613	-	44 064 231
		37 726 613	**557 524**	**44 064 231**
Current Liabilities				
Bank overdraft	6	-	886 969	-
Other financial liabilities	9	18 695 902	73 265 999	10 305 813
Trade and other payables	10	2 730 139	2 665 529	2 060 986
Current tax payable		552 151	301 365	287 576
		21 978 192	**77 119 862**	**12 654 375**
Total Liabilities		**59 704 805**	**77 677 386**	**56 718 606**
Total Equity and Liabilities		**171 638 772**	**187 979 302**	**154 684 260**

*Refer to note 24 for further details regarding the prior period restatement.

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2024 R	*Restated 2023 R
Revenue	12	26 763 442	33 754 601
Other operating income*		32 652	3 575 926
Movement in credit loss allowances	13	-	(374 084)
Other operating expenses*		(17 511 775)	(15 434 504)
Operating profit before interest and taxation	13	**9 284 319**	**21 521 939**
Investment income	15	1 071 383	555 767
Finance costs	16	(8 399 906)	(7 633 205)
Profit before taxation		**1 955 796**	**14 444 501**
Taxation*	17	(323 745)	(2 108 239)
Profit for the year		**1 632 051**	**12 336 262**
Other comprehensive income		-	-
Total comprehensive income for the year		**1 632 051**	**12 336 262**

*Refer to note 24 for further details regarding the prior period restatement.

Statement of Changes in Equity

	Stated capital	Share-based payment reserve	Other NDR	Total reserves	Retained income	Total equity
	R	R	R	R	R	R
Balance at 01 July 2022 - *Restated	**401 010**	**6 776 715**	**900 000**	**7 676 715**	**89 887 929**	**97 965 654**
Profit for the year*	-	-	-	-	12 336 262	12 336 262
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**12 336 262**	**12 336 262**
Transfer between reserves	-	(6 776 715)	-	(6 776 715)	6 776 715	-
Balance at 01 July 2023 - *Restated	**401 010**	**-**	**900 000**	**900 000**	**109 000 906**	**110 301 916**
Profit for the year	-	-	-	-	1 632 051	1 632 051
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1 632 051**	**1 632 051**
Balance at 30 June 2024	**401 010**	**-**	**900 000**	**900 000**	**110 632 957**	**111 933 967**
Notes	8					

*Refer to note 24 for further details regarding the prior period restatement.

Statement of Cash Flows

	Notes	2024 R	2023 R
Cash flows from operating activities			
Cash (used in)/generated from operations	18	4 844 937	16 915 602
Interest income	15	1 071 383	555 767
Finance costs	16	(8 399 905)	(7 283 876)
Tax paid	19	(1 218 136)	(1 089 714)
Net cash from operating activities		**(3 701 721)**	**9 097 779**
Cash flows from investing activities			
Purchase of property, plant and equipment	1	-	(53 974)
Proceeds from disposal of property, plant and equipment	1&13	-	8 512
Acquisition of shares in subsidiary		-	(10 000 000)
Loans advanced to group companies	4	(6 275 000)	(33 925 886)
Loans to group companies repaid	4	32 003 803	13 933 203
Net cash from investing activities		**25 728 803**	**(30 038 145)**
Cash flows from financing activities			
Repayment of other financial liabilities	9	(16 843 484)	(13 953 374)
Proceeds from other financial liabilities	9	-	32 500 000
Net cash from financing activities		**(16 843 484)**	**18 546 626**
Total cash movement for the year		**5 183 598**	**(2 393 740)**
Cash and cash equivalents at the beginning of the year		(732 135)	1 661 605
Cash and cash equivalents at the end of the year	6	**4 451 463**	**(732 135)**

Notes to the Separate Annual Financial Statements

1. 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
Furniture, fittings and equipment	Straight line basis	4 to 8 years
IT Equipment	Straight line basis	3 to 6 years

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture, fittings and equipment	27 389	(20 303)	7 086	27 389	(14 825)	12 564
IT equipment	103 000	(66 035)	36 965	103 000	(40 285)	62 715
Total	**130 389**	**(86 338)**	**44 051**	**130 389**	**(55 110)**	**75 279**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Depreciation	Closing balance
Furniture, fittings and equipment	12 564	(5 478)	7 086
IT equipment	62 715	(25 750)	36 965
	75 279	**(31 228)**	**44 051**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture, fittings and equipment	18 041	-	-	(5 477)	12 564
IT equipment	37 608	53 974	(9 790)	(19 077)	62 715
	55 649	**53 974**	**(9 790)**	**(24 554)**	**75 279**

Notes to the Separate Annual Financial Statements

2. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses.

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Trellidor Proprietary Limited	100 %	100 %	100	100
Trellidor Innovations Proprietary Limited	100 %	100 %	51 208 301	51 208 301
Trellicor Proprietary Limited	100 %	100 %	1 045 698	1 045 698
Trellidor UK Limited	100 %	100 %	2 053	2 053
Trellidor Décor Proprietary Limited	100 %	100 %	10 000 000	10 000 000
			62 256 152	62 256 152

Principal place of business

All the entities are domiciled and operate in South Africa except for Trellidor UK Limited which is domiciled and operates in the UK.

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

Impairment of Investments

The carrying value of the investment in subsidiaries as at 30 June 2024 has been assessed and the values still exceeds the investment value of the subsidiaries and therefore no impairment of the subsidiaries have been identified.

3. 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.

	2024 R	2023 R
Property plant and equipment	377	1 079
Prepaid expenses	(125 650)	(197 636)
Unrealised foreign exchange gains	-	(800 888)
Provisions	712 927	386 858
Section 18A deductions carried forward	-	53 063
Total net deferred tax asset	**587 654**	**(557 524)**
Deferred tax asset	587 654	-
Deferred tax liability	-	(557 524)
Total net deferred tax asset	**587 654**	**(557 524)**

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

3. Deferred tax (continued)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(557 524)	447 212
Temporary differences	1 145 178	(821 681)
Prior period adjustment	-	(183 055)
	587 654	**(557 524)**

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.

Refer to note 24 for further details regarding the prior period restatement.

4. Loans to group companies

Loans to group companies 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 11 for the further details of the accounting policy of financial instruments.

	Company 2024	 2023
Trellidor Innovations Proprietary Limited - Loan 1	34 186 386	31 821 890
Trellidor Innovations Proprietary Limited - Loan 2	3 608 201	3 441 885
Trellidor Innovations Proprietary Limited - Loan 3	7 601 375	7 601 375
Trellidor Retail Proprietary Limited - Loan 4	8 284 357	10 166 521
Trellidor UK Limited - Loan 5	-	21 760 614
Trellicor Proprietary Limited - Loan 6	-	4 692 754
Trellicor Proprietary Limited - Loan 7	31 054 547	26 054 163
Trellidor Proprietary Limited - Loan 8	-	410 000
Trellidor Décor Proprietary Limited - Loan 9	10 959 080	11 801 302
Trellidor Décor Proprietary Limited - Loan 10	783 830	-
Trellidor Innovations Proprietary Limited - Loan 11	770 803	-
	97 248 579	**117 750 504**

Loans 1, 4 and 7, are unsecured, bear interest at prime plus 0.5% and are repayable over five years.

Loans 2 and 9, are unsecured, bear interest at prime plus 1% and are repayable over five years.

Loan 10 is unsecured, bears interest at prime plus 1% and is repayable within the next twelve months.

Loan 3 and 10 are unsecured, interest free and are repayable on demand.

*Refer to note 24 for further details regarding the prior period restatement.

The above loans have been subordinated in favour of FNB as security for facilities advanced.

Split between non-current and current portions

Non-current assets	68 678 954	82 189 554
Current assets	28 569 625	35 560 950
	97 248 579	**117 750 504**

Notes to the Separate Annual Financial Statements

4. Loans to group companies (continued)

Exposure to credit risk

Loans to group companies inherently expose the company to credit risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. 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 to group companies 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 financial position of the group company, cashflow forecasts, overall financial performance and other qualitative factors as mentioned in note 11.

Loans to group companies are subject to the impairment provision which requires a loss allowance to be recognised for all exposures to credit risk.

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.

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 subsidiary to engage in a repayment plan with the company or a failure to make contractual payments for a period of greater than 90 days past due.

There was no significant change in credit risk due to the ability of the counterparties to the agreements being able to meet their contractual obligations during the current period.

		2024		
Loans to subsidiaries	**Basis of loss allowance**	**Gross Carrying amount**	**Loss allowance**	**Amortised cost**
Loan 1 - performing	12 month ECL	34 186 386	-	34 186 386
Loan 2 - performing	12 month ECL	3 608 201	-	3 608 201
Loan 3 - underperforming	Lifetime ECL	8 610 230	(1 008 855)	7 601 375
Loan 4 - performing	12 month ECL	8 284 357	-	8 284 357
Loan 7 - performing	12 month ECL	31 054 547	-	31 054 547
Loan 9 - performing	12 month ECL	10 959 080	-	10 959 080
Loan 10 - performing	12 month ECL	783 830	-	783 830
Loan 11 - performing	12 month ECL	770 803	-	770 803
		98 257 434	**(1 008 855)**	**97 248 579**

Notes to the Separate Annual Financial Statements

4. Loans to group companies (continued)

Loans to subsidiaries	Basis of loss allowance	2023 Gross Carrying amount*	Loss allowance	Amortised cost*
Loan 1 - performing	12 month ECL	31 821 890	-	31 821 890
Loan 2 - performing	12 month ECL	3 441 885	-	3 441 885
Loan 3 - underperforming	Lifetime ECL	8 610 230	(1 008 855)	7 601 375
Loan 4 - performing	12 month ECL	10 166 521	-	10 166 521
Loan 5 - performing*	12 month ECL	21 760 614	-	21 760 614
Loan 6 - performing	12 month ECL	4 692 754	-	4 692 754
Loan 7 - performing	12 month ECL	26 054 163	-	26 054 163
Loan 8 - performing	12 month ECL	410 000	-	410 000
Loan 9 - performing	12 month ECL	11 801 302	-	11 801 302
		118 759 359	**(1 008 855)**	**117 750 504**

	2024	2023
Opening balance	**(1 008 855)**	**(634 771)**
Remeasurement of Loan 3	-	(374 084)
Closing balance	**(1 008 855)**	**(1 008 855)**

Fair value of loans to group companies

The carrying value of loans to group companies, measured at amortised cost approximates their fair value.

5. 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.

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

The company 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 company 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.

Notes to the Separate Annual Financial Statements

5. Trade and other receivables (continued)

Evidence of impairment and default includes, among others, the failure of a debtor to engage in a repayment plan with the company 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 company 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 company 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 11 for the further details of the accounting policy of financial instruments.

	Company	
	2024 R	2023 R
Financial instruments:		
Trade receivables	6 502 404	6 239 312
Other receivable	5 434	500
Non-financial instruments:		
Other receivables	-	770 737
Prepayments*	543 035	731 984
Total trade and other receivables	**7 050 873**	**7 742 533**
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	6 507 838	6 239 812
Non-financial instruments	543 035	1 502 721
	7 050 873	**7 742 533**

Trade and other receivables pledged as security facilities

Trade receivables with a carrying amount of R6,502,404 (2023: R6,239,312) has been ceded as security for the financing facilities of the group. Refer to note 7 for the facilities and securities held with FNB.

*Refer to note 24 for further details regarding the prior period restatement.

Exposure to credit risk

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

Given that the company's income is mainly derived from subsidiaries, there is a concentration of risk inherent in its income. Management relies on the credit quality of the subsidiaries to mitigate this risk, and based on the financial performance of the subsidiaries.

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.

Management implemented strategies for interventions such as regularly monitors the financial position of subsidiaries, which reduced the risk of debts becoming uncollectable.

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

5. Trade and other receivables (continued)

Other receivables

In determining the amount of expected credit losses of other receivables, the company 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.

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.

6. 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:

Bank balances	4 451 463	154 834
Bank overdraft	-	(886 969)
	4 451 463	**(732 135)**
Current assets	4 451 463	154 834
Current liabilities	-	(886 969)
	4 451 463	**(732 135)**

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 the 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.

Cash and cash equivalents pledged as security

Cash and cash equivalents with a carrying amount of R4,451,463 (2023: R154,834) has been ceded as security for the financing facilities of the group. Refer to note 7 for the facilities and securities held with FNB.

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

7. Securities and Facilities - FNB

Credit card facility	400 000	-
	400 000	**-**

The following terms and conditions are required to be complied with in order to ensure the ongoing availability of the group 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.

8. Stated capital

Stated capital - Ordinary shares are classified as equity.

	Number of shares 2024	 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	 2023 R
No par value	401 010	401 010

9. Other financial liabilities

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

Refer to note 11 for the further details of the accounting policy of financial instruments.

Held at amortised cost		
Secured		
FNB - Holdings Facility 1	28 802 723	38 237 564
FNB - Holdings Facility 2	27 619 792	35 028 435
	56 422 515	**73 265 999**

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

9. Other financial liabilities (continued)

Split between non-current and current portions

Non-current liabilities	37 726 613	-
Current liabilities	18 695 902	73 265 999
	56 422 515	**73 265 999**

Reconciliation of liabilities arising from financing activities of the company:		
Opening balance - restated	73 265 999	54 370 043
Interest accruals	7 493 783	7 501 617
Cash outflows	(16 843 484)	(13 953 374)
Cash inflows	-	32 500 000
Interest paid	(7 493 783)	(7 152 287)
Closing balance	**56 422 515**	**73 265 999**

*Refer to note 24 for further details regarding the prior period restatement.

FNB

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

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

Refer to note 7 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 11 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.

10. 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 11 for the further details of the accounting policy of financial instruments.

Financial instruments:		
Trade payables	523 065	1 413 923
Accrued expenses	16 068	501 835
Non-financial instruments:		
Leave pay and bonus accruals	1 627 617	154 954
Other payroll accruals	371 435	315 423
VAT payables	191 954	279 394
	2 730 139	**2 665 529**

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

10. Trade and other payables (continued)

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

At amortised cost	539 133	1 915 758
Non-financial instruments	2 191 006	749 771
	2 730 139	**2 665 529**

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

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.

11. 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 company 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

The company 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 company 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. Refer to note 4 for further details.

Simplified method: the loss allowance for financial assets is calculated based on the life-time expected losses. Refer to note 5 for further details.

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

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. With regards to investment income received from subsidiary loans, interest received is recognised and presented within revenue - note 12.

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.

Notes to the Separate Annual Financial Statements

11. Financial instruments and risk management (continued)

Capital risk management

The company'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 company's objectives when managing capital are to safeguard the company'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 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 company'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:

	2024	2023
Net debt[1]	51 971 052	73 998 134
Equity	111 933 967	110 301 916
Gearing ratio	46.40 %	67.10 %

Net debt[1] can be defined as other financial liabilities less cash and cash equivalents - refer to notes 6 and 9.

Financial risk management

The company’s financial instruments consist primarily of cash resources invested with financial institutions, accounts receivable, accounts payable, other financial liabilities and loans to group companies all measured at amortised cost. The company'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 company, 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 company's activities. The company 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 company'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 company. The company 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 company did not consider there to be any significant credit risk exposure which has not been adequately provided for.

Refer to notes 4, 5 and 6 for further details regarding the company's maximum exposure to credit risk.

Notes to the Separate Annual Financial Statements

11. Financial instruments and risk management (continued)

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 company'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							
Other financial liabilities	9	24 338 923	24 338 923	17 610 840	-	66 288 686	56 422 515
Trade and other payables	10	539 133	-	-	-	539 133	539 133
		24 878 056	**24 338 923**	**17 610 840**	**-**	**66 827 819**	**56 961 648**

		2023					
		Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**	**Carrying amount**
Liabilities							
Other financial liabilities	9	24 127 089	24 127 089	57 826 947	-	106 081 125	73 265 999
Trade and other payables	10	1 915 758	-	-	-	1 915 758	1 915 758
Bank overdraft	6	886 969	-	-	-	886 969	886 969
		26 929 816	**24 127 089**	**57 826 947**	**-**	**108 883 852**	**76 068 726**

Interest rate risk

The company's interest rate risk arises from financial liabilities (refer note 9), which can impact on the cash flows of the instrument. 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 R277,563 (2023: R365,441) lower/(higher), mainly as a result of higher interest (income)/expense on borrowings.

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

12. Revenue

Company management fees received is based on actual services provided to the end of the reporting period apportioned evenly on a monthly basis because the customer receives and uses the services simultaneously.

Interest income from subsidiary loans are recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

Disaggregation of revenue from customers

Revenue from source type and timing of transfer		
Management fees - monthly invoice (over time)	15 541 065	14 816 428
Revenue by geographical location		
South Africa	15 162 000	14 456 428
Rest of World	379 065	360 000
	15 541 065	**14 816 428**
Other revenue		
Dividends received	150 000	9 000 000
Interest received	11 072 377	9 938 173
	11 222 377	**18 938 173**
Total revenue	**26 763 442**	**33 754 601**

13. 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.

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

13. Operating profit before interest and taxation (continued)

Operating profit/(loss) before interest and taxation for the year is stated after accounting for the following amongst others:		
Auditor's remuneration	464 259	884 370
Consulting fees	1 723 483	1 855 774
Movement on ECL allowance	-	374 084
Depreciation on property plant and equipment	31 228	24 554
Net loss/(gain) on exchange differences*	266 917	(3 574 869)
Net loss on disposal of intangible assets	-	707 215
Short-term employee benefits	10 682 828	7 480 487

*Refer to note 24 for further details regarding the prior period restatement.

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

The total company contribution to such schemes	439 977	439 977

15. Investment income

Investments in financial assets: interest income		
Bank and other cash	1 071 383	555 767

16. Finance costs

Other financial liabilities	7 493 783	7 152 287
Bank and other	906 123	480 918
Total finance costs	**8 399 906**	**7 633 205**

17. 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.

	2024 R	2023 R
17. Taxation (continued)		
Major components of the tax expense		
Current		
Local income tax - current period	1 468 922	1 103 503
Deferred		
Originating and reversing temporary differences	(1 145 177)	821 681
Arising from prior period adjustments	-	183 055
	(1 145 177)	**1 004 736**
	323 745	**2 108 239**
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	27.00 %	27.00 %
Exempt income - dividends received	(2.07)%	(16.82)%
Non-deductible expenses	(1.53)%	4.00 %
Donations deducted	(6.85)%	(0.85)%
Prior year under provision	- %	1.27 %
	16.55 %	**14.60 %**
18. Cash generated from operations		
Profit before taxation	1 955 796	14 444 501
Adjustments for non-cash items:		
Depreciation and amortisation	31 228	24 554
Net (profit)/loss on disposal of intangible assets	-	708 491
Losses (gains) on exchange differences	266 917	(3 574 869)
Net movement in credit loss allowances	-	374 084
Other non-cash: bank charges	182 000	212 333
Other non-cash: Interest revenue accrued	(4 480 812)	-
Adjust for items which are presented separately:		
Interest income	(1 071 383)	(555 767)
Finance costs	8 399 906	7 633 205
Changes in working capital:		
(Increase)/decrease in trade and other receivables	(503 326)	(2 955 474)
Increase/(decrease) in trade and other payables	64 611	604 544
	4 844 937	**16 915 602**
19. Tax paid		
Balance at beginning of the year	(301 365)	(287 576)
Current tax recognised in profit or loss	(1 468 922)	(1 103 503)
Balance at end of the year	552 151	301 365
	(1 218 136)	**(1 089 714)**

Notes to the Separate Annual Financial Statements

20. Related parties

Relationships	
Fellow subsidiaries	Trellidor Retail Proprietary Limited Trellidor Ghana Limited Trellidor Innovations Proprietary Limited Trellidor Dècor Proprietary Limited Trellidor Proprietary Limited Trellidor UK Limited Really Secure Company Limited
Members of key management	All directors (Refer to note 21 of the Directors' Report)

	2024 R	2023 R
Related party balances		
Loan accounts - Owing (to) by related parties		
• Trellidor Retail Proprietary Limited	8 284 357	10 166 521
• Trellidor Innovations Proprietary Limited	46 166 765	42 865 150
• Trellicor Proprietary Limited	31 054 547	30 746 917
• Trellidor Dècor Proprietary Limited	11 742 910	11 801 302
• Trellidor Proprietary Limited	-	410 000
• Trellidor UK Limited	-	21 760 614
Amounts included in trade and other receivables regarding related parties		
• Trellicor Proprietary Limited	5 639 052	2 446 425
• Trellidor Innovations Proprietary Limited	480 594	3 441 054
• Trellidor Retail Proprietary Limited	180 934	173 936
• Trellidor Dècor Proprietary Limited	115 258	128 267
• Trellidor UK Limited	86 565	49 631
Amounts included in trade and other payables regarding related parties		
• Trellicor Proprietary Limited	13 286	8 922
Related party transactions		
Management fees received from related party		
• Trellicor Proprietary Limited	11 292 000	10 544 940
• Trellidor Innovations Proprietary Limited	2 214 000	2 370 376
• Trellidor Retail Proprietary Limited	516 000	480 000
• Trellidor Dècor Proprietary Limited	516 000	480 000
• Trellidor Proprietary Limited	624 000	581 112
• Trellidor UK Limited	379 065	360 000
Interest received from related parties		
• Trellicor Proprietary Limited	3 489 755	2 810 227
• Trellidor Innovations Proprietary Limited	4 480 811	3 858 307
• Trellidor Retail Proprietary Limited	1 121 006	1 186 101
• Trellidor Dècor Proprietary Limited	1 414 943	-
• Trellidor UK Limited	565 862	906 190
Dividends received from related party		
• Trellicor Proprietary Limited	-	7 500 000
• Trellidor Proprietary Limited	150 000	1 500 000

Refer to note 21 for compensation paid to directors and the prescribed officer. The only key employees identified are the directors and prescribed officer of the company.

Notes to the Separate Annual Financial Statements

20. Related parties (continued)

For loans from related parties refer to note 4 for repayment terms.

The repayment terms for related party balances included in trade and other receivables and payable, which are unsecured, are 30 days from statement date.

21. 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.

Executive	^Emoluments	Allowances	2024 *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**

Executive	^Emoluments	Allowances	2023 *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.

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

Notes to the Separate Annual Financial Statements

	2024 R	2023 R

22. 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 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 company, 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 separate annual financial statements be prepared on the going concern basis.

The directors are not aware of any material changes that may adversely impact the company. 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 company.

23. 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.

24. Prior period errors

Certain comparative figures have been restated in the current period. Foreign exchange differences and prepaid bank charges were erroneously accounted for in prior periods. As a result, adjustments have been made to both the income statement and the corresponding balance sheet items. The restated figures reflect the corrected treatment of these transactions to ensure more accurate financial reporting

Impact of the restatement on the results presented as at 01 July 2023:

Statement of Financial Position	**As previously stated**	**Correction of error**	**Restated**
Loans to group companies	95 143 918	(586 883)	94 557 035
Deferred tax	513 015	(65 803)	447 212
Trade and other receivables	4 147 059	852 333	4 999 392
Opening retained earnings	(90 598 280)	710 351	(89 887 929)
Other financial liabilities	(53 460 044)	(910 000)	(54 370 043)

Impact of the restatement on the results presented as at 30 June 2023:

Statement of Financial Position	**As previously stated**	**Correction of error**	**Restated**
Loans to group companies	114 762 518	2 987 986	117 750 504
Deferred tax	416 164	(973 688)	(557 524)
Trade and other receivables	7 102 533	640 000	7 742 533
Retained income	(107 256 604)	(1 744 302)	(109 000 906)
Other financial liabilities	(72 355 999)	(910 000)	(73 265 999)
Statement of Profit or loss and Other Comprehensive Income			
Other operating income income	1 057	3 574 869	3 575 926
Other operating expenses	(15 222 171)	(212 333)	(15 434 504)
Profit before taxation	11 081 965	3 362 536	14 444 501
Taxation	(1 200 354)	(907 885)	(2 108 239)
Profit for the year	9 881 611	2 454 651	12 336 262

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 separate annual financial statements. This section sets out the company'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 company is also disclosed.

1.1 Basis of preparation

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

The separate 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 separate annual financial statements.

These accounting policies are consistent with the previous period. The company did not early adopt amendments that were not effective in the 2024 financial period. Refer to note 1.3 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 company.

1.2 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.

Accounting Policies

1.2 Significant judgements and estimates (continued)

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 4 and 5.

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 note 17 for further details regarding the taxation of the company.

1.3 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 company. Only those standards that could be expected to be applicable to the company 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 separate 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 company is already applying the principle as outlined by the amendment and accounted for such transactions consistent with the new requirements.

Accounting Policies

1.3 New Standards and Interpretations (continued)

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 company's current classification of its liabilities approach.
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 company 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 company 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 company is required to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.