



BRIKOR LIMITED

BRIKOR LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013247/06

JSE code: BIK

ISIN: ZAE000101945

("Brikor" or "the Group" or "the Company")

ABRIDGED AUDITED CONSOLIDATED FINANCIAL RESULTS

for the year ended
28 February 2022



THE SPIRIT OF BRICKMAKING

PREPARED BY:

The abridged audited consolidated financial results ("abridged financial results" or "results") for the year ended 28 February 2022 was prepared by Ms Joaret Botha CA(SA), Financial Director.

FINANCIAL HIGHLIGHTS

Revenue

INCREASED BY

5,7% to R272,7 million

Total equity

INCREASED BY

39,5% to R112,3 million

Net tangible asset value per share

INCREASED BY

29,1% to 10,2 cents per share

Net asset value per share

INCREASED BY

6,2% to 13,7 cents per share

Headline earnings per share

DECREASED BY

47,6% to 1,1 cents per share

Cash and cash equivalents

DECREASED BY

66,2% to R5,2 million

Earnings per share

DECREASED BY

84,2% to 0,3 cents per share

Current asset ratio

DECREASED BY

29% to 0.93:1

Acid test ratio

DECREASED BY

44,7% to 0.42:1

The abridged financial results are extracted from audited information but is not itself audited. The directors take full responsibility for the preparation of the abridged financial results and the correct extraction of the financial information included herein from the underlying annual financial statements. The financial statements were audited by Nexia SAB&T, and the unmodified audit report thereon is available for inspection at the Company's registered office.

COMMENTARY

NATURE OF BUSINESS

Brikor is a diverse manufacturer and supplier of building and construction materials used across a broad spectrum of application from low-cost housing to residential, commercial, industrial, civil engineering and infrastructure projects. The Group operates through two segments, namely Bricks and Coal (the latter being through its wholly owned subsidiary, Ilangabi Investments 12 (Pty) Ltd).

In March 2021, Brikor acquired a 40% shareholding in Zingaro Holdings (Pty) Ltd ("Zingaro"). Zingaro primarily operates in South Africa and mainly services short to medium distance routes in Gauteng, North West, Mpumalanga and Limpopo, with a fleet of more than 100 specialised vehicles. Zingaro specialises in providing turnkey services for mine activities, such as loading, hauling, stockpile management and haul road maintenance by using a wide range of specialised trucks and earth-moving equipment. Its specialised vehicles include tipper, low-bed and flat-deck trucks as well as various plant and mining equipment. Zingaro is an associate company of Brikor Limited.

OVERVIEW

The directors of Brikor are pleased to present the abridged audited consolidated financial results for the year ended 28 February 2022, which reflect a positive financial performance, despite operational challenges due to excessive rainfall, continued power interruptions and unreliable railway infrastructure.

Despite the challenges in the local coal markets, the Group realised a profit after taxation of R2,8 million (2021: R12,0 million) for the year ended 28 February 2022.

DIRECTORS' RESPONSIBILITY

The directors take full responsibility for the preparation of the abridged audited consolidated financial results and confirm that the financial information has been correctly extracted from the underlying financial statements.

FINANCIAL OVERVIEW

Revenue increased to R272,7 million (2021: R257,9 million) for the reporting period, with the Group realising a loss before earnings from its associate of R3,2 million (2021: profit of R12,0 million). The investment in associate contributed positive returns of R6,0 million (2021: Rnil) to the profit for the reporting period. The profit for the previous financial year of R12,0 million included a reversal of the environmental rehabilitation provision of R8,0 million due to a section 43 closure certificate which was received in respect of one of the Group's rehabilitation sites, which should be taken into account when comparing year-on-year profits.

Revenue

Bricks segment

Revenue in the Bricks segment increased significantly by 34,6% to R195,1 million (2021: R144,9 million). The Bricks segment performed exceptionally during the reporting period, with revenue being the highest when compared to the previous five financial years. The increased revenue is mainly due to an increase in DIY projects, additions and alterations as well as an increase in the informal building sector. Adequate planning, sufficient inventory levels and efficiencies in the production process have also contributed to the exceptional performance. The increase in revenue should, however, be evaluated based on the relative depths to which the industry plunged during 2020 as a result of the COVID-19 pandemic. The COVID-19 pandemic had a direct impact on the Bricks segment during the 2021 financial year with no sales in the Bricks segment during April 2020 and limited sales during May 2020.

Coal segment

Revenue in the Coal segment decreased by 31,3% to R77,6 million (2021: R113 million). The Coal segment experienced the aftermath of the COVID-19 pandemic during the first quarter of the 2021 calendar year, with significant pressure on sales prices. The export market is vital to sustain balance within the coal industry and the oversupply of coal products in the local markets added additional pressure on sales prices as well as demand. During April 2021, product sales, mostly supplied to the export market, slowed down significantly due to unreliable infrastructure as well as looting in parts of the country during June/July 2021. Whilst the demand for local coal increased and sales prices stabilised during the last quarter of the year, the mine experienced excessive rainfall which had a direct impact on production and availability of saleable coal. The rainfall for the last quarter of the year exceeded normal annual rainfall as well as rainfall during the previous five years. Revenue for the Coal segment was at its lowest in comparison to the previous five financial years.

Commentary

continued

Gross profit

Overall, gross profit decreased by 39,1% to R39,6 million (2021: R65 million) with the gross profit percentage decreasing to 14,5% (2021: 25,2%).

Bricks segment

Gross profit in the Bricks segment increased by 47,1% to R40,3 million (2021: R27,4 million) with the gross profit percentage increasing to 20,7% (2021: 18,9%). Gross profit increased mainly as a result of the increase in revenue as well as production efficiencies and adequate planning with regards to monthly inventory levels.

Coal segment

Gross profit in the Coal segment, however, decreased significantly to a gross loss of R0,7 million (2021: gross profit R 37,6 million). The decrease in the gross profit is directly attributable to the decrease in revenue whilst the Coal segment still had to incur fixed costs. Cost of production increased significantly for the Coal segment as a result of excessive rainfall and production constraints.

Operating profit before interest, taxation and earnings from associate

The Group realised an operating loss before interest, taxation and earnings from associate of R0,3 million (2021: operating profit before interest and taxation of R21,0 million). The Bricks segment realised an operating profit before interest and taxation R12,4 million (2021: R3,0 million), whilst the Coal segment realised an operating loss before interest and taxation of R12,7 million (2021: operating profit before interest and taxation of R18,0 million).

The increase in administrative and other expenditure, compared to the previous financial year, is in line with inflation. Other expenses decreased significantly as a result of savings in supplier development cost, staff training and legal fees in comparison to the prior year.

Earnings per share and headline earnings per share

Earnings per share decreased by 84,2% to 0,3 cents per share (2021: 1,9 cents per share), mainly due to the decrease in revenue and profit from the Coal segment, as noted above. Headline earnings per share decreased by 47,6% to 1,1 cents per share (2021: 2,1 cents per share).

Net asset and tangible asset values

The Group continued to generate profits and invest in property, plant and equipment. The Investment in Zingaro contributed positively to the net asset and net tangible asset values per share. The net asset value per share increased by 6,2% to 13,7 cents per share (2021: 12,9 cents per share), and the net tangible asset value per share increased by 29,1% to 10,2 cents per share (2021: 7,9 cents per share).

Capital expenditure

Major capital investments made by the Group during the reporting period comprised R2,5 million for workshop and office buildings, which are being leased out to Zingaro, as well as an additional R2,2 million for the replacement of the remainder of the factory roofs at the Bricks segment.

Additions to plant and equipment for the reporting period amounted to R6,4 million, which included a right-of-use asset to the value of R3,3 million.

During February 2022, the Group entered into an additional lease agreement for the lease of certain production equipment for its Bricks segment. This resulted in the capitalisation of a right-of-use asset, in terms of IFRS 16: *Leases*, to the value of R3,3 million. The lease of these production equipment resulted in increased production efficiencies and less downtime.

GOING CONCERN

The 2022 financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that adequate cash is generated by operations and the necessary funds be available to finance future operations and that the realisation of the sale of assets, settlement of liabilities, contingent obligations and commitments occur in the ordinary course of business. The directors have prepared their budgets and cash flow forecast for the year ahead based on reasonable and supportable assumptions. The cash flow forecast and current management results indicate that the Group will operate as a going concern for the foreseeable future – refer to note 14.

CORPORATE ACTIVITY DURING THE REPORTING PERIOD

COVID-19 pandemic

The National State of Disaster ended at midnight on 4 April 2022. Transitional measures were implemented and remained in place for a period of 30 days. Government is currently evaluating new Health Regulations and indicated that the pandemic will be managed through normal health, social development, labour and other laws and regulations going forward.

The Group's Disaster Management Team continuously monitor any developments relating to the COVID-19 pandemic. The Disaster Management Team also ensures that all the necessary protocols which were put into place are being adhered to and that these protocols remain relevant and in line with any new regulations.

Vaccination drives

As part of the fight against COVID-19, the Group hosted a two-day vaccination drive during September 2021. The vaccination drive was an immense success with more than 300 vaccines administered.

Acquisition of a 40% shareholding in Zingaro Holdings (Pty) Ltd

On 2 March 2021, Brikor entered into a written agreement to acquire 40% of the issued share capital of Zingaro Holdings (Pty) Ltd ("Zingaro") from Elsie Johanna Mac Master, Leon Mac Master and Pieter Barend Buys ("the Sellers") with effect from 2 March 2021.

Brikor acquired 40% of all ordinary shares in Zingaro for a purchase consideration of R50 million, which purchase consideration was discharged as follows:

- the amount of R29 million by the allotment and issue by Brikor of 193 000 000 ordinary shares in Brikor to the Sellers at an issue price of 15 cents per Brikor share, credited as fully paid-up (see notes 2 and 5 for detailed disclosure relating to the issue of the ordinary shares); and
- the amount of R21 million through loan account from the Sellers in the books of account of Brikor (see notes 2 and 6 for detailed disclosure relating to the loan accounts with the Sellers, respectively).

The Sellers have granted Brikor an irrevocable right and option from the effective date until 30 April 2023 to purchase the remaining 60 shares, which equates to 60% shareholding in Zingaro from the Sellers for a purchase consideration of R90 million in the aggregate, which purchase consideration shall be discharged by the allotment and issue by Brikor of 600 000 000 ordinary shares in Brikor to the Sellers at an issue price of 15 cents per Brikor share, i.e., in exchange for a fixed number of Brikor shares.

The 40% acquisition of Zingaro is unconditional in all respects. The purchase of the remaining 60 shares in Zingaro is, however, subject to shareholders' approval.

Acquisition of mining right

In Brikor's endeavours to ensure sustainability of the Group's mineable reserves, the 457ha Grootfontein prospecting area – located immediately adjacent to the Vlakfontein Project Area – was converted to a mining right 10059 MR of 96ha over Ptn 85 Grootfontein 165 IR and Ptn of RE Volgelstruisbult 127 IR. The mining right was granted on 1 December 2020 and executed on 13 July 2021. The Group looks forward to the potential that can be derived from the newly acquired right.

LITIGATION

Further particulars relating to litigation in which the Group is involved are disclosed in note 10.

DIVIDEND

No dividend has been declared or paid during the reporting period.

CORPORATE GOVERNANCE

The directors endorse and accept full responsibility for the application of the principles necessary to ensure that effective corporate governance is practiced consistently throughout the Group. Brikor is committed to the principles of openness, integrity and accountability to all stakeholders and the Board of Directors accepts its duty to ensure that the principles and practices (as applicable to Brikor), set out in the King Report of Corporate Governance for South Africa – 2016 (King IV™), are implemented on an apply and explain basis.

CHANGES TO THE BOARD OF DIRECTORS

On 28 May 2021, it was with great sadness that the Board advised shareholders of the untimely passing of Mr Kinney Moremoholo on 27 May 2021.

Ms Funeka Mtsila was appointed as an independent non-executive director by the Board on 18 June 2021, which appointment was ratified by shareholders at the Annual General Meeting held on 25 August 2021.

At the reporting date, the Board of Directors comprised six directors of whom four were independent non-executive directors, with two being executive directors.

- Audit and Risk Committee
 - Mr Steve Naudé (Chairperson)
 - Ms Mamsy Mokate
 - Ms Funeka Mtsila
- Remuneration Committee
 - Ms Mamsy Mokate (Chairperson)
 - Mr Steve Naudé
 - Mr Allan Pellow
- Nomination Committee
 - Mr Allan Pellow (Chairperson)
 - Ms Mamsy Mokate (Lead Independent Director)
 - Mr Steve Naudé
 - Ms Funeka Mtsila
- Social and Ethics Committee
 - Ms Mamsy Mokate (Chairperson)
 - Ms Funeka Mtsila
 - Mr Steve Naudé
 - Ms Ronel Coetzee

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Subsequent events are disclosed in note 13.

PROSPECTS AND OPPORTUNITIES

Given the performance of the Coal segment during the reporting period, the directors are pleased to report that the Coal segment has shown significant improvement during April and May 2022. Sales in the Coal segment showed an upward trend in comparison to the 2022 reporting period and sales orders are increasing on a daily basis. A core focus during the past three months has been to ensure that sufficient coal stock is available to meet sales demand. The Bricks segment is still performing exceptionally and the outlook for the year remains positive.

The Board of Directors remains confident about the potential which can be unlocked from the Group in order to create value for stakeholders and capitalise on synergies between various entities within the Group.

A priority during the year ahead will be to expand on the production capacity of the Group's Coal segment, through its newly acquired mining right, and to focus on creating positive returns from all segments within the Group.

Any forward-looking statements have neither been reviewed nor reported on by the Group's auditors, Nexia SAB&T.

For and on behalf of the Board of Directors

Allan Pellow

Independent Non-Executive Chairperson

Nigel

27 May 2022

Garnett Parkin

Chief Executive Officer

Joaret Botha

Financial Director

Abridged Audited Consolidated STATEMENT OF FINANCIAL POSITION

as at 28 February

	Note	2022 R'000	2021 R'000
ASSETS			
Non-current assets		177 308	121 656
Property, plant and equipment		66 435	67 060
Intangible assets		3 258	3 284
Investment in associate	2	56 077	–
Restricted financial assets		26 469	23 846
Deferred tax asset	3	25 069	27 466
Current assets		80 794	76 156
Inventories	4	41 318	29 170
Trade and other receivables		29 140	29 702
Cash and cash equivalents		9 054	15 287
Taxation		1 282	1 997
Non-current assets held-for-sale		4 608	4 461
Total assets		262 710	202 273
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company		112 294	80 510
Stated capital	5	257 192	228 242
Accumulated loss		(144 898)	(147 732)
Total liabilities		150 416	121 763
Non-current liabilities		67 381	66 228
Lease liability	8	1 574	2 171
Shareholders' loans		1 587	6 271
Vendor loans	6	10 972	–
Provisions for environmental restoration	9	52 418	51 767
Deferred tax liability	3	830	6 019
Current liabilities		80 627	53 274
Short-term portion of lease liability	8	3 738	2 084
Shareholders' loans		5 124	4 386
Short-term portion of vendor loans	6	5 703	–
Trade and other payables		56 051	40 602
Taxation		6 120	6 202
Bank overdraft		3 891	–
Liabilities directly associated with the assets held-for-sale		2 408	2 261
Total equity and liabilities		262 710	202 273

Abridged Audited Consolidated STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February

	Note	2022 R'000	2021 R'000
Revenue		272 707	257 914
Cost of sales		(233 084)	(192 934)
Gross profit		39 623	64 980
Other income		8 513	7 472
Administrative expenses		(37 713)	(36 000)
Distribution expenses		(7 327)	(6 687)
Other expenses		(3 394)	(8 791)
– Expenses		(3 541)	(8 875)
– Impairment reversals		147	84
Operating (loss)/profit before interest, taxation and earnings from associate		(298)	20 974
Finance income		548	889
Finance costs		(6 204)	(5 601)
(Loss)/profit before taxation and earnings from associate		(5 954)	16 262
Taxation		2 711	(4 288)
(Loss)/profit for the year before earnings from associate		(3 243)	11 974
Share of income from associate	2	6 077	–
Profit for the year		2 834	11 974
Other comprehensive income for the year net of taxation		–	–
Total comprehensive income for the year attributable to owners of the Company		2 834	11 974

	7	2022 cents	2021 cents
EARNINGS PER SHARE			
Basic earnings per share		0,3	1,9
Diluted earnings per share		0,3	1,9

Abridged Audited Consolidated STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February

	Stated capital R'000	Treasury shares R'000	Accumulated loss R'000	Total equity R'000
Balance at 29 February 2020	244 142	(15 900)	(159 706)	68 536
Total comprehensive income for the year	–	–	11 974	11 974
Balance at 28 February 2021	244 142	(15 900)	(147 732)	80 510
Shares issued – Purchase of Zingaro Holdings (Pty) Ltd	28 950	–	–	28 950
Total comprehensive income for the year	–	–	2 834	2 834
Balance at 28 February 2022	273 092	(15 900)	(144 898)	112 294

Note

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Abridged Audited Consolidated STATEMENT OF CASH FLOWS

for the year ended 28 February

	2022 R'000	2021 R'000
Cash flows from operating activities	8 062	22 482
Cash generated from operations	9 465	22 833
Finance income	435	672
Finance costs	(2 182)	(1 365)
Net tax received	344	342
Cash flows to investing activities	(7 707)	(5 697)
Additions to property, plant and equipment	(8 732)	(5 519)
Proceeds on disposal of plant and equipment	1 505	16
Additions to intangible assets	(480)	(194)
Cash flows to financing activities	(10 479)	(5 467)
Lease repayments	(2 159)	(56)
Shareholders' loans and borrowings repaid	(8 320)	(5 411)
Net increase/(decrease) in cash and cash equivalents	(10 124)	11 318
Cash and cash equivalents at beginning of year	15 287	3 969
Cash and cash equivalents at end of year	5 163	15 287

SEGMENT REPORTING

for the year ended 28 February

SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's revenue and results from operations by reportable segments.

	Bricks R'000	Coal R'000	Other * R'000	Total R'000
Segment profit reconciliation				
2022				
Total revenue	195 110	98 035	–	293 145
Intersegment revenue	–	(20 438)	–	(20 438)
Reportable segment revenue	195 110	77 597	–	272 707
– Clay products	165 171	3 202	–	168 373
– Coal	–	74 233	–	74 233
– Transportation services and ancillary products	29 939	162	–	30 101
Gross profit	40 323	(700)	–	39 623
Other income	2 390	6 123	–	8 513
Operating profit/(loss) before interest and taxation	12 473	(12 771)	–	(298)
Segment assets and liabilities				
Segment assets	88 982	75 737	91 914	256 633
Segment liabilities	(67 440)	(45 555)	(37 421)	(150 416)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	(5 876)	(4 867)	–	(10 743)
Additions to non-current assets	10 079	1 879	–	11 958

* Other segment relates to non-segment specific assets and liabilities which include the assets and liabilities classified as held-for-sale.

Segment reporting

continued

	Bricks R'000	Coal R'000	Other * R'000	Total R'000
Segment profit reconciliation				
2021				
Total revenue	144 901	125 645	–	270 546
Intersegment revenue	–	(12 632)	–	(12 632)
Reportable segment revenue	144 901	113 013	–	257 914
– Clay products	124 642	3 136	–	127 778
– Coal	–	109 877	–	109 877
– Transportation services and ancillary products	20 259	–	–	20 259
Gross profit	27 404	37 576	–	64 980
Other income	1 881	5 591	–	7 472
Operating profit before interest and taxation	3 008	17 966	–	20 974
Segment assets and liabilities				
Segment assets	77 901	73 189	51 183	202 273
Segment liabilities	(60 045)	(35 867)	(25 851)	(121 763)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	(3 109)	(4 634)	–	(7 743)
Additions to non-current assets	7 507	2 323	–	9 830

* Other segment relates to non-segment-specific assets and liabilities which include the assets and liabilities classified as held-for-sale.

Factors used to identify segments are based on product line and divisional structuring. This is also how the Group reports financial results to the chief operating decision-maker on a monthly basis.

The reportable segments are:

- Coal, which includes mining and sale of coal; and
- Bricks, which includes manufacturing and sale of bricks.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment results include revenue and expenses directly related to an operating segment but excludes net finance charges and taxation which cannot be allocated to any specific segment. Segment trading profit is defined as operating profit, excluding items of a capital nature, and is the basis on which management assesses performance.

Revenue reported relates to external customers only. Revenue is derived solely from South African customers, within the region in which the Group is situated. Therefore, no additional geographical areas have been identified.

The Bricks and Coal segments are the only regulatory environments in which the Group operates, i.e., manufacturing and mining.

Two customers contribute 14% of the Group's revenue. These customers form part of the Bricks and Coal segments, respectively.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than investment in associates, non-current assets held-for-sale, tax assets, deferred tax assets and cash and cash equivalents.
- all liabilities are allocated to reportable segments other than general borrowings, shareholders' loans, deferred taxations, taxation, bank overdraft facilities and liabilities associated with assets held-for-sale.

NOTES TO THE Abridged Audited Consolidated FINANCIAL RESULTS

for the year ended 28 February 2022

1. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND AUDIT REPORT

The abridged consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the abridged consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the adoption of new and revised standards and interpretations.

The abridged financial results are presented in South African rand and all financial information has been rounded to the nearest Rand thousands, except when otherwise indicated.

These abridged financial results were extracted from audited information but is not itself audited. The directors take full responsibility for the preparation of the abridged financial results and that the financial information has been correctly extracted from the underlying audited consolidated financial statements.

The annual financial statements were audited by Nexia SAB&T Inc. and an unmodified audit opinion has been issued on the audited consolidated financial statements for the financial year ended 28 February 2022. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying audited consolidated financial statements, both of which are available for inspection at Brikor's registered office and on the Company's website: <http://brikor.co.za>.

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

2. INVESTMENT IN ASSOCIATE

Reconciliation of investment in associate

	2022 R'000	2021 R'000
1 March	–	–
Additions: Zingaro Holdings (Pty) Ltd	50 000	–
Share of income from associate	6 077	–
Share of other comprehensive income from associate	–	–
	56 077	–

Brikor entered into a written agreement on 2 March 2021 to acquire 40% of the issued share capital of Zingaro Holdings (Pty) Ltd ("Zingaro") from Elsie Johanna Mac Master, Leon Mac Master and Pieter Barend Buys ("the Sellers") with effect from 2 March 2021.

Brikor acquired 40% of all ordinary shares in Zingaro for a purchase consideration of R50 000 000, which purchase consideration was discharged as follow:

- the amount of R28 950 000 by the allotment and issue by Brikor of 193 000 000 ordinary shares in Brikor to the sellers at an issue price of 15 cents per Brikor share, credited as fully paid-up (see note 5 for detailed disclosure relating to the issue of the ordinary shares); and
- the amount of R21 050 000 through loan account from the Sellers in the books of account of Brikor (see note 6 for detailed disclosure relating to the loan accounts with the Sellers, respectively).

The Sellers have granted Brikor an irrevocable right and option from the effective date until 30 April 2023 to call the remaining 60 shares, which equates to 60% shareholding in Zingaro, from the Sellers for a purchase consideration of R90 000 000 in the aggregate, which purchase consideration shall be discharged by the allotment and issue by Brikor of 600 000 000 ordinary shares in Brikor to the Sellers at an issue price of 15 cents per Brikor share, i.e., in exchange for a fixed number of Brikor shares.

The 40% acquisition of Zingaro is unconditional in all respects. The purchase of the remaining 60 shares in Zingaro is, however, subject to shareholder approval.

Details of material associates

Zingaro Holdings (Pty) Ltd had a 30 June year-end. The year-end has subsequently been changed to February to be in line with the Group. Separate financial statements were compiled for the year ended 28 February 2022, which were used in the preparation of the consolidated financial statements to ensure that the effect of any transactions that occurred between Brikor's year-end and Zingaro's year-end was taken into account as well as the impact of the change in year-end.

Summarised financial information in respect of Brikor's associate, reflecting 100% of the underlying associates' relevant figures, is set out below. The summarised financial information shown represents amounts from the associate's financial statements that was prepared in accordance with IFRS.

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

2. INVESTMENT IN ASSOCIATE continued

	2022 R'000	2021 R'000
Non-current assets	270 454	–
Current assets	104 258	–
Non-current liabilities	185 825	–
Current liabilities	84 970	–
Non-controlling interest	17 214	–
<i>The above assets and liabilities include the following:</i>		
Cash and cash equivalents	19 274	–
Current financial liabilities	77 744	–
Non-current financial liabilities	168 202	–
Net assets 28 February	86 703	–
Brikor's ownership interest	40%	

Summarised profit or loss in respect of Brikor's associate, reflecting 100% of the underlying associate's relevant figures for the year ended 28 February 2022 including Group adjustments relating to alignment of accounting policies or fair value adjustments, is set out below.

	2022 R'000	2021 R'000
Revenue	304 775	–
Profit for the period	8 052	–
– Profit attributable to owners of the parent	15 192	–
– Profit attributable to non-controlling interest	(7 140)	–
Other comprehensive income for the period	–	–
Total comprehensive income for the period	8 052	–
– Total comprehensive income attributable to owners of the parent	15 192	–
– Total comprehensive income attributable to non-controlling interest	(7 140)	–
<i>The above profit for the period includes the following:</i>		
Depreciation	14 026	–
Interest income	331	–
Finance cost	6 009	–
Taxation expense	5 061	–

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

3. DEFERRED TAX ASSET/(LIABILITY)

	2022 R'000	2021 R'000
Group and Company		
Reconciliation of deferred tax asset		
At beginning of year	27 466	27 691
Originating and reversing temporary differences	1 091	943
Calculated tax losses (utilised)/created	(3 488)	(1 168)
	25 069	27 466
Deferred tax asset		
<i>Comprising:</i>		
Property, plant and equipment	39	(228)
Provisions	7 796	6 913
Payments received in advance	993	1 088
Leases	71	35
Contributions to rehabilitation trust funds	(1 335)	(1 335)
Calculated tax losses	17 505	20 993
	25 069	27 466

The Group and the Company do not have any unrecognised deferred tax assets relating to assessed losses as at 28 February 2022 or 28 February 2021.

Deferred tax asset recoverability analysis

The following table is the analysis of the movement of the deferred tax asset over the last five years:

	2022 R'000	2021 R'000	2020 R'000	2019 R'000	2018 R'000
Calculated losses					
Opening balance	20 993	22 161	21 640	28 662	26 579
(Utilised)/created	(3 488)	(1 168)	521	(7 022)	2 083
Closing balance calculated tax losses	17 505	20 993	22 161	21 640	28 662
Temporary differences					
Opening balance	6 473	5 530	5 197	1 257	1 503
(Utilised)/created	1 091	943	333	3 940	(246)
Closing balance temporary differences	7 564	6 473	5 530	5 197	1 257
Total deferred tax asset	25 069	27 466	27 691	26 837	29 919

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

3. DEFERRED TAX ASSET/(LIABILITY) continued

In 2021, the Group realised taxable profits which resulted in a decrease in the deferred tax asset of R1,2 million whereas temporary differences yielded an increase in the deferred tax asset of R0,9 million. Management performed forward-looking budgets and forecasts, which included the effect of COVID-19 and return to work protocols, and at that stage it was expected that the deferred tax asset would be recovered in approximately eight years.

Current year taxable profits yielded a decrease in the deferred tax asset of R3,5 million whereas temporary differences yielded an increase in the deferred tax asset of R1,1 million.

Management's current forward-looking budgets and forecasts have determined that the deferred tax asset's recoverability remained probable.

Management's budget and forecast allow for sales volumes and prices at levels during the 2022 financial year as well as production capacity. In addition, management has given due consideration to the current economic climate, specifically increase in diesel and other commodity prices, in the preparation of the budget, forecast and various sensitivity analyses. Based on the sensitivity analyses performed, the deferred tax asset is expected to be recovered between five to eight years.

Assumptions used in the budget are as follows:

- Sales volumes and prices aligned with those experienced during the 2022 financial year as well as production capacity;
- Inflationary adjustments were allowed for growth in revenue and costs from the 2024 financial year;
- Sales mix to commensurate expected market demand; and
- Eskom power supply will remain stable.

The timing of recovery is mostly sensitive to the following:

- Should the actual growth percentage decrease with 1%, the recoverability of the deferred tax asset will increase slightly to five and a half years;
- Should the sales mix decrease with 5%, deferred tax asset's recoverability will extend to eight and a half years; and
- Should the sales mix increase with 5%, the deferred tax asset's recoverability will decrease to six years.

	2022 R'000	2021 R'000
Reconciliation of deferred tax liability		
At beginning of year	(6 019)	(3 462)
Originating and reversing temporary differences	5 189	(2 557)
	(830)	(6 019)
Deferred tax liability		
<i>Comprising:</i>		
Property, plant and equipment	(4 354)	(6 024)
Provisions	4 648	4 640
Contributions to rehabilitation trust funds	(4 635)	(4 635)
Calculated tax losses	3 511	–
	(830)	(6 019)

The deferred tax liability is attributable to the Company's subsidiary, Ilangabi Investments 12 (Pty) Ltd.

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

4. INVENTORIES

	2022 R'000	2021 R'000
Raw materials	412	119
Work in progress	24 172	20 582
Finished goods	14 890	6 504
Consumables	1 844	1 965
	41 318	29 170

In 2022, inventory of R233,1 million (2021: R192,9 million) was recognised as an expense during the reporting period and included in cost of sales.

All inventory movements are classified under cost of sales.

Impairments

Inventory totalling R12,9 million (2021: R1,4 million) was written down by R3,8 million (2021: R0,5 million) to their net realisable value of R9,1 million (2021: R0,9 million).

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

5. STATED CAPITAL

	2022 '000	2021 '000
Group and Company		
Authorised		
1 000 000 000 ordinary shares of no par value (2021: 1 000 000 000)		
Reconciliation of number of shares authorised		
Reported at 1 March	1 000 000	1 000 000
	1 000 000	1 000 000
Reconciliation of number of no par value shares issued ('000)		
Reported at 1 March	645 242	645 242
<i>Issued:</i> Acquisition of Zingaro Holdings (Pty) Ltd	193 000	–
<i>Less:</i> Brikor Share Incentive Scheme Trust – treasury shares	(15 900)	(15 900)
	822 342	629 342

All shares are fully paid.

All shares rank equally with regards to the Group's residual assets.

	2022 R'000	2021 R'000
Group and Company		
Stated capital		
838 242 031 ordinary shares of no par value (2021: 645 242 031 ordinary shares of no par value)	273 092	244 142
<i>Less:</i> 15 900 000 (2021: 15 900 000) treasury shares held by the Brikor Share Incentive Scheme Trust	(15 900)	(15 900)
	257 192	228 242

Holders of the shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

6. VENDOR LOANS

	2022 R'000	2021 R'000
Loan - EJ Mac Master		
Loan 2 March 2021	7 018	–
Add: Interest	375	–
Less: Payments	(1 834)	–
	5 559	–
Loan - L Mac Master		
Loan 2 March 2021	7 016	–
Add: Interest	375	–
Less: Payments	(1 833)	–
	5 558	–
Loan - PB Buys		
Loan 2 March 2021	7 016	–
Add: Interest	375	–
Less: Payments	(1 833)	–
	5 558	–
Total vendor loans	16 675	–

The above loans bear interest at the prime rate less 1%, calculated and compounded quarterly in arrears with effect from the effective date until the date upon which the subject loans has been repaid in full to the sellers. The respective loans are repayable in monthly instalments of R0,2 million (including capital and interest) each. The subject loans outstanding as at the fifth anniversary of the effective date shall be paid by Brikor to the sellers within ten business days after the fifth anniversary of the effective date. In addition, Brikor has the right to repay the outstanding subject loans from time to time in greater instalments and more frequently.

Presented as:

Non-current liabilities		
At amortised cost	10 972	–
Current liabilities		
At amortised cost	5 703	–
	16 675	–

Fair value of financial instruments

The carrying value of the unsecured borrowings approximates its fair value. The interest rates for these loans are in line with current market rates and the credit risk of the borrower remained consistent.

Liquidity risk

Vendor loans are used in long-term funding.

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

7. EARNINGS AND FULLY DILUTED EARNINGS PER ORDINARY SHARE

	2022 cents	2021 cents
EARNINGS PER SHARE		
Basic earnings per share	0,3	1,9
Diluted earnings per share	0,3	1,9
Headline earnings per share	1,1	2,1
Diluted headline earnings per share	1,1	2,1

The calculation of the basic profit or loss per share attributable to the ordinary equity holders is based on the following information:

Reconciliation between basic earnings and headline earnings as well as diluted earnings

	2022 R'000	2021 R'000
Basic and diluted profit	2 834	11 974
Loss on disposal of property, plant and equipment *	461	–
Loss on scrapping of property, plant and equipment *	253	1 102
Impairment of assets classified as held-for-sale *	(147)	(84)
Loss on disposal of property, plant and equipment by associate (net of tax)	5 719	–
Headline and diluted headline profit	9 120	12 992

* These reconciling items do not have related tax implications and therefore only the gross amounts are taken into account in the reconciliation.

	2022 '000	2021 '000
Number of shares		
Weighted average number of shares	822 342	629 342
Diluted weighted average number of shares	822 342	629 342

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

8. LEASE LIABILITY

	2022 R'000	2021 R'000
Lease liability	5 312	4 255
The Group leases certain production equipment. The lease commenced on 15 January 2021 until 15 January 2023. During February 2022, the Group entered into an additional lease for another 24-month period. During the current reporting period, lease payments amounted R0,2 million (2021: R0,08 million) per month. The lease liability was determined by discounting the lease payments using its incremental borrowing rate at 1 February 2021 and 1 February 2022, respectively, being the prime interest rate plus 0,98%. The annual lease rental renegotiations is a term as per the original lease contract and was taken into account in the determination of the lease liability. This is therefore not a lease modification in terms of IFRS 16. The Group has presented interest expense separately from the depreciation charge for the right-of-use asset.		
	5 312	4 255
Presented as:		
Non-current liabilities	1 574	2 171
Current liabilities	3 738	2 084
	5 312	4 255

Fair value of financial instruments

The carrying value of the unsecured borrowings approximates its fair value as a result of future cash flows being incorporated in the carrying value of the lease liability.

Liquidity risk

Repayments within one year will be funded by utilising cash balances and by future cash flows. Borrowings classified under current liabilities are due to be settled within twelve months from the reporting date.

Notes to the Abridged Audited Consolidated Financial Results

continued

for the year ended 28 February 2022

9. PROVISIONS

	2022 R'000	2021 R'000
Environmental rehabilitation provision	52 418	51 767
Total	52 418	51 767
Provision: Environmental rehabilitation		
Opening balance	51 767	62 380
Unwinding of interest	3 591	3 803
Rehabilitation performed	–	(159)
Change in estimate	(2 940)	(6 257)
Recognised in profit or loss	(2 814)	(6 545)
Recognised in property, plant and equipment	(126)	288
Disposed	–	(8 000)
Closing balance	52 418	51 767

The rehabilitation provision relates to the estimated costs of correcting any disturbance relating to mining and other activities and those incidental thereto. The level of provision is commensurate with work completed to date. The current gross closure cost of rehabilitation was estimated at R64,2 million (2021: R63,9 million). The future cost of the provision was calculated by escalating estimated costs at a risk-adjusted CPI of 6% (2021: 6%) per annum over the life of the operations ranging between 4 to 10 years (2021: 6 to 12 years). This future cost is discounted at South African Government Bond Rate ranging between 7,88% and 9,77% (2021: 7,31% and 9,78%) to arrive at a carrying value of R52,4 million (2021: R51,8 million).

The Group has invested funds into various environmental trusts to be utilised by the Group as and when restoration activities are incurred. Investments made during the reporting period into these funds amounted to Rnil million (2021: Rnil million). The total amount held in these trusts amounted to R26,5 million (2021: R23,8 million) at the reporting date.

The Department of Minerals and Energy holds guarantees in its favour for the mining rehabilitation cost to the amount of R23,3 million (2021: R20,7 million). Furthermore, the Group holds decommissioning assets to the value of R14,3 million (2021: R16,2 million) as part of property, plant and equipment, which will be utilised in extinguishing the rehabilitation liability.

Sensitivity analysis

The risk-free rates used to discount the estimated cash flows based on the underlying currency and time duration of the obligation are provided in the table below.

	%
Risk-free rate 28 February 2022	7,88 to 9,77
	R'000
A 1% change in the discount rate would have the following effect on the environmental rehabilitation provision:	
Increase in the discount rate	(5 798)
Amount recognised in profit or loss	(4 780)
Amount recognised in property, plant and equipment	(1 018)
Decrease in the discount rate	184
Amount recognised in profit or loss	(679)
Amount recognised in property, plant and equipment	863

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

10. CONTINGENCIES

Contingent liabilities

Environmental rehabilitation

The Group's operations are located in Nigel and are in close proximity to the Blesbokspruit watercourse (the Blesbokspruit watercourse is classified as a RAMSAR site in terms of the RAMSAR convention on Wetlands of International importance). The precise particulars of the operation's proximity to the watercourse still needs to be formally delineated by a wetland specialist.

However, considering the current location of the Group's operation and the potential movement of groundwater and drainage towards the Blesbokspruit watercourse, and allowing for the current rehabilitation approach that was consistently applied for Vlaktefontein, Plant 1 and Plant 3, further analysis and monitoring would be required in assessing the potential future impact on water quality that might occur, after the closure.

The proximity assessment and results from the water monitoring is required to assess and confirm a justifiable approach (as required by the National Water Act) that does not pose a long-term water quality-related risk at eventual quarry closure. In addition, the nature and extent for the direction of surface run-off still need to be fully understood. The cost determination of water quality-related effects and water use requirements (in terms of the National Water Act) remain uncertain at this stage and cannot be reasonably quantified.

Additional information that are obtained from further studies and monitoring could result in a future obligation that would require the Group to recognise additional cost provisions for environmental rehabilitation.

Pending court cases

Court case 1

Ilangabi Investments 12 (Pty) Ltd is currently a party to a litigation process instituted against the company as a result of events dating back to 2015. The case has been ongoing for the past seven years and management is of the opinion that it is not likely that the case would result in a material outflow of economic benefits. The case has been submitted to the High Court and the outcome as well as potential financial impact cannot be measured reliably at the date of these consolidated and separate financial statements.

During the current reporting period, a plea has been delivered on behalf of Ilangabi and both parties have delivered notices calling upon each other to make discovery. Although the notice to make discovery was delivered a while ago, a discovery affidavit has not yet been delivered to Ilangabi. It may still take some time to complete the discovery affidavit exercise and it is difficult to estimate the costs that will be associated therewith.

Court case 2

As announced on SENS on 27 February 2020, shareholders were advised, that the Company Secretary received a letter and various further e-mail correspondence for the request for a shareholders' meeting. The request to call a shareholders' meeting has for various reasons not been approved by the Independent Board of Brikor and, accordingly, the directors applied to the court in terms of section 61(5) of the Companies Act for an order to set aside the request for a shareholders' meeting on the grounds that the request is frivolous and/or otherwise vexatious.

Court proceedings have commenced in the High Court of South Africa under Case Number 11622/2020 and court dates are being awaited subsequent to the receipt of an additional request for a shareholders' meeting as noted below.

As announced on SENS on 15 and 19 February 2021, the Company Secretary received a letter for the request for another shareholders' meeting. The request to call a shareholders' meeting has for various reasons not been approved by the Independent Board of Brikor and, accordingly, the directors will in accordance with the provision of section 61(5) of the Companies Act, apply to court for an order to set aside the request for a shareholders' meeting.

Included in trade and other payables is a remaining provision of R0,2 million (Feb 2021: R1,2 million) in respect of legal fees relating to the matter noted above. The case could, however, result in additional future obligations that would require the Group to raise additional cost in respect of legal fees. As a result of uncertainty relating to the timing and amount of potential legal fees that would need to be incurred as well as the resultant outcome of the court case, the exact amount cannot be measured reliably at the date of these consolidated and separate financial statements.

Subsequently, as announced on SENS on 4 May 2021, shareholders were advised that the revised request to call a shareholders' meeting on 15 and 19 February 2021 have been withdrawn.

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

11. RELATED PARTIES

Identification of material related parties

Shareholders of Brikor Limited (Company) holding 5% or more of issued share capital at the reporting date:

EC Meiring	15,51%
G Parkin	12,83%
E Parkin *	11,05%
The Daniel Parkin Testamentary Trust *	12,04%
EJ Mac Master	7,68%
L Mac Master	7,67%
PB Buys	7,67%
Elgar Share Trust *	6,29%
The Milan Rautenbach Testamentary Trust *	4,26%

* E Parkin is a trustee of these trusts and has a total indirect influence of more than 20% as at the reporting date.

Subsidiaries and associates

Ilangabi Investments 12 (Pty) Ltd is the only significant subsidiary of the Group, is wholly owned and is incorporated and operates in South Africa only.

During the current financial year Brikor acquired 40% of all ordinary shares in Zingaro Holdings (Pty) Ltd. Refer to note 2 for disclosure relating to the associate.

The only restrictions applicable to the Group and its subsidiaries relate to the provision of inter-company financial assistance as well as provision of financial assistance to related and inter-related parties of the Company. Special resolutions to effect these matters have not been approved by 75% of the shareholders at the previous Annual General Meeting.

Relationships	Related director/shareholder
Entities controlled by directors/significantly influenced by shareholders	
Scarlett Sun 33 (Pty) Ltd	E Parkin
Nigel Brick and Clay (Pty) Ltd	E Parkin
Elgar Share Trust	E Parkin, G Parkin
Cyndara 113 (Pty) Ltd	E Parkin
Galiya (Pty) Ltd	E Parkin
Zingaro Holdings (Pty) Ltd	EJ Mac Master, L Mac Master, PB Buys
Zingaro Trade 85 (Pty) Ltd	EJ Mac Master, PZ Mtethwa

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

11. RELATED PARTIES continued

	Description of activity	2022 R'000	2021 R'000
RELATED PARTY BALANCES			
Loan accounts – owing (to)/by related parties			
Estate late G v N Parkin	Unsecured, bears interest at 7,59% p.a., monthly repayments of R0,4 million.	(6 711)	(10 657)
EJ Mac Master	Bears interest at the prime rate less 1%, calculated and compounded quarterly in arrears. The loan is payable in monthly instalments of R0,2 million (including capital and interest).	(5 559)	–
L Mac Master	Bears interest at the prime rate less 1%, calculated and compounded quarterly in arrears. The loan is payable in monthly instalments of R0,2 million (including capital and interest).	(5 558)	–
PB Buys	Bears interest at the prime rate less 1%, calculated and compounded quarterly in arrears. The loan is payable in monthly instalments of R0,2 million (including capital and interest).	(5 558)	–
Amounts included in trade and other receivable/(trade and other payables) regarding related parties			
Scarlett Sun 33 (Pty) Ltd	Surface rights	(77)	(237)
Scarlett Sun 33 (Pty) Ltd	Machinery parts and consumables	(16)	34
Nigel Brick and Clay (Pty) Ltd	Coal and Clay	–	(112)
Cyndara 113 (Pty) Ltd	Engineering	(97)	(97)
Zingaro Holdings (Pty) Ltd	Bricks	60	–
Zingaro Trade 85 (Pty) Ltd	Coal and diesel	1 166	–
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	(9 479)	–
Related party transactions			
Interest paid			
Estate late G v N Parkin – shareholder's loan	On loan account	(660)	(978)
G Parkin – shareholder's loan	On loan account	–	(68)
EJ Mac Master	On loan account	(375)	–
L Mac Master	On loan account	(375)	–
PB Buys	On loan account	(375)	–

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

11. RELATED PARTIES continued

	Description of activity	2022 R'000	2021 R'000
Purchases from related parties			
Scarlett Sun 33 (Pty) Ltd	Surface rights	(2 043)	(3 236)
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	(23 207)	–
Zingaro Holdings (Pty) Ltd	Motor vehicles	(400)	–
Sales to related parties			
Nigel Brick and Clay (Pty) Ltd	Mineral resources	4 491	3 785
Zingaro Trade 85 (Pty) Ltd	Coal and diesel	4 499	–
Zingaro Holdings (Pty) Ltd	Bricks	395	–

12. DIRECTORS' EMOLUMENTS

	2022 R'000	2021 R'000
EXECUTIVE		
Directors		
Short-term employee benefits	7 487	4 888
Post-employment benefits	–	206
Prescribed officers		
Short-term employee benefits	–	1 796
Post-employment benefits	–	14
NON-EXECUTIVE		
Directors		
Short-term employee benefits	1 163	1 704

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

13. SUBSEQUENT EVENTS

Impact of COVID-19

COVID-19 still existed globally at the reporting date and is in itself not a subsequent event, however, the continuous extension of the National State of Disaster, subsequent upliftment of the National State of Disaster (on 4 April 2022) and suggested changes to health, social development, labour and other laws and regulations are events that occurred after the reporting date. The impact of COVID-19 on accounting standards that require the use of forward-looking information was assessed based on information available as at 28 February 2022 and has not resulted in any other adjustments and/or disclosures as the impact was assessed to be not material.

Other

Other than as disclosed above and in these consolidated and separate financial statements, management is not aware of any material events which occurred subsequent to the year ended 28 February 2022 and which need adjustment or disclosure.

14. GOING CONCERN

The Group incurred a profit for the year ended 28 February 2022 of R2,8 million (2021: R12 million) and as of that date the Group is solvent as the total assets exceeded the total liabilities by R112,3 million (2021: R80,5 million). Furthermore, the Group is liquid as current assets exceeded current liabilities by R0,2 million (2021: R22,9 million).

A detailed analysis of the solvency and liquidity of the Group was performed, being cognisant of the current economic environment and the resultant increase in diesel and other prices as well as continued loadshedding being implemented by Eskom. The directors considered the financial performance of the Group to date of this report and have also prepared and interrogated budgets and cash flow forecasts for the twelve months subsequent to the reporting date. The budgets and cash flow forecast allow for best estimates and assumptions, inter alia, current sales volumes and prices as well as increased costs as noted above.

The directors have also given due consideration to the potential impact of the COVID-19 pandemic on the Group's ability to continue as going concerns. The directors believe that the COVID-19 pandemic and the suggested changes to the health, social development, labour and other laws and regulations will not have a material impact on the business activities of the Group, due to the Group achieving results which are aligned to those achieved in pre-lockdown periods.

Subsequent to year-end and up to date of the assessment, there has been no significant change in circumstances which suggests that the above reviews are no longer valid. Based on the above, no material uncertainties have been identified in relation to the ability of the Group and Company to remain going concerns for at least the next twelve months. The directors thus believe that the Group and Company are in a sound financial position and that they will continue to operate as going concerns for the foreseeable future.

As such, the consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This presumes that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

Notes to the Abridged Audited Consolidated Financial Results

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for the year ended 28 February 2022

15. DIRECTORS' INTEREST IN SHARES

Name of director	Beneficial		Total
	Direct	Indirect	
As at 28 February 2022			
<i>Executive</i>			
G Parkin	107 513 550	17 563 067	125 076 617
	107 513 550	17 563 067	125 076 617
As at 29 February 2021			
<i>Executive</i>			
G Parkin	107 513 550	17 563 067	125 076 617
	107 513 550	17 563 067	125 076 617

The Company has not been advised of any changes in the above interest of the directors between the year-end and the date of this report. G Parkin does not have voting power over the indirect beneficial interest in shares. He is, however, entitled to profits on the sale of the 17 563 067 indirect holding. The shares held are not subject to security, guarantees or any collateral.

16. SALIENT FEATURES

	2022	2021
Number of shares in issue (excluding treasury shares) ('000)	822 342	629 342
Net asset value per share (cents)	13,7	12,9
Net tangible asset value per share (cents)	10,2	7,9
Impairment reversals (R'000)	147	84
Employee costs (R'000)	(82 494)	(70 435)

Net asset value per share is determined by dividing the total equity by the actual number of shares in issue at the reporting date.

Net tangible asset value per share is determined by dividing the total equity less intangible and deferred tax assets by the actual number of shares in issue at the reporting date.

By order of the Board

Allan Pellow

Chairperson of the Board

Garnett Parkin

Chief Executive Officer

CORPORATE INFORMATION

BRIKOR LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013247/06

JSE code: BIK

ISIN: ZAE000101945

Directors:

Allan Pellow (*Chairperson*)*

Mamsy Mokate (*Lead Independent Director*) *

Garnett Parkin (*Chief Executive Officer*)

Joaret Botha (*Financial Director*)

Funeka Mtsila *

Steve Naudé *

** Independent non-executive*

Registered address:

1 Marievale Road

Vorsterskroon

Nigel 1490

Postal address:

(PO Box 884, Nigel 1490)

Telephone: 011 739 9000

Facsimile: 011 739 9021

Company Secretary:

Fusion Corporate Secretarial Services (Pty) Ltd

Transfer Secretaries:

JSE Investor Services (Pty) Ltd

Auditors:

Nexia SAB&T

Designated Adviser:

Exchange Sponsors (2008) (Pty) Ltd

These results and an overview of Brikor are available at www.brikor.co.za



BRIKOR LIMITED



www.brikor.co.za