IMBALIE BEAUTY LIMITED
"Imbalie Beauty" or "the Company" or "the Group"
(Incorporated in the Republic of South Africa)
(Registration number 2003/025374/06)
JSE code: ILE
ISIN: ZAE000165239

AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited 28 February 2022 R'000	**Audited 28 February 2021 R'000**
Listing and sponsorship transaction costs	(1 500)	-
Other operating expenses	(690)	
Loss before taxation	(2 190)	-
Taxation	947	-
Loss from continuing operations	(1 243)	-
Loss from discontinued operations	(22 119)	(9 371)
Loss for the year	(23 362)	(9 371)
Total comprehensive loss for the year	(23 362)	(9 371)
Weighted and fully diluted average shares in issue	1 384 039 225	1 384 039 225
Loss per share attributable to equity holders of the Group (Note 1):		
Basic and diluted basic loss per share (cents)	(1.69)	(0.68)
Headline and diluted headline loss per share (cents)	(0.07)	(0.42)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 28 February 2022 R'000	Audited 28 February 2021 R'000
ASSETS		
Non-Current Assets		
Deferred tax	947	-
	947	-
Current Assets		
Trade and other receivables	6 130	-
Cash and cash equivalents	1	1
	6 131	1
Assets of disposal groups	-	61 206
Total Assets	7 079	61 207
EQUITY AND LIABLITIES		
Equity		
Share capital	113 732	113 732
Reserves	-	596
Accumulated loss	(107 179)	(84 412)
	6 554	29 916
Current Liabilities		
Trade and other payables	524	-
	524	-
Liabilities of disposal groups	-	31 291
Total Liabilities	524	31 291
Total Equity and Liabilities	7 079	61 207
Number of ordinary shares in issue at year end	1 384 039 225	1 384 039 225
Net asset value per share (cents)	0.47	2.16
Net tangible asset value per share (cents)	0.47	1.05

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Total Share capital R'000	Revaluation reserve R'000	Accumulated Loss R'000	Total equity R'000
Balance at 28 February 2021	52 119	61 613	113 732	596	(84 412)	29 916
Total comprehensive loss for the year	-	-	-	-	(23 362)	(23 362)
Transfer on sale of disposal group				(596)	596	-
Balance at 28 February 2022	52 119	61 613	113 732	-	(107 179)	6 554

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 28 February 2022 R'000	Audited 28 February 2021 R'000
Cash used in continuing operations	(1 666)	-
Cash flows of disposal groups/discontinued operations	1 148	(3 108)
Net cash flows from operating activities	(518)	(3 108)
Cash flows from investing activities		
Net cash flows from discontinued operations	1 641	483
Cash flows utilised in financing activities		
Net cash flows from discontinued operations	842	4 635
Total cash movement for the year	1 965	2 010
Cash and cash equivalents at beginning of the year	(1 964)	(3 974)
Cash and cash equivalents at end of the year	1	(1 964)

SEGMENTAL REPORTING

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker.

Therefore, the Group determines and presents its operating segments based on the information that is internally provided to the Chief Executive Officer, who is the chief operating decision maker.

Furthermore, a segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of the other segments.

The Group does not report on its different operating segments. The business is conducted in South Africa and through South African companies operating cross border and is managed at a central head office with no branches. The Group is managed as one operating unit.

All revenues from external customers originate in South Africa or through South African companies operating cross border.

NOTES TO THE FINANCIAL INFORMATION

1. Reconciliation of headline loss

	Audited 28 February 2022 R'000	Audited 28 February 2021 R'000
Reconciliation of headline loss of discontinued operations:		
Loss attributable to ordinary shareholders from discontinued operations	(23 362)	(9 371)
Adjusted for:		
IAS 38 Impairment/(reversal) of trademarks	-	117
IAS 16 Gain on disposal of PPE	(122)	(243)
IAS 36 Impairment of Goodwill	-	3 560
IAS 27 Loss on disposal of subsidiaries	22 428	-
Total tax effects of adjustments	34	68
Headline loss attributable to ordinary shareholders from discontinued operations	(1 022)	(5 869)
Weighted and fully diluted average shares in issue	1 384 039 225	1 384 039 225
Basic and diluted basic loss per share (cents)	(1.69)	(0.68)
Headline and diluted headline loss per share (cents)	(0.07)	(0.42)
Basic and diluted loss per share from continuing operations (cents)	(0.09)	-
Basic and diluted loss per share from discontinued operations (cents)	(1.60)	(0.68)
Headline and diluted headline loss per share from continuing operations (cents)	(0.09)	-
Headline and diluted headline loss per share from discontinued operations (cents)	0.02	(0.42)

OVERVIEW

The directors of Imbalie Beauty present the Group's annual financial results for the year ended 28 February 2022 ("the 2022 year" or "2022").

Imbalie Beauty listed on the JSE in 2007 when Placecol Holdings acquired the Dream Nails franchise group of beauty salons and, with the acquisition of the Perfect 10 franchise group of beauty salons in 2012, the Group's name changed to Imbalie Beauty. Being listed on the JSE served the Group well over many years.

The Group was severely affected by the Covid-19 pandemic in 2020 with its beauty franchise salon footprint forced into hard lockdown for 3 months. However, in October 2020 the Group was successful in procuring a Covid-19 loan from ABSA Bank Limited, with the bank imposing a pre-condition that the Imbalie Beauty subsidiary that received the Covid-19 loan, no longer be a part of a listed group on the JSE, which process was finalised in January 2022 when a consortium of investors, B&B Media (Pty) Limited, took control of the listed vehicle.

Management and the Board played a vital role in successfully disposing of the subsidiaries and continued operating the beauty facet of the newly formed entity – iBLOOM, which will host the beauty businesses and will continue operating in the unlisted environment, in compliance with ABSA Bank Limited's pre-condition of the granting of its Covid-19 loan to Imbalie Beauty.

On 18 May 2022, at a general meeting of shareholders, the name of Imbalie Beauty was changed to Buka Investments Limited and the Board is excited to announce to shareholders that the repositioning and rebranding of the Company in the Fashion industry has commenced. The listing of Imbalie Beauty, which took place almost 15 years' ago, will be elevated to new heights by the acquisition of quality and sustainable businesses creating substantial value for shareholders.

Changes to the operational and functional revenue generating units in the Company will be implemented, pending Board approval, hence the name change, and will align to the planned future vision of the Company. The appointment of the new directors, with extensive experience, was effective on 25 April 2022. The capital structure of the business will be established in order to facilitate the acquisition of earmarked fashion businesses, pending Board, shareholder and JSE approval.

The appointment of the new directors, as well as the move into the fashion industry, will re-invent and re-establish the listed company, steering it towards creating substantial shareholder wealth.

BASIS OF PREPARATION

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for audit reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require audit reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and Financial Pronouncements as issued by 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 condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

The audited condensed consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets where required or permitted by IFRS.

These audited condensed consolidated financial statements incorporate the financial results of the Company and its subsidiaries.

The preparation of the audited condensed consolidated financial statements for the year ended 28 February 2022 was supervised by Imbalie Beauty's Chief Executive Officer, Esna Colyn CA (SA). The directors take full responsibility for the preparation of these audited condensed consolidated financial statements for the year ended 28 February 2022.

These audited condensed consolidated financial statements for the year ended 28 February 2022 have been audited by Nexia SAB&T.

AUDITOR'S OPINION

The auditors issued an unmodified audit opinion for the year ended 28 February 2022. A copy of the auditor's audit report is available for inspection at the Company's registered office.

NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations effective and adopted in the current year

The Group did not adopt any new standards and interpretations in the current year.

Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 March 2021 or later periods.

There is unlikely to be a material impact on the future implementation of any of these standards.

Standard/ Interpretation:	**Effective date: Years beginning on or After**
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2 to disclose material policies rather than significant policies	01 January 2023
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023
• Classification of Liabilities as Current or Non-Current -Amendment to IAS 1	01 January 2023
• Deferred tax related to assets and liabilities arising from single transactions: Amendments to IAS 12	01 January 2023
• Reference to the Conceptual Framework: Amendments toIFRS 3	01 January 2022
• Annual Improvement to IFRS Standards 2018-2020:Amendments to IFRS 9	01 January 2022
• Property, Plant and Equipment: Proceeds before IntendedUse: Amendments to IAS 16	01 January 2022
• Onerous Contracts - Cost of Fulfilling a Contract:Amendments to IAS 37	01 January 2022
• COVID-19 - Related Rent Concessions - Amendment toIFRS 16	01 April 2021

FINANCIAL RESULTS OF DISCONTINUED OPERATIONS

In compliance with the de-listing process, Imbalie Beauty disposed of all underlying subsidiaries in the year under review. The Company commenced with the process of disposing of the underlying subsidiaries in the prior year and the assets and liabilities and operating activities were disclosed accordingly in compliance with IFRS 5. Where the assets and liabilities of the holding company relate to the operating activities of the subsidiaries, these were also included in the disposal group, and the operations classified as discontinued together with the subsidiaries.

The subsidiaries were disposed of in two separate transactions:

Placecol Fresh Beauty (Pty) Ltd, Enjoy Beauty (Pty) Ltd, Dream Nails Beauty (Pty) Ltd, Imbalie Beauty Training Academy (Pty) Ltd and iBLOOM Solutions (Pty) Ltd were disposed of in a single transaction which became unconditional with effect from 31 January 2022. The results of the Group therefore only include 11 months of the activities of these subsidiaries.

Imbalie Innovvation (Pty) Ltd, which held the land and buildings of the Group, was disposed of with effect from 28 February 2022. The impact of the disposals and the discontinued operations on the annual financial statements is as follows:

Carrying value of assets and liabilities at date of disposal

	Audited 28 February 2022 R'000	**Audited 28 February 2021 R'000**
Non-current assets		
Property, plant and equipment	14 171	-
Right-of-use assets	293	-
Intangible assets	15 203	-
Deferred tax	22 469	-
Current assets		
Inventories	4 543	-
Trade and other receivables	2 308	-
Current tax receivable	16	-
Cash and cash equivalents	116	-
Non-current liabilities		
Other financial liabilities	(9 063)	-
Lease liabilities	(109)	-
Current liabilities		
Trade and other payables	(4 308)	-
Loans from related parties	(2 939)	-
Other financial liabilities	(9 724)	-
Lease liabilities	(232)	-
Bank overdraft	(2 686)	-
Total net assets sold	**30 058**	**-**
Consideration agreed	(7 630)	-
Loss on disposal	22 428	-
Cash flow impact of disposal		
Cash consideration received	1 500	-
Consideration outstanding	6 130	-
	7 630	-

	Audited 28 February 2022 R'000	**Audited 28 February 2021 R'000**
Profit and loss and other comprehensive income		
Revenue	19 004	19 046
Cost of sales	(5 401)	(5 459)
Gross profit	13 603	13 587
Other operating income and gains	1 148	2 103
Operating expenses	(13 163)	(19 590)
Impairment of goodwill	-	(3 560)
Profit/(Loss) before interest and taxation	1 588	(7 460)
Investment income	-	5
Finance costs	(1 238)	(1 433)
Profit/(Loss) before taxation	350	(8 888)
Taxation	(41)	(483)
Profit/(Loss) for the year	309	(9 371)
Loss on disposal of subsidiaries	(22 428)	-
Tax thereon	-	-

Total comprehensive loss	(22 119)	(9 371)
Assets and liabilities		
Assets of disposal groups		
Property, plant and equipment	-	14 375
Right-of-use assets	-	1 196
Intangible assets	-	15 323
Deferred tax	-	22 536
Inventories	-	4 888
Trade and other receivables	-	2 782
Cash and cash equivalents	-	106
Other assets	-	-
	-	61 206
Liabilities of disposal groups		
Lease liabilities	-	1 257
Deferred tax	-	26
Bank overdraft	-	2 071
Other financial liabilities	-	20 089
Trade and other payables	-	7 814
Income tax payable	-	34
	-	31 291
Equity		
Revaluation reserve	-	595

The Group's revenue was flat against the prior year at R19.0 million (2021: R19.0 million) as a result of the sale of the majority of the subsidiaries in January 2022 resulting in an 11-month period of trading being compared to the 12-month period in the prior year.

Gross profit increased marginally to R13.6 million (2021: R13.6 million) and gross profit margins increased to 71.5% (2019: 71.3%) due to the Group's continued focus on the distribution of its own product brands.

Operating expenses decreased by 32.8% to R13.1 million (2021: R19.6 million) as a result of cost saving measures implemented and the Group's ongoing turnaround strategy.

The basic loss per share increased to a loss of 1.69 cents (2021: loss of 0.68 cents) and the headline loss per share decreased to 0.07 cents (2021: loss of 0.42 cents).

The Group had no material capital commitments for the purchase of property, plant and equipment as at 28 February 2022.

STATEMENT OF GOING CONCERN

The consolidated and separate annual financial statements have been prepared based on 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.

During the 2022 financial year a consortium of investors acquired 61.26% of the issued share capital from the major shareholders ("the transaction").

The Company disposed of all its underlying subsidiaries ("disposal of the subsidiaries") in January and February 2022 so as to comply with the pre-condition of its Covid-19 loan received from ABSA Bank Limited in October 2020 and the JSE Listings Requirements.

As part of the transaction, approximately R6 million was injected into Imbalie Beauty, and the directors are confident that sufficient funds will be available to finance future operations and settle obligations of the Group that may arise over the next twelve months.

SHARE CAPITAL

There has been no change in the share capital during 2022.

On 18 May 2022 shareholders approved the following resolutions regarding the share capital of Imbalie Beauty Limited:

- to amend the authorised and issued share capital of the Company by means of a share consolidation on a 1:100 basis to result in an authorised share capital of 20 000 000 ordinary shares of no par value and an issued share capital of 13 840 392 ordinary shares of no par value.
- to increase the authorised share capital by 1 980 000 000 ordinary no par value shares to result in an authorised share capital of 2 000 000 000 ordinary no par value shares.

DIVIDEND POLICY

The Group will not pay a dividend for the 2022 year.

CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments for capital expenditure at 28 February 2022.

FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial statements for the year ended 28 February 2021.

RELATED PARTY BALANCES AND TRANSACTIONS:

- Beauty salons owned by Director E Colyn – Beauty Flagship (Pty) Limited (Placecol Cresta, Placecol Bram Fischer and Placecol Spa)
- Holistics Remedies (Pty) Limited – Shareholder of Amka Products (Pty) Limited
- Majority shareholder – B&B Media (Pty) Limited
- Company with shared directorship – iBLOOM (Pty) Limited

	2022	**2021**
	R'000	**R'000**
Amounts included in Trade receivables (trade payables) regarding related parties:		
Beauty Flagship (Pty) Limited	-	32
Amka Products (Pty) Limited	-	26
B&B Media (Pty) Limited	6 130	-
Royalties received and product purchases from related parties:		
Beauty Flagship (Pty) Limited	1 210	383
Amka Products (Pty) Limited	(3)	(35)
Rent received from related parties:		
Amka Products (Pty) Limited	114	152
Placecol Fresh Beauty (Pty) Limited	132	-

Administration fees paid to related parties		
Placecol Fresh Beauty (Pty) Limited	(350)	-
Products bought from related parties:		

The sales to and purchases from related parties were transactions made on terms equivalent to those that prevail in arm's length transactions.

Directors' Remuneration :

	2022	**2021**
	R'000	**R'000**
E Colyn – CEO:	1 001	981
CW de Jager – Financial Director	-	769

Non-Executive Directors' Remuneration :

	2022	**2021**
	R'000	**R'000**
JH Phalane	100	20
GD Harlow	80	80
TJ Schoeman	80	80
WP van der Merwe	80	80
BJT Shongwe	-	50

BOARD CHANGES

Mr T Sadik	Independent Non-executive, Chairman of the Board	Appointed 25 April 2022
Mr JH Phalane	Independent Non-executive, Chairman of the Board	Resigned 25 April 2022
Mr GD Harlow	Non-executive, Chairman of the Nominations Committee	Resigned 25 April 2022
Mr TJ Schoeman	Non-executive, Chairman of the Audit and Risk Committee	Resigned 25 April 2022
Mr PAFR Inbona	Non-executive, Chairman of the Audit and Risk Committee	Appointed 25 April 2022
Mrs NVB Magubane	Non-executive, Chairman of the Social and Ethics Committee	Appointed 25 April 2022
Mr WP van der Merwe	Non-executive, Chairman of the Remuneration Committee	Resigned 25 April 2022
Mr A Bux	Non-executive, Chairman of the Remuneration Committee	Appointed 25 April 2022
Mrs E Colyn	Chief Executive Officer	
Mr A Cassim	Financial Director	Appointed 25 April 2022

SUBSEQUENT EVENTS AND PROSPECTS

Shareholders are referred to the SENS announcement dated 11 April 2022 which addresses the following corporate actions, approved at the general meeting of shareholders held on 18 May 2022:

- a share consolidation;
- an increase in the authorised share capital;
- a company name change to Buka Investments Limited;
- appointment of directors; and
- approval of non-executive directors' remuneration.

Please refer to the Share Capital paragraph.

The directors are conducting feasibility studies in order to identify suitable assets to reverse into the listed shell company to ensure that significant shareholder value is created.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

The new directors will, over the next few months, ensure that the company name change, vision, mission and values of the Group are embedded into the DNA of the new organisation to ensure the creation of substantial shareholder growth and value. It is expected that roadshows will take place so as to bring this exciting new message across to investors in more detail.

APPRECIATION

The new Board of directors would like to thank the shareholders and directors of Imbalie Beauty for their valued contribution and support over the years.

The incoming shareholders and directors are passionate in creating value for all stakeholders of the Company and are poised for significant growth over the next decade.

By order of the Board
9 June 2022

Esna Colyn
Chief Executive Officer

CORPORATE INFORMATION
Non-executive directors: T Sadik* (Chairman); PAFR Inbona*; NVB Magubane*; A Bux;
*Independent
Executive directors: E Colyn, A Cassim
Registration number: 2003/025374/06
Registered address: 2 Federation Road, Parktown, 2193, Gauteng, South Africa
Postal address: P O Box 2908, Houghton, 2044, Gauteng, South Africa
Company secretary: P Atkins
Telephone: +27 (0)11 086 9800
Transfer secretaries: CTE Registry Services (Pty) Limited
Designated Adviser: Exchange Sponsors (2008) (Pty) Limited