

BUKA INVESTMENTS LIMITED

(previously known as Imbalie Beauty Limited)

(Incorporated in the Republic of South Africa)

(Registration number 2003/025374/06)

JSE code: ILE

ISIN: ZAE000165239

("Buka" or "the Company")

**AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Audited 28 February 2023 R'000	Audited 28 February 2022 R'000
Listing and sponsorship transaction costs	(1 203)	(1 500)
Other operating expenses	(1 921)	(690)
Operating loss	(3 124)	(2 190)
Investment income	194	-
Loss before taxation	(2 930)	(2 190)
Taxation	(947)	947
Loss from continuing operations	(3 877)	(1 243)
Loss from discontinued operations	-	(22 119)
Loss for the year	(3 877)	(23 362)
Total comprehensive loss for the year	(3 877)	(23 362)
Weighted and fully diluted average shares in issue	13 840 392	13 840 392
Basic and diluted basic loss per share (cents)	(28.01)	(168.79)
Headline and diluted headline loss per share (cents)	(28.01)	(7.39)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 28 February 2023 R'000	Audited 28 February 2022 R'000
Assets		
Non-Current Assets		
Deferred tax	-	947
	-	947
Current Assets		
Trade and other receivables	248	6 130
Cash and cash equivalents	3 273	1
	3 521	6 131
Total Assets	3 521	7 079
Equity and Liabilities		
Equity		
Stated capital	113 732	113 732
Accumulated loss	(111 055)	(107 179)
	2 677	6 554
Liabilities		
Current Liabilities		
Trade and other payables	844	524
Total Equity and Liabilities	3 521	7 079
Number of ordinary shares in issue at year end	13 840 392	13 840 392
Net asset value per share (cents)	19.34	47.35
Net tangible asset value per share (cents)	19.34	47.35

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Accumulated loss R'000	Total equity R'000
Balance at 28 February 2022	113 732	(107 178)	6 554
Total comprehensive loss for the year	-	(3 877)	(3 877)
Balance at 28 February 2023	113 732	(111 055)	2 677

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 28 February 2023 R'000	Audited 28 February 2022 R'000
Cash flows from operating activities		
Cash generated from / (used in) operations	3 077	(1 666)
Interest income	195	-
Cash flows of disposal groups/discontinued operations	-	1 148
Net cash flows from operating activities	3 272	(518)
Cash flows from investing activities		
Net cash flows from discontinued operations	-	1 641
Cash flows from financing activities		
Net cash flows from discontinued operations	-	842
Total cash movement for the year	3 272	1 965
Cash and cash equivalents at beginning of the year	1	(1 964)
Cash and cash equivalents at end of the year	3 273	1

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 Company 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 2023 R'000	Audited 28 February 2022 R'000
Basic loss reconciliation		
Loss attributable to ordinary shareholders	(3 877)	(23 362)
Basic loss	(3 877)	(23 362)
Headline loss reconciliation		
Loss attributable to ordinary shareholders	(3 877)	(23 362)
Gross adjustments		
IAS 16 Gain on disposal of property, plant and equipment	-	(122)
IAS 27 Loss on disposal of subsidiaries	-	22 428
Taxation adjustments	-	34
Headline loss	(3 877)	(1 022)
Weighted average shares in issue updated for share consolidation	13 840 392	13 840 392
Basic and diluted basic loss per share (cents)	(28.01)	(168.79)
Headline and diluted headline loss per share (cents)	(28.01)	(7.39)
Basic and diluted loss per share (cents)		
Continuing operations (cents)	(28.01)	(8.98)
Discontinued operations (cents)	-	(159.81)
Headline and diluted headline (loss)/earnings per share (cents)		
Continuing operations (cents)	(28.01)	(8.98)
Discontinued operations (cents)	-	1.59

OVERVIEW

The directors of Buka herewith present the Group's annual financial results for the year ended 28 February 2023 ("the 2023 year" or "2023").

Buka Investments Limited ("Buka" or "the Company"), previously Imbalie Beauty Limited was listed on the JSE Limited ("JSE") in 2007.

On 24 February 2023 the Company made an announcement to shareholders with reference to the original acquisition announcement dated 15 July 2022 by Buka of Caralli Leather Works (Pty) Ltd and Socrati Footwear (Pty) Ltd (collectively "the Socrati Group") from B&B Media (Pty) Ltd ("B&B Media") and Moltera Group (Pty) Ltd ("the Transaction").

B&B Media, a material shareholder in Buka, has concluded its discussions and acquired a well-established South African shoe manufacturer in Pietermaritzburg, Eddels Shoes (Pty) Limited ("Eddels"). B&B Media requested the Buka board to place the Transaction on hold to allow sufficient time to thoroughly assess the synergies between the Socrati Group and Eddels. Consequently, the board of directors of Buka have considered the request and have agreed not to proceed with the Transaction at this time.

As a result of the above, Buka has failed to comply with section 3.26 of the JSE Listings Requirements which requires a cash shell, within six months after classification as such, to enter into an agreement and make an announcement relating to the acquisition of viable assets that satisfy the conditions for listing in terms of the JSE Listings Requirements. Consequently, the JSE has suspended Buka's listing with effect from 24 February 2023.

In the past year, the Company appointed new directors to the board. The Directors have experience in business and investments and are suitably qualified to support the entity in driving its strategy.

The appointment of the new directors as well as the move towards the Fashion industry will see a reinvention and remake of the Company which will be steered towards creating substantial shareholder growth.

The future capital structure of the business will facilitate the acquisition of earmarked fashion businesses into the shell pending board, shareholder and JSE Limited approvals.

BASIS OF PREPARATION

The condensed 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 of South Africa. The JSE 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 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 abridged condensed consolidated financial statements are prepared in accordance with the going concern principle under the historical cost basis.

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

The preparation of the abridged condensed consolidated financial statements for the year ended 28 February 2023 was prepared by Buka's Financial Director, Werner Grobbelaar. The directors take full responsibility for the preparation of these abridged condensed consolidated financial statements for the year ended 28 February 2023.

These condensed consolidated financial statements for the year ended 28 February 2023 have been audited by Nexia SAB&T.

AUDITOR'S OPINION

The auditors issued an unmodified audit opinion for the year ended February 2023. A copy of the auditor's audited 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

There are no standards and interpretations, which are not yet effective, that are likely to have a material impact on future implementation.

FINANCIAL RESULTS

The Company is currently a listed shell on the JSE.

The Company incurred listing and sponsorship transaction costs in 2023 as a result of its pursuit to conclude successful transactions as set out in the Overview paragraph. Operating expenses increased by 178% to R1.9 million (2022: R690 000) as a result of an increase in audit fees, legal fees, JSE fees and directors' fees.

The basic loss per share decreased to a loss of 28.01 cents (2022: loss of 168.79 cents) and the headline loss per share increased to 28.01 cents (2022: loss of 7.39 cents).

The Company had no material capital commitments for the purchase of property, plant and equipment as at 28 February 2023.

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.

SHARE CAPITAL

The Company passed a special resolution in terms of which the authorised share capital of the Company, comprising 2 000 000 000 ordinary shares of no-par value, be consolidated on 6 July 2022 on a 1:100 basis into 20 000 000 ordinary shares of no-par value and the issued share capital of the Company, comprising 1 384 039 225 ordinary shares of no-par value, be consolidated on a 1:100 basis into 13 840 392 shares of no par value.

DIVIDEND POLICY

The Company will not pay a dividend for the 2023 year.

CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments for capital expenditure at 28 February 2023.

FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial statements for the year ended 28 February 2022.

RELATED PARTY BALANCES AND TRANSACTIONS:

Relationships

Majority shareholder
Former subsidiaries

Salons owned by board member - E Colyn
Company owned by significant shareholder
Companies with shared directorships

B&B Media (Pty) Ltd
Placecol Fresh Beauty (Pty) Ltd
iBLOOM Solutions (Pty) Ltd
Beauty Flagship (Pty) Ltd
AMKA Products (Pty) Ltd
Socrati Footwear (Pty) Ltd

	2023	2022
	R'000	R'000
Amounts included in trade receivables (trade payables) regarding related parties		
Socrati Footwear (Pty) Ltd	(56)	-
B&B Media (Pty) Limited	(11)	6 130
Royalties received and product purchases from related parties		
Beauty Flagship (Pty) Limited	-	1 210
Amka Products (Pty) Limited	-	(3)
Rent received from related parties		
Amka Products (Pty) Limited	-	114
Placecol Fresh Beauty (Pty) Limited	-	132
- shared directorship subsequent to disposal		
Administration fees paid to related parties		
Placecol Fresh Beauty (Pty) Limited	-	(350)
- shared directorship subsequent to disposal		

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

Directors' emoluments

	2023	2022
	R'000	R'000
Executive		
A Bux	280	-
W Grobbelaar	105	-
E Colyn	-	1 001
	<u>385</u>	<u>1 001</u>

Executive director fees in 2022 were included in discontinued operations.

	2023	2022
	R'000	R'000
Non-Executive		
T Sadik	220	-
PA Inbona	179	-
P Tladi	30	-
E Colyn	110	-
N Magubane	92	-
JH Phalane	-	100
GD Harlow	-	80
TJ Schoeman	-	80
WP van der Merwe	-	80
	<u>631</u>	<u>340</u>

BOARD OF DIRECTORS

Mr Talib Sadik	Independent non-executive, Chairman of the Board
Mr Paul Alexandre Francois Raoul Inbona	Independent non-executive Director
Ms Pumla Tladi	Independent non-executive Director
Mrs Esna Colyn	Non- executive Director

Mr Abdurrahim Bux
Mr Werner Grobbelaar

Chief Executive Officer
Financial Director

The following changes to the board occurred during the year:

A Cassim resigned on 31 July 2022 and NVM Magubane passed away on 30 October 2022.

A Bux was appointed as a Directors of the Company on 25 April 2022 and as CEO of the Company with effect from 1 August 2022. W Grobbelaar was appointed on 1 August 2022 and P Tladi was appointed on 14 December 2022.

SUBSEQUENT EVENTS AND PROSPECTS

Buka is committed to adhering to the JSE Listings Requirements during its suspension. Buka will actively continue to pursue acquisition opportunities that fit its overall strategy.

APPRECIATION

The new Board of directors would like to thank all stakeholders of Buka for their valued contribution and support during the year.

By order of the Board
31 May 2023

Werner Grobbelaar
Financial Director

CORPORATE INFORMATION

Non-executive directors: T Sadik* (Chairman); PAFR Inbona*; P Tladi*; E Colyn;

*Independent

Executive directors: A Bux, W Grobbelaar

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: Ligcabo SA (Pty) Ltd

Telephone: +27 (0)11 086 9800

Transfer secretaries: CTE Registry Services (Pty) Limited

Designated Adviser: Exchange Sponsors (2008) (Pty) Limited