

BRIKOR LIMITED

ANNUAL FINANCIAL STATEMENTS 2024

Supplement to the Integrated Annual Report 2024

THE SPIRIT OF BRICK MAKING





INTEGRATED ANNUAL REPORT

(to be published in June 2024)

The Integrated Annual Report is our primary report to stakeholders. It shows the relationship between the interdependent elements of value creation at Brikor.



ANNUAL FINANCIAL STATEMENTS

(published on 31 May 2024)

The Annual Financial Statements provide a comprehensive overview of Brikor's financial position (consolidated and separate) and enables our stakeholders to understand our financial performance.



NOTICE OF ANNUAL GENERAL MEETING

(to be published in June 2024)

The Notice of Annual General Meeting ("AGM") provides supporting information for shareholders to participate in the AGM and contains a Form of Proxy.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(to be published in June 2024)

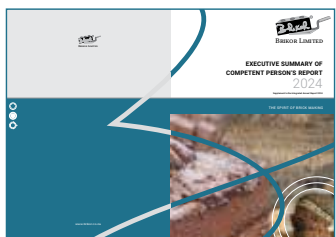
Our Environmental, Social and Governance ("ESG") Report is a detailed account of our environmental, social and governance activities during the reporting period and also includes economic indicators related to sustainability together with alignment to the Ten Principles of the United Nations Global Compact.



KING IV™ APPLICATION REGISTER

(to be published in June 2024)

The King IV™ Application Register contains disclosure on Brikor's application of the King IV™ principles as well as the governance disclosures applicable to listed companies outlined in the JSE Listings Requirements.



EXECUTIVE SUMMARY OF COMPETENT PERSON'S REPORT

(to be published in June 2024)

The Competent Person's Report provides updated estimates and reconciliation of mineral resources and mineral reserves and conforms to the South African Code for reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) (2016) and section 12.13 of the JSE Listings Requirements. The full Competent Person's Report is also available on our website at

<https://brikor.net/wp-content/uploads/2024/06/COMPETENT-PERSONS-REPORT-2024-FINAL.pdf>.

The reporting suite is available on the following link:

<https://brikor.net/investor-centre/#reportingsuite2024>

For quick and easy access, scan the QR code on your smartphone



Follow us online at www.brikor.co.za

- Direct access to all the above reports is available on release
- Our website has detailed investor, sustainability, governance and business information

BRIKOR LIMITED CONSOLIDATED AND SEPARATE **ANNUAL FINANCIAL STATEMENTS**



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LEVEL OF ASSURANCE

Brikor Limited has been established and incorporated in compliance with the provisions of the Companies Act of South Africa and operates in conformity with its Memorandum of Incorporation.

The consolidated and separate financial statements have been audited in compliance with Section 30 of the Companies Act of South Africa.

AUDITORS

Nexia SAB&T
Registered Auditors

PREPARER

The consolidated and separate financial statements for the year ended 29 February 2024 were prepared by Ms Bianca Saunders CA(SA), Financial Manager, under the supervision of Ms Joaret Botha CA(SA), Financial Director.

PUBLISHED

31 May 2024

STATEMENT BY THE CEO AND FINANCIAL DIRECTOR

In compliance with paragraph 3.84(k) of the JSE Listings Requirements

The directors, whose names are stated below, hereby confirm that –

- (a) the annual financial statements set out on pages 3 to 96, fairly present in all material respects the financial position, financial performance and cash flows of Brikor in terms of IFRS;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to Brikor and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Brikor; and
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- (f) we are not aware of any fraud involving directors.

Signed by the CEO and the Financial Director



Garnett Parkin
CEO



Joaret Botha
Financial Director

STATEMENT OF RESPONSIBILITY AND APPROVAL BY DIRECTORS



The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group and the Company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with IFRS[®] Accounting Standards and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

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

The Group and the Company's Audit and Risk Committee plays an integral role in risk management as well as overseeing the Group and the Company's integrated reporting.

The King IV Code[™] of Corporate Governance has been integrated into the Group and the Company's strategies and operations.

The system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Should an event arise where the directors are not satisfied with the internal financial controls, the directors will disclose to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and will take the necessary remedial action. During the reporting period, the directors were satisfied with the internal financial controls and no remedial action was required.

The directors have reviewed the Group and the Company's cash flow forecasts for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the Group and the Company have or have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors were given unrestricted access to all financial records and related data, including minutes of meetings of shareholders, the Board of Directors and Committees of the Board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditors are responsible for independently auditing and reporting on the Group and the Company's financial statements. The consolidated and separate financial statements have been examined by the Group and the Company's external auditors and their report is presented on pages 15 to 18.

The consolidated and separate financial statements set out on pages 19 to 96, which have been prepared on the going concern basis, were approved by the Board of Directors on 23 May 2024 and were signed on its behalf by:

Garnett Parkin
CEO

Joaret Botha
Financial Director

CERTIFICATION BY **COMPANY** **SECRETARY**

In my capacity as Company Secretary as at 29 February 2024, I hereby certify that for the year ended 29 February 2024, the Company has filed all such returns and notices as required by the Companies Act, no 71 of 2008, and that all such returns and notices appear to be true, correct and up to date.



Fusion Corporate Secretarial Services (Pty) Ltd
Represented by: Melinda Gous

31 May 2024

REPORT OF THE **AUDIT AND RISK COMMITTEE**

for the year ended 29 February 2024



The Audit and Risk Committee (the Committee) has pleasure in submitting this report, describing how it discharged its duties assigned in terms of the Companies Act, and additional duties assigned to it by the Board of Directors, in respect of the financial year ended 29 February 2024.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The Committee is constituted as a statutory committee of the Company in respect of its statutory duties as stipulated in section 94(7) of the Companies Act and is a committee of the Board in respect of all other duties assigned to it by the Board, as contemplated in the King Code (King IV™).

At the AGM held on 23 November 2023, the resolutions pertaining to the appointment of the members of the Committee being Mr Steve Naudé (Chairperson), Ms Mamsy Mokate and Ms Funeka Mtsila were passed by the requisite majority of shareholders.

The Committee meets at least three times a year. In terms of the JSE Listings Requirements, a representative of the Company's Designated Adviser attends all Audit and Risk Committee meetings. The Financial Director, executive directors and other members of management attend the Committee meetings by invitation.

The attendance at meetings during the period 1 March 2023 to 29 February 2024 was as follows:

	24 May 2023	16 Nov 2023	22 Feb 2024
MEMBERS			
Steve Naudé (<i>Chairperson</i>)	P	P	P
Mamsy Mokate	P	P	P
Funeka Mtsila	P	P	P
INVITEES			
Allan Pellow (<i>Chairperson of the Board</i>)	P	P	P
Garnett Parkin (<i>Chief Executive Officer</i>)	P	P	P
Joaret Botha (<i>Financial Director</i>)	P	P	P
Michiel Laubscher (<i>Non-Executive Director</i>) ¹	N/A	N/A	P
Corné Oberholzer (<i>Alternate Director to Schalk Burger</i>) ²	N/A	N/A	P
Exchange Sponsors (2008) (Pty) Ltd (<i>Designated Adviser</i>)	P	P	P
Nexia SAB&T (<i>External Auditor</i>)	P	P	P
COMPANY SECRETARY			
Company Secretary (Fusion Corporate Secretarial Services (Pty) Ltd)	P	P	P

¹ Appointed effective 1 February 2024

² Appointed as Non-Executive Director effective 1 February 2024; role changed to Alternate Director to Schalk Burger effective 23 February 2024

P – Present

A – Apology

N/A – Not applicable

Report of the Audit and Risk Committee

continued

for the year ended 29 February 2024

MANDATE OF THE COMMITTEE – DISCHARGE OF DUTIES

The Committee's role and responsibilities are governed by a formal Charter as approved by the Board. The Charter is subject to an annual review by the Board. A copy of the Charter can be obtained at the Company's registered office.

The Committee has discharged all its responsibilities as required by the Companies Act, King IV™, the JSE Listings Requirements and the Board-approved terms of reference, including but not limited to the following:

AUDIT	
Auditor independence and rotation	<ul style="list-style-type: none"> In assessing the suitability of the reappointment of Nexia SAB&T and the audit partner, Mr Aneel Darmalingam, the Committee assessed the information provided by Nexia SAB&T, as required per paragraph 22.15(h) of the JSE Listings Requirements. The Committee recommended the reappointment of Nexia SAB&T as auditors, with Mr Aneel Darmalingam as the audit partner, for the ensuing year to shareholders for approval at the AGM to be held on 22 August 2024. The external auditors have unrestricted access to the Committee and its Chairperson with a view to ensuring that their independence is not impaired.
External audit scope and budget	<ul style="list-style-type: none"> Approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditors. No non-audit services were provided by the external auditors during the 2024 financial year.
Quality of external audit	<ul style="list-style-type: none"> The quality of the audit has been of a high standard with independence and objectivity always at the forefront.
Approval of annual and interim financial statements	<ul style="list-style-type: none"> Considered the accounting treatments and the appropriateness of the accounting policies. The accounting policies applied in the 2024 financial statements are consistent with those applied in the prior year. Reviewed a documented assessment by management of the going concern premise of the Company and the Group before recommending to the Board that the Company and the Group will be going concerns in the foreseeable future. Met separately with management and external auditors and was satisfied that there were no material control weaknesses. Reviewed the representation letter relating to the consolidated and separate financial statements. Ensured that appropriate financial reporting procedures exist and are working, which included consideration of all entities included in the consolidated financial statements, and confirmed that the Committee had access to all Brikor's financial information to confirm the effective preparation and reporting of the Group and Company's financial statements. Examined the interim and annual financial information made public, prior to their approval by the Board.
JSE Proactive Monitoring Panel	<ul style="list-style-type: none"> Considered the 2023 JSE Report on Proactive Monitoring issued on 3 November 2023, including Annexure 3, and has taken the appropriate action to apply the findings.
JSE review	<ul style="list-style-type: none"> The JSE selected Brikor's 2023 Integrated Annual Report for annual review in relation to the minimum contents for reporting on. A few questions were raised on the Competent Person's Report extracts included in the Integrated Annual Report. Brikor provided a comprehensive response to the JSE, which was favourably accepted, and gave an undertaking to broaden disclosure in the 2024 Integrated Annual Report.
Finance function and internal controls	<ul style="list-style-type: none"> Obtained assurances from the external auditors that adequate accounting records were being maintained. The Committee noted the report by the external auditors confirming that they have not identified any significant deficiencies in internal controls. Established that Brikor has appropriate financial reporting procedures in place and that those procedures are operating.

Report of the Audit and Risk Committee

continued

for the year ended 29 February 2024



AUDIT (continued)	
Financial Director and finance function	<ul style="list-style-type: none"> The Committee confirms that it has satisfied itself of the appropriateness of the experience and expertise of the Financial Director, Ms Joaret Botha CA(SA). The Committee considered the appropriateness of the expertise and adequacy of resources of the Company's finance function and the experience of the senior members of management responsible for the finance function and concluded these were appropriate.
Internal audit	<ul style="list-style-type: none"> Continuously reviewed the requirement and the necessity to appoint internal auditors, measured against affordability for the Company in its current form. It is confirmed that no Chief Audit Executive was appointed. An internal control framework will be developed which would ultimately assist with a more efficient internal audit process. The Board as a whole remains responsible for the assessment of the appropriateness of internal controls. There has been nothing material to report during the reporting period. A formal internal audit function will be evaluated in the future.
Solvency and liquidity	<ul style="list-style-type: none"> A detailed analysis of the solvency and liquidity of the Company and the Group was performed, being cognisant of the current economic environment and the resultant increase in diesel and other prices as well as high interest rates. The suggested changes to the health, social development, labour and other laws and regulations are not expected to have an impact on the solvency and liquidity of the Company or Group.
RISK	
Policies on risk management	<ul style="list-style-type: none"> The Committee reviewed the Risk Management Policy and remained satisfied with it. The Committee reviewed the revised risk register and was satisfied with the implementation and ongoing monitoring of the risk register. The Financial Director is the custodian of the risk register with the assistance of the risk controller.
Legal risk	<ul style="list-style-type: none"> The Committee was satisfied that there has been no material non-compliance with laws and regulations. The Committee is also satisfied that it has complied with all its legal, regulatory and other responsibilities during the reporting period. Refer to note 31 – Contingencies for disclosure relating to pending court case.
Financial risk	<ul style="list-style-type: none"> Refer to note 36 in the financial statements for full disclosure on financial risks.
IT governance risk	<ul style="list-style-type: none"> The Committee has noted that an outsourced IT company provides services to the Group, with off-site back-ups being done. New firewalls have been installed, which are tested on a regular basis. An alarm is sounded in the event that temperature changes occur in the server room. A Disaster Recovery Plan is in place and Brikor is in the process of documenting the policy and procedures. Operating procedures were updated during the reporting period. There were no reported threats of cyber-attack. The Committee received confirmation that the Company had documented internal procedures in the event of a cyber-attack, which was available to all employees.
Compliance with legal and regulatory responsibilities	<ul style="list-style-type: none"> Reviewed compliance with legal and regulatory responsibilities. The process of aligning certain policies and procedures with King IV™ is ongoing.

Report of the Audit and Risk Committee

continued

for the year ended 29 February 2024

ASSURANCE	
Combined assurance	<ul style="list-style-type: none">The Group adopted a five-tiered approach in respect of combined assurance, comprising management-based assurance, risk and compliance-based assurance, internal assurance and external assurance with Board and oversight sub-Committees as the fifth line of defence.
GOVERNANCE	
Charter of the Audit and Risk Committee	<ul style="list-style-type: none">The Committee's Charter was reviewed, and no amendments were made during the reporting period.
Evaluation of the effectiveness and constitution of the Committee	<ul style="list-style-type: none">The Committee remained satisfied with the ongoing independence, skills, experience and qualifications of the Committee members.The Committee members noted their roles and responsibilities and remained committed to fulfilling same.

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Following the review by the Committee of the consolidated and separate annual financial statements of Brikor for the year ended 29 February 2024, the Committee is of the view that, in all material aspects, it complies with the relevant provisions of the Companies Act and the IFRS[®] Accounting Standards and fairly presents the financial position at that date and the results of its operations and cash flows for the reporting period.

The Committee recommended the consolidated and separate financial statements for the year ended 29 February 2024 for approval to the Board on 23 May 2024.

CONCLUSION

The Report of the Audit and Risk Committee was approved by the Board on 23 May 2024.



Steve Naudé

Chairperson of the Audit and Risk Committee

DIRECTORS' REPORT

for the year ended 29 February 2024



The directors have pleasure in presenting their report on the activities of the Group and the Company, which forms part of the consolidated and separate annual financial statements for the year ended 29 February 2024. The consolidated and separate financial statements presented on pages 19 to 96 set out fully the financial position, results of operations and cash flows of the Group and the Company for the financial year ended 29 February 2024.

NATURE OF BUSINESS

Brikor, which listed on the AltX in August 2007, is a diverse manufacturer and supplier of building materials across a broad spectrum of the market from low-cost housing, residential to 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).

Brikor has a 40% shareholding in Zingaro Holdings (Pty) Ltd ("Zingaro"), the details of which are disclosed in note 6 of the annual financial statements. 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.

AUTHORISED AND ISSUED STATED CAPITAL

There were no changes to the authorised ordinary no par value shares during the reporting period. The issued ordinary no par value shares remained at 838 242 031 (2023: 838 242 031) during the reporting period.

Brikor holds 15 900 000 ordinary no par value shares of its own issued shares. The shares are held as treasury shares by the Brikor Share Incentive Scheme Trust.

At the last AGM held on 23 November 2023, the ordinary resolution granting the directors a general authority to allot and issue ordinary shares in the capital of the Company for cash as and when suitable situations arise and only if certain conditions are met, were not passed by the requisite majority of shareholders.

SPECIAL RESOLUTIONS AND NON-BINDING ADVISORY RESOLUTIONS

Special resolution 1

The resolution granting the Company authority to repurchase its own shares was not passed by the requisite majority of shareholders.

Special resolution 2

The requisite majority of shareholders (99,97%) passed the resolution authorising the directors under special resolution to provide financial assistance to any company or corporation which is related or inter-related to the Company in terms of section 45 of the Companies Act, subject to compliance with the requirements of the Company's constitutional documents and the Companies Act.

Directors' report

continued

for the year ended 29 February 2024

Special resolution number 3

The requisite majority of shareholders did not pass the resolution authorising the directors under special resolution to provide financial assistance to any company or corporation which is related or inter-related to the Company in terms of section 44 of the Companies Act, subject to compliance with the requirements of the Company's constitutional documents and the Companies Act.

No other special resolutions were passed by the Company's shareholders, which would affect the understanding of the Group.

Non-binding advisory resolutions

The non-binding endorsement of Brikor's Remuneration Policy and Brikor's Remuneration Implementation Report were each passed by 99,97% of shareholders present and represented by proxy, with 0,03% being dissenting votes in respect of the non-binding advisory resolutions.

DIVIDENDS

No dividends were declared or paid during the reporting period (2023: Rnil).

DIRECTORS AND COMPANY SECRETARY

The directors of the Company are shown below.

Name	Designation	Date appointed	Date resigned
During the reporting period			
Allan Pellow	Independent Non-Executive Chairperson	21 February 2018	
Mamsy Mokate	Lead Independent Director	12 April 2017	
Garnett Parkin	Executive Director: Chief Executive Officer	20 February 2007	
Joaret Botha	Executive Director: Financial Director	29 June 2020	
Schalk Burger	Non-Executive Director	23 February 2024	
Michiel Laubscher	Non-Executive Director	1 February 2024	
Funeka Mtsila	Independent Non-Executive Director	18 June 2021	
Steve Naudé	Independent Non-Executive Director	22 October 2019	
Corné Oberholzer	Alternate Director to Mr Schalk Burger	23 February 2024	
Subsequent to the reporting date			
Schalk Burger	Non-Executive Director		23 May 2024
Corné Oberholzer	Non-Executive Director	23 May 2024	
Johan (Joe) van Rensburg	Executive Director: Mining	23 May 2024	

In terms of the Company's Memorandum of Incorporation, Mr Allan Pellow retired by rotation at the AGM held on 23 November 2023 and was re-appointed by shareholders.

Mr Michiel Laubscher and Mr Schalk Burger (Alternate Director, Mr Corné Oberholzer) were appointed as non-executive directors to the Board on 1 February 2024 and 23 February 2024, respectively. Subsequent to the reporting date on 23 May 2024, Mr Schalk Burger resigned from the Board and Mr Corné Oberholzer was appointed as a Non-Executive Director. On the same date, Mr Joe van Rensburg was appointed to the Board as an Executive Director. Resolutions to ratify their appointments will be presented to shareholders at the AGM to be held on 22 August 2024.

Resolutions to confirm the re-appointments of Mr Steve Naudé (Chairperson), Ms Mamsy Mokate and Ms Funeka Mtsila as members of the Audit and Risk Committee, will be presented to shareholders at the AGM to be held on 22 August 2024.

Fusion Corporate Secretarial Services (Pty) Ltd is the Company Secretary of Brikor.

Directors' report

continued

for the year ended 29 February 2024

ANALYSIS OF SHAREHOLDING

as at 23 February 2024	Number of shareholdings	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	10 022	82,38	1 431 561	0,17
1 001 – 10 000 shares	1 522	12,51	4 673 686	0,56
10 001 – 100 000 shares	477	3,92	15 844 701	1,89
100 001 – 1 000 000 shares	121	0,99	35 284 835	4,21
1 000 001 – 10 000 000 shares	20	0,16	46 255 288	5,52
10 000 001 shares and over	3	0,02	734 751 960	87,65
	12 165	100,00	838 242 031	100,00
DISTRIBUTION OF SHAREHOLDERS				
Banks/Brokers	9	0,07	1 150 100	0,14
Close Corporations	2	0,02	9 300	0,00
Endowment Fund	1	0,01	8 000	0,00
Nominees and Trusts	11	0,09	13 024 743	1,55
Other Corporations	20	0,16	151 564	0,02
Private Companies	26	0,21	711 194 559	84,84
Retail Investors	12 091	99,39	93 992 131	11,21
Share Trust	1	0,01	15 900 000	1,90
Trusts	4	0,03	2 811 634	0,34
	12 165	100,00	838 242 031	100,00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	2	0,02	722 086 221	86,14
Share Trust	1	0,01	15 900 000	1,90
Strategic Holdings	1	0,01	706 186 221	84,25
Public shareholders	12 163	99,98	116 155 810	13,86
	12 165	100,00	838 242 031	100,00
			Number of shares	%
Beneficial shareholders holding 5% or more				
Nikkel Trading 392 (Pty) Ltd			706 186 221	84,25
			706 186 221	84,25

Directors' report

continued

for the year ended 29 February 2024

DIRECTORS, ASSOCIATES AND PRESCRIBED OFFICERS' INTEREST IN THE ORDINARY SHARE CAPITAL OF THE COMPANY

Details of the directors, associates and prescribed officers' shareholding are disclosed in note 39 of the consolidated and separate financial statements.

As announced on SENS on 6 December 2023, Mr Garnett Parkin disposed of his direct beneficial interest in the Company, being 107 167 923 ordinary shares, on 4 December 2023 at a market price of 17 cents per share, in terms of acceptance of the mandatory offer to shareholders.

As announced on SENS on 1 March 2023, an associate of Mr Garnett Parkin, The Elgar Trust, disposed of his indirect beneficial interest in the Company, being 17 563 067 ordinary shares, at a market price of 17 cents per share on 27 February 2023. Shareholders were advised on SENS on 12 September 2023 that the sale of the shares has been implemented.

As announced on SENS on 7 December 2023, the staff of the Designated Advisor of Brikor disposed of their indirect beneficial interest in the Company, being 2 043 420 ordinary shares, on 6 December 2023 at a market price of 17 cents per share, in terms of acceptance of the mandatory offer to shareholders.

At the reporting date the directors, therefore, held no direct or indirect beneficial interest (2023: 12,78%) in the ordinary share capital of the Company. Refer to note 39 – Directors' interest in shares.

There has been no material change in the directors' interest in the issued share capital between 29 February 2024 and the date of this report.

DIRECTORS AND PRESCRIBED OFFICERS' EMOLUMENTS

Details of the directors and prescribed officers' emoluments are set out in note 34 of the consolidated and separate financial statements.

DIRECTORS' INTEREST IN CONTRACTS

The directors have certified that they had no material interest in any transaction of any significance to the Company or any of its subsidiaries during the reporting period, other than as disclosed in note 33 – Related parties.

Nikkel Trading 392 (Pty) Ltd has a direct interest in the mining and coal off-take agreement, as detailed on page 13 under Corporate Activity during the Reporting Period.

CONFLICT OF INTERESTS

No conflicts of interest have been identified.

SUBSIDIARIES AND ASSOCIATES

Details of the holding Company's interest in subsidiaries and associates are set out in notes 5 and 6 of the consolidated and separate financial statements.

BORROWING POWERS

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all the powers of the Company to borrow without limit, as they consider appropriate.

Directors' report

continued

for the year ended 29 February 2024



CORPORATE ACTIVITY DURING THE REPORTING PERIOD

Settlement agreement in respect of legal proceedings and other legal disputes

As announced on SENS on 24 March 2023, shareholders were referred to the various legal proceedings to which Brikor was a party. Shareholders were advised that on 17 March 2023, a written settlement agreement was entered into by the parties and, as disclosed in the 2023 annual financial statements under 'Subsequent events', all legal proceedings have been appropriately withdrawn with no additional costs payable by either of the parties.

Interim mining consulting services agreement

Ilangabi Colliery (Pty) Ltd ("Colliery") (previously TCQ Mining (Pty) Ltd)) and Brikor have, with effect from 20 June 2023, entered into a three-month interim mining consulting services agreement ("Interim consulting agreement") for an amount of R13,7 million, for the purposes of advising and supporting Brikor in improving its current mining operations. The interim consulting agreement is a service agreement and, therefore, no assets are the subject of this agreement and no profits are attributable to the assets. The value of the interim consulting agreement is less than 10% of Brikor's market capitalisation and, therefore, in terms of section 10.6(b) read with section 21.12 (a) of the JSE Listings Requirements, it is not regarded as a related party transaction and shareholders' approval was, therefore, not required.

Contract mining and coal off-take agreement

As announced on SENS on 3 July 2023, shareholders were advised that Brikor had entered into a contract mining and coal purchase agreement ("the Agreement") on 30 June 2023 with TCQ Mining (Pty) Ltd ("TCQ Mining"), a wholly owned subsidiary of Nikkel Trading 392 (Pty) Ltd ("NT392"), Ilangabi Investments 12 (Pty) Ltd ("Ilangabi"), and Kopanela Mining (Pty) Ltd ("Kopanela"), a subsidiary of Brikor, in terms of which: (i) TCQ Mining will provide contract mining services to Brikor; and (ii) Brikor, Ilangabi and Kopanela will sell all coal mined by TCQ Mining in, on or under the Grootfontein Mining Area and the Vlakfontein Mining Area as defined below. ("the Transaction"). NT392 is a material shareholder in Brikor and the Transaction, accordingly, constitutes a related party transaction in terms of the JSE Listings Requirements. The Transaction was a category 1 transaction in terms of section 9 of the JSE Listings Requirements and required a circular to be sent to shareholders and approval by shareholders of the Transaction. The Transaction was also a related party transaction in terms of section 10.1 of the JSE Listings Requirements, as NT392 is a material shareholder of Brikor, and subject to all the provisions of section 10.4 of the JSE Listing Requirements. The Circular was posted to shareholders on 19 September 2023 and the Transaction was approved by shareholders on 18 October 2023.

Acquisition of securities and offer to minority shareholders

As announced on SENS on 17 April 2023 and further to cautionary announcements published on 1 March 2023, 21 February 2023, 10 January 2023, 30 November 2022 and 20 October 2022, respectively, shareholders were advised that NT392 had entered into written agreements with some of the major Brikor shareholders to acquire in aggregate Brikor shares, constituting 67,7% of the entire issued share capital of Brikor, at a price of 17 cents per Brikor share, in two tranches.

On 17 April 2023, Brikor received formal notification in the prescribed form that NT392 had acquired further shares in Brikor resulting in them owning 34,2% of the entire issued share capital of Brikor. The acquisition of further Brikor shares was conditional on a number of suspensive conditions, including, inter alia, regulatory approval from the Competition Authorities.

On 4 August 2023, shareholders were advised that regulatory approval for the intermediate joint merger filing between NT392 and Brikor had been received from the Competition Commission with certain conditions. NT392 confirmed in writing that the conditions were acceptable to them and, therefore, the suspensive conditions for the further acquisition of Brikor shares had been fulfilled.

A Firm Intention Announcement was released on SENS on 12 September 2023 ("Firm Intention Announcement") and the further announcements dated 10 October 2023 and 16 October 2023, respectively, in which it was advised that NT392 had acquired additional Brikor shares at a price of 17 cents per Brikor share so that NT392 now owns 68,01% of the entire issued share capital of Brikor. In the Firm Intention Announcement shareholders were advised that as NT392 acquired more than 35% of the entire issued share capital of the Company, NT392 is required to make a mandatory offer to all the remaining shareholders of the Company ("Mandatory Offer") pursuant to section 123 of the Companies Act, no 71 of 2008 ("Companies Act"), for a cash offer consideration of 17 cents per Brikor ordinary share ("Offer Consideration").

Directors' report

continued

for the year ended 29 February 2024

The Circular, together with the Independent Expert's report, were posted to shareholders on 1 December 2023. An announcement was released on SENS on 4 December 2023 confirming that the Mandatory Offer is unconditional. The TRP issued a compliance certificate in terms of section 119 (4) (b) and 121(b) of the Companies Act on 19 January 2024.

The results of the Mandatory Offer, which closed on Friday, 19 January 2024 were as follows:

Number of acceptances received: 136 120 185

Entitlements paid out: R23 140 431,45

Accordingly, NT392 now owns 706 196 221 Brikor ordinary shares, which represents 84.2% of the entire issued share capital of Brikor.

Zingaro Holdings (Pty) Ltd

Brikor acquired 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.

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.

Brikor did not elect to purchase the remaining 60 shares, as per the option agreement, before 30 April 2023 and continues to hold 40% shares in Zingaro.

Liquidation of dormant subsidiary companies

A voluntary process was entered into for the liquidation of Tugela Ready Mix (Pty) Ltd and Stanbrik Rooftiles (Pty) Ltd. This process is still ongoing at the date of this report.

LITIGATION

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 details of which are disclosed in note 31 – Contingencies.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Board is not aware of any material events which occurred subsequent to the year ended 29 February 2024 and which need adjustment or disclosure in the consolidated and separate financial statements.

STATEMENT ON GOING CONCERN

The statement on going concern appears in note 38.

AUDITORS

At the AGM held on 23 November 2023, shareholders approved the appointment of Nexia SAB&T, with Ms Aadila Aboobaker as the designated audit partner. Nexia SAB&T has indicated their willingness to continue in office for the 2025 financial year. The Audit and Risk Committee has satisfied itself of the independence of the auditors and the designated audit partner, Mr Aneel Darmalingam.

A resolution to re-appoint Nexia SAB&T, as auditors, and Mr Aneel Darmalingam as designated audit partner, will be proposed at the next AGM scheduled to take place on 22 August 2024.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF BRIKOR LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Brikor Limited and its subsidiaries (the group and company) set out on pages 19 to 96, which comprise the consolidated and separate statements of financial position as at 29 February 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity; and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Brikor Limited and its subsidiaries as at 29 February 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Independent auditor's report

continued

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Provision for environmental rehabilitation (Consolidated and Separate Financial Statements)	
<p>As at 29 February 2024, the group's environmental rehabilitation provision amounted to R67.8 million (R65 million non-current liabilities and R2.8 million classified as assets and liabilities held for sale) and the company's environmental rehabilitation provision amounted to R45.6 million (R42.8 million non-current liabilities and R2.8 million classified as assets and liabilities held for sale), as disclosed in notes 12 and 18 to the consolidated and separate financial statements.</p> <p>The group undertakes certain mining activities, in addition to its manufacturing activities, that require the provision for future rehabilitation of environmental damage caused by its operations.</p> <p>There are numerous sites over which the group's operations are spread and provision for rehabilitation costs is determined for all these sites. The inherent risk of uncertainty in estimating future environmental rehabilitation costs affects the completeness and valuation of the provision.</p> <p>In determining the present value of the total environmental rehabilitation provisions, management apply significant judgement and make assumptions relating to future environmental rehabilitation costs, unscheduled closure costs on reporting date, inflation rates, discount rates and expected life of mine activities. Management has appointed independent environmental and quantity surveying experts to assist with these assumptions and calculations.</p> <p>We considered the determination of the environmental rehabilitation provision to be a matter of most significance to the current year audit due to the following:</p> <ul style="list-style-type: none"> • The significant judgement and estimation applied by management in determining the present value of the environmental rehabilitation provisions; and • The significance of the potential risk of material misstatement inherent in determining the environmental rehabilitation provisions 	<p>Our audit procedures included, amongst others, obtaining an understanding over the group's processes to estimate the environmental rehabilitation provisions. We also:</p> <ul style="list-style-type: none"> • Assessed the professional competence and capabilities, objectivity, experience and independence of the experts appointed by management. • Tested the completeness of the sites included in the provision for environmental rehabilitation by ensuring that the calculation includes provisions in respect of each of the sites where the group has mining rights, including dormant sites. • Agreed the disturbed areas that require rehabilitation, per site to the reports from the quantity surveyor and the independent expert. • Assessed the appropriateness of the assumptions used by management in their calculation of the environmental rehabilitation by comparing key inputs and assumptions to external data sources and our own expectations based on our knowledge and experience of the industry. • Assessed the method of calculation to determine whether it is appropriate in the context of the financial reporting framework and the nature of the provision. As part of this assessment, we evaluated whether the data used in the calculation is complete and reliable. • Independently recalculated management's inflation rates, risk-free rates and discount rates applied with reference to relevant third-party sources. • Agreed the expected date of closure of mining activities to the respective life of mine certificates. • Evaluated whether the accounting treatment applied in determining the provision for environmental rehabilitation, the recognition of movement for the year and the related disclosures were in accordance with the applicable financial reporting framework. <p>We found the methods, assumptions and data used by management to be appropriate.</p> <p>We considered the group's and company's environmental rehabilitation provision and the disclosure thereof to be appropriate.</p>

Independent auditor's report

continued



Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Brikor Limited Integrated Annual Report 2024", which includes the Directors' Report, the Report of the Audit and Risk Committee and the Certification by Company Secretary as required by the Companies Act of South Africa; the Statement of the CEO and Financial Director on Internal Financial Controls as required by the JSE Limited Listing Requirements, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

When we do receive and read the Integrated Annual Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control.

Independent auditor's report

continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business activities within the group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Brikor Limited for five years.



Nexia SAB&T

Aneel Darmalingam

Director

Registered Auditor

31 May 2024

Consolidated and separate STATEMENTS OF FINANCIAL POSITION

at 29 February

	Note	Group		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
ASSETS					
Non-current assets		200 820	217 023	150 812	165 110
Property, plant and equipment	3	101 102	109 908	63 210	58 944
Intangible assets	4	3 110	3 731	450	505
Investments in and loans to subsidiaries	5	–	–	8 396	8 391
Investment in associate	6	58 421	54 906	50 000	50 000
Restricted financial assets	7	21 859	26 696	1 372	1 372
Deferred tax asset	8	16 328	21 782	15 788	21 782
Net investment in finance lease	14	–	–	11 596	24 116
Current assets		112 054	93 120	84 855	74 972
Inventories	9	75 462	63 787	50 356	38 720
Trade and other receivables	10	35 032	27 582	24 231	27 394
Cash and cash equivalents	11	95	463	94	60
Taxation	28	1 465	1 288	–	–
Net investment in finance lease	14	–	–	10 174	8 798
Non-current assets held-for-sale	12	4 989	4 792	4 989	4 792
Total assets		317 863	314 935	240 656	244 874
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company		114 670	106 426	99 897	88 914
Stated capital	13	257 192	257 192	257 192	257 192
Accumulated loss		(142 522)	(150 766)	(157 295)	(168 278)
Total liabilities		203 193	208 509	140 759	155 960
Non-current liabilities		76 901	84 365	58 100	68 160
Lease liability	14	5 631	13 517	5 631	13 517
Vendor loans	16	1 219	6 720	1 219	6 720
Loans from subsidiaries	5	–	–	3 490	3 490
Loans and borrowings	17	4 965	8 013	4 965	7 468
Provisions for environmental restoration	18	65 086	55 166	42 795	36 965
Deferred tax liability	8	–	949	–	–
Current liabilities		123 503	121 552	79 870	85 208
Short-term portion of lease liability	14	12 065	18 863	12 065	18 863
Shareholders' loans	15	–	2 017	–	2 017
Short-term portion of vendor loans	16	6 098	5 125	6 098	5 125
Short-term portion of loans and borrowings	17	3 694	9 974	2 529	8 751
Trade and other payables	19	87 619	75 572	56 823	50 325
Taxation	28	7 403	6 355	726	–
Bank overdraft	11	6 624	3 646	1 629	127
Liabilities directly associated with the assets held-for-sale	12	2 789	2 592	2 789	2 592
Total equity and liabilities		317 863	314 935	240 656	244 874

The notes on pages 23 to 96 are an integral part of the consolidated and separate financial statements.

Consolidated and separate **STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended 29 February

	Note	Group		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue	20	350 549	311 733	240 560	211 625
Cost of sales		(280 556)	(261 218)	(187 651)	(173 744)
Gross profit		69 993	50 515	52 909	37 881
Other income	21	7 009	7 678	15 733	16 424
Administrative expenses	21	(41 428)	(35 851)	(35 284)	(30 264)
Distribution expenses		(7 159)	(8 193)	(6 291)	(6 196)
Other expenses		(4 576)	(4 251)	(4 923)	(2 241)
– Expenses	21	(4 696)	(4 434)	(5 043)	(2 424)
– Impairment reversals	12	120	183	120	183
Operating profit before interest, taxation and earnings from associate	21	23 839	9 898	22 144	15 604
Finance income	22	86	425	6 199	3 022
Finance costs	23	(13 964)	(11 614)	(10 639)	(8 791)
Profit/(loss) before taxation and earnings from associate		9 961	(1 291)	17 704	9 835
Taxation	24	(5 232)	(3 406)	(6 721)	(3 287)
Profit/(loss) for the year before earnings from associate		4 729	(4 697)	10 983	6 548
Share of income/(loss) from associate	6	3 515	(1 171)	–	–
Profit/(loss) for the year		8 244	(5 868)	10 983	6 548
Total comprehensive income for the year attributable to owners of the Company		8 244	(5 868)	10 983	6 548
EARNINGS PER SHARE		2024 cents	2023 cents		
Basic and diluted earnings per share	25	1,0	(0,7)		

The notes on pages 23 to 96 are an integral part of the consolidated and separate financial statements.

Consolidated and separate **STATEMENTS OF CHANGES IN EQUITY**

for the year ended 29 February

	Stated capital R'000	Treasury shares R'000	Accumulated loss R'000	Total equity R'000
Group				
Balance at 28 February 2022	273 092	(15 900)	(144 898)	112 294
Total comprehensive income for the year	–	–	(5 868)	(5 868)
Balance at 28 February 2023	273 092	(15 900)	(150 766)	106 426
Total comprehensive income for the year	–	–	8 244	8 244
Balance at 29 February 2024	273 092	(15 900)	(142 522)	114 670
Note	13	13		

	Stated capital R'000	Treasury shares R'000	Accumulated loss R'000	Total equity R'000
Company				
Balance at 28 February 2022	273 092	(15 900)	(174 826)	82 366
Total comprehensive income for the year	–	–	6 548	6 548
Balance at 28 February 2023	273 092	(15 900)	(168 278)	88 914
Total comprehensive income for the year	–	–	10 983	10 983
Balance at 28 February 2024	273 092	(15 900)	(157 295)	99 897
Note	13	13		

The notes on pages 23 to 96 are an integral part of the consolidated and separate financial statements.

Consolidated and separate **STATEMENTS** **OF CASH FLOWS**

for the year ended 29 February

	Note	Group		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash flows from operating activities		22 221	11 101	21 615	14 644
Cash generated from operations	27	30 133	16 844	22 549	17 062
Finance income	22	8	368	6 130	2 971
Finance costs	23	(7 920)	(6 111)	(7 064)	(5 389)
Cash flows from/(to) investing activities		2 978	(2 479)	4 859	954
Additions to property, plant and equipment	3	(4 672)	(4 928)	(4 878)	(2 126)
Proceeds on disposal of plant and equipment		3 838	3 106	1 244	772
Increase in investments in subsidiaries	5	–	–	(5)	(849)
Additions to intangible assets	4	–	(845)	–	–
Proceeds from gross investment in finance lease	14	–	–	8 498	2 969
Proceeds from restricted financial assets	7	3 812	188	–	188
Cash flows to financing activities		(28 545)	(16 968)	(27 942)	(18 737)
Lease capital repayments	14	(12 672)	(7 269)	(12 672)	(7 269)
Shareholder and vendor loans repaid	15, 16	(6 545)	(9 524)	(6 545)	(9 524)
Loans received	17	–	2 500	–	–
Loans and borrowings repaid	17	(9 328)	(2 675)	(8 725)	(1 944)
Net decrease in cash and cash equivalents		(3 346)	(8 346)	(1 468)	(3 139)
Cash and cash equivalents at beginning of year		(3 183)	5 163	(67)	3 072
Cash and cash equivalents at end of year		(6 529)	(3 183)	(1 535)	(67)

The notes on pages 23 to 96 are an integral part of the consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 29 February 2024



1. ACCOUNTING POLICIES

1.1 PRESENTATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Brikor Limited is a company domiciled in South Africa. The Company's registered office is 1 Marievale Road, Vorsterskroon, Nigel. The Group is primarily involved in the manufacturing of clay products (bricks) as well as coal and clay mining.

These financial statements contain the consolidated financial statements of Brikor Limited (the Group) and the separate financial statements of Brikor Limited (the Company) for the year ended 29 February 2024. The consolidated financial statements present the financial results of the Company and its subsidiaries and associate (together referred to as the Group or individually as Group entities).

The consolidated and separate financial statements of Brikor Limited were approved on 23 May 2024 and authorised for issue by the Board of Directors on 31 May 2024.

Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with IFRS® Accounting Standards and the requirements of the Companies Act and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

These consolidated and separate financial statements are presented in South African rand, which is the Group's functional currency. All financial information has been rounded to the nearest Rand thousands, except when otherwise indicated.

The consolidated and separate financial statements have been prepared on the historical cost basis, except for restricted financial assets at fair value through profit or loss and assets and liabilities classified as held-for-sale.

Details of the Group's accounting policies are detailed below as part of each note to the financial statements. The Group has consistently applied the accounting policies set out below to all periods presented in these financial statements, except for the adoption of new and revised standards and interpretations.

New standards, amendments to standards and interpretations adopted

The Group adopted all the new standards, amendments to standards and interpretations, which are applicable to the Group, with the date of initial application of 1 March 2023. The adoption of these standards did not have a significant impact on these consolidated and separate financial statements.

1.2 USE OF ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

The preparation of the consolidated and separate financial statements requires management to make accounting assumptions, estimates and judgements that affect the application of the Group's accounting policies and reported amounts of assets and liabilities, income and expenses.

Accounting assumptions, estimates and judgements are reviewed on an ongoing basis. Revisions to reported amounts are recognised in the period in which the revision is made and in any future periods affected. Actual results may differ from these estimates.

Information about assumptions and estimates in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are included in the notes:

- Note 3 – Property, plant and equipment
- Note 8 – Deferred tax asset
- Note 12 – Assets and liabilities classified as held-for-sale
- Note 18 – Provision for environmental restoration
- Note 31 – Contingencies

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

1. ACCOUNTING POLICIES continued

1.3 MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosure require the measurement of fair values, for both financial and non-financial assets and liabilities.

The directors regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the directors assess the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to and evaluated by the Group's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 7 – Restricted financial assets at fair value through profit or loss
- Note 12 – Assets and liabilities classified as held-for-sale

1.4 BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



2. NEW STANDARDS AND INTERPRETATIONS

2.1 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

At the date of authorisation of these consolidated and separate financial statements, the following relevant standards, amendments to standards and interpretations that may be applicable to the business of the Group were in issue but not yet effective and may, therefore, have an impact on future consolidated and separate financial statements. These new standards, amendments to standards and interpretations will be adopted at their effective dates.

IAS 1 – Classification of liabilities as current or non-current (Effective 1 January 2024)

Under the amendments to IAS 1 – *Presentation of Financial Statements* the classification of certain liabilities as current or non-current may change (e.g., convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants.

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early.

The amendments are not expected to have a material impact on the consolidated or separate financial statements.

Amendment to IFRS 16 – Leases on sale and leaseback (Effective for annual periods beginning on or after 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The amendments are not expected to have a material impact on the consolidated and separate financial statements as the Group and Company does not have any sale and lease back transactions at the reporting date.

Amendment to IAS 7 and IFRS 7 – Supplier finance (Effective for annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year))

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendments are effective for annual periods beginning 1 January 2024 with transitional reliefs in the first year. Management is in the process of evaluating the impact of the amendments but does not expect that it would have a material impact on the consolidated and separate financial statements.

Amendments to IAS 21 – Lack of exchangeability (Effective for annual periods beginning on or after 1 January 2025 (early adoption is available))

An entity is impacted by the when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments are not expected to have a material impact on the consolidated and separate financial statements as the Group and Company does not have any foreign currency transactions at the reporting date.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

3. PROPERTY, PLANT AND EQUIPMENT

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Management makes estimates and assumptions concerning the future and the resulting accounting estimates will not always equal the actual results. The estimates, assumptions and judgements that have the most significant effect on property, plant and equipment are discussed below:

Impairment of property, plant and equipment

In accordance with the Group's accounting policy, each asset or cash-generating unit is evaluated every reporting period to determine whether there are any indications of impairment or reversal of previously recognised impairment losses. If any such indication exists, a formal estimate of the recoverable amount is performed. Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised. A reversal of a previously recognised impairment loss is limited to the lesser of the amount that would not cause the increased carrying amount to exceed (a) its recoverable amount; or (b) the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset or cash-generating unit.

The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value less costs of disposal and value-in-use. The determination of fair value and value-in-use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, closure and rehabilitation costs and future capital expenditure. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reduced with the impact recorded in the income statement.

Mineral reserves and resources estimates

The Group is required to determine and report mineral reserves and resources in accordance with the South African Code for the Reporting of Explorations Results, Mineral Resources and Mineral Reserves (SAMREC Code).

In order to calculate mineral reserves and resources, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices, exchange rates, unforeseen operational issues at mine sites and discount rates.

Estimating the quantity and/or grade of mineral reserves and resources requires the size, shape and depth of reclamation sites to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Because the assumptions used to estimate mineral reserves and resources change from period to period and because additional geological data is generated during the course of operations, estimates of mineral reserves and resources may change from period to period.

Mineral reserves and resource estimates determined by management are reviewed by an independent mineral resources expert on an annual basis.

Changes in reported mineral reserves and resources may affect the Group's life-of-mine plan, financial results and financial position in a number of ways including the following:

- asset carrying values may be affected due to changes in estimate future cash flows;
- depreciation charged in profit or loss may change where such charges are determined by the units-of-production method, or where the useful lives of assets change;
- decommissioning, site restoration and environmental provisions may change where changes in estimated mineral reserves and resources affect expectations about the timing or cost of these activities; and
- the carrying value of deferred tax assets and liabilities may change due to changes in estimates of the likely recovery of the tax benefits and the timing thereof.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



3. PROPERTY, PLANT AND EQUIPMENT continued

ACCOUNTING POLICIES

Recognition and measurement

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located are also included in the cost of property, plant and equipment, where the Group is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories. See note 18 for additional disclosure relating to environmental rehabilitation provision.

The costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Day-to-day servicing expenses incurred on property, plant and equipment are expensed directly in profit or loss for the period. Major maintenance that meets the recognition criteria is capitalised.

Deferred stripping

Production stripping costs in a surface mine are capitalised to property, plant and equipment if, and only if, all of the following criteria are met:

- It is probable that the future economic benefit associated with the stripping activity will flow to the Group; and
- The Group can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

If the above criteria are not met, the stripping costs are recognised directly in profit or loss.

The Group initially measures the stripping activity asset at cost, this being the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore. The stripping cost is included in plant and equipment.

After initial recognition, the stripping activity asset is carried at cost less accumulated depreciation and accumulated impairment losses. The stripping asset is depreciated on a straight-line basis, which is based on current remaining life of mine.

Mine development and infrastructure

Mining assets, including mine development and infrastructure costs and mine plant facilities, are recorded at cost less accumulated depreciation and accumulated impairment losses.

Expenditure incurred to evaluate and develop new ore bodies, to define mineralisation in existing ore bodies and to establish or expand produce capacity, is capitalised until commercial levels of production are achieved, at which times the costs are depreciated as indicated above.

Development of ore bodies includes the development of shaft systems and waste rock removal that allow access to reserves that are economically recoverable in the future. Subsequent to this, costs are capitalised if the criteria for recognition as an asset are met.

Derecognition

Derecognition occurs when an item of property, plant and equipment is disposed of, or when it is no longer expected to generate any further economic benefits.

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

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

3. PROPERTY, PLANT AND EQUIPMENT continued

ACCOUNTING POLICIES continued

Depreciation

Depreciation commences when an asset is available-for-use. Depreciation is charged so as to write off the depreciable amount of items to their residual values, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group.

Where an item comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment and are depreciated over their estimated useful lives.

Land is not depreciated.

Methods of depreciation, remaining useful lives and residual values are reviewed annually. If the expectations differ from the previous estimates, the changes are accounted for as a change in accounting estimate.

The estimated useful lives and residual values are reviewed annually. If the expectations differ from the previous estimates, the changes are accounted for as a change in accounting estimates.

The estimated remaining useful lives of property, plant and equipment for current and comparative periods are as follows:

Item	Method	Remaining useful life
Buildings	Straight-line	15 to 23 years
Mineral reserves	Units of production	3 to 14 years *
Stripping cost	Units of production	7 to 8 years *
Plant and equipment	Straight-line	2 to 19 years
Furniture and fixtures	Straight-line	3 to 14 years
Motor vehicles	Straight-line	2 to 8 years

* Based on current production levels and remaining life of mine assessments.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Each combination of plants that, together with its deposition facility, is capable of operating independently is considered to be a cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment of assets is recognised immediately in profit or loss.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets, other than goodwill, may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset, other than goodwill attributable to a reversal of an impairment loss, does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets, other than goodwill, is recognised immediately in profit or loss.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



3. PROPERTY, PLANT AND EQUIPMENT continued

ACCOUNTING POLICIES continued

Leases as lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically tested for impairment if an indicator exists.

The Group presents right-of-use assets as part of property, plant and equipment and lease liabilities in 'lease liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

3. PROPERTY, PLANT AND EQUIPMENT continued

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Group			
2024			
Land	3 657	–	3 657
Mineral reserves	2 768	(1 714)	1 054
Buildings	37 409	(20 082)	17 327
Plant, equipment and stripping cost	126 805	(49 839)	76 966
Furniture and fixtures	3 056	(2 240)	816
Motor vehicles	4 099	(2 817)	1 282
	177 794	(76 692)	101 102
2023			
Land	3 657	–	3 657
Mineral reserves	2 768	(1 587)	1 181
Buildings	37 096	(18 042)	19 054
Plant, equipment and stripping cost	125 306	(42 265)	83 041
Furniture and fixtures	3 163	(1 996)	1 167
Motor vehicles	4 164	(2 356)	1 808
	176 154	(66 246)	109 908

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



3. PROPERTY, PLANT AND EQUIPMENT continued

Reconciliation of property, plant and equipment

	Land R'000	Mineral reserves R'000	Buildings R'000	Plant and equipment R'000	Stripping cost R'000	Furniture and fixtures R'000	Motor vehicles R'000	Total R'000
Group								
2024								
Carrying value 1 March 2023	3 657	1 181	19 054	78 757	4 284	1 167	1 808	109 908
Additions	–	–	74	4 358	10 821	76	165	15 494
Disposals *	–	–	(60)	(6 110)	–	(8)	(191)	(6 369)
Depreciation	–	(127)	(2 177)	(17 544)	(95)	(419)	(500)	(20 862)
Increase in decommissioning asset ^	–	–	436	2 495	–	–	–	2 931
Carrying value 29 February 2024	3 657	1 054	17 327	61 956	15 010	816	1 282	101 102
2023								
Carrying value 1 March 2022	3 657	1 308	22 825	35 493	–	1 368	1 784	66 435
Additions	–	–	398	54 905	4 284	194	551	60 332
Disposals *	–	–	(3)	(2 472)	–	–	(55)	(2 530)
Depreciation	–	(127)	(2 011)	(11 572)	–	(395)	(472)	(14 577)
(Decrease)/ increase in decommissioning asset ^	–	–	(2 155)	2 403	–	–	–	248
Carrying value 28 February 2023	3 657	1 181	19 054	78 757	4 284	1 167	1 808	109 908

* Assets with a carrying value of R0,5 million (2023: R0,4 million) were scrapped during the year ended 29 February 2024 and are included as part of disposals above. These assets were not in a working condition and it is not cost effective for these items to be repaired.

^ See note 18 for accounting policy relating to the environmental rehabilitation provision and related cost capitalised to the decommissioning asset.

Cash additions amounted to R4,7 million (2023: R4,9 million), with the remainder of the additions relating to stripping costs incurred on the Group's surface mine operations.

Assets constructed for the Group

Included in plant and equipment are assets constructed for the Group (capital work in progress). Expenditure incurred by the Group during the reporting period on such assets is included in plant and equipment additions to the value of Rnil (2023: R0,3 million).

Detail of the land and buildings

A register containing the information of land and buildings is available for inspection at the registered office of the Company.

Securities

Mining equipment with a carrying value of R5,7 million, financed through Nedbank, remain vested in the bank until all amounts due have been paid (see note 17).

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

3. PROPERTY, PLANT AND EQUIPMENT continued

Right-of-use assets

The Group leases the following production and mining equipment, which is included in property, plant and equipment as indicated below:

Manitou Forklifts

The first lease commenced on 15 January 2021 until 15 January 2023. During February 2022 and February 2023, the Group entered into additional leases for another 24-month period. The Group has the intention to rent the equipment for the entire lease term. Lease payments as per the contract were used in determining the lease liability and right-of-use asset.

When measuring the lease liabilities and right-of-use assets relating to the forklifts, the Group discounted the lease payments using its incremental borrowing rate at 1 February 2021, 1 February 2022 and 1 February 2023, respectively, being the prime interest rate plus 0,98%.

Included in plant and equipment are right-of-use assets relating to the forklifts with a carrying value of R1,9 million (2023: R5,4 million) as at 29 February 2024. See note 14 for additional disclosure relating to the lease liability.

Boutique Leasing Company (Pty) Ltd ("BLC")

During October 2022, the Group entered into a lease agreement with BLC where the Group rents mining equipment for a period of 36 months and motor vehicles for a period of 60 months on a rent-to-own basis. The Group has the intention to rent the equipment for the entire lease term after which ownership of the equipment and motor vehicles will transfer to the Group.

When measuring the lease liabilities and right-of-use assets relating to the mining equipment and motor vehicles, the Group discounted the lease payments using the interest rate implicit in the lease.

Included in plant and equipment are right-of-use assets leased from BLC with a carrying value of R19,1 million (2023: R24,8 million) and motor vehicles with a carrying value of R0,5 million (2023: R0,5 million) as at 29 February 2024. See note 14 for additional disclosure relating to the lease liability.

Goscor Finance (Pty) Ltd ("Goscor")

During November 2022, the Group entered into a lease agreement with Goscor where the Group rents mining equipment for a period of 36 months on a rent-to-own basis. The Group has the intention to rent the equipment for the entire lease term after which ownership of the equipment will transfer to the Group.

When measuring the lease liabilities and right-of-use assets relating to the mining equipment, the Group discounted the lease payments using the interest rate implicit in the lease.

Included in plant and equipment are right-of-use assets leased from Goscor with a carrying value of R1,9 million (2023: R5,4 million) as at 29 February 2024. See note 14 for additional disclosure relating to the lease liability.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



3. PROPERTY, PLANT AND EQUIPMENT continued

The below table illustrates the movement in the right-of-use assets for the current financial year:

	Motor vehicles R'000	Plant and equipment R'000	Total R'000
Group			
2024			
Right-of-use assets			
Balance at 1 March	523	35 668	36 191
Derecognition *	–	(2 797)	(2 797)
Depreciation charge for the year	(111)	(9 877)	(9 988)
	412	22 994	23 406
2023			
Right-of-use assets			
Balance at 1 March	–	5 078	5 078
Additions to right-of-use assets	551	36 503	37 054
Depreciation charge for the year	(28)	(5 913)	(5 941)
	523	35 668	36 191

* The derecognition relates to the termination of a grader, which was leased from Goscor. No termination penalties were payable.

The Group has presented interest expense (see note 23) separately from the depreciation charge for the right-of-use assets.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

3. PROPERTY, PLANT AND EQUIPMENT continued

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Company			
2024			
Land	3 657	–	3 657
Mineral reserves	2 768	(1 714)	1 054
Buildings	30 367	(13 254)	17 113
Plant, equipment and stripping	61 349	(21 899)	39 450
Furniture and fixtures	2 598	(1 893)	705
Motor vehicles	3 536	(2 305)	1 231
	104 275	(41 065)	63 210
2023			
Land	3 657	–	3 657
Mineral reserves	2 768	(1 587)	1 181
Buildings	30 054	(11 430)	18 624
Plant, equipment and stripping	51 894	(18 925)	32 969
Furniture and fixtures	2 617	(1 612)	1 005
Motor vehicles	3 538	(2 030)	1 508
	94 528	(35 584)	58 944

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



3. PROPERTY, PLANT AND EQUIPMENT continued

Reconciliation of property, plant and equipment

	Land R'000	Mineral reserves R'000	Buildings R'000	Plant and equipment R'000	Stripping cost R'000	Furniture and fixtures R'000	Motor vehicles R'000	Total R'000
Company								
2024								
Carrying value 1 March 2023	3 657	1 181	18 624	28 685	4 284	1 005	1 508	58 944
Additions	–	–	74	4 299	10 821	76	430	15 700
Disposals *	–	–	(60)	(2 438)	–	–	(220)	(2 718)
Depreciation	–	(127)	(1 961)	(7 651)	(95)	(376)	(487)	(10 697)
Increase in decommissioning asset ^	–	–	436	1 545	–	–	–	1 981
Carrying value 29 February 2024	3 657	1 054	17 113	24 440	15 010	705	1 231	63 210
2023								
Carrying value 1 March 2022	3 657	1 308	22 177	15 585	–	1 158	1 433	45 318
Additions	–	–	398	16 218	4 284	194	551	21 645
Disposals *	–	–	(3)	(180)	–	–	(55)	(238)
Depreciation	–	(127)	(1 793)	(6 150)	–	(347)	(421)	(8 838)
Increase/ (decrease) in decommissioning asset ^	–	–	(2 155)	3 212	–	–	–	1 057
Carrying value 28 February 2023	3 657	1 181	18 624	28 685	4 284	1 005	1 508	58 944

* Assets scrapped during the reporting period ended 29 February 2024 amounted to R0,3 million (2023: R0,2 million) and form part of the total disposals indicated above.

^ See note 18 for accounting policy relating to the environmental rehabilitation provision and related cost capitalised to the decommissioning asset.

Cash additions amounted to R4,9 million (2023: R2,1 million), with the remainder of the additions relating to stripping costs incurred on the Grootfontein mining area.

Assets constructed for the Company

Included in plant and equipment are assets constructed for the Company (capital work in progress). Expenditure incurred by the Company during the reporting period on such assets is included in plant and equipment additions to the value of Rnil (2023: R0,3 million).

Detail of the land and buildings

A register containing the information of land and buildings is available for inspection at the registered office of the Company.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

3. PROPERTY, PLANT AND EQUIPMENT continued

Right-of-use assets

The Company leases the following production and mining equipment, which is included in property, plant and equipment as indicated below:

Manitou Forklifts

The first lease commenced on 15 January 2021 until 15 January 2023. During February 2022 and February 2023, the Group entered into additional leases for another 24-month period. The Group has the intention to rent the equipment for the entire lease term. Lease payments as per the contract were used in determining the lease liability and right-of-use asset.

When measuring the lease liabilities and right-of-use assets relating to the forklifts, the Group discounted the lease payments using its incremental borrowing rate at 1 February 2021, 1 February 2022 and 1 February 2023, respectively, being the prime interest rate plus 0,98%.

Included in plant and equipment are right-of-use assets relating to the forklifts with a carrying value of R1,9 million (2023: R5,4 million) as at 29 February 2024. See note 14 for additional disclosure relating to the lease liability.

Boutique Leasing Company (Pty) Ltd ("BLC")

During October 2022, the Company entered into a lease agreement with BLC where the Company rents mining equipment for a period of 36 months and motor vehicles for a period of 60 months on a rent-to-own basis. The Company has the intention to rent the equipment for the entire lease term after which ownership of the equipment and motor vehicles will transfer to the Company. The mining equipment is being sub-leased to Ilangabi Investments 12 (Pty) Ltd and has, accordingly, been derecognised as right-of-use assets. The equipment, which is sub-leased, has been accounted for as an investment in the lease in the stand-alone financial statements of the Company. See note 14 for additional disclosure relating to the investment in the lease.

Goscor Finance (Pty) Ltd ("Goscor")

During November 2022, the Company entered into a lease agreement with Goscor where the Company rents mining equipment for a period of 36 months on a rent-to-own basis. The Company has the intention to rent the equipment for the entire lease term after which ownership of the equipment will transfer to the Company. One of the graders is also being sub-leased to Ilangabi Investments 12 (Pty) Ltd and accounted for as an investment in the lease in the stand-alone financial statements of the Company. See note 14 for additional disclosure relating to the investment in the lease.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



3. PROPERTY, PLANT AND EQUIPMENT continued

The below table illustrates the movement in the right-of-use assets applicable to the Company for the current financial year:

	Motor vehicles R'000	Plant and equipment R'000	Total R'000
Company			
2024			
Right-of-use assets			
Balance at 1 March	523	7 773	8 296
Depreciation charge for the year	(111)	(3 949)	(4 060)
	412	3 824	4 236
2023			
Right-of-use assets			
Balance at 1 March	–	5 078	5 078
Additions to right-of-use assets	551	36 503	37 054
Depreciation charge for the year	(28)	(3 691)	(3 719)
Derecognition of right-of-use assets *	–	(30 117)	(30 117)
	523	7 773	8 296

* Derecognition of the right-of-use assets is as a result of entering into a finance sub-lease with Ilangabi Investments 12 (Pty) Ltd. See note 14 for disclosure relating to the net investment in a finance lease.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

4. INTANGIBLE ASSETS

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Intangible assets include mining rights and goodwill.

Mining rights

Mineral reserves and resources estimates

Refer to note 3 – Property, plant and equipment for details regarding mineral reserves and resources estimates.

ACCOUNTING POLICIES

Recognition and measurement

Mining right intangible assets have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the mining right and preparing the asset for its intended use.

The expenditure capitalised includes application and registration fees with the Department of Mineral Resources and Energy, overhead costs which are directly attributable to the development of the application of the mining right and mine plans.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Mining right intangible assets are amortised on a units of production method limited to the remaining life of the mine.

The amortisation period and the amortisation method for mining right intangible assets are reviewed annually. If the expectations differ from the previous estimate, the changes are accounted for as a change in accounting estimates.

The estimated remaining useful lives for the current and comparative periods are as follows:

Item	Method	Useful life
Mining rights	Units of production	3 to 14 years *

* Based on current production levels, allowing for the current life of mine assessment.

The Group derecognises mining right intangible assets on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of a mining right intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. The gain or loss is recognised in profit or loss when the mining right intangible asset is derecognised.

Impairment

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. Refer to note 3 – Property, plant and equipment for the accounting policy relating to impairment of assets.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
4. INTANGIBLE ASSETS <small>continued</small>			
Group			
2024			
Mining rights	10 345	(7 235)	3 110
	10 345	(7 235)	3 110
2023			
Mining rights	10 345	(6 614)	3 731
	10 345	(6 614)	3 731
Company			
2024			
Mining rights	1 112	(662)	450
	1 112	(662)	450
2023			
Mining rights	1 112	(607)	505
	1 112	(607)	505

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

	Mining rights R'000	Total R'000
4. INTANGIBLE ASSETS <small>continued</small>		
Reconciliation of intangible assets		
Group		
2024		
Carrying value 1 March 2023	3 731	3 731
Amortisation	(621)	(621)
Carrying value 29 February 2024	3 110	3 110
2023		
Carrying value 1 March 2022	3 258	3 258
Additions	845	845
Amortisation	(372)	(372)
Carrying value 28 February 2023	3 731	3 731
Company		
2024		
Carrying value 1 March 2023	505	505
Amortisation	(55)	(55)
Carrying value 29 February 2024	450	450
2023		
Carrying value 1 March 2022	560	560
Amortisation	(55)	(55)
Carrying value 28 February 2023	505	505

5. INVESTMENTS IN AND LOANS TO/(FROM) SUBSIDIARIES

ACCOUNTING POLICIES

Financial liabilities

Classification and subsequent measurement

After initial recognition, loans from subsidiaries are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in profit or loss.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



5. INVESTMENTS IN AND LOANS TO/(FROM) SUBSIDIARIES continued

ACCOUNTING POLICIES continued

Financial assets

Recognition and initial measurement

Loans to subsidiaries are initially recognised when they are originated. A financial asset is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issues.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL:

- It is held with a business model whose objective is to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments for the principal amount and interest on the principal amount outstanding.

This category is the most relevant to the Company.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include loans to subsidiaries.

Investment in subsidiaries

Investments in subsidiaries are non-derivative financial assets and categorised as investments at cost less accumulated impairment losses.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

5. INVESTMENTS IN AND LOANS TO/(FROM) SUBSIDIARIES continued

	Share capital R	Effective holding		Investment		Amount owing by/(to) subsidiaries	
		2024	2023	2024	2023	2024	2023
		%	%	R'000	R'000	R'000	R'000
Ilangabi Investments 12 (Pty) Ltd #	100	100	100	3 000	3 000	3 639	3 639
Kopanela Mining (Pty) Ltd	100	70	70	1 518	1 518	–	–
Stanger Brick and Tile (Pty) Ltd *	10	100	100	–	–	(3 490)	(3 490)
Tugela Ready Mix (Pty) Ltd	100	100	100	–	–	–	–
Stanbrik Roof Tiles (Pty) Ltd	100	100	100	–	–	–	–
Impala Construction Supplies (Pty) Ltd *	100	100	100	–	–	239	234
				4 518	4 518	388	383

The loan is unsecured and interest free. There are no fixed repayment terms for the loan, but it was agreed that the loan will not be called upon for full settlement within the next financial year.

* Dormant company. The loans to/(from) dormant companies are unsecured, interest free and have no fixed repayment terms. It was agreed that these loans will not be called upon for full settlement within the next 12 months subsequent to approval of these financial statements.

	2024 R'000	2023 R'000
Disclosed as:		
Non-current assets – Investments in and loans to subsidiaries	8 396	8 391
Non-current liabilities – Loans from subsidiaries	(3 490)	(3 490)
	4 906	4 901

Impairment of loan accounts

The remaining balance of the loans receivable from Ilangabi Investments 12 (Pty) Ltd and Impala Construction Supplies (Pty) Ltd are expected to be recovered from the subsidiaries. Based on management's assessment of future cash flows expected to flow to these entities, management has determined that the expected credit losses on these loans are not material.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



5. INVESTMENTS IN AND LOANS TO/(FROM) SUBSIDIARIES continued

Reconciliation of investments in and loans to/(from) subsidiaries

	2024 R'000	2023 R'000
Opening balance	4 901	4 052
Investment in Kopanela Mining (Pty) Ltd	–	845
Cash contributions made	5	4
Closing balance	4 906	4 901

Fair value of financial instruments

Refer to note 36 for fair value disclosures.

6. INVESTMENT IN ASSOCIATE

ACCOUNTING POLICIES

Investment in associates – Separate financial statements

Investments in associates are non-derivative financial assets and categorised as investments at cost less accumulated impairment losses in the separate financial statements of the Company.

Investment in associates – Group

Associates in which the Group exercises significant influence are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed if Brikor holds 20% or more of the voting rights, unless evidence exists of the contrary.

Equity accounting involves the Group recording its share of the associate's net income and equity. Brikor's interest in an associate is initially recorded at cost and is subsequently adjusted for Brikor's share in the net assets of the associate, less any impairment in the value of individual investments. Where the Group transacts with the associate, unrealised profits and losses on assets are eliminated to the extent of Brikor's interest in the associate.

Changes in Brikor's interests in associates are accounted for as a gain or loss on disposal with any differences between the amount by which the carrying value of the associate is adjusted and fair value of the consideration received being recognised directly in the consolidated statement of profit or loss and other comprehensive income.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

6. INVESTMENT IN ASSOCIATE continued

Reconciliation of investment in associate

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
1 March	54 906	56 077	50 000	50 000
Share of income from associate	3 515	(1 171)	–	–
	58 421	54 906	50 000	50 000

Brikor acquired 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.

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.

Brikor did not elect to purchase the remaining 60 shares, as per the option agreement, before 30 April 2023 and continues to hold 40% shares in Zingaro.

Impairment

Based on the evaluation of the impairment indicators as per IAS 28 – Investment in Associates and Joint Ventures, management has not identified any impairment indicators. No impairment was, therefore, raised during the reporting period.

Details of material associates

Zingaro Holdings (Pty) Ltd has a February year-end, which is in line with the Group.

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 were prepared in accordance with IFRS.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



6. INVESTMENT IN ASSOCIATE continued

	2024 R'000	2023 R'000
Non-current assets	248 121	228 207
Current assets	61 099	64 960
Non-current liabilities	161 892	147 019
Current liabilities	59 576	57 470
Non-controlling interest	(4 811)	4 902
<i>The above assets and liabilities include the following:</i>		
Cash and cash equivalents	12 071	14 022
Current financial liabilities	43 314	40 255
Non-current financial liabilities	151 115	134 495
Net assets 28 February	92 563	83 776
Brikor's ownership interest	40%	40%

Summarised profit or loss in respect of Brikor's associate, reflecting 100% of the underlying associate's relevant figures for the year ended 29 February 2024 including Group adjustments relating to alignment of accounting policies or fair value adjustments, is set out below.

	2024 R'000	2023 R'000
Revenue	213 743	204 030
(Loss)/profit for the period	(926)	(15 240)
– Profit/(loss) attributable to owners of the parent	8 788	(2 928)
– Loss attributable to non-controlling interest	(9 714)	(12 312)
Total comprehensive income for the period	(926)	(15 240)
– Total comprehensive income attributable to owners of the parent	8 788	(2 928)
– Total comprehensive income attributable to non-controlling interest	(9 714)	(12 312)
<i>The above profit for the period includes the following:</i>		
Depreciation	22 417	13 418
Loss on disposal of property, plant and equipment	7 991	18 918
Interest income	1 419	1 369
Finance cost	13 803	10 408
Taxation expense	5 856	5 099

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

7. RESTRICTED FINANCIAL ASSETS

ACCOUNTING POLICIES

Financial assets – Classification

Refer to note 5 for detail relating to classification of financial assets.

Financial assets – Subsequent measurement

Financial assets measured at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets measured at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognised in profit or loss.

Restricted investments

Liberty Life New Growth Rehabilitation Plan Trust at fair value through profit or loss

Included in restricted investments are financial assets that are measured at fair value through profit or loss because they are managed on a fair value basis. These investments are valued based on the observable market value of the underlying pool of equity investments as determined by the financial services provider at each reporting date. The fair value is calculated with reference to the underlying equity instruments.

The Liberty Life New Growth Rehabilitation Plant Trust is a dedicated environmental trust fund to fund the estimated cost of rehabilitation at the end of life of mine. The amounts contributed to these funds are included in non-current assets and are measured at fair value through profit or loss. Fair value gains or losses are taken directly to profit or loss under other income or other expenses.

The Liberty Life New Growth Trust funds were transferred to Guardrisk during the current year.

Financial assets measured at amortised cost

Included in restricted financial assets are investments in Leopont Rehabilitation Trust that are classified as financial assets measured at amortised cost. Measured at amortised cost financial assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost less any allowances for impairment losses.

Investment in Guardrisk Cell Captive – Funding of environmental rehabilitation activities

During the current year, the Group made a decision to change its method of providing for environmental rehabilitation from funding in a specific rehabilitation trust to financial guarantees, which is an allowed method in terms of the National Environmental Management Act. A new ring-fenced policy relating to the funds was concluded. In this regard the rehabilitation trust directly transferred a total amount of R25,4 million (inclusive of VAT) to the new ring-fenced policy with Guardrisk in terms of which Guardrisk issued rehabilitation financial guarantees on behalf of the Company. The funds are ring-fenced for the sole objective of future rehabilitation during and at the end of the relevant life of mine. All the required approvals for the change in method and transfer of the rehabilitation trust funds were obtained from the Department of Mineral Resources and Energy ("DMRE") and a thorough consideration of the tax and legal impacts were completed prior to the funds being transferred to Guardrisk.

Environmental rehabilitation payments to reduce the environmental rehabilitation obligations and ongoing rehabilitation expenditure are mostly funded by cash from operations.

Guardrisk has guarantees in issue amounting to R34,1 million to the DMRE on behalf of the environmental obligations. The funds for environmental rehabilitation in the cell captive serve as collateral for these guarantees.

Funds invested in the Guardrisk Cell Captive, held within Guardrisk Insurance Company Limited or Guardrisk are non-derivative financial assets categorised as financial assets measured at fair value through profit or loss as the funds are invested by Guardrisk in liquid money market funds. These assets are initially measured at fair value and subsequent changes in fair value are recognised in profit or loss as they arise and are included in other income or other expenses. The investments in Guardrisk are for the sole use of environmental financial guarantees. Guarantees held by Guardrisk are only cancelled when the DMRE provides the Company and Guardrisk with a signed closure certificate.

The investment in the Guardrisk Cell Captive is for the sole use as determined in the insurance policies and are, therefore, included in non-current assets.

The fair value of the restricted investment is quoted level 2 financial instruments.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



7. RESTRICTED FINANCIAL ASSETS continued

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Restricted investments				
<i>Liberty Life New Growth Rehabilitation Plan Trust</i>	-	25 324	-	-
- Opening balance	25 324	24 911	-	-
- Unrealised net fair value gains	116	413	-	-
- Transfer to investment in Guardrisk	(25 356)	-	-	-
The proceeds from these funds are intended to fund environmental rehabilitation obligations and they are not available for general purposes of the Group. Refer to note 18.				
<i>Leopont Rehabilitation Trust – Absa fixed deposit</i>	1 372	1 372	1 372	1 372
The proceeds from these funds are intended to fund environmental rehabilitation obligations and they are not available for general purposes of the Group. Refer to note 18.				
<i>Investment in Guardrisk Cell Captive</i>	20 487	-	-	-
- Investment in Guardrisk	22 049	-	-	-
- Guarantees cancelled	(3 812)	-	-	-
- Contributions made	2 175	-	-	-
- Unrealised fair value gains	75	-	-	-
The proceeds from these funds are intended to fund environmental rehabilitation obligations and they are not available for general purposes of the Group. Refer to note 18.				
Non-current assets	21 859	26 696	1 372	1 372

Expected credit losses: fixed deposits

Based on management's assessment of future cash flows from the fixed deposit, management has determined that the expected credit losses on the fixed deposit are not material during the current or previous financial years.

Fair value of financial instruments

Refer to note 36 for fair value disclosures relating to the restricted investments.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

8. DEFERRED TAX ASSET/(LIABILITY)

SIGNIFICANT ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

Assumptions and judgement are required in determining deferred tax assets and liabilities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

ACCOUNTING POLICIES

Deferred tax assets and liabilities

Deferred taxation is provided for all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



8. DEFERRED TAX ASSET/(LIABILITY) continued

	Company	Group and Company
	2024 R'000	2023 R'000
Reconciliation of deferred tax asset		
At beginning of year	21 782	25 069
Change in taxation rate *	(776)	-
Originating and reversing temporary differences	(2 314)	200
Calculated tax losses (utilised)/created	(2 904)	(3 487)
	15 788	21 782
Deferred tax asset		
<i>Comprising:</i>		
Property, plant and equipment	(3 168)	154
Provisions	9 986	8 843
Income received in advance	1 255	1 775
Leases	(1 612)	(1 673)
Rehabilitation trust funds	(1 287)	(1 335)
Calculated tax losses	10 614	14 018
	15 788	21 782

* The change in taxation rate is as a result of the tax rate reduction to 27%, effective for years ended on or after 31 March 2023.

The Group and the Company do not have any unrecognised deferred tax assets relating to assessed losses as at 29 February 2024 or 28 February 2023. Management lodged a dispute with SARS relating to the 2019 income tax assessment. SARS incorrectly increased the assessed loss by R14 million. Management is not in agreement with the difference and has submitted all necessary documentation to SARS.

Deferred tax asset recoverability analysis

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

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Calculated losses					
Opening balance	14 018	17 505	20 993	22 161	21 640
Change in taxation rate	(500)	-	-	-	-
(Utilised)/created	(2 904)	(3 487)	(3 488)	(1 168)	521
Closing balance calculated tax losses	10 614	14 018	17 505	20 993	22 161
Temporary differences					
Opening balance	7 764	7 564	6 473	5 530	5 197
Change in taxation rate	(276)	-	-	-	-
(Utilised)/created	(2 314)	200	1 091	943	333
Closing balance temporary differences	5 174	7 764	7 564	6 473	5 530
Total deferred tax asset	15 788	21 782	25 069	27 466	27 691

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

8. DEFERRED TAX ASSET/(LIABILITY) continued

In 2023, the Group realised taxable profits which resulted in a decrease in the deferred tax asset of R3,5 million whereas temporary differences yielded an increase in the deferred tax asset of R0,2 million. Management performed forward-looking budgets and forecasts and at that stage it was expected that the deferred tax asset would be recovered in approximately five to eight years.

Current year taxable profits yielded a decrease in the deferred tax asset of R2,9 million whereas temporary differences yielded a decrease in the deferred tax asset of R2,3 million. The change in taxation rate resulted in a decrease in the deferred tax asset of R0,8 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 2024 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 three to five years.

Assumptions used in the budget are as follows:

- Sales volumes and prices aligned with those experienced during the 2024 financial year as well as production capacity;
- Inflationary adjustments were allowed for growth in revenue and costs from the 2025 financial year; and
- Sales mix to commensurate expected market demand.

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 three and a half years;
- Should the sales mix decrease with 5%, deferred tax asset's recoverability will extend to five years; and
- Should the sales mix increase with 5%, the deferred tax asset's recoverability will decrease to four years.

	2024 R'000	2023 R'000
Group		
Reconciliation of deferred tax asset/(liability)		
At beginning of year	(949)	(830)
Change in taxation rate	34	-
Calculated tax losses (utilised)/created	76	-
Originating and reversing temporary differences	1 379	(119)
	540	(949)
Deferred tax asset/(liability)		
<i>Comprising:</i>		
Property, plant and equipment	(2 696)	(3 285)
Provisions	5 558	4 823
Rehabilitation trust funds	(4 469)	(4 635)
Calculated tax losses	2 147	2 148
Deferred tax asset *	540	(949)
Total deferred tax asset – Group	16 328	-

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

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



9. INVENTORIES

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Allowance for damaged and obsolete inventory and determining net realisable values

Judgement is used to determine the lower of cost or net realisable value of inventory. Management also made estimates of the selling price and direct cost to sell on certain inventory items in determining the net realisable value. The write-down is charged to profit or loss in the period that it is identified.

ACCOUNTING POLICIES

Inventory comprises clay products (bricks) as well as mined coal and clay, which are measured at the lower of cost and net realisable value.

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of bricks manufactured or coal and clay explored are assigned using the weighted average cost formula.

When inventory is sold, the carrying amount of that is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventory to net realisable value and all losses of inventory are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventory, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventory recognised as an expense in the period in which the reversal occurs.

The amount of the reversal is limited to the amount of the original write-down so that the new carrying amount is the lower of cost and net realisable value.

Consumable stores are stated at cost less allowances for obsolescence. Cost of consumables is based on the weighted average cost principle and includes expenditure incurred in acquiring and bringing them to their existing location and condition.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Raw materials	10 334	1 102	10 334	1 102
Work in progress (bricks)	24 877	30 233	24 877	27 333
Work in progress (coal)	6 019	–	4 415	–
Finished goods	32 288	29 772	9 406	8 533
Consumables	1 944	2 680	1 324	1 752
	75 462	63 787	50 356	38 720

Group

In 2024, inventory of R280,6 million (2023: R261,2 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 R14,8 million was written down by R3,1 million to their net realisable value of R11,7 million during the year ended 29 February 2024. No inventory write-downs occurred during the year ended 28 February 2023.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

9. INVENTORIES continued

Company

In 2024, inventory of R187,7 million (2023: R173,7 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

No inventory write-downs occurred for the years ended 29 February 2024 and 28 February 2023.

10. TRADE AND OTHER RECEIVABLES

SIGNIFICANT ACCOUNTING ASSUMPTIONS AND ESTIMATES

Impairment losses

Trade receivables are subject to the simplified approach when determining the expected credit losses. The Group determines the expected credit losses by using a provision matrix, estimated based on historical credit losses experienced. The Group recognises loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original expected interest rate. The expected cash flows will include cash flows from credit insurance or other credit enhancements that are integral to the contractual terms.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyses, based on the Group's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Significant increases in credit risk are assessed when receivables are more than 60 days due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, for example, when a customer is placed in business rescue.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



10. TRADE AND OTHER RECEIVABLES continued

ACCOUNTING POLICIES

Recognition and initial measurement

Trade and other receivables are initially recognised when they are originated. A financial asset is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly to its acquisition or issues.

Classification and subsequent measurement

On initial recognition, trade and other receivables are classified as measured at:

- Amortised cost.

See note 5 for detailed accounting policies relating to financial assets.

The Group's financial assets at amortised cost include trade receivables, deposits and other receivables.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial assets				
Trade receivables	23 526	18 570	22 435	25 407
External customers	13 178	15 986	9 137	10 966
Related parties	10 348	2 584	13 298	14 441
Trade receivables – net after impairment	23 526	18 570	22 435	25 407
Deposits	7 231	1 585	1 622	1 553
Other receivables	3 048	69	–	69
	33 805	20 224	24 057	27 029
Non-financial assets				
Value added tax	1 060	7 067	121	121
Trade payables paid in advance	167	291	53	244
	1 227	7 358	174	365
	35 032	27 582	24 231	27 394

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

10. TRADE AND OTHER RECEIVABLES continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables and other receivables.

The Group controls its exposure to credit risk by setting limits on its exposure to individual customers. As part of the process of setting customer credit limits, credit guarantee insurance is purchased when deemed appropriate and management evaluates credit risk relating to customers on an ongoing basis and utilisation of credit limits is regularly monitored. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry and revenue streams, trading history with the Group and existence of previous financial difficulties. The Group has adopted a policy of only dealing with creditworthy counterparties. Significant concentrations of credit risk apply to one customer, which equates to 24,5% (2023: two customers 28,2%) of the trade receivables balance on the reporting date.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

As at 29 February 2024, the total receivables past 90 days amounted to R3,7 million (2023: R2,4 million). Management believes that the unimpaired amounts past due are collectible, based on historic payment behaviour and customer credit risk rating.

At 29 February 2024, trade receivables to the value of R4,9 million (2023: R4,9 million) were pledged as security in respect of the overdraft facility granted to the Company. See note 11 for details regarding the overdraft facility.

Movement in the allowance for expected credit losses during the year was as follow:

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade and other receivables impaired				
<i>Allowance for expected credit losses</i>				
Balance as at 1 March	-	-	-	-
Allowance for the year	-	53	-	10
Amounts written off as uncollectible	-	(53)	-	(10)
Balance as at year-end	-	-	-	-

The allowance for expected credit losses is based on approved credit terms, credit guarantee per individual customer and the historical default rate. Based on amounts past due at the reporting date, management has assessed that the increase in credit risk and resultant expected credit loss are not material.

Fair value of financial instruments

There is no material difference between the fair value of trade receivables and other receivables and their carrying value due to the short-term maturity of these instruments.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



11. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents are non-derivative financial assets that comprise cash on hand, and highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Cash and cash equivalents are categorised as financial assets measured at amortised cost.

Bank overdrafts are included within current liabilities in the statement of financial position and within cash and cash equivalents in the statement of cash flows.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents consist of:				
Bank balances	95	463	94	60
Bank overdraft	(6 624)	(3 646)	(1 629)	(127)
	(6 529)	(3 183)	(1 535)	(67)
Disclosed as:				
Current assets				
Cash and cash equivalents	95	463	94	60
Current liabilities				
Bank overdraft	(6 624)	(3 646)	(1 629)	(127)
	(6 529)	(3 183)	(1 535)	(67)

Credit risk

The Group banks with a reputable bank and all savings are in money market accounts, which are considered to be low risk investments.

The Group only enters into transactions with a limited number of major institutions that have high credit ratings and closely monitors the creditworthiness of counterparties.

Fair value of financial instruments

There is no material difference between the fair value of cash and cash equivalents and their carrying value due to the short-term maturity of these instruments.

Facilities

At the reporting date, the Company had R2,5 million (2023: R4,8 million) of undrawn facilities and the Group had R2,5 million (2023: R6,2 million) of undrawn facilities. Refer to note 10 for trade receivables pledged in lieu of the overdraft facility.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

12. ASSETS AND LIABILITIES HELD-FOR-SALE

SIGNIFICANT ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

The assessment of whether the disposal is highly probable require the exercise of significant judgement and estimates of the outcome of future events not wholly within the control of the Group.

ACCOUNTING POLICIES

Assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Immediately before classification as held-for-sale, the assets, or components of a disposal group, are re-measured in accordance with the Group's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Assets held-for-sale

On 20 September 2016, the Group committed to sell one of its properties, namely the Rayton property situated at Portion 31 of Witfontein NO.510 – JR District Bronkhorstspruit "Rayton".

Rayton property

The offer received for Rayton amounting to R2,2 million, which is inclusive of the transfer of the environmental rehabilitation obligation, were accepted and signed by the company on 17 April 2017. The environmental provision of this property continued to unwind and had a change of estimate to the value of R0,06 million (2023: R0,04 million). Accordingly, in order to realign the property to its recoverable amount, R0,1 million (2023: R0,2 million) of the previous impairment was reversed.

The non-recurring fair value determination of the non-current assets held-for-sale of R2,2 million has been classified as a level 2 fair value. The valuation was determined by the contractual amount of the offer received in the open market.

The sale was subject to the approval in terms of section 11(1) of the Mineral and Petroleum Resources Development Act, no 28 of 2008, being granted by the Minister in respect of the cession and transfer of the mining right to the purchaser.

Consent in terms of section 11(1) has subsequently been granted by the Minister on 15 January 2024 and the cession of the mining right has been registered on 10 April 2024. The sale is, therefore, expected to be finalised upon registration at the title deeds office.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



12. ASSETS AND LIABILITIES HELD-FOR-SALE

continued

Cumulative income or expenses included in profit or loss and other comprehensive income for assets held-for-sale

	2024 R'000	2023 R'000
Group and Company		
Change in estimate for environmental rehabilitation provision	64	42
Impairment reversal	120	183
Net financing cost	(261)	(225)
Fair value adjustment	77	–
Loss from operating activities (no tax effect)	–	–

Assets and liabilities held-for-sale relating to the Rayton property

The non-current assets held-for-sale are stated at the lower of carrying value or fair value less cost to sell and comprised the following:

	2024 R'000	2023 R'000
Group and Company		
Non-current assets held-for-sale		
Property, plant and equipment	4 989	4 792
	4 989	4 792
Non-current liabilities held-for-sale		
Environmental rehabilitation provision	(2 789)	(2 592)
	(2 789)	(2 592)

Assets and liabilities held-for-sale are not specifically allocated to a reportable segment. Refer to note 29 for where these are included.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

13. STATED CAPITAL

ACCOUNTING POLICIES

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of stated capital

When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Shares in the Company held by the Brikor Share Purchase Trust are classified as treasury shares. The consideration paid, which includes directly attributable costs, net of tax effects, for these shares is deducted from equity. The number of shares held is deducted from the number of issued shares and the weighted average number of shares in the determination of earnings per share. Dividends received on treasury shares are eliminated on consolidation. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in the equity and the resulting surplus or deficit in the transaction is presented within stated capital.

Dividends

Ordinary dividends are recognised as a liability in the period in which they are declared.

	2024 '000	2023 '000
Group and Company		
Authorised		
1 000 000 000 ordinary shares of no par value (2023: 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	838 242	838 242
Less: Brikor Share Incentive Scheme Trust – treasury shares	(15 900)	(15 900)
	822 342	822 342

All shares are fully paid.

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

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



13. STATED CAPITAL continued

	2024 R'000	2023 R'000
Group and Company		
Stated capital		
838 242 031 ordinary shares of no par value (2023: 838 242 031 ordinary shares of no par value)	273 092	273 092
Less: 15 900 000 (2023: 15 900 000) treasury shares held by the Brikor Share Incentive Scheme Trust	(15 900)	(15 900)
	257 192	257 192

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.

14. LEASES

ACCOUNTING POLICIES

Leases as lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. See also note 3 for additional disclosures.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortised cost using the effective interest method.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The corresponding lease obligation is included within lease liabilities in the statement of financial position. The interest component is charged to finance cost over the lease term to reflect a constant rate of interest on the remaining balance of the obligation.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

14. LEASES continued

ACCOUNTING POLICIES continued

Leases as lessor

When the Group and Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group and Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group and Company is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. It assesses the lease classification of a sub lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub lease as an operating lease.

The Group and Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group and Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group and Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



14. LEASES continued

Leases as lessee

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Lease liability – Manitou	2 094	5 244	2 094	5 244
The first lease commenced on 15 January 2021 until 15 January 2023. During February 2022 and February 2023, the Group entered into additional leases for another 24-month period. The Group has the intention to rent the equipment for the entire lease term. Lease payments as per the contract were used in determining the lease liability and right-of-use asset.				
When measuring the lease liabilities and right-of-use assets relating to the forklifts, the Group discounted the lease payments using its incremental borrowing rate at 1 February 2021, 1 February 2022 and 1 February 2023, 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.				
Lease liability – Boutique Leasing Company (Pty) Ltd	13 998	21 876	13 998	21 876
During October 2022, the Group entered into a lease agreement with BLC where the Group rents mining equipment for a period of 36 months and motor vehicles for a period of 60 months on a rent-to-own basis. The Group has the intention to rent the equipment for the entire lease term after which ownership of the equipment and motor vehicles will transfer to the Group. The interest rate implicit in the lease ranges between 7,95% and 16,7%.				
Lease liability – Goscor Finance (Pty) Ltd	1 604	5 260	1 604	5 260
During November 2022, the Group entered into a lease agreement with Goscor where the Group rents mining equipment for a period of 36 months on a rent-to-own basis. The Group has the intention to rent the equipment for the entire lease term after which ownership of the equipment will transfer to the Group.				
When measuring the lease liabilities and right-of-use assets relating to the mining equipment, the Group discounted the lease payments using the interest rate implicit in the lease. The interest rate implicit in the lease is 17,10%				
	17 696	32 380	17 696	32 380
Presented as:				
Non-current liabilities	5 631	13 517	5 631	13 517
Current liabilities	12 065	18 863	12 065	18 863
	17 696	32 380	17 696	32 380

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

14. LEASES continued

Reconciliation of lease liability

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Balance at 1 March	32 380	5 312	32 380	5 312
Additions to right-of-use assets	–	34 337	–	34 337
Lease payments	(16 430)	(9 297)	(16 430)	(9 297)
Interest expenses	3 758	2 028	3 758	2 028
Cancellation of lease	(2 012)	–	(2 012)	–
	17 696	32 380	17 696	32 380

Fair value of financial instruments

The carrying value of the lease liabilities 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. Lease liabilities classified under current liabilities are due to be settled within twelve months from the reporting date. See note 36 for an analysis of the contractual cash flows, which is similar to the maturity analysis for the liability.

Leases as lessor

The below is as a result of the sub-lease arrangement between the Company and its subsidiary.

	Company	
	2024 R'000	2023 R'000
Net investment in finance leases		
Balance at 1 March	32 914	–
Net investment in the lease	–	35 883
– Additions to the Gross Investment in the lease	–	51 638
– Unearned finance income	–	(15 755)
Repayments	(8 498)	(2 969)
– Payments received	(14 628)	(5 934)
– Interest accrued	6 130	2 965
Cancellation of lease	(2 646)	–
– Gross investment in the lease	(3 536)	–
– Unearned finance income	890	–
	21 770	32 914
Presented as:		
Non-current assets	11 596	24 116
Current assets	10 174	8 798
	21 770	32 914

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



14. LEASES continued

Credit risk

The Company estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to the lifetime ECL. None of the lease receivables at the end of the reporting period is past due, and taking into account the historical default experience, management considers that no finance lease receivable is impaired.

Fair value of financial instruments

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

Maturity analysis

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Company	
	2024 R'000	2023 R'000
Less than one year	13 920	15 336
One to two years	9 220	15 336
Two to three years	2 640	10 632
Three to four years	1 760	2 640
Four to five years	–	1 760
Total undiscounted lease receivable	27 540	45 704
Unearned finance income	(5 770)	(12 790)
Net investment in finance lease	21 770	32 914

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

15. SHAREHOLDERS' LOANS

ACCOUNTING POLICIES

A financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

After initial recognition, shareholders' loans are subsequently measured at amortised cost using the effective interest rate method. Interest expense is also recognised in profit or loss.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Loan – Estate late G v N Parkin				
Shareholder's loan				
Opening balance	2 017	6 711	2 017	6 711
Add: Interest	36	331	36	331
Less: Payments	(2 053)	(5 025)	(2 053)	(5 025)
Cash repayments	(2 053)	(5 025)	(2 053)	(5 025)
	-	2 017	-	2 017
The above loan is unsecured and bears interest at 7,59% per annum for all the respective years. In July 2018, the Group entered into a 60-month payment arrangement of R0,4 million a month, commencing at the end of July 2018 until June 2023.				
Presented as:				
Current liabilities				
At amortised cost	-	2 017	-	2 017
	-	2 017	-	2 017

Fair value of financial instruments

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

Liquidity risk

Shareholder loans are used in long-term funding and further details are included in note 36.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



16. VENDOR LOANS

ACCOUNTING POLICIES

See note 15 for accounting policy relating to financial liabilities.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Loan – EJ Mac Master				
Opening balance	3 949	5 559	3 949	5 559
Add: Interest	324	390	324	390
Less: Cash payments made	(1 834)	(2 000)	(1 834)	(2 000)
	2 439	3 949	2 439	3 949
Loan – L Mac Master				
Opening balance	3 948	5 558	3 948	5 558
Add: Interest	324	390	324	390
Less: Cash payments made	(1 833)	(2 000)	(1 833)	(2 000)
	2 439	3 948	2 439	3 948
Loan – PB Buys				
Opening balance	3 948	5 558	3 948	5 558
Add: Interest	324	390	324	390
Less: Cash payments made	(1 833)	(2 000)	(1 833)	(2 000)
	2 439	3 948	2 439	3 948
Total vendor loans	7 317	11 845	7 317	11 845

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 have 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, being 1 March 2026, 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	1 219	6 720	1 219	6 720
Current liabilities				
At amortised cost	6 098	5 125	6 098	5 125
	7 317	11 845	7 317	11 845

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 and further details are included in note 36.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

17. LOANS AND BORROWINGS

ACCOUNTING POLICIES

See note 15 for accounting policy relating to financial liabilities.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Loan – C Sardinha				
Ilangabi Investments 12 (Pty) Ltd entered into a loan agreement with C Sardinha during April 2022. The loan is repayable in monthly instalments of R0,1 million and interest is charged at 8%, compounded monthly.				
Opening balance	1 768	–	–	–
Loans Incurred	–	2 500	–	–
<i>Add: Interest</i>	112	148	–	–
<i>Less: Cash payments made</i>	(715)	(880)	–	–
	1 165	1 768	–	–
Instalment Sale Agreement – Nedbank Limited				
The Company entered into an instalment sale agreement with Nedbank during October 2022 for the purchase of two LOVOL Excavators. Interest is charged at the prime rate plus 0,85%, compounded monthly in arrears, and the loan is repayable in monthly instalments of R0,2 million over a period of 60 months. Ownership in the assets will remain vested in the bank until all amounts due have been paid.				
Opening balance	9 653	–	9 653	–
Loans Incurred	–	9 774	–	9 774
<i>Add: Interest</i>	867	402	867	402
<i>Less: Cash payments made</i>	(4 085)	(523)	(4 085)	(523)
	6 435	9 653	6 435	9 653
Instalment Sale Agreement – CNH Industrial and Construction SA (Pty) Ltd (“CNH”)				
The Company obtained a credit facility through CNH for the purchase of two CASE front end loaders during September 2022. Interest is charged at the prime rate plus 2%, compounded monthly in arrears, and the loan is repayable in monthly instalments of R0,5 million over a period of 18 months.				
Opening balance	6 566	–	6 566	–
Loans Incurred	–	8 177	–	8 177
<i>Add: Interest</i>	554	394	554	394
<i>Less: Cash payments made</i>	(6 061)	(2 005)	(6 061)	(2 005)
	1 059	6 566	1 059	6 566
	8 659	17 987	7 494	16 219

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



17. LOANS AND BORROWINGS continued

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Presented as:				
Non-current liabilities				
At amortised cost	4 965	8 013	4 965	7 468
Current liabilities				
At amortised cost	3 694	9 974	2 529	8 751
	8 659	17 987	7 494	16 219

Fair value of financial instruments

The carrying value of the loans and 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

Repayments within one year will be funded by utilising cash balances and by future cash flows. Loans and borrowings classified under current liabilities are due to be settled within twelve months from the reporting date. See note 36 for an analysis of the contractual cash flows, which is similar to the maturity analysis for the liability.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

18. PROVISIONS

SIGNIFICANT ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS

Environmental rehabilitation provision

Estimates for future environmental rehabilitation costs are determined with the assistance of an independent environmental and quantity surveyor experts and are based on the Group's environmental management plans which are developed in accordance with regulatory requirements, the life-of-mine plan and the planned method of rehabilitation which is influenced by developments in trends and technology. These judgements and assumptions may result in future actual expenditure differing from the amounts currently provided.

The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of an item of property, plant and equipment is adjusted against the asset. Any subsequent changes to the obligation which did not relate to the initial construction of a related asset are charged to profit or loss.

Provisions for environmental rehabilitation obligations arise when land is disturbed by excavation or operating activities and are measured at the present value of the directors' best estimate of future economic outflows.

In determining the present value of the provision, management applies assumptions and estimates in determining variables such as discount rates, inflation rates and timing of cash outflows.

ACCOUNTING POLICIES

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of the gross provision is reviewed annually and is reported as the present value of the expenditure expected to be required to settle the obligation. Provisions are determined by discounting the expected future cash flows pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as a finance cost.

Annual changes in the environmental restoration provision consist of financing expenses relating to the change in the present value of the provision and inflationary increases in the provision, as well as changes in estimates.

The present value of dismantling and removing the asset created before production commenced (decommissioning liabilities) are capitalised to property, plant and equipment against an increase in the rehabilitation provision. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised in profit or loss. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy dealing with impairments of property, plant and equipment. Over time, the liability is increased to reflect an interest element, and the capitalised cost is depreciated over the life of the related asset.

The present value of environmental rehabilitation costs relating to activities after production commenced as well as subsequent changes therein are charged to profit or loss and presented as part of cost of sales. The cost of ongoing rehabilitation is recognised in profit or loss as incurred. Cash costs incurred to rehabilitate these disturbances are presented as operating activities in the statement of cash flows.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



18. PROVISIONS continued

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Environmental rehabilitation provision	65 086	55 166	42 795	36 965
Total	65 086	55 166	42 795	36 965
Provision: Environmental rehabilitation				
Opening balance	55 166	52 418	36 965	33 350
Unwinding of interest	4 628	3 781	2 832	2 312
Additions *	–	3 642	–	3 642
Recognised in profit or loss	–	430	–	430
Recognised in property, plant and equipment	–	3 212	–	3 212
Change in estimate	5 292	(4 675)	2 998	2 339
Recognised in profit or loss	2 360	(1 711)	1 016	(184)
Recognised in property, plant and equipment	2 932	(2 964)	1 982	(2 155)
Closing balance	65 086	55 166	42 795	36 965

* Additions (incurred during the 28 February 2023 financial year) to the rehabilitation provision relate to initial stripping performed during the year on the Grootfontein mining right.

Group

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 R82,9 million (2023: R73,8 million). The future cost of the provision was calculated by escalating estimated costs at a risk-adjusted CPI of 6% (2022: 6,2%) per annum over the life of the operations ranging between 2 to 9 years (2023: 5 to 14 years). This future cost is discounted at South African Government Bond Rate ranging between 8,96% and 11,71% (2023: 8,55% and 11,16%) to arrive at a carrying value of R65,1 million (2023: R55,2 million).

The Group invested funds into various environmental trusts to be utilised by the Group as and when restoration activities are incurred. The total amount held in these trusts amounted to R1,4 million (2023: R26,7 million) at the reporting date (see note 7).

The Department of Minerals and Energy holds guarantees in its favour for the mining rehabilitation cost to the amount of R34,1 million (2023: R37,7 million). The guarantees were issued by Guardrisk on behalf of the Company, see note 32. Furthermore, the Group holds decommissioning assets to the value of R14,2 million (2023: R13 million) as part of property, plant and equipment, which will be utilised in extinguishing the rehabilitation liability.

Company

The future cost of rehabilitation was estimated at R58,6 million (2023: R51,8 million). The future cost of the provision was calculated by escalating estimated costs at a risk-adjusted CPI of 6% (2023: 6,2%) per annum over the life of the operations ranging between 6 to 9 years (2023: 9 to 14 years). This future cost is discounted at South African Government Bond Rate ranging between 8,96% and 11,71% (2023: 10,07% and 11,16%) to arrive at a carrying value of R42,8 million (2023: R37,0 million).

The total amount held in trusts amounted to R1,4 million (2023: R1,4 million) at the reporting date (see note 7).

The Department of Minerals holds guarantees in its favour for the mining rehabilitation cost to the amount of R34,1 million (2023: R37,7 million). See note 32. Furthermore, the Company holds decommissioning assets to the value of R12 million (2023: R11,3 million) as part of property, plant and equipment, which will be utilised in extinguishing the rehabilitation liability.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

18. PROVISIONS continued

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.

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Risk-free rate 28 February	8,96 to 11,71	8,55 to 11,16	8,96 to 11,71	10,07 to 11,16

	2024	2023	2024	2023
	R'000	R'000	R'000	R'000
A 1% change in the discount rate would have the following effect on the environmental rehabilitation provision:				
Increase in the discount rate	2 769	(4 062)	908	(915)
Amount recognised in profit or loss	530	(3 589)	(381)	(1 251)
Amount recognised in property, plant and equipment	2 239	(473)	1 289	336
Decrease in the discount rate	8 001	2 278	5 262	3 716
Amount recognised in profit or loss	4 317	1 239	2 528	1 868
Amount recognised in property, plant and equipment	3 684	1 039	2 734	1 848

19. TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade and other payables

Initial recognition and measurement

Trade and other payables are measured, at initial recognition, as financial liabilities at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issues.

Classification, subsequent measurement and gains and losses

After initial recognition, trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the trade and other payables are derecognised. Interest expense is also recognised in profit or loss.

Short-term employee benefits

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

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

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

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



19. TRADE AND OTHER PAYABLES continued

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial liabilities				
Trade payables	34 916	28 615	23 805	14 621
External	27 979	25 484	15 234	11 490
Related party	6 937	3 131	8 571	3 131
Accruals	4 980	9 480	1 979	8 915
Deposits repayable	5 577	–	–	–
	45 473	38 095	25 784	23 536
Non-financial liabilities				
Receipts in advance	5 478	7 423	4 648	6 338
Value added tax	8 177	6 132	8 177	6 132
Royalty tax accrual	14 142	13 214	5 220	4 923
Carbon tax accrual	6 896	5 614	6 896	5 614
Employee-related liabilities	7 453	5 094	6 098	3 782
	42 146	37 477	31 039	26 789
	87 619	75 572	56 823	50 325

The average credit period on purchases is 49,7 days (2023: 34 days) from the date of statement. The Group has financial risk management policies in place.

Liquidity risk

Trade payables and other creditors and accruals are all expected to be settled within 12 months from the reporting date.

Fair value of financial instruments

The fair value of trade payables and other creditors and accruals approximate their carrying value due to their short-term maturities.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

20. REVENUE

ACCOUNTING POLICIES

To determine whether to recognise revenue, the Group and Company follow a five-step process:

- Identifying the contract with the customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue as/when performance obligations are satisfied.

The Group and Company generate revenue primarily from the sale of clay products, related ancillary products, coal and clay minerals and transportation services.

The Group and Company measure and recognise revenue when the control over the clay products, related ancillary products, coal and clay minerals and transportation services is transferred to the customer. Control transfers to the customers at the date of delivery or collection, which is at a point in time for all the respective revenue streams.

Revenue is measured based on the consideration specified in a contract with the customer. Contractual payment terms are similar for all revenue streams and are between 30 and 90 days.

Nature and timing of satisfaction of performance obligations

Revenue is measured on a best estimate basis on the date of the delivery or collection specified in the contract with the customer at the fair value of the consideration received or receivable and represents the amounts receivable for the goods provided in the normal course of business, net of trade discounts, volume rebates and value added tax.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Revenue from contracts with customers consist of:				
Clay products	195 390	176 715	191 889	176 664
Coal	120 992	99 990	14 553	–
Transportation services and ancillary products	34 167	35 028	34 118	34 961
	350 549	311 733	240 560	211 625

Disclosure of disaggregated revenue from contracts with customers:

- The Group generates revenue primarily from the sale of clay products (being bricks and clay minerals, respectively), coal minerals and the related transportation services.
- The disaggregation of revenue from contracts with customers by primary geographical market and product is detailed as part of segment reporting in note 29.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
21. OPERATING PROFIT/(LOSS) BEFORE INTEREST AND TAXATION				
Operating profit/(loss) before interest and taxation is stated after:				
Income – included in other income				
Profit on disposal of property, plant and equipment	859	962	–	755
Management fees	–	–	10 718	10 221
Diesel rebates received included in other income	3 648	2 818	–	–
Fair value gain on restricted financial assets included in other income	191	413	–	–
Expenses				
Short-term lease charges				
– Equipment – cost of sales	16 299	34 147	1 735	3 762
Depreciation – cost of sales *	18 206	12 330	8 085	6 642
Depreciation ^	2 656	2 247	2 612	2 196
Amortisation – cost of sales	621	372	55	55
Loss on disposal of property, plant and equipment ^	102	–	1 152	–
Loss on scrapping of property, plant and equipment ^	489	386	322	221
Inventory – net realisable value adjustments – cost of sales	3 085	–	–	–
Impairment included in other expenses ^	(120)	(183)	(120)	(183)
– Impairment reversals of held-for-sale assets	(120)	(183)	(120)	(183)
Movement in provision for environmental rehabilitation (refer note 18)	2 360	(1 281)	1 016	246
Movement in provision for environmental rehabilitation – held-for-sale liabilities (refer note 12)	(64)	(42)	(64)	(42)
Directors' remuneration (refer note 34)	8 238	6 628	7 388	5 369
– Directors' emoluments #	8 238	6 628	7 388	5 369
Auditor's remuneration #	1 684	1 512	1 341	1 190
– Audit fees #	1 684	1 512	1 341	1 190
Employee costs– cost of sales	95 680	94 093	81 692	77 898

* Includes depreciation in respect of the right-of-use assets. See note 3 for disclosure relating to the right-of-use asset.

^ Costs included in other expenses as per the statement of profit or loss and other comprehensive income.

Included in administration expenses.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

22. FINANCE INCOME

ACCOUNTING POLICIES

Finance income is recognised, in profit or loss, using the effective interest method. Finance income includes interest received and growth on other financial assets and cash and cash equivalents.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Interest received recognised in statement of profit or loss				
Bank	8	368	–	6
Net investment in lease	–	–	6 130	2 965
Cash flow items	8	368	6 130	2 971
South African Revenue Service – on normal tax	9	6	–	–
Other financial assets	–	2	–	2
Other receivables	69	49	69	49
Non-cash flow items	78	57	69	51
Total finance income	86	425	6 199	3 022

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



23. FINANCE COSTS

ACCOUNTING POLICIES

Finance expenses comprise interest payable on financial instruments measured at amortised cost calculated using the effective interest method and unwinding of the provision for environmental rehabilitation.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Interest paid recognised in statement of profit or loss				
Bank overdraft	727	646	236	255
Trade and other payables	481	217	296	193
Shareholder and vendor loans	1 008	1 501	1 008	1 501
Lease liability, loans and borrowings	5 291	2 972	5 179	2 824
South African Revenue Service – on other taxes	413	775	345	616
Cash flow items	7 920	6 111	7 064	5 389
South African Revenue Service – on normal tax	154	235	–	–
South African Revenue Service – on other taxes	1 001	1 262	482	865
Unwinding of interest – environmental rehabilitation provision	4 628	3 781	2 832	2 312
Unwinding of interest – environmental rehabilitation provision liabilities held-for-sale	261	225	261	225
Non-cash flow items	6 044	5 503	3 575	3 402
Total finance costs	13 964	11 614	10 639	8 791

24. TAXATION

ACCOUNTING POLICIES

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Current and deferred taxes are recognised as income or an expense and are included in profit or loss for the period, except to the extent that the tax arises from.

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income or directly in equity; or
- a business combination.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

24. TAXATION continued

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
MAJOR COMPONENTS OF TAXATION				
Current tax expense				
Current year	726	–	726	–
Deferred taxation				
Origination and reversal of temporary differences	4 506	3 406	5 995	3 287
	5 232	3 406	6 721	3 287

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Reconciliation of the tax expense				
<i>Reconciliation between applicable tax rate and average effective tax rate:</i>				
Applicable tax rate	27,0	28,0	27,0	28,0
Non-deductible expenses:	19,0	(90)	7,1	6,5
Legal fees	3,9	(34,9)	1,9	1,3
South African Revenue Service interest and penalties	13,1	(51,3)	4,8	4,5
Amortisation of mining rights	1,7	(8,1)	0,1	0,2
Other non-deductible expenses *	0,6	(4,7)	0,3	0,5
Restricted financial assets – fair value loss/(gains)	(0,3)	9	–	–
Section 12H learnership allowances	(0,9)	8,7	(0,5)	(1,1)
Reduction in opening deferred tax resulting from reduction in tax rate	7,4	–	4,4	–
Recognition of prior year calculated tax losses	–	(210,5)	–	–
	52,5	(263,8)	38,0	33,4

* Other non-deductible expenses include donations, gifts and other fines and penalties.

The applicable tax rate is equal to the South African statutory company tax rate at 27% for the year ended 29 February 2024 (2023: 28%).

Notes to the consolidated and separate financial statements continued

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25. EARNINGS AND FULLY DILUTED EARNINGS PER ORDINARY SHARE

ACCOUNTING POLICIES

Earnings per share is calculated based on the net profit or loss after tax for the year, divided by the weighted average number of ordinary shares in issue during the year. Diluted earnings or loss per share is presented when the inclusion of ordinary shares that may be issued in the future has a dilutive effect on earnings or loss per share.

	Group	
	2024 cents	2023 cents
EARNINGS PER SHARE		
Basic earnings per share	1,0	(0,7)
Diluted earnings per share	1,0	(0,7)
Headline earnings per share	1,3	(0,1)
Diluted headline earnings per share	1,3	(0,1)

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

	Group	
	2024 R'000	2023 R'000
Basic and diluted (loss)/profit	8 244	(5 868)
Loss on disposal of property, plant and equipment *	102	-
Loss on scrapping of property, plant and equipment *	489	386
Impairment of assets classified as held-for-sale *	(120)	(183)
Profit on sale of property, plant and equipment *	(859)	(962)
Loss on disposal of property, plant and equipment by associate (net of tax)	3 196	5 448
Headline and diluted headline profit	11 052	(1 179)

* These reconciling items have immaterial tax implications and therefore only the gross amounts are taken into account in the reconciliation.

	Group	
	2024 '000	2023 '000
Number of shares		
Weighted average number of shares	822 342	822 342
Diluted weighted average number of shares	822 342	822 342

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

	2024 '000	2023 '000
26. BRIKOR SHARE INCENTIVE SCHEME TRUST		
Group and Company		
A share purchase scheme exists to provide employees of the Group the opportunity to purchase shares in the capital of the Company so as to give such employees the incentive to advance in the interest of the Group for the ultimate benefit of all the stakeholders in the Group.		
The maximum ordinary shares so held may not exceed 20% of the ordinary share capital of the Company.		
Shares acquired by the Brikor Share Incentive Scheme during the year	–	–
Unallocated scheme shares as at 1 March	15 476	15 456
<i>Plus:</i> Purchase offers cancelled	32	20
Unallocated scheme shares	15 509	15 476

No shares were purchased by directors under the Brikor Share Incentive Trust during the current financial year (2023: nil).

Allocated scheme shares amounted to R0,4 million (2023: R0,4 million) as at 29 February 2024.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
27. CASH GENERATED FROM OPERATIONS				
Profit/(loss) before taxation and earnings from associate	9 961	(1 291)	17 704	9 835
<i>Adjustments for:</i>				
Depreciation and amortisation	21 483	14 949	10 752	8 893
Impairment and net realisable value adjustments	2 965	(183)	(120)	(183)
Profit on disposal of property, plant and equipment	(859)	(962)	–	(755)
Loss on disposal of property, plant and equipment	102	–	1 152	–
Loss on scrapping of property, plant and equipment	489	386	322	221
Fair value (gains)/losses on restricted investments and assets held-for-sale	(268)	(413)	(77)	–
Net finance income and finance costs	13 878	11 189	4 440	5 769
Movement in environment rehabilitation provisions	2 296	(1 323)	952	204
– Change in estimate recognised in profit or loss	2 360	(1 281)	1 016	246
– Change in estimate – held-for-sale	(64)	(42)	(64)	(42)
Changes in working capital				
Inventories	(14 762)	(22 469)	(11 636)	(12 400)
Trade and other receivables	(7 358)	1 604	3 232	(10 216)
Trade and other payables	2 206	15 357	(4 172)	15 694
Net cash inflow from operating activities	30 133	16 844	22 549	17 062

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



28. TAX PAID

ACCOUNTING POLICIES

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Balance at beginning of year	(5 067)	(4 838)	-	-
Current tax for year recognised in statement of comprehensive income	(726)	-	(726)	-
Net interest	(145)	(229)	-	-
Balance at end of year	5 938	5 067	726	-
- Taxation – refundable	(1 465)	(1 288)	-	-
- Taxation – payable	7 403	6 355	726	-
	-	-	-	-

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

29. SEGMENT REPORTING

ACCOUNTING POLICIES

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Group's other components. The basis is representative of the internal structure for management purposes. All operating segments' operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The operating segments are also in line with the Group's reportable segments.

The chief operating decision maker has been identified as the Group's Chief Executive Officer. The CEO relies on inputs from the Financial Director and Executive Committee members for decision making. Based on support and inputs from the Financial Director and Executive Committee members, the potential to create an imbalance of power is mitigated.

The reportable segments are:

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

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

- all assets are allocated to reportable segments other than investment in associate, assets held-for-sale, 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 and liabilities held-for-sale.

Segmental results include revenue and expenses directly related to an operating segment but exclude net finance charges and taxation which cannot be allocated to any specific segment. Segmental trading profit is defined as operating profit, before interest and taxation and is the basis on which management's performance is assessed.

Segment operating assets and liabilities include property, plant and equipment, investments, inventories, trade and other receivables, trade and other payables and insurance funds and post-retirement obligations, but exclude cash, general borrowings, current taxation, deferred taxation, non-current assets held-for-sale, non-current liabilities held-for-sale and shareholders' loans.

Intangible assets are allocated to the cash-generating unit in the segment to which they relate.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



29. SEGMENT REPORTING continued

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				
2024				
Total revenue	226 007	145 385	–	371 392
Intersegment revenue #	–	(20 843)	–	(20 843)
Reportable segment revenue	226 007	124 542	–	350 549
– Clay products	191 889	3 501	–	195 390
– Coal	–	120 992	–	120 992
– Transportation services and ancillary products	34 118	49	–	34 167
Gross profit	67 614	2 379	–	69 993
Other income	2 324	4 685	–	7 009
Operating profit/(loss) before interest and taxation	24 485	(646)	–	23 839
Segment assets and liabilities				
Segment assets	97 314	117 274	103 275	317 863
Segment liabilities	80 586	96 521	26 086	203 193
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	12 151	9 332	–	21 483
Additions to non-current assets	15 406	88	–	15 494

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

Intersegment revenue relates to coal and clay procured from the Coal segment and used by the Bricks segment. Transactions are at arm's length and accounting treatment is in line with the Group's accounting policies.

Notes to the consolidated and separate financial statements continued

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29. SEGMENT REPORTING continued

	Bricks R'000	Coal R'000	Other * R'000	Total R'000
Segment profit reconciliation				
2023				
Total revenue	211 625	122 034	–	333 659
Intersegment revenue	–	(21 926)	–	(21 926)
Reportable segment revenue	211 625	100 108	–	311 733
– Clay products	176 664	50	–	176 714
– Coal	–	99 990	–	99 990
– Transportation services and ancillary products	34 961	68	–	35 029
Gross profit	46 455	4 060	–	50 515
Other income	3 772	3 906	–	7 678
Operating profit/(loss) before interest and taxation	15 718	(5 820)	–	9 898
Segment assets and liabilities				
Segment assets	111 205	119 006	85 179	315 390
Segment liabilities	(120 654)	(57 895)	(29 960)	(208 509)
Other segment information				
Depreciation and amortisation included in cost of sales and operating expenditure	(8 893)	(6 056)	–	(14 949)
Additions to non-current assets	21 645	38 687	–	60 332

* 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 and service line and divisional structuring, this is also how the Group reports financial results to management on a monthly basis.

Reportable segment revenue 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.

Three customers contribute 20% to the Group's revenue. These customers form part of the Bricks segment.

Notes to the consolidated and separate financial statements continued

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30. CAPITAL COMMITMENTS

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Authorised capital expenditure				
Capital equipment	-	452	-	452
- within one year	-	452	-	452
- in second to fifth year inclusive	-	-	-	-
Short-term leases – as lessee				
<i>Minimum lease payments due:</i>				
- within one year	40	111	26	72
- in second to fifth year inclusive	19	20	19	6

Short-term payments represent rentals payable by the Group for certain of its plant and equipment. No contingent rent is payable. See note 14 for details regarding accounting policy relating to leases.

31. CONTINGENCIES

SIGNIFICANT ACCOUNTING JUDGEMENTS

The assessment of whether an obligating event results in a liability or a contingent liability require the exercise of significant judgement of the outcome of future events that are not wholly within the control of the Group.

Legislation and other judicial proceedings inherently entail complex legal issues that are subject to uncertainties and complexities and are subject to interpretation.

ACCOUNTING POLICIES

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured.

When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

31. CONTINGENCIES continued

Contingent liabilities

Group and Company

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 need 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 Vlakfontein, 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 (Group)

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.

The above action has been defended and a plea has been delivered on behalf of Ilangabi and both parties have made discovery. 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.

Pleadings have closed and discovery has been made by both parties. The next steps will be convening a pre-trial conference. It remains difficult to estimate the costs that will be associated with the case due to pre-trial preparation that will be required, should the plaintiffs pursue the matter to trial.



Notes to the consolidated and separate financial statements continued

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	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
32. GUARANTEES				
<i>Guarantees in favour of the following have been provided:</i>				
Department of Minerals – Mining rehabilitation*	34 122	37 664	34 122	37 664
	34 122	37 664	34 122	37 664

* Refer to note 18 in terms of provisions raised in respect of environmental restoration. The guarantees have been issued by Guardrisk on behalf of the Group (see note 7).

33. RELATED PARTIES

Identification of material related parties

Shareholders of Brikor Limited (Company) holding 20% or more of issued share capital at the reporting date:

Nikkel Trading 392 (Pty) Ltd – 84,25%

Subsidiaries and associates

Ilangabi Investments 12 (Pty) Ltd is the only significant operating subsidiary of the Group, is wholly owned and is incorporated and operates in South Africa only. Refer to note 5 for the schedule of investments in other companies.

Brikor owns 40% of all ordinary shares in Zingaro Holdings (Pty) Ltd. Refer to note 6 for disclosure relating to the associate.

The only restriction 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 for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company. The special resolution to effect the matters has not been approved by 75% of the shareholders at the previous AGM.

Directors

Refer to note 34 for details of the Group's directors.

Relationships	Related director/shareholder
Entities controlled by directors/significantly influenced by shareholders	
Zingaro Holdings (Pty) Ltd	E Mac Master, L Mac Master, P Buys
Zingaro Trade 85 (Pty) Ltd	E Mac Master, PZ Mtethwa
Scarletkor (Pty) Ltd	Nikkel Trading 392 (Pty) Ltd
Ilangabi Colliery (Pty) Ltd (previously TCQ Mining (Pty) Ltd)	Nikkel Trading 392 (Pty) Ltd

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

33. RELATED PARTIES continued

	Description of activity	Group		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 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.	–	(2 017)	–	(2 017)
E 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).	(2 439)	(3 949)	(2 439)	(3 949)
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).	(2 439)	(3 948)	(2 439)	(3 948)
P 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).	(2 439)	(3 948)	(2 439)	(3 948)
Loan accounts – owing to subsidiaries					
Ilangabi Investments 12 (Pty) Ltd	Unsecured and interest free.	–	–	3 639	3 639
Amounts included in trade and other receivable/(trade and other payables) regarding related parties					
Ilangabi Investments 12 (Pty) Ltd	Electricity, rentals and recoveries	–	–	11 085	20 258
Ilangabi Investments 12 (Pty) Ltd	Coal and clay	–	–	(4 925)	–
Scarletkor (Pty) Ltd	Surface rights	(1 364)	–	–	–
Ilangabi Colliery (Pty) Ltd	Coal	7 904	–	2 146	–
Ilangabi Colliery (Pty) Ltd	Coal	(1 860)	–	(1 860)	–
Ilangabi Colliery (Pty) Ltd	Deposit invoice	5 577	–	–	–
Ilangabi Colliery (Pty) Ltd	Deposit invoice	(5 577)	–	–	–
Zingaro Holdings (Pty) Ltd	Bricks and rental income	67	207	67	207
Zingaro Holdings (Pty) Ltd	Transport	(1 786)	(3 131)	(1 786)	(3 131)
Zingaro Trade 85 (Pty) Ltd	Coal and diesel	2 377	2 377	–	–
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	(1 927)	(1 927)	–	–

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



33. RELATED PARTIES continued

	Description of activity	Group		Company	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
Related party transactions					
Interest paid					
Estate late GvN Parkin – shareholder's loan	On loan account	(36)	(331)	(36)	(331)
E Mac Master	On loan account	(324)	(390)	(324)	(390)
L Mac Master	On loan account	(324)	(390)	(324)	(390)
P Buys	On loan account	(324)	(390)	(324)	(390)
Purchases from related parties					
Ilangabi Investments 12 (Pty) Ltd	Coal and clay	–	–	(47 595)	(27 788)
Scarletkor (Pty) Ltd	Surface rights	(2 354)	–	–	–
Zingaro Trade 85 (Pty) Ltd	Machinery rentals and transport	–	(40)	–	–
Zingaro Holdings (Pty) Ltd	Transport	(12 700)	(28 397)	(12 700)	(28 397)
Ilangabi Colliery (Pty) Ltd	Coal	(48 729)	–	(15 431)	–
Sales to related parties					
Ilangabi Investments 12 (Pty) Ltd	Electricity, rental and recoveries	–	–	34 487	35 291
Ilangabi Investments 12 (Pty) Ltd	Management fees	–	–	10 718	10 221
Zingaro Holdings (Pty) Ltd	Rental income	825	780	825	780
Ilangabi Colliery (Pty) Ltd	Coal	67 757	–	15 489	–

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

34. DIRECTORS' EMOLUMENTS

	Basic ^{*1} R'000	Bonus ^{*1} R'000	Medical aid ^{*1} R'000	Total R'000
2024				
Executive directors				
G Parkin ^{*2}	2 756	896	10	3 662
JM Botha ^{*2}	1 783	523	–	2 306
Non-executive directors				
AD Pellow ^{*2}	503	–	–	503
AM Mokate ^{*2}	298	–	–	298
SP Naude ^{*2}	304	–	–	304
FA Mtsila ^{*2}	269	–	–	269
M Laubscher ^{*2 *4 *7}	23	–	–	23
C Oberholzer ^{*2 *4 *6 *7}	23	–	–	23
S Burger ^{*5 *7}	–	–	–	–
	5 959	1 419	10	7 388
Subsidiary executive directors				
TP Nhlapo ^{*3}	830	20	–	850
	830	20	–	850
	6 789	1 439	10	8 238

^{*1} Short-term employee benefits.

^{*2} Fees paid for services to Brikor Ltd Company.

^{*3} Fees paid for services to Ilangabi Investments 12 (Pty) Ltd.

^{*4} Appointed as director on 1 February 2024.

^{*5} Appointed as director on 23 February 2024.

^{*6} Changed role to alternate director to S Burger with effect 23 February 2024.

^{*7} Fees paid to Nikkel Trading 392 (Pty) Ltd and Schalk Burger SA, respectively.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



34. DIRECTORS' EMOLUMENTS continued

	Basic ^{*1} R'000	Bonus ^{*1} R'000	Medical aid ^{*1} R'000	Total R'000
2023				
Executive directors				
G Parkin ^{*2}	2 642	–	8	2 650
JM Botha ^{*2}	1 710	–	–	1 710
Non-executive directors				
AD Pellow ^{*2}	378	–	–	378
AM Mokate ^{*2}	210	–	–	210
SP Naude ^{*2}	222	–	–	222
FA Mtsila ^{*2}	199	–	–	199
	5 361	–	8	5 369
Subsidiary executive directors				
TP Nhlapo ^{*3}	829	15	–	844
R Gaorekwe ^{*3 *4}	415	–	–	415
	1 244	15	–	1 259
	6 605	15	8	6 628

^{*1} Short-term employee benefits.

^{*2} Fees paid for services to Brikor Ltd Company.

^{*3} Fees paid for services to Ilangabi Investments 12 (Pty) Ltd.

^{*4} Resigned as a director on 6 September 2022.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

35. RETIREMENT FUND

ACCOUNTING POLICIES

Defined contribution plan

The Group and its employees contribute to a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Payments to defined contribution retirement benefit plans are recognised in profit or loss in the periods during which services are rendered by employees.

Defined contribution plan

During the previous financial year, as part of the annual wage negotiations, the employees joined the Alexander Forbes Gauteng Building Industry Provident Fund.

The fund is governed by the Pension Fund Act of 1956.

The contributions paid by the Group to fund obligations for the payment of retirement benefits are charged to profit or loss as and when incurred. The Group contributed R2,7 million (2023: R1,2 million) for the reporting period; 533 (2023: 553) employees were members of these provident funds during the reporting period.

The contributions paid by the Company to fund obligations for the payment of retirement benefits are charged to profit or loss as and when incurred. The Company contributed R2,3 million (2023: R1 million) for the reporting period; 476 (2023: 493) employees were members of these provident funds during the reporting period.

The contributions to the fund have been classified under cost of sales and administration expenses in the statement of profit or loss and other comprehensive income.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



36. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

This note presents the Group's objectives, policies and processes for managing its financial risk and capital. Further quantitative disclosures are included throughout these financial statements.

In performing its operating, investing and financing activities, the Group is exposed to the following financial risks from the use of financial instruments:

Credit risk: the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivable and cash and cash equivalents.

Liquidity risk: the risk that the Group may not have, or may not be able to raise cash funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.

Market risk: the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically, the Group is exposed to interest rate risk.

In order to effectively manage those risks, the Board of Directors has approved specific strategies for the management of financial risks, which are in line with corporate objectives. These guidelines set up the short- and long-term objectives and actions to be taken in order to manage the financial risks that the Group faces.

The major guidelines of this policy are the following:

- Minimise interest rate risks for all kinds of transactions;
- All financial risk management activities are carried out and monitored at central level; and
- All financial risk management activities are carried out on a prudent and consistent basis and following the best market practices.

Credit risk has been disclosed through the relevant notes to the consolidated and separate financial statements. No collateral is held on any of the financial assets, except for security held over trade receivables, as disclosed in note 10.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

36. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS continued

Risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies and systems are reviewed regularly to reflect changes in market conditions and activities.

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The following tables summarises the carrying amount and fair value of financial assets and liabilities recorded at year-end per IFRS 9 category:

	Group		Company	
	Carrying amount/fair value			
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Financial assets				
<i>Measured at fair value through profit or loss</i>				
– Restricted investments (refer note 7)	20 487	25 324	–	–
<i>Measured at amortised cost</i>				
– Net investment in finance lease (refer note 14)	–	–	21 770	32 914
– Loans to subsidiaries (refer note 5)	–	–	3 878	3 873
– Restricted investments (refer note 7)	1 372	1 372	1 372	1 372
– Trade and other receivables (refer note 10)	33 805	20 224	24 057	27 029
– Cash and cash equivalents (refer note 11)	95	463	94	60
Balance at 28 February	55 759	47 383	51 171	65 248
Financial liabilities				
<i>Measured at amortised cost</i>				
– Loans from subsidiaries (refer note 5)	–	–	3 490	3 490
– Shareholders' loans (refer note 15)	–	2 017	–	2 017
– Vendor loans (refer note 16)	7 317	11 845	7 317	11 845
– Lease liability (refer note 14)	17 696	32 380	17 696	32 380
– Loans and borrowings (refer note 17)	8 659	17 987	7 494	16 219
– Trade and other payables (refer note 19)	45 473	38 095	25 784	23 536
– Bank overdraft (refer note 11)	6 624	3 646	1 629	127
Balance at 28 February	85 769	105 970	63 410	89 614

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

In the ordinary course of business, the Group receives cash from its operations and is required to fund working capital and capital expenditure requirements. The cash is managed to ensure that surplus funds are invested in a manner to achieve market-related returns and to provide sufficient liquidity at the minimum risk.

Specific actions have been taken by the Group through the monitoring and planning to ensure that sufficient liquidity is available to meet its liabilities when due. This is done through ongoing review of terms of shareholders' loans, future commitments and cash flow forecasts.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



36. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS continued

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	Between one and five years R'000
Group				
As at 29 February 2024				
Vendor loans	7 317	7 725	6 500	1 225
Lease liability	17 696	19 871	13 925	5 946
Loans and borrowings	8 659	10 211	4 399	5 812
Trade and other payables	45 473	45 473	45 473	–
Bank overdraft	6 624	7 336	7 336	–
	85 769	90 616	77 633	12 983
As at 28 February 2023				
Shareholders' loans	2 017	2 052	2 052	–
Vendor loans	11 845	13 066	6 000	7 066
Lease liability	32 380	36 935	16 070	20 865
Loans and borrowings	17 987	20 983	11 403	9 580
Trade and other payables	38 095	38 095	38 095	–
Bank overdraft	3 646	4 038	4 038	–
	105 970	115 169	77 658	37 511
Company				
As at 28 February 2024				
Vendor loan	7 317	7 725	6 500	1 225
Lease liability	17 696	19 871	13 925	5 946
Bank overdraft	1 629	1 804	1 804	–
Loans and borrowings	7 494	9 030	3 218	5 812
Trade and other payables	25 784	25 784	25 784	–
Loans from subsidiaries	3 490	3 490	–	3 490
	63 410	67 704	51 231	16 473
As at 28 February 2023				
Shareholders' loans	2 017	2 052	2 052	–
Vendor loan	11 845	13 066	6 000	7 066
Lease liability	32 380	36 935	16 070	20 865
Bank overdraft	127	141	141	–
Loans and borrowings	16 219	19 110	10 083	9 027
Trade and other payables	23 536	23 536	23 536	–
Loans from subsidiaries	3 490	3 490	–	3 490
	89 614	98 330	57 882	40 448

The details of performance guarantees provided in favour of other parties are detailed in note 32. These guarantees are issued by Guardrisk on behalf of the Group.

At present the Group does expect to pay all liabilities at their contractual maturity. In order to meet such cash commitments, the Group expects the operating activity to generate sufficient cash inflows. In addition, the Group holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

At the reporting date, the Company had R2,5 million (2023: R4,8 million) of undrawn facilities and the Group had R2,5 million (2023: R6,2 million) of undrawn facilities.

The Financial Director provides the Board with a schedule showing the maturity of financial liabilities and unused borrowing facilities to assist the Board in monitoring liquidity risk.

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024

36. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS continued

Market risk

Interest rate risk

Financial assets and liabilities that are sensitive to fluctuations in interest rates are cash and cash equivalents, bank overdrafts, and trade and other payables and vendor loans. The interest applicable to these financial instruments is on a floating basis in line with those currently available in the market.

The Group manages the most significant interest rate risk through a fixed interest rate on shareholders' loans.

Sensitivity analysis

A hypothetical increase in interest rates by 100 basis points, with all other variables remaining constant, would decrease the profit after tax by R0,1 million (2023: R0,1 million).

The analysis has been performed for floating interest rate financial liabilities and assets. The impact of a change in interest rates on floating interest rate financial liabilities has been assessed in terms of changing of their cash flows and, therefore, in terms of the impact on net expenses and have been determined to have no material effect on the Group's risk.

The Group does not have any fair value sensitivity in respect of fixed rate instruments as at the reporting date.

Fair values

The fair value of financial instruments has been disclosed in the relevant notes to these separate and consolidated financial statements.

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain the future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total capital and reserves, and the level of dividends to ordinary shareholders.

The Group manages and makes adjustments to the capital structure, which consists of total capital and reserves and the level of dividends to ordinary shareholders as and when borrowings mature or when funding is required. This may take the form of raising equity, market or bank debt thereof. The Group may also adjust the amount of dividends paid, sell assets to reduce debt or schedule projects to manage the capital structure.

There were no changes to the Group's approach to capital management during the year. Refer to note 13 for a quantitative summary of authorised and issued capital.

The Group monitors capital using a ratio of 'net debt' to 'adjusted equity'. Net debt is classified as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratios are as follows:

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Total liabilities	203 193	208 509	140 759	155 960
Less: Cash and cash equivalents	(95)	(463)	(94)	(60)
Adjusted net debt	203 098	208 046	140 665	155 900
Total equity	114 670	106 426	99 897	88 914
Adjusted net debt to equity ratio	1,8	2,0	1,4	1,8

Notes to the consolidated and separate financial statements continued

for the year ended 29 February 2024



37. SUBSEQUENT EVENTS

Sale of Rayton property

Consent in terms of section 11(1) has been granted by the Minister on 15 January 2024 and the cession of the mining right has been registered on 10 April 2024.

Change to the Board of Directors

Subsequent to the reporting date on 23 May 2024, Mr Schalk Burger resigned from the Board and Mr Corné Oberholzer was appointed as Non-Executive Director. On the same date, Mr Joe van Rensburg was appointed to the Board as an Executive Director.

Other

Management is not aware of any other material events which occurred subsequent to the year ended 29 February 2024 and which need adjustment or disclosure to the consolidated and separate financial statements.

38. GOING CONCERN

The Group incurred a profit for the year ended 29 February 2024 of R8,2 million (2023: loss for the year of R5,9 million) and as of that date the Group is solvent as the total assets exceeded the total liabilities by R114,7 million (2023: R106,4 million).

The Group's current liabilities exceeded the current assets by R11,4 million (2023: current liabilities exceeded current assets by R28,4 million). The main reason for the current liabilities exceeding the current assets is as a result of the lease liabilities and short-term finance obtained to acquire new mining equipment.

The Company incurred a profit for the year ended 29 February 2024 of R11 million (2023: R6,5 million) and as of that date the Company is solvent as the total assets exceeded the total liabilities by R99,9 million (2023: R88,9 million).

The Company's current assets exceeded the current liabilities by R5 million (2023: current liabilities exceeded current assets by R10,2 million).

A detailed analysis of the solvency and liquidity of the Company and the Group was performed, being cognisant of the current economic environment, high inflation rates and resultant increases in prices. The directors considered the financial performance of the Group and Company 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 high inflation rates and increased costs are not expected to have a significant impact on future cash flows for the Group or Company.

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 and separate 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 consolidated and separate financial statements continued

for the year ended 29 February 2024

39. DIRECTORS' INTEREST IN SHARES

Name of director	Beneficial		Total
	Direct	Indirect	
As at 29 February 2024			
<i>Executive</i>			
G Parkin	-	-	-
	-	-	-
As at 28 February 2023			
<i>Executive</i>			
G Parkin	107 167 923	17 563 067	124 730 990
	107 167 923	17 563 067	124 730 990

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.

CORPORATE INFORMATION



BRIKOR LIMITED

Incorporated in the Republic of South Africa
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JSE code: BIK
ISIN: ZAE000101945

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(PO Box 884, Nigel, 1490)

Telephone: 011 739 9000

Facsimile: 011 739 9021

Directors as at 23 May 2024

Mr Allan Pellow (Chairperson) *
Ms Mamsy Mokate (Lead Independent Director) *
Mr Garnett Parkin (Chief Executive Officer)
Ms Joaret Botha (Financial Director)
Mr Michiel Laubscher #
Ms Funeka Mtsila *
Mr Steve Naudé *
Mr Corné Oberholzer #
Mr Joe van Rensburg (Executive Director: Mining)

* *Independent Non-Executive*

Non-Executive

Company Secretary

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