LIVE • LIFE • BEAUTIFUL®

IMBALIE® BEAUTY

INTEGRATED ANNUAL REPORT 2021

IMBALIE®
BEAUTY

Contents

The **Leading** and Most **Desirable**

Skin Care, Beauty and Wellness Solutions Group, nationally and internationally

ABOUT IMBALIE BEAUTY

ABOUT IMBALIE

Imbalie Beauty is a leading and desirable skin care, beauty and wellness solutions group in South Africa. Its focus is primarily on the development, growth and innovation of our own skin care product brands and treatments through the following franchise salon chains: Placecol Skin Care Clinics, Perfect 10 and Dream Nails Beauty Salons. The Group's skin care brands are available to consumers in its own salon footprint, large retail groups, pharmacies, independent salon outlets and on various on-line platforms.

At Imbalie Beauty we are on a continuous journey to innovate, offer better marketing, pricing and support structures to our franchise partners.

Despite having brands and franchises that are both well-established and recognised in South Africa, Imbalie Beauty is acutely aware that its business journey towards success and sustainability is ongoing.

VISION AND MISSION

To be the leading and most desirable skin care, beauty and wellness solutions group, nationally and internationally. Imbalie Beauty has identified the following business goals or objectives:

- to expand the support structure for franchise partners to ensure their sustainability and profitability;
- to attract and retain world-class managers, beauty therapists, nail technicians and hair stylists throughout the Imbalie Beauty group; and
- to consistently introduce innovative beauty products and services.

All of these have been developed in line with Imbalie Beauty's mission of making a positive change in the world through improvement and empowerment, and by increasing the esteem of all.

VALUES

We live our values of:

- Prosperity
- Teamwork
- Integrity
- Beauty
- Respect

IMBALIE BEAUTY GUARANTEE

- A world-class structure to provide ongoing business and specialist marketing support.
- World-class systems, integrated with account cards, beauty gift cards and rewards programmes.
- Ongoing business and beauty training.
- Reputable products, technology and treatments.
- Continuous innovation and latest international beauty trends.

BUSINESS MODEL

IMBALIE BEAUTY

Placecol

Dream Nails Beauty

perfect10

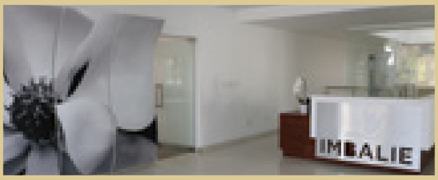
iBLOOM BEAUTY & WELLNESS ACADEMY

SUPPORT STRUCTURE

IMBALIE BEAUTY

Giving the best support to our franchise group in the form of:

- **Education**
- **Marketing**
- **Customer Care**
- **Project Management**
- **Finance**
- **Innovation**
- **Award-winning brands**



iBLOOM BEAUTY & WELLNESS ACADEMY

iBLOOM Beauty and Wellness Academy

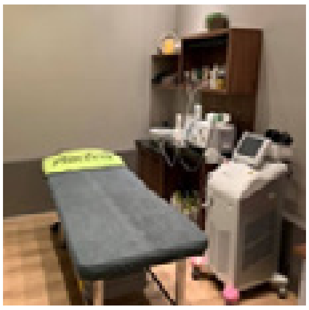
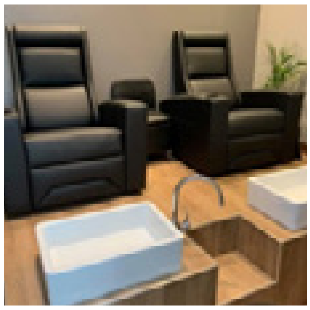
The Academy is ITEC and SETA Accredited.

The Academy is built on the success and experience of the Imbalie Beauty Franchise Group. Imbalie Beauty's expertise in the industry offers students a refreshing one of a kind approach to starting or further developing their careers.

MAIN SALON BRANDS

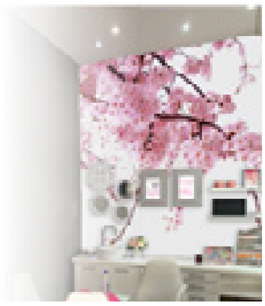
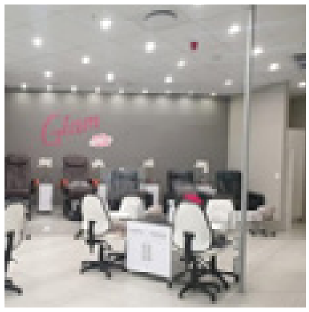
PLACECOL®

Placecol, a much-loved and trusted South African skin care brand celebrated its 40th anniversary in 2020! Our Placecol Skin Care professionals are subject to ongoing education to ensure our customers receive treatments that meet the highest standards of excellence. Placecol has a commitment towards ongoing innovation and a focus on high quality products and treatments, which incorporate safe and effective technology that deliver visible results for customers.

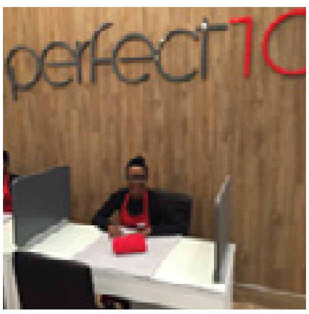
DREAM NAILS BEAUTY®

The Dream Nails Beauty brand is more than 35 years old and strives to create an environment that offers the latest trends in nails, lashes and brows while encouraging our customers to fulfill their need for sophistication, glam and individuality. Dream Nails offers beauty and glam while being a modern trendsetter that represents a whole new generation of women, who live, breathe and share beauty in their own individual way.

PERFECT 10®

The Perfect 10 Nail and Body Studio brand is a well-recognised brand in South Africa. The Perfect 10 Nail and Body Studio concept is based on the latest international trends in the beauty industry. The brand radiates modern elegance, placing a very strong emphasis on retailing only well-known international brands. Exceptionally well trained professionals are employed to guarantee a quality and value added service offering. At Perfect 10 we believe the heartbeat of our business is our people.


BOARD OF DIRECTORS

JACK PHALANE
Independent non-executive chairman
Chairman of Nominations Committee
Member of Remuneration Committee
MBA, BA, LLB, LLM, MCom (Tax),
Certificate in Advanced Corporate Law and Securities Law
Senior Primary Teachers Diploma

Mr Phalane has been a practising attorney specialising in mergers and acquisitions since 2003 and was appointed as a director of Fluxmans Inc in November 2004 and an equity partner in 2007. In addition, he serves as a non-executive director on the boards of Caxton CTP Publishers and Printers Limited and the SABC as well as a trustee on various empowerment trusts and as chairman of The Tomorrow Trust, an education trust. Mr Phalane co-authored an article titled "Corporate Governance in South Africa" in 2004.

GARY HARLOW
Non-executive director
Member of Audit and Risk Committee
Member of Remuneration Committee
Member of Nominations Committee
BBusSci (Hons), FCMA, CGMA, CA(SA)

Mr Harlow graduated from the University of Cape Town in 1979, qualifying as a Chartered Accountant (SA) in 1982, an associate of the Chartered Institute of Management Accountants (UK) in 1983 and as a Fellow Chartered Management Accountant (UK) in 1996. His career was forged in merchant and investment banking. In the early 1990s he was an adviser to the African National Congress in developing black economic empowerment strategies and in 1992 was instrumental in the creation of Thebe Investment Corporation, South Africa's first broad-based black-owned company. He served as joint chief executive officer of Msele Corporate and Merchant Bank, South Africa's first black-controlled merchant bank. In 1996 Mr Harlow was appointed Group Chief Executive Officer of Unihold, where he remains as Executive Chair. He led its transition from an engineering conglomerate to an international IT and telecommunications group, followed by a delisting through a management buyout in 2002. He continues to serve on numerous private and public company boards, amongst them, Blue Label Telecoms Limited and Cell C Limited, where he also chairs the Audit Committee.

THEO SCHOEMAN
Independent non-executive director
Chairman of Audit and Risk Committee
Member of Remuneration Committee
Member of Nominations Committee
BCom (Computer Science), BCom Hons (CA) SA

Mr Schoeman has a corporate finance background, and his wide business experience encompasses, inter alia, industry consolidations and the set-up of new businesses and listings. He received the "Centurion Businessman of the Year" award in 2005 and is currently the Chief Executive Officer of the Centurion Academy.

BOARD OF DIRECTORS (CONTINUED)

WESSEL VAN DER MERWE
Non-executive director
Chairman of Remuneration Committee
Chairman of Social and Ethics Committee
Member of Audit and Risk Committee
Member of Nominations Committee
BCom Hons; CA (SA)

Mr van der Merwe has accumulated more than 20 years' experience in investment banking and corporate finance. He spent 3 years in investment banking at Gensec Bank and founded a corporate finance business and co-founded a JSE Sponsor business with the most listings on the JSE AltX to date. He is experienced in all aspects of corporate finance, but his specific skills lie in deal negotiations and structuring, as well as capital raising. He has an extensive network of clients and introduced BEE shareholders into most of the listings undertaken by his business.

ESNA COLYN
Chief Executive Officer
Member of Social and Ethics Committee
BCom Hons; CA (SA)

Mrs Colyn joined Imbalie Beauty in May 2010 as the chief executive officer of the Group, after many years' experience in banking (ABN Amro Bank), private equity (Investec Bank), the wellness industry ("NRF") and corporate finance (Exchange Sponsors and Vunani Capital). She is spearheading the vision of Imbalie to be the leading and most desirable skin care, beauty and wellness solutions group, nationally and internationally, with a passion to empower and elevate women in the business of skin care, beauty and wellness.

Imbalie Beauty celebrated 40 years in the skin care, beauty and wellness industry in 2020.

REPORT OF THE CHAIRMAN AND CEO

Introduction

Imbalie Beauty is a leading and desirable skin care, beauty and wellness solutions group in South Africa. Its focus is primarily on the development, growth and innovation of our own skin care product brands and treatments through the following franchise salon chains: Placecol Skin Care Clinics, Perfect 10 and Dream Nails Beauty Salons. The Group's skin care brands are available to consumers in its own salon footprint, large retail groups, pharmacies, independent salon outlets and on various on-line platforms.

2020 was undoubtedly the toughest year in the history of our Group as a result of the Covid-19 pandemic and, having since received our Covid-19 loan from ABSA Bank with the pre-condition that Imbalie Beauty delists from the JSE; the process has commenced to reposition our Group for a delisting.

Shareholders are referred to the announcements released on SENS on 12 October 2020 in which shareholders were advised that Absa Bank Limited had approved a Covid-19 loan to the Company. One of the major conditions was that the Company delists from the JSE Limited or alternatively that the operating company to which the loan was granted becomes private and is no longer part of a listed group.

Shareholders were advised on SENS on 26 February 2021 and 5 July 2021 that the proposed delisting process will be as follows:

- a consortium of investors will acquire from the current major shareholders of Imbalie Beauty ("Major shareholders") approximately 60% of their shares in Imbalie Beauty; and
- the Major shareholders will, through a special purpose vehicle, acquire all the operating subsidiaries from the Company.

("proposed delisting process")

Legal agreements reflecting the above were signed on 24 June 2021.

The preparation of the annual financial statements has been aligned with the signed legal agreements.

Our first focus during lockdown was to enable our footprint, which employs over 200 women, with new skills, new on-line capabilities, the implementation of growth teams (to create new revenue streams for their existing businesses) and finally the implementation of Covid-19 protocols with an increased emphasis on hygiene standards.

This very challenging lockdown period afforded us, as a management team, time to scrutinize our future strategy, current business processes and business models and provided us with the opportunity of re-positioning our Group into the future. We established and launched our new Customer Solutions Division on 3 August 2020 to focus on direct sales.

Various training initiatives were implemented during lockdown by our Imbalie Beauty Wellness Academy which we converted to an on-line platform and the initiative was launched as iBLOOM Academy on 2 October 2020.

The final necessary step, effective 1 November 2020, was the introduction of a robust franchise fee model to ensure that we have the best beauty franchise model in the marketplace. Despite all our efforts we have seen a reduction in our national franchise beauty salon footprint from 75 beauty salons in March 2020 to 46 in July 2021.

Subsequent events and prospects

Proposed de-listing process

Once the de-listing process of the underlying subsidiaries is complete, it is envisaged that a suitable viable asset will be reversed into the cash shell of Imbalie Beauty.

Current operating business

The directors and management are of the opinion that the operating of the subsidiaries in a de-listed environment will be more suitable for current operations as the cost savings will be measurable.

Appreciation

The directors would like to thank the Shareholders of Imbalie Beauty for their valued contribution and support over the last 13 years, whilst the subsidiaries were listed on the JSE Limited. We would like to thank our non-executive directors for their contribution over the years and especially during the lockdown period.

Thank you to all our Franchise Partners who had to fight very hard to keep their beauty salon doors open in a very tough period in the history of the world and the tough economic environment. We were saddened by the fact that many of our beauty salons could no longer sustain their businesses for various reasons and closed their doors.

Thank you to our exceptional Imbalie Beauty team for forging ahead and learning new business skills during the 2021 year. Thank you to all our valued and loyal customers, strategic business partners and our suppliers, for your continued support.

Esna Colyn

Jack Phalane
Chairman of the Board

Esna Colyn
Chief Executive Officer

AUDIT AND RISK COMMITTEE REPORT

BACKGROUND

The Committee presents its report for the financial year ended 28 February 2021 as recommended by the King IV report on Corporate Governance and in line with the Companies Act, 2008 (Act 71 of 2008) ("the Companies Act").

OBJECTIVE AND SCOPE

The overall objectives of the Committee are as follows:

- Continue to monitor and assess the effectiveness of Group financial reporting and internal financial controls;
- To review the principles, policies and practices adopted in the preparation of the accounts of companies in the Group and to ensure that the annual financial statements of the Group and any other formal announcements relating to the financial performance comply with all statutory, regulatory and Imbalie Beauty Limited requirements as may be required;
- To ensure that the consolidated financial statements of the Group comply with all statutory, regulatory and Imbalie Beauty Limited requirements and similarly, that the financial information contained in any consolidated submissions to Imbalie Beauty Limited is suitable for inclusion in its consolidated financial statements;
- To annually assess the appointment of the external auditors and their independence, recommend their appointment and approve their fees;
- To review the work of the Group's external auditors to ensure the adequacy and effectiveness of the Group's financial controls;
- To review the management of risk and the monitoring of compliance effectiveness within the Group; and
- To perform duties that are attributed to it by the Companies Act, the JSE and King IV.

The Committee performed the following activities:

- Received and reviewed reports from external auditors concerning the effectiveness of the internal control environment, systems and processes;
- Reviewed the reports of external auditors detailing their concerns arising out of their audits, and requested appropriate responses from management resulting in their concerns being addressed;
- Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings;
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided was not such that they could be seen to have impaired their independence; and
- Considered the JSE's most recent report-back on proactive monitoring of financial statements, and took appropriate action, where necessary, to respond to findings as highlighted in the JSE report when preparing the annual financial statements for the year ended 28 February 2021.
- Reviewed and recommended for adoption by the board such financial information that is publicly disclosed which for the year included:
  - the audited results for the year ended 28 February 2021; and
  - the interim results for the six months ended 31 August 2020.

The Committee has evaluated the financial statements of Imbalie Beauty Limited and the Group for the year ended 28 February 2021 and, based on the information provided to the Committee, considers that the Group complies, in all material aspects, with the requirements of the Companies Act and with International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

The Committee further confirms that the 2020 JSE report on proactive monitoring of financial statements, issued on 19 February 2021, was tabled and, having considered the important findings and focus areas identified by the JSE in the report, the Committee was satisfied that all such findings and focus areas are adequately addressed by the Company and no further remedial action is necessary.

The Committee is of the opinion that the objectives of the Committee were met during the year under review.

Where weaknesses in specific controls had been identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.

MEMBERSHIP

During the course of the year, the membership of the Committee was comprised solely of non-executive directors. They are Theo Schoeman (Independent Chairman), Gary Harlow and Wessel van der Merwe.

EXTERNAL AUDIT

The Committee has satisfied itself through enquiry that the auditor of Imbalie Beauty Limited is independent as defined by the Companies Act. The Committee, in consultation with executive management, agreed to an audit fee for the 2021 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. There is a formal procedure that governs the process whereby the external auditor is considered for the provision of non-audit services, and each engagement letter for such work is reviewed in accordance with set policy and procedure. The Committee assessed the suitability of the re-appointment of Nexia SAB&T and the designated individual partner, by considering the information provided by Nexia SAB&T as required per paragraph 22.15(h) of the JSE Listings Requirements. The Committee has reviewed the performance of the external auditors and nominated, for approval at the annual general meeting, Nexia SAB&T, as the external auditor for the 2021 financial year.

ANNUAL FINANCIAL STATEMENTS

The Committee has evaluated the consolidated annual financial statements for the year 28 February 2021 and considers that they comply, in all material aspects, with the requirements of the Companies Act and International Financial Reporting Standards. The Committee has therefore recommended the annual financial statements for approval to the board. The board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

COMPANIES ACT

The Committee, together with the board and management, has taken appropriate steps to ensure that the Company had processes in place to comply fully with the Companies Act before the conclusion of the financial year ended 28 February 2021.

THEO SCHOEMAN

Audit and Risk Committee Chairman

Corporate Governance

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board of Directors (Board) includes both executive and non-executive directors to maintain a balance of power and to ensure that independent unbiased decisions are made.

The Board oversees the governance of Imbalie Beauty, in accordance with the principles set out in the Companies Act and the King IV Report.

The Board is committed to best practice principles that include ethical fairness, accountability, transparency and social development. The Board is the highest governing authority of the Company.

The Board Charter outlines its objectives and responsibilities.

The Board sub-committees operate in accordance with written terms of reference, and are reviewed annually by the relevant sub-committee and Board.

The Board takes ultimate responsibility for the Company's adherence to sound corporate governance standards and sees to it that all business decisions and judgments are made with reasonable care, skill and diligence.

Non-executive directors are expected to contribute an independent view on matters under consideration by the Board.

All directors have the requisite knowledge and experience required to properly execute their duties, and all participate actively in meetings.

In terms of the Memorandum of Incorporation (MOI) the number of directors shall not be less than four. The Board comprises of five directors; an executive director and four non-executive directors, two of who are independent.

RESPONSIBILITIES OF THE BOARD

The duties and responsibilities of the Board are clearly defined in the Board Charter and MOI.

The Board is responsible for effective control of the affairs of the Company and provides strategic direction to management. The Board monitors the performance of management through the Audit and Risk-, Social and Ethics-, Remuneration- and Nominations Committees.

The Board is under constant review to ensure the optimum mix of skills and experience to maintain balance in terms of the independence of directors.

The Board has the responsibility of reviewing and adopting the terms of reference of its sub-committees.

The Board is committed to operating within the highest standards of professional ethics by ensuring that all material and potential conflicts of interest between the directors and the Company are declared and recorded and, where necessary, a material or potential conflict is addressed according to the provisions of the Companies Act. These matters are also reported to shareholders at annual general meetings.

Jack Phalane, appointed in January 2021, continues as Chairman of the Board and Esna Colyn remains Chief Executive Officer. The separation of these roles ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making, thus ensuring there is a clear balance of power and authority at Board level.

The Chief Executive Officer's service contract may be terminated with three months' written notice.

The Chief Executive officer has the responsibility of managing the Group's daily affairs with the Board kept informed of all developments in the Company through the Chief Executive Officer and company secretary.

BOARD COMPOSITION

JH Phalane - Independent non-executive chairman

TJ Schoeman - Independent non-executive director

GD Harlow - Non-executive director

WP van der Merwe - Non-executive director

E Colyn - Executive director: Chief Executive Officer

The Board meets at least three times annually with additional meetings as and when required.

Material decisions may be taken between meetings.

The non-executive directors are provided with comprehensive information necessary to discharge their responsibilities, individually and as a Board and, in certain instances, as Board Committee members.

The Board is satisfied that it has discharged its duties and fulfilled its responsibilities in accordance with and is in compliance with the provisions of the Companies Act and operates in conformity with its MOI.

Attendance at board meetings during the financial year ended 28 February 2021

	2020								***2021***
Members	12-03	31-07	06-08	31-08	08-09	04-11	05-11	27-11	25-02
BJT Shongwe		√	√	√	√	√	√	√	
E Colyn	√	√	√	√	√	√	√	√	√
CW de Jager	√	√	√	√	√	√	√		
GD Harlow	√	√	√	√	√	√	√		√
TJ Schoeman						√	√	√	√
WP van der Merwe	√	√		√			√	√	
JH Phalane									√

BOARD CHARTER

The Board continues to implement the charter, the objective of which is to assist the Board and management in carrying out their functions as prescribed by the JSE Listings Requirements, Companies Act and the King IV Report. The Board charter provides the terms of reference of the Board and its sub-committees, including their roles, duties and powers, to ensure that stewardship is exercised at all times and the highest degree of ethics in all forms of conduct, continues to be upheld.

The Board charter details and governs the manner in which the business is conducted by the Board in accordance with the principles of sound corporate governance. The charter is reviewed annually and amended when necessary to ensure that it remains relevant, incorporates best practices and aims to achieve the highest level of good governance. The charter regulates and deals with, *inter alia:*

- Board leadership and defines the separate responsibilities of the Chairman and the Chief Executive Officer;
- procedures, pre-requisites and competencies for membership, size, composition and diversity of the Board, period of office, reward, induction and succession planning;
- procedures for Board meetings, frequency, quorum, agendas, board papers, conflicts of interest and minutes;
- retaining full and effective control of the Group;
- review and approval of the corporate strategy;
- approval and oversight of capital expenditure;
- review and approval of annual budgets and business plans;
- monitor operational performance and management;

- determine the Group's purpose and values;
- ensure the Group complies with sound codes of business behaviour;
- ensure appropriate control systems are effective and in place for the proper management of risk,
- financial control and compliance with all laws and regulations;
- appointment of the chief executive officer and to ensure succession planning for executive management;
- regular identification, monitoring and management of key risks; and
- oversight of the Company's disclosure and communication processes.

The Board's governance procedures and processes are reviewed annually and a number of policies have been adopted by the Board and sub-committees, expanding on the content of the Board charter in the following areas:

- communication on behalf of the Company and the Board;
- conflicts of interest;
- access to professional advice;
- whistleblowing policy; and
- trading in Company shares.

An orientation and induction program for directors is in place. Directors have unrestricted access to Company information and records. A policy dealing with conflicts of interests has been adopted and a register of directors' declarations of interest is retained.

COMPANY SECRETARY

The Board has the responsibility of appointing and removing the company secretary. The Board is satisfied that Paige Atkins is competent to fulfil the company secretariat function as is formally reviewed. The company secretary is independent and is not a related party in the Group, maintaining an arms-length relationship with the Company and directors.

The company secretary is fully empowered by the Board to perform the function and reports directly to the Independent non-executive chairman. Amongst other duties, the company secretary ensures that the Company adheres to all legislative, regulatory and shareholder requirements by advising the Board on all legislation and governance issues affecting the Company, assisting the directors in execution of their duties of care, skill and diligence.

The Board members have unrestricted access to the advice and guidance of the company secretary.

The company secretary has an independent relationship with the board of directors.

ELECTION AND ROTATION OF THE NON-EXECUTIVE DIRECTORS

In accordance with the Memorandum of Incorporation, one-third of the non-executive directors retire from office at each annual general meeting and their re-appointment is subject to shareholder approval.

The Board, assisted by the Nominations Committee, recommends the eligibility of the retiring director, subject to his availability and contribution to the business, for re-appointment. The director retiring by rotation at the forthcoming annual general meeting is Gary Harlow, with the election of Jack Phalane as a non-executive director to be confirmed by shareholders.

REMUNERATION

Details of directors' fees and remuneration are fully disclosed in the annual financial statements.

Furthermore, the projected fees to be paid to non-executive directors for approval by shareholders by way of a special resolution are set out in the notice of the annual general meeting forming part of this report. Non-executive directors only receive a fee which is due to them as members of the Board.

Remuneration of executive directors in their capacities as members of the management team as recommended by the Remuneration- and Nominations Committees is fully disclosed in the financial statements.

MONITORING OF PERFORMANCE

The Nominations Committee assists in the appointment of the Chairman of the Board.

The independence of non-executive directors is assessed by the Nominations Committee every two years; a detailed self-assessment of the performance of the Board and its sub-committees was conducted in line with the latest recommendations by the King IV Report. The assessments found the structures and processes governing the Board and its committees were well-established and functioning satisfactorily.

Moreover, the Board had fulfilled its role and responsibilities and had discharged its obligations to the Company, shareholders and other stakeholders in an acceptable manner.

BOARD COMMITTEES

The Board has established a number of standing committees. Each committee has agreed terms of reference as approved by the Board annually that addresses issues such as composition, duties, responsibilities and scope of authority.

Although the Board delegates certain functions to these committees, it retains final responsibility for their activities. The chairman of the committee should be a non-executive director. Committees operate in accordance with Board approved terms of reference, as well as annual work plans, which are reviewed and updated on a regular basis to align them with best practice. The Board has the responsibility of appointing the chairman and the members of each committee. In addition, performance evaluations of the committees is conducted every two years, and the respective findings are reported to the Board for consideration. The Board committees comprise of Audit and Risk, Remuneration, Nominations and Social and Ethics Committees.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is a statutory committee established in accordance with the guidelines in the JSE Listings Requirements, the King IV Report and the Companies Act. The committee composition is as follows:

TJ Schoeman – Independent Chairman

GD Harlow - Non-Executive Director

WP van der Merwe - Non-Executive Director

The Board is satisfied that the members meet the definition of non-executive directors, acting independently, as defined in the Companies Act.

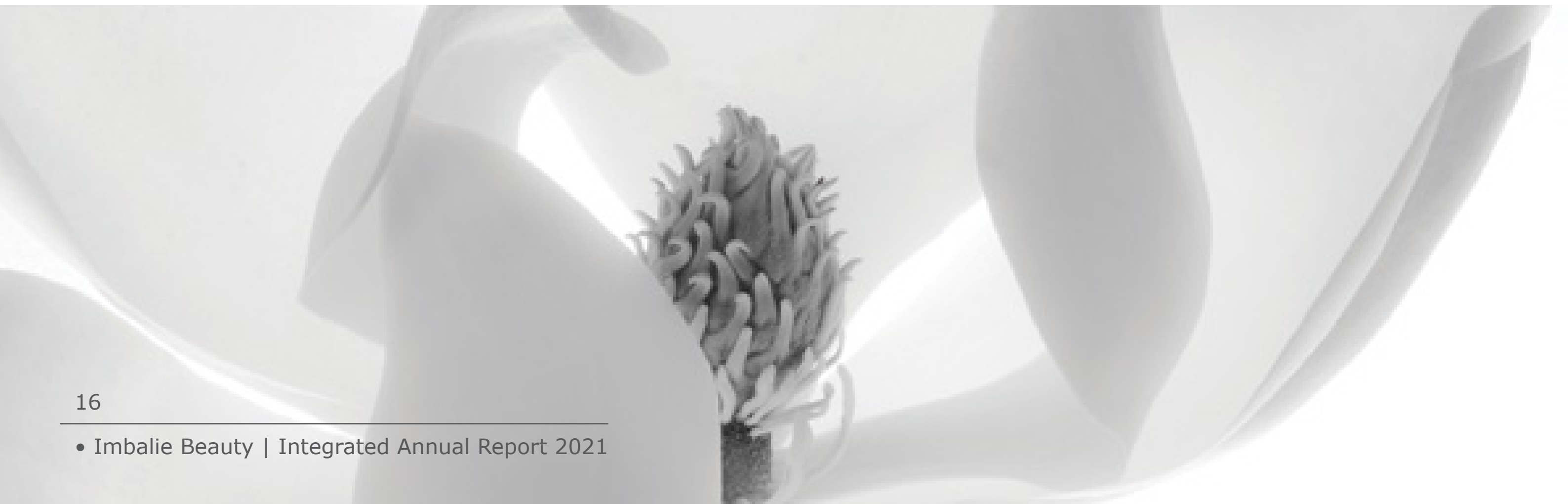
The Committee is satisfied that the responsibilities as stated in the terms of reference have been fulfilled. The terms of reference for the Committee intend to ensure compliance with governance recommendations and statutory requirements.

The Board believes that the members collectively possess the knowledge and experience to exercise oversight of the Company's financial management, external auditors, the quality of financial controls, the preparation and evaluation of financial statements and financial reporting.

In order to manage the risk of business failure and to provide reasonable assurance against such, the Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. However, this is not a guarantee that such risks are eliminated.

The Committee is responsible for the following:

- Incorporating annual financial statements, interim reports, preliminary or provisional result announcements;
- Reviewing and recommendation of the annual financial statements to the Board for approval;
- Completion of the integrated report and recommends it to the Board for approval;
- Monitor significant judgments and reporting decisions affecting the integrated report made by management;
- Makes a statement on the going concern status of the Company;
- Confirm, by reporting to shareholders in its integrated annual report, that it has executed the responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements;
- Reviews sustainability information to ensure that the information provides a proper appreciation of the key drivers that will enable the Company to achieve these forward-looking goals;
- Ensure that the Company has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated group IFRS financial statements;



- Ensure that the Company has access to all the financial information to allow it to effectively prepare and report on the financial statements of the Company;
- Ensures that the Company carries out its responsibilities as they relate to financial and risk management and other reporting practices;
- Provides strategic guidance and assistance with regards to accounting policies and procedures, internal controls and management of risks;
- Monitoring of the risk management policy and plan and compliance with laws, regulations and ethics;
- Ensures risk management assessments are performed annually;
- Oversees the external audit processes
- Consider, evaluate and satisfy itself of the performance and appropriateness of the expertise and experience of the Financial Director as required in terms of the JSE Listings Requirements. As the financial director resigned in January 2021, the Company was granted a dispensation by the JSE Limited until September 2021 to appoint a new financial director.
- Attendance at the Audit and Risk Committee Meetings during the financial year ended 28 February 2021.

Attendance at the Audit and Risk Committee Meetings during the financial year ended 28 February 2021

	2021			***2021***
Members	12-03	31-07	27-11	25-02
GD Harlow		√	√	√
TJ Schoeman	√		√	√
WP van der Merwe	√	√	√	

NOMINATIONS COMMITTEE

The Nominations Committee ensures that the Company's nomination philosophy supports the strategic objectives of the Group. The Nominations Committee composition is as follows:

GD Harlow – Non-Executive Director

TJ Schoeman - Independent Non-Executive Director

JH Phalane - Independent Non-Executive Chairman

WP van der Merwe - Non-Executive Director

The Committee has the responsibility of:

- assisting the Board in the nomination of new board candidates; and
- ensuring regular assessment of Board performance.

The Company has implemented a Board diversity policy.

The Committee fully supports the principles and objectives of gender and race diversity and is committed to the implementation thereof. It is the Committee's intention, when the opportunity arises, to improve female and race representation at Board level to 40% female representation and 50% race representation.

RENUMERATION COMMITTEE

The Remuneration Committee ensures that the Company's remuneration philosophy supports the strategic objectives of the Group. The Remuneration Committee composition is as follows:

WP van der Merwe – Chairman

GD Harlow - Non-Executive Director

TJ Schoeman - Independent Non-Executive Director

The Committee has the responsibility of:

- assisting the Board in formulating remuneration and other employment policies;
- formulating remuneration philosophy of the Company; and
- structuring appropriate remuneration packages for executive directors, based on industry standards and the best interests of all parties concerned.

The salary structure is in accordance with the Company's overall reward philosophy and is designed to:

- enable the Company to attract, retain and motivate the right calibre of individuals so as to ensure that a consistent and high level of performance is achieved;
- provide guidelines so that decisions are made timeously with confidence and integrity;
- maintain fair, consistent and equitable total remuneration practices in alignment with the Company's core values;
- foster individual development and teamwork;
- encourage internal development of talent; and
- re-enforce roles and accountabilities.

The remuneration philosophy also records the measures the Board will adopt in the event that either the remuneration philosophy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised by shareholders. In such event, the Company will, when announcing the results of the annual general meeting, provide dissenting shareholders with information on how to engage with the Company in this regard and the timing of such engagement.

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee composition is a follows:

WP can der Merwe – Chairman

E Colyn - Chief Executive Officer

The committee fulfils the statutory duties of the Social and Ethics Committee as required in terms of section 72 of the Companies Act and regulation 43 of the Companies Regulations. As such, the Social and Ethics Committee complies with the legislated membership and mandate requirements. The Social and Ethics Committee is governed by a formal charter, which is aligned to King IV principles and the Companies Act. The committee's terms of reference are reviewed and amended by the Board on an annual basis to ensure compliance with regulatory changes and best practice. The committee has the responsibility of ensuring that the Company:

- Discharges its statutory duties in respect of section 72 of the Companies Act dealing with the structure and composition of Board sub-Committees;
- Upholds the goals of the Organisation of Economic Cooperation and Development (OECD) recommendations regarding corruption;
- Complies with the Employment Equity Act (as amended) and the Broad-Based Black Economic Empowerment Act (as amended);
- Directors and staff comply with the Company's Code of Ethics;
- Practices labour and employment policies that comply with the terms of the International Labour Organization (ILO) protocol on decent work and working conditions;
- Ensures the continued training and skills development of its employees; and
- Performs its responsibilities in respect of social and ethics matters in line with relevant policies and that these policies are reviewed on an annual basis, or as required.

The committee evaluates its performance and effectiveness as part of the formal Board evaluation process every two years. Based on the evaluation results, the Committee and Board believe that the Social and Ethics Committee functions effectively and complies with its terms of reference.

The Chairman of the Committee reports to the Board any concerns, findings or recommendations for consideration, review and necessary decision-making.

The Chairman of the Committee attends the Group's annual general meeting and reports to shareholders on the matters within the Committee's mandate.

In assisting the Board in ensuring that the Imbalie Group acts as a good and responsible corporate citizen, the committee is satisfied that it has discharged all its duties and fulfilled its responsibilities in accordance with its charter and as prescribed by the Companies Act and further that there are no instances of material non-compliance to disclose for the period under review and up to the date of this report.

CLOSED PERIODS

The Company complies with the JSE Listings Requirements as far as closed periods are concerned and a policy is adopted to address the procedures in respect of trading in the Company's shares by directors, the company secretary and prescribed officers. Closed periods extend from 31 August and 28 February, being the commencement of interim and year-end reporting dates, up to the date of announcement of the results to the public and include any other period during which the Company is trading under a cautionary announcement.

STAKEHOLDER COMMUNICATION

The Board recognises its duty to present a balanced and understandable assessment of the Company's position in reporting to stakeholders. Proactive communication with stakeholders addresses material matters of significant interest to shareholders and other stakeholders. The quality of information is based on the guidelines of promptness, relevance and transparency.

Formal announcements are used to communicate with stakeholders. Shareholders are also encouraged to attend the Company's annual general meeting and to make use of this opportunity to engage with the directors on matters concerning the affairs of the Group.

CODE OF CONDUCT

The Company's code of ethics requires all executives and employees to maintain the highest ethical standards. An anonymous whistleblowing facility allows for any unethical, fraudulent or dishonest behaviour to be reported. During the year, no reports were received through this facility. The Company takes ethical behaviour across all its operations very seriously and aims to create an environment where open communication is encouraged.

The Company and its subsidiaries have not entered into any restrictive funding arrangements during the period under review. The Company and its subsidiaries have not repurchased any of its own shares during the period under review.

SOCIAL RESPONSIBILITY

Any organisation is reliant on its employees, community and environment to assist in making it successful and we therefore strive to manage these relationships to produce an overall positive impact on society and to make a positive change in the community through improvement and empowerment, and by increasing the esteem of all. Imbalie ensures its social sustainability by focusing on the following prominent factors:

- Employee welfare
- Labour practices and decent work environment
- Human rights
- Community welfare
- The environment

EMPLOYEE WELFARE

At Imbalie we strive to maintain our employees' happiness as they are our beauty force, focus on our values and on achieving results. We value employee participation; we allow room for growth and promotion from within the Group and contribute to educational growth opportunities. We strive to make a positive change in our employees' lives which then allows Imbalie to achieve its goals. We strive to make our employees happy by taking the following measures:

LABOUR PRACTICES AND DECENT WORK

ENVIRONMENT EMPLOYMENT:

The Group has fewer than 50 employees spread throughout South Africa. All fulltime employees have access to a pension fund and Occupational Healthcare. Imbalie has partnered with Attooh since 2012 to improve its employee welfare and the pension fund benefits are tailor-made for the business by empowering our staff.

Occupational health and safety:

Imbalie complies with the regulatory requirements of employment and labour law for South African companies in terms of the International Labour Organisation Protocol on decent work and working conditions.

Training and education:

Imbalie recognises the importance of ongoing development and training of staff. For beauty therapists, nail technicians and Franchise Partners the Group offers continuous training from our on-line platform on the iBLOOM Beauty and Wellness Academy and at our in-house training facility based in Woodmead.

Our Training Academy is the key to staff retention and empowering staff from within our organisation.

HUMAN RIGHTS

Imbalie ensures it is compliant in terms of the Human Rights Principles as set out by the United Nations Global Compact Principles. Imbalie supports and respects the protection of internationally proclaimed human rights. Imbalie adheres to a policy on human rights and provides effective training to its managers and staff in international human rights and standards. Imbalie is not complicit in human rights abuse and endeavours to ensure that all suppliers are not in any way complicit in human rights abuses and, if any are, to sever all ties with them and report them to the authorities.

COMMUNITY WELFARE

Imbalie launched its Academy in March 2016 and offers world class, modular coursed at affordable prices to the community. The main benefit to the community is by equipping first time employees and seasonal employees with the training, skills and confidence which provides an excellent foundation for future opportunities in the beauty industry.

The Imbalie Group also provides work opportunities by placing the successful student within our salons' workforce. Imbalie invests in the community by making a positive change in the world while working on achieving business goals.

Imbalie invests in the community through the following actions:

Sponsored Pamper Care Packs:

In conjunction with the Alpha Pharm Group and the beauty salons, Imbalie sponsored 845 personal care pamper packs for under-privileged women in January 2021.

Imbalie Rewards Program and Women's Month:

Annually Imbalie has a marketing drive where gift vouchers are given away to women for salon visits and, during the year, approximately 60 000 gift vouchers will be distributed through the Imbalie Beauty Rewards Program during the month of August 2021, to celebrate Women's month.

SOCIAL RESPONSIBILITY (CONTINUED)

THE ENVIRONMENT

At Imbalie we strive for sustainability by reducing our impact on the environment with focus on a green environment. We strive to create a working environment where our employees focus on recycling, minimising electricity usage and working towards a paperless company.

Materials, services and products:

The materials used in the skin care ranges and services offered are not harmful to the environment or to the consumer and are in no way tested on animals. The formulas are scientifically developed, and consumer orientated to ensure outcomes as stipulated and desired for each different product.

Imbalie brands are cruelty free and not tested on animals. We have introduced paper bags into our beauty salons instead of plastic bags.

Water:

Each individual is aware of their responsibility in saving water and not to waste this valuable resource. The Imbalie Executive Committee launched a head office campaign to improve overall business acumen, to train everyone by making them aware of their individual electricity-, water- and paper usage. This aides in cost containment and Imbalie's "green" initiative. Imbalie ensures it is compliant in terms of the environment principles as set out by the United Nations Global Compact Principles. Imbalie will in future endeavour to develop a code of conduct or practice for its operations and products that confirm commitment to care for health and the environment. Imbalie endeavours to work with suppliers to improve environmental performance, extending responsibility up the product chain and down the supply chain and co-operating with industry partners to ensure use of environmentally sound technologies is implemented.

To conclude, Imbalie is aware that social sustainability is an ongoing process and is constantly monitoring and assessing the impact of its business activities on the social and environmental ecosystems, to ensure we reach our business goals.

Contents

Preparer

Tandi Kritsiotis
Fourteen94 Accounting and Business Services (Pty) Ltd

Published

30 August 2021

Annual Financial Statements

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast and, in light of this review and the current financial position, while management is aware of the cash-flow pressures and significant liquidity uncertainty after year-end, they continue to assess the situation as one whereby the group is able to service its debts that will become due in the next 12 months and also fund operational losses that may arise. Management has developed and is in the process to implement strategies, as outlined in the Directors' Report, to address the liquidity and cash flow constraints of the group over the next 12 months.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 28 to 31.

The consolidated and separate annual financial statements set out on pages 23 to 86, which have been prepared on the going concern basis, were approved by the board of directors on 30 August 2021 and were signed on their behalf by:

Approval of financial statements

Ms E Colyn

Chief Executive Officer

DECLARATION BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge, the Company has complied with all the requirements of the Companies Act and more specifically that all returns and notices as are required by the Companies Act for a public company have been lodged with the Companies and Intellectual Properties Commission and that all such returns and notices are true, correct and up-to-date.

PAIGE ATKINS

Company Secretary

30 August 2021

CEO RESPONSIBILITY STATEMENT

In terms of section 3.84(k) of the JSE Listings Requirements, the director, whose name is stated below, hereby confirms that:

The annual financial statements set out on pages 23 to 83, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

a. No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
b. Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
c. 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 within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action.

Esna Colyn

Chief Executive Officer

30 August 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Imbalie Beauty Limited and its subsidiaries for the year ended 28 February 2021.

1. Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards, Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

2. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

3. Dividends

The board of directors has resolved not to declare a dividend for the financial year ended 28 February 2021 (2020: Rnil).

4. Directorate

The directors in office during the year and at the date of this report are as follows:

Directors	Office	Changes
Mr JH Phalane	Non-executive Chairman of the Board	Appointed 22 January 2021
Ms E Colyn	Chief Executive Officer	
Mr GD Harlow	Non-executive, Chairman of the Nominations Committee	
Mr TJ Schoeman	Non-executive, Chairman of the Audit and Risk Committee	
Mr WP van der Merwe	Non-executive, Chairman of the Remuneration Committee	
Mr BJT Shongwe	Non-executive Chairman of the Board	Resigned 11 January 2021
Ms CW de Jager	Financial Director	Resigned 25 January 2021

5. Directors' interests in company shares

The group has no share incentive policy in place.

As at 28 February 2021, the directors of the company held direct and indirect beneficial interests in 37% (2020: 39%) of its issued ordinary shares, as set out below.

	2021	2020
Mr WP van der Merwe	303 825 312	303 825 312
Ms E Colyn	57 000 000	57 000 000
Mr TJ Schoeman	77 500	77 500
Mr GD Harlow	144 791 667	144 791 667

The register of interests of directors and others in shares of the company is available to the shareholders on request.

The directors of Imbalie Beauty traded in Imbalie Beauty shares on 24 June 2021. The following trades took place, which are still subject to conditions precedent:

Name	Direct/Indirect beneficial	Number of shares
Esna Colyn	Direct	48 450 000
Wessel Petrus van der Merwe	Indirect	289 994 030
Gary David Harlow	Indirect	123 072 917

6. Non-current assets

There were no significant changes in non-current assets during the financial year under review other than those disclosed in the notes to the consolidated financial statements.

7. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the consolidated and separate annual financial statements in note 7.

8. Borrowing powers

In terms of the memorandum of incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

9. Going concern

The consolidated and separate annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Refer to note 32 of the annual financial statements for further information.

The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

10. Events after the reporting period

Refer to note 33 of the annual financial statements for events after the reporting period.

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

11. Prospects

Once the disposal of the underlying subsidiaries is complete, it is envisaged that a suitable viable asset will be reversed into the cash shell of Imbalie Beauty.

Current operating business

The group is of the opinion that the operating of its subsidiaries in a de-listed environment will be more suitable for current operations as the cost savings will be measurable.

12. Special resolutions

At the company's Annual General Meeting held on 12 November 2020, the following special resolutions were passed

- Non-executive directors' remuneration for the 2021 year was approved by shareholders;
- A general authority to provide financial assistance in terms of Sections 44 and 45 of the Companies Act of South Africa was granted; and
- A general authority to repurchase shares in terms of Section 48 of the Companies Act of South Africa.

13. Auditors

Nexia SAB&T continued in office as auditors for the company and its subsidiaries for 2021.

At the Annual General Meeting, the shareholders will be requested to reappoint Nexia SAB&T as the independent external auditors of the company and to confirm Mr A Darmalingam as the designated lead audit partner for the 2022 financial year.

14. Secretary

Company secretary: Paige Atkins.

Postal address: P O Box 3484, Rivonia, 2128, Gauteng, South Africa.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Imbalie Beauty Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Imbalie Beauty Limited and its subsidiaries ("the Group") set out on pages 32 to 86, which comprise the consolidated and separate statement of financial position as at 28 February 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Imbalie Beauty Limited and its subsidiaries as at 28 February 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 32 to the consolidated and separate financial statements which indicates that the Group incurred a net loss of R9.4 million (2020: R2.1 million) during the year ended 28 February 2021.

As also stated in Note 32, a consortium of investors will acquire from the current major shareholders of the Company approximately 60% of their shares, and the major shareholders will through a special purpose vehicle acquire all the operating subsidiaries from the Company, which would result in all the business operations of the Company in its current structure been discontinued in the foreseeable future.

Once the disposal of the underlying subsidiaries is complete, it is envisaged that a suitable viable asset will be reversed into the cash shell of the Company.

These events or conditions, along with the other matters set forth in Note 32 indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of goodwill and intangibles assets with an indefinite useful life (Group) (Included in Assets of Disposal Groups)	
Under IFRS, the Group is required to annually test the goodwill and intangibles assets with an indefinite useful life for impairment. This impairment test was significant to our audit because the carrying amounts of goodwill of R 0 (2020: R3.5 million) as disclosed in note 5 and intangible assets with an indefinite useful life of R11.9 million (2020: R11.9 million) as disclosed in note 6 of the consolidated financial statements, are material balances. In addition, management's impairment assessment methodology requires significant judgment which is based on assumptions, specifically relating to the weighted average discount rates relating to the cash generating units, future growth rates, operating margins, and the related impact of COVID-19 on the assessment, which are affected by expected future market economic conditions. Accordingly, the impairment of goodwill and intangible assets with an indefinite useful life is therefore considered to be a matter of most significance in our audit of the consolidated financial statements due to the significant judgments and assumptions made by management in performing the impairment assessment.	We focused our testing of the impairment of goodwill and indefinite useful life intangible assets to the key assumptions made by the directors. Our procedures included: • Using the knowledge of senior personnel and industry specific resources to assist us in evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth, discount factors applied and profit margins for the related cash generating units; • Analysing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the cash generating units to which the goodwill and indefinite useful life intangible assets relate to; • Calculating a discount rate for the cash generating unit using our independently sourced data and incorporated a further risk premium for the impact of COVID-19 as part our testing; • Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the reasonableness of the management's projections; and • Evaluating the inputs used by management in determining the discount rates against independent sources. We found the assumptions used by management to be appropriate based on historical performance, future outlook and current circumstances. We considered the goodwill and indefinite useful life intangible assets disclosures to be appropriate.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of deferred tax assets (Group) (Included in Assets of Disposal Group)	
The Group recognised R22.5 million (2020: R22.9 million) of deferred taxation assets as disclosed in note 8 to the consolidated annual financial statements. Where there is objective evidence that the Group would be able to recover the income tax losses against future taxable income, a deferred tax asset has been recognised in the Group's consolidated financial statements. The recoverability of the deferred tax asset is based on taxable income forecasts. There are a number of key judgements made in determining the inputs into these models which include; Revenue growth and Operating margins. Accordingly, the recoverability of the deferred tax is considered to be a matter of most significance in our audit of the consolidated financial statements due to the significant judgments and assumptions made by management in performing the assessment.	Our audit procedures included the evaluation of the key judgements and estimates used in the management's determination of the future taxable income against which the tax losses can be utilised. Our procedures included: • Recalculating the tax losses to confirm the accuracy thereof in accordance with the Income Tax Act; • Analysing the future projected taxable income used in the models to determine whether they are reasonable and supportable given the current economic climate; • Comparing the projected taxable income, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the reasonableness of the management's projections; and • Comparison of projected future taxable income against incurred tax losses to confirm the extent to which they are recoverable. We found the assumptions used by management to be appropriate based on historical performance, future outlook and current circumstances.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Imbalie Beauty Limited Integrated Annual Report 2021" which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa and the CEO Responsibility Statement as required by the JSE Limited Listings Requirements. The other information does not include the consolidated or the 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 obtained 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.

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 International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of 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 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 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 Imbalie Beauty Limited for 11 years.

Nexia SAB&T

Nexia SAB&T

Director – A Darmalingam

Registered Auditor

30 August 2021

119 Witch-Hazel Avenue
Highveld Technopark
Centurion

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2021

Figures in Rand	Note(s)	Group 2021	Group 2020	Company 2021	Company 2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	-	1 420 621	-	-
Right-of-use assets	4	-	289 886	-	-
Goodwill	5	-	3 559 644	-	-
Intangible assets	6	-	15 669 123	-	21 673
Investments in subsidiaries	7	-	-	-	11 163 951
Deferred tax	8	-	22 974 873	-	898 081
		-	**43 914 147**	**-**	**12 083 705**
Current Assets					
Inventories	9	-	5 509 616	-	-
Loans to group companies	10	-	-	-	7 396 414
Other financial assets	11	-	66 330	-	-
Trade and other receivables	12	-	4 233 253	-	-
Cash and cash equivalents	13	1 117	46 863	1 117	2 369
		1 117	**9 856 062**	**1 117**	**7 398 783**
Assets of disposal groups	14	61 205 880	13 548 937	7 630 254	-
Total Assets		**61 206 997**	**67 319 146**	**7 631 371**	**19 482 488**
Equity and Liabilities					
Equity					
Share capital	15	113 732 451	113 732 451	113 732 451	113 732 451
Reserves	16	595 414	595 414	-	-
Accumulated loss		(84 412 307)	(75 040 740)	(106 417 274)	(94 305 963)
		29 915 558	**39 287 125**	**7 315 177**	**19 426 488**
Liabilities					
Non-Current Liabilities					
Other financial liabilities	17	-	143 331	-	-
Current Liabilities					
Trade and other payables	18	-	9 100 457	-	56 000
Other financial liabilities	17	-	334 784	-	-
Lease liabilities	4	-	315 741	-	-
Bank overdraft	13	-	4 020 711	-	-
		-	**13 771 693**	**-**	**56 000**
Liabilities of disposal groups	14	31 291 439	14 116 997	316 194	-
Total Liabilities		**31 291 439**	**28 032 021**	**316 194**	**56 000**
Total Equity and Liabilities		**61 206 997**	**67 319 146**	**7 631 371**	**19 482 488**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
Figures in Rand	Note	**2021**	2020 Restated	**2021**	2020 Restated
Discontinued operations					
(Loss) profit from discontinued operations	14	(9 371 567)	(2 169 468)	(12 111 311)	968 633
(Loss) profit for the year		**(9 371 567)**	**(2 169 468)**	**(12 111 311)**	**968 633**
Other comprehensive income:					
Items from discontinued operations that will not be reclassified to profit or loss:					
Losses on property revaluation		-	(565 000)		
Income tax relating to items that will not be reclassified		-	126 560	-	-
Total items that will not be reclassified to profit or loss		**-**	**(438 440)**	-	-
Total comprehensive (loss) income for the year		**(9 371 567)**	**(2 607 908)**	**(12 111 311)**	**968 633**
Basic and diluted earnings per share from discontinued operations					
Basic (loss) earnings per share (c)	25	(0.68)	(0.16)	(0.88)	0.07

Restatement of comparatives

The prior year comparatives have been restated for operations that were classified as discontinued in the current year in accordance with IFRS 5.

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Share capital	Share premium	Total share capital	Revaluation reserve	Accumulated loss	**Total equity**
Group						
Balance at 01 March 2019	**52 119 363**	**61 613 088**	**113 732 451**	**1 033 854**	**(72 871 272)**	**41 895 033**
Loss for the year	-	-	-	-	(2 169 468)	(2 169 468)
Other comprehensive loss	-	-	-	(438 440)	-	(438 440)
Total comprehensive loss for the year	**-**	**-**	**-**	**(438 440)**	**(2 169 468)**	**(2 607 908)**
Balance at 01 March 2020	**52 119 363**	**61 613 088**	**113 732 451**	**595 414**	**(75 040 740)**	**39 287 125**
Loss for the year	-	-	-	-	(9 371 567)	(9 371 567)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(9 371 567)**	**(9 371 567)**
Balance at 28 February 2021	**52 119 363**	**61 613 088**	**113 732 451**	**595 414**	**(84 412 307)**	**29 915 558**
Note(s)	15	15	15	16		
Company						
Balance at 01 March 2019	**52 119 363**	**61 613 088**	**113 732 451**	**-**	**(95 274 596)**	**18 457 855**
Profit for the year	-	-	-	-	968 633	968 633
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**968 633**	**968 633**
Balance at 01 March 2020	**52 119 363**	**61 613 088**	**113 732 451**	**-**	**(94 305 963)**	**19 426 488**
Loss for the year	-	-	-	-	(12 111 311)	(12 111 311)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(12 111 311)**	**(12 111 311)**
Balance at 28 February 2021	**52 119 363**	**61 613 088**	**113 732 451**	**-**	**(106 417 274)**	**7 315 177**
Note(s)	15	15	15	16		

STATEMENT OF CASH FLOWS

		Group		Company	
Figures in Rand	Note(s)	2021	2020 Restated	2021	2020 Restated
Cash flows from operating activities					
Cash flows of disposal groups/ discontinued operations		(3 107 976)	1 121 480	292 864	1 506 405
Cash flows from investing activities					
Cash flows of disposal groups/ discontinued operations		482 688	72 864	(294 116)	(1 523 377)
Cash flows from financing activities					
Cash flows of disposal groups/ discontinued operations		4 635 016	(1 362 312)	-	-
Total cash movement for the year		**2 009 728**	**(167 968)**	**(1 252)**	**(16 972)**
Cash at the beginning of the year		(3 973 848)	(3 805 880)	2 369	19 341
Total cash at end of the year	13	**(1 964 120)**	**(3 973 848)**	**1 117**	**2 369**

Restatement of comparatives

The prior year comparatives have been restated for operations that were classified as discontinued in the current year in accordance with IFRS 5.

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1. Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements, the JSE Listings Requirements and the Companies Act of South Africa.

These consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated and separate annual financial statements have been prepared on the historic cost convention and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2. Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations.

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non- controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment.

1.3. Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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 in each jurisdiction. 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. Refer note 8 for further details.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to credit risk management included in financial instruments note 31.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Fair value estimation of land and buildings

Land and buildings owned by the group are measured at fair value. An independent valuation is obtained to assess the fair value. Information about the specific techniques and inputs is disclosed in note 13.

Impairment of non-financial assets

The group assesses at each reporting date whether there is any indication that an asset may be impaired by applying internal and external impairment indicators. Determining whether tangible and intangible assets are impaired requires an estimation of the recoverable amount of the individual assets by performing value in use and fair value calculations, or otherwise the recoverable amount of the cash-generating unit to which the asset belongs. Details of these assumptions have been applied in the relevant accounting policies and notes to the annual financial statements.

1.4. Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use, and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leasehold improvement assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	Straight line	60 years
Furniture and fixtures	Straight line	6-10 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6-10 years
IT equipment	Straight line	3-5 years
Leasehold improvements	Straight line	Period of lease
Beauty equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

1.4. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5. Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Website and development costs	Straight line	3-20 years
Trademarks and franchise agreements		Indefinite
Computer software	Straight line	3-5 years

1.6. Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Note 31 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Financial assets at amortised cost

Classification

Trade and other receivables, excluding VAT and prepayments (note 12), loans to group companies (note 10), other financial assets (note 11), cash and cash equivalents (note 13) and financial assets included under disposal groups (note 14) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans and receivables give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans and receivables.

Recognition and measurement

Financial assets at amortised cost are recognised when the group becomes a party to the contractual provisions of the financial asset. The financial assets are measured, at initial recognition, at fair value plus transaction costs, if any. A trade receivable without a significant financing component is initially measured at the transaction price.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the financial asset initially, minus principal repayments, plus cumulative amortisation (interest) when applicable using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated, where applicable, using the effective interest method, and is included in profit or loss in investment income (note 22).

The application of the effective interest method to calculate interest income on a receivable is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

1.6. Financial instruments (continued)

Receivables denominated in foreign currencies

When a financial asset is denominated in a foreign currency, the carrying amount of the receivable is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 31).

Impairment

The group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost. ECLs are a probability weighted estimate of credit losses. To calculate ECLs the group segments/ groups financial assets by customer type and ageing. The group applies the simplified approach to determine the ECL for trade receivables. This results in calculating lifetime expected credit losses for financial assets.

The group recognises a loss allowance for expected credit losses on all loans, other financial assets and receivables measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan or other financial asset has not increased significantly since initial recognition, then the loss allowance for that loan or other financial asset is measured at 12 month expected credit losses (12-month ECL).

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on the financial asset that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a financial asset being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk on loans and other financial assets

In assessing whether the credit risk on a loan or other financial asset has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan or other financial asset as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan or other financial asset is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

1.6 Financial instruments (continued)

By contrast, if a loan or other financial asset is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan or other financial asset has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group considers that a default event has occurred if there is either a breach of the franchise agreement or the terms offered to the counterparty.

Irrespective of the above analysis, the group considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

An impairment gain or loss is recognised for all loans, other financial assets and receivables in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (notes 20 & 21).

Refer to credit risk management included in note 31 for further details.

Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value, and subsequently stated at carrying amount, which is based on their amortised cost.

Financial liabilities at amortised cost

Classification

Trade and other payables (note 18), excluding VAT, payroll accruals and amounts received in advance, bank overdrafts (note 13) and other financial liabilities (note 17) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Financial liabilities are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

The liabilities are subsequently measured at amortised cost using the effective interest method.

1.6 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 23).

Financial liabilities expose the group to liquidity risk and possibly to interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Liabilities denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note 31.

Financial liabilities at fair value through profit or loss

Financial liabilities which are included under disposal groups are classified as financial liabilities mandatorily at fair value less costs to sell through profit or loss. Fair value gains or losses recognised on financial liabilities at fair value through profit or loss are included in other non-operating gains (losses).

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Bank overdrafts are repayable on demand and form an integral part of the daily cash management and have therefore been included in cash and cash equivalents.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6. Financial instruments (continued)

Reclassification Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.7. Tax

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.

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

Deferred tax assets and liabilities

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 an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and 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, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8. Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 21) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 23).

Right-of-use assets

Lease payments included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date; and
- any initial direct costs incurred.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation charge for each year is recognised in profit or loss.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

1.9. Inventories

Inventories consist of stock on hand and salons held for sale in the ordinary course of business. Inventories are measured at the lower of cost and net realisable value.

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 inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

Stores held for sale constitute opened stores held with the intention of sale to franchisees in the ordinary course of business. The cost of stores held for sale comprises of all costs of conversion and other costs incurred in bringing the store to their present condition for sale.

1.10. Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.11. Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

1.11. Impairment of non-financial assets (continued)

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 loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity 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 carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as ‘share capital’ in equity. Any amounts received from the issue of shares in excess of par value is classified as ‘share premium’ in equity. Dividends are recognised as a liability in the group entity in which they are declared.

1.13. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

The expected cost of profit sharing and 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.

1.13. Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.14. Contingencies

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.15. Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Sales of beauty products and treatments - retail and wholesale
- Royalty fees from franchise agreements
- Administration services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The consideration specified in the contract is the same as the transaction price. Revenue is recognised when the performance obligation relating to each specific contract has been satisfied. There are no performance obligations outstanding at year end.

Sale of beauty products and treatments

The group sells beauty products and treatments directly to customers both through sales to its franchise retail outlets, own salons and through sales to external retail stores. For sales of products, the performance obligation is met, and revenue recognised when control of the goods has transferred, being at the point the customer takes delivery of the product. For sales of treatments, the performance obligation is met, and revenue recognised at the point in time that the customer receives the treatment service. Payment of sales and treatments through own salons is due immediately at the point the customer purchases the products and treatments. No financing element is recognised at the point of sale. A receivable is recognised for account holding franchises and external retail stores. Standard terms offered to account holders is 30 days from statement date. There is a standard returns policy in terms of the Consumer Protection Act.

Royalties

The group provides licence services to franchisees for the utilisation of the brands held by the group. Revenue relating to the royalty is recognised over time. The group charges royalties in terms of the franchise agreements for the use of these licences, which is based on a percentage of franchisee turnover for the month. The performance obligation is met, and the transaction price allocated to these services is recognised, monthly as the franchisee receives and uses the licence and its related benefits simultaneously, which is considered a faithful depiction of the transfer of services. Payments by franchisees are typically made within 30 days of statement date.

Administration fees

The holding company provides administration services to Placecol Fresh Beauty (Pty) Ltd. The performance obligation is met, and the revenue recognised as the services are provided over time throughout the year. The transaction price is agreed annually between the companies in accordance with the services provided.

1.16. Other income

Other income is measured at the fair value of the consideration received or receivable. Included in other income are amounts receivable for income earned on the distribution of third-party products to the salon footprint. The performance obligation is met, and the group entitled to the revenue once the third party has been paid for their products.

1.17. Investment income

Income is recognised as interest accrues using the effective interest rate method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset).

1.18. Translation of foreign currencies Functional and presentation currency

Items included in the consolidated and separate annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate annual financial statements are presented in Rand which is the group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period foreign currency monetary items are translated using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.19. Earnings per share and headline earnings per share

The group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue for any dilutive effects. The presentation of headline earnings is not an IFRS requirement but is required by the JSE Limited. The calculation of headline earnings is done in accordance with SAICA Circular 1/2021.

1.20. Segmental reporting

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

Therefore the group determines and presents its operating segments based on the information that is internally provided to the Chief Executive Officer, who is the chief operating decision maker. Furthermore a segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of the other segments. The group does not have different operating segments. The business is conducted in South Africa and is managed at a central head office with no branches. The group is managed as one operating unit. The disclosures required have therefore been presented as applicable for a single reportable segment. All revenues from external customers originate in South Africa. The group does not hold any non-current assets in foreign countries. Revenue from major customers has been presented in note 19.

2. New Standards and Interpretations

2.1. Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

There was no material impact on the implementation of any of these standards.

Standard/ Interpretation:	Effective date:
	Years beginning on or after
• Definition of a business - Amendments to IFRS 3	01 January 2020
• Presentation of Financial Statements: Disclosure initiative IAS 1	01 January 2020
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative IAS 8	01 January 2020

2.2. Standards and interpretations not yet effective

The group has chosen not to early adopt the following applicable standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 March 2021 or later periods. These standards will be implemented in the applicable year for which they are mandatory.

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

Standard/ Interpretation:	Effective date:
	Years beginning on or after
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2 to disclose material policies rather than significant policies	01 January 2023
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023
• Deferred tax related to assets and liabilities arising from single transactions: Amendments to IAS 12	01 January 2023
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9 - fees and costs to be included when applying the '10 per cent' test for purposes of derecognition	01 January 2022
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022
• Covid-19 - Related Rent Concessions - Amendment to IFRS 16	01 June 2020

3. Property, plant and equipment

Group	2021			2020		
	Cost or re-valuation	Accumulated depreciation	Carrying value	Cost or re-valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	-	-	-	187 918	(155 966)	31 952
Motor vehicles	-	-	-	456 465	(223 995)	232 470
Office equipment	-	-	-	74 263	(62 136)	12 127
IT equipment	-	-	-	578 103	(568 573)	9 530
Leasehold improvements	-	-	-	1 839 631	(929 571)	910 060
Beauty equipment	-	-	-	1 373 496	(1 149 014)	224 482
Total	**-**	**-**	**-**	**4 509 876**	**(3 089 255)**	**1 420 621**

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Reclassified to disposal group	Carrying value
Furniture and fixtures	31 952	-	-	-	(18 120)	(13 832)	-
Motor vehicles	232 470	-	(8 566)	-	(56 306)	(167 598)	-
Office equipment	12 127	-	-	-	(5 907)	(6 220)	-
IT equipment	9 530	-	-	-	(9 530)	-	-
Leasehold improvements	910 060	-	(89 111)	-	(176 708)	(644 241)	-
Beauty equipment	224 482	-	(93 730)	-	(87 926)	(42 826)	-
	1 420 621	**-**	**(191 407)**	**-**	**(354 497)**	**(874 717)**	**-**

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Reclassified to disposal group	Carrying value
Land and buildings	14 311 667	-	-	(565 000)	(246 667)	(13 500 000)	-
Furniture and fixtures	120 488	-	(59 201)	-	(29 335)	-	31 952
Motor vehicles	47 668	209 498	-	-	(24 696)	-	232 470
Office equipment	18 728	-	-	-	(6 601)	-	12 127
IT equipment	29 842	-	-	-	(20 312)	-	9 530
Leasehold improvements	1 198 713	-	-	-	(288 653)	-	910 060
Beauty equipment	415 536	48 627	-	-	(239 681)	-	224 482
	16 142 642	**258 125**	**(59 201)**	**(565 000)**	**(855 945)**	**(13 500 000)**	**1 420 621**

3. Property, plant and equipment (continued)

Property, plant and equipment encumbered as security

The following assets, which include those classified as part of a disposal group, were encumbered as security for the secured long-term borrowings (note 17):

	Group	
	2021	2020
Land and buildings	13 500 000	13 500 000
1st Mortgage bond in favour of ABSA Bank Limited over building on Erven 773 and 774 Woodmead Ext 22.		
Cession of revenues generated by the property include any insurance proceeds.		
Leasehold improvements	644 241	910 060
Motor vehicles	167 598	209 498
Details of the land and buildings included in a disposal group		
Building on Erven 773 and 774 Woodmead Ext 22		
- Purchase price: 28 February 2017	13 383 850	13 383 850
- Revaluation	851 150	851 150
- Depreciation	(735 000)	(735 000)
	13 500 000	**13 500 000**

Revaluation of land and buildings

A best estimate valuation was performed by the management on the building at 28 February 2021. The yield comparison approach was applied by considering a yield ratio of 11% based on the rental agreement. The fair value of the property is the same as the valuation conducted by an independent valuer on 29 February 2020. An agreement was concluded on 31 July 2020 to sell the property company, which also included the disposal of the property at its carrying amount at 29 February 2020. The final condition to transfer the ABSA Bank Limited mortgage bond the new shareholders of the property company is outstanding at the date of issuing the report. The independent valuation at 29 February 2020 was performed by a property expert utilising the sales comparison approach, which was applied by considering selling prices of similar properties in the same location. A key factor in that valuation was that current selling prices were estimated between R10 000/m^2 and R11 000/m^2.

The measurement of the fair value of the land and buildings is categorised in terms of IFRS 13 as a level 3 in that there are no observable inputs.

Had land and buildings been carried on the cost model, the carrying amount would have been R12 919 250 (2020: R13 035 400).

4. Right of use assets and lease liabilities (group as lessee)

The group leases a number of premises which have lease terms of 2 to 3 years (2020: 3 years) of which there are between 14 and 33 months (2020: 9 months) remaining. The total monthly repayments are R52 830 (2020: R39 731) and the interest rate is 12% (2020: 13%).

There are no restrictions or covenants imposed by the lease and no arrangements have been entered into for contingent rent There are no leases to which the group was committed to at 28 February 2021 which have not yet commenced.

Short term leases and leases of low value assets relate to premises and equipment. Details pertaining to leasing arrangements, where the group is lessee are presented below:

Reconciliation of right-of-use assets - Group - 2021

	Opening balance	Additions	Depreciation	Reclassified to disposal group	Carrying value
Premises	289 886	1 555 072	(649 480)	(1 195 478)	-
	289 886	**1 555 072**	**(649 480)**	**(1 195 478)**	**-**

Reconciliation of right-of-use assets - Group - 2020

	Opening balance	Recognised on adoption of IFRS 16	Depreciation	Carrying value
Premises	-	676 400	(386 514)	289 886
	-	**676 400**	**(386 514)**	**289 886**

	Group		Company	
	2021	2020	**2021**	2020
Other disclosures				
Interest expense on lease liabilities	136 151	89 623	-	-
Expenses on short term leases included in operating expenses	588 860	2 269 489	-	-
Leases of low value assets included in operating expenses	1 253 450	866 198	-	-
Total cash outflow from leases	2 728 568	3 496 346	-	-

At 28 February 2021, the group is committed to Rnil (2020: R500 789) for short-term leases.

4. Right of use assets and lease liabilities (group as lessee) (continued)

	Group		Company	
	2021	2020	**2021**	2020
Lease liabilities				
The maturity analysis of lease liabilities is as follows:				
Within one year	703 665	357 577	-	-
Two to five years	729 588	-	-	-
	1 433 253	357 577	-	-
Less finance charges component	(176 396)	(41 836)	-	-
	1 256 857	**315 741**	**-**	**-**
Non-current liabilities	707 305	-	-	-
Current liabilities	549 552	315 741	-	-
	1 256 857	**315 741**	**-**	**-**
Reclassified to disposal group	(1 256 857)	-	-	-
	-	**315 741**	**-**	**-**

5. Goodwill

Group	**2021**			2020		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Goodwill	6 808 807	(6 808 807)	-	6 808 807	(3 249 163)	3 559 644

Reconciliation of goodwill - Group - 2021

	Opening balance	**Impairment loss**	**Total**
Goodwill	3 559 644	(3 559 644)	-

Reconciliation of goodwill - Group – 2020

	Opening balance	**Total**
Goodwill	3 559 644	3 559 644

Impairment assessment of goodwill

The recoverable amounts of the two cash-generating units ("CGUs") included in goodwill was based on the higher of the fair value less costs to sell and the value-in-use calculations.

Based on the agreed selling price of the future disposal of the subsidiaries, there was no recoverable amount of the goodwill and accordingly the goodwill was impaired to nil carrying value at 28 February 2021.

5. Goodwill (continued)

Prior year assessment of goodwill

The key assumptions for the value-in-use calculations in the prior year were those regarding the discount rates and growth rates. Management estimated discount rates using pre-tax rates that reflected current market assessments and the risks specific to the CGUs. The growth rates were based on historical and future industry growth forecasts.

The remaining carrying value of goodwill in the prior year related to Placecol Fresh Beauty (Pty) Ltd. The key assumptions used in the prior year in the future cash flows of the two CGU's are highlighted below:

Placecol Fresh Beauty (Pty) Ltd

Key assumptions used in value-in-use calculations included budgeted retail product margins and budgeted franchise revenue streams flowing to Placecol Fresh Beauty (Pty) Ltd. The assumptions were based on historical results for the Placecol brand as well as the individual branded salons adjusted for the anticipated future growth rate of 5% per annum over the following 5 years, which was the average growth factor per management's judgement and at a discount rate of between 19.95% and 21.35%. The assumptions above were a reflection of management's past experience in the market in which these units operate as well as anticipated market adjustments to reflect the continued stressed macroeconomic realities affecting the industry. No impairment was identified in the prior year relating to the Placecol Fresh Beauty (Pty) Ltd cash-generating unit. The impairment calculation was tested for sensitivity at the lower estimated values of the variables applied, as well as in respect of forecast revenue, to significant changes in the key assumptions. The sensitivity analysis did not result in any further impairment of the Placecol Fresh Beauty (Pty) Ltd cash-generating unit.

Dreamnails Beauty (Pty) Ltd

The goodwill related to the Dreamnails Beauty (Pty) Ltd cash-generating unit was fully impaired in the 2018 financial year.

6. Intangible assets

Group	**2021**			2020		
	Cost	**Accumulated amortisation and impairment**	**Carrying value**	**Cost**	**Accumulated amortisation and impairment**	**Carrying value**
Trademarks and franchise agreements	-	-	-	14 340 000	(2 468 082)	11 871 918
Computer software	-	-	-	80 886	(80 886)	-
Website and development costs	-	-	-	9 040 243	(5 243 038)	3 797 205
Total	**-**	**-**	**-**	**23 461 129**	**(7 792 006)**	**15 669 123**

Company	**2021**			2020		
	Cost	**Accumulated amortisation and impairment**	**Carrying value**	**Cost**	**Accumulated amortisation and impairment**	**Carrying value**
Website costs	-	-	-	101 145	(79 472)	21 673

6. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2021

	Opening balance	Additions	Amortisation	Impairment	Reclassified to disposal group	Total
Trademarks and franchise agreements	11 871 918	-	-	-	(11 871 918)	-
Website and development costs	3 797 205	18 241	(246 815)	(117 219)	(3 451 412)	-
	15 669 123	**18 241**	**(246 815)**	**(117 219)**	**(15 323 330)**	**-**

Reconciliation of intangible assets - Group - 2020

	Opening balance	Additions	Amortisation	Impairment reversal	Total
Trademarks and franchise agreements	11 871 918	-	-	-	11 871 918
Computer software	13 319	-	(13 319)	-	-
Website and development costs	2 019 878	565 163	(246 620)	1 458 784	3 797 205
	13 905 115	**565 163**	**(259 939)**	**1 458 784**	**15 669 123**

Reconciliation of intangible assets - Company - 2021

	Opening balance	Disposals	Total
Website costs	21 673	(21 673)	-

Reconciliation of intangible assets - Company - 2020

	Opening balance	Amortisation	Total
Website costs	31 788	(10 115)	21 673

Other information

Impairment assessment of intangible assets

The group continues to operate in an environment of financial constraints due to the current macroeconomic conditions experienced in South Africa. Management assessed again in the current year for indicators of impairment related to both indefinite and definite useful life intangible assets as a result of this environment, which resulted in an impairment loss being recognised.

An independent valuation of the fair value of the intangible assets was performed at February 2020. The basis of the assessment of the fair value was the price at which such assets might fetch on a sale on the open market, less costs to sell, on the assumption that both parties to the transaction are equally willing and knowledgeable bidders and under no obligation to buy or to sell. Based on this valuation, an impairment reversal was recognised in the prior year.

The key assumptions used in the valuation are highlighted as follows:

6. Intangible assets (continued)

Impairment assessment of intangible assets with an indefinite useful life

Franchise agreements with an indefinite useful life relate to the Perfect 10 franchise salon brand, which is 18 years old. The Income Approach was considered the most appropriate for the valuation of the brand. This approach requires revenues derived from the franchise agreements to be discounted back to the present date, generating a net present value. The forecast used for the valuation took into account a sales growth rate of 6% (2020: 5%), anticipated changes in salons and expected new independent salons. The current year forecast also considered the lifetime value of customers in terms of the Rewards Programme as well as the new restructured business model for franchise fees. The salon brand experienced closures of salons during the current and prior year due to the tough economic environment, which resulted in reduced current and predicted future revenue.

Discount rates of 22.26% (2020: 19.95% to 21.35%) were applied to the forecasted cash flows.

The measurement of the fair value is categorised in terms of IFRS 13 as a level 3 in that there are no observable inputs.

Impairment assessment of intangible assets with a finite useful life

Definite useful life assets consists of development costs related to products, website costs and salon brands.

Management assessed the recoverability of products under development. There were no further indicators of impairment for development costs based on the sales of the new products launched. There were no indicators of impairment on the website costs based on the increased market shift towards online shopping.

The Placecol skin care brand has been in existence for 40 years. It is a very strong and recognised brand in the industry. It is expected that the brand will have a long-term useful life. For purposes of the valuation, an estimated useful life of 20 years (2020: 20 years) has been placed on the Placecol brand as an intangible asset. Skinderm, which was launched fairly recently, is not yet a strong and recognised brand in the industry. For purposes of the valuation, an estimated useful life of 5 years (2020: 5 years) was placed on the brand. In the current year, a Discounted Cash Flow approach was considered the most appropriate for the valuation of the Placecol and Skinderm Brands. The Relief from Royalty approach was utilised in the prior year, utilising a pre-tax average royalty rate of 13,44% which was based on royalty rates from similar international market comparables.

Discount rates of 22.26% (2020: 19.95% to 21.35%) were applied to the forecasted cash flows.

The measurement of the fair value is categorised in terms of IFRS 13 as a level 3 in that there are no observable inputs.

7. Investments in subsidiaries

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

Company Name of company		% Voting power 2021	% Voting power 2020	% Holding 2021	% Holding 2020	Carrying amount 2021	Carrying amount 2020
Placecol Fresh Beauty (Pty) Ltd	*	100.00%	100.00%	100.00%	100.00%	1	11 163 951
Dreamnails Beauty (Pty) Ltd	*	100.00%	100.00%	100.00%	100.00%	1	-
iBLOOM Solutions (Pty) Ltd (formerly Placecol Skin Care Clinic (Pty) Ltd)	*	100.00%	100.00%	100.00%	100.00%	1	-
Enjoy Beauty (Pty) Ltd	*	100.00%	100.00%	100.00%	100.00%	1	-
Imbalie Beauty Training Academy (Pty) Ltd	*	100.00%	100.00%	100.00%	100.00%	1	-
Imbalie Innovvation (Pty) Ltd	**	100.00%	100.00%	100.00%	100.00%	1	-
						6	11 163 951
Reclassified to disposal groups						(6)	-
						-	11 163 951

* held for sale at 28 February 2021
** held for sale at 28 February 2021 and at 29 February 2020

Profit (loss) after taxation of subsidiaries before group eliminations

	2021	2020
Placecol Fresh Beauty (Pty) Ltd	(4 199 215)	(2 374 206)
Dreamnails Beauty (Pty) Ltd	355 109	(410 933)
iBLOOM Solutions (Pty) Ltd	391 368	1 240 624
Enjoy Beauty (Pty) Ltd	586 575	(1 812 354)
Imbalie Innovvation (Pty) Ltd	(157 754)	(903 775)
Imbalie Beauty Training Academy (Pty) Ltd	(1 879 354)	5 469

Disposal of subsidiaries

Imbalie Beauty Limited is in the process of disposing of all the underlying subsidiaries to comply with the pre-condition that either the Company delists from the JSE Limited, or the underlying operating companies are disposed. (Refer to note 14).

Subsidiaries pledged as security

At 28 February 2021, and up to the date of the report, Imbalie Innovvation (Pty) Ltd has been pledged as security for a bridging loan. (Refer note 17).

Restrictions relating to subsidiaries

There are no significant restrictions to the group in respect of the ability to access assets and liabilities of the subsidiaries. Imbalie Beauty Limited and its subsidiaries did not repurchase any of their own shares during the period under review.

Impairments

It is management's policy to review each investment annually for impairment by assessing the carrying value of the investment against the fair value, less costs to sell and the value-in-use. The carrying amounts of subsidiaries are shown net of impairment losses. Based on the future disposal of the subsidiaries, a net impairment loss was provided to recognise the recoverable carrying value of the investments at R1 each in accordance with the sale agreement. No impairment was identified during the prior year.

8. Deferred tax

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Deferred tax liability				
Capital allowances	-	(28 393)	-	(3 330)
Revaluation of land and buildings	(26 017)	(25 571)	-	-
Total deferred tax liability	**(26 017)**	**(53 964)**	**-**	**(3 330)**
Deferred tax asset				
Leave pay	101 968	60 839	-	-
Allowance for impairments	110 311	389 194	-	-
Provisions	90 534	41 067	-	-
Right-of-use assets and lease liabilities	-	8 591	-	-
Income received in advance	-	11 444	-	-
Capital allowances	82 840	-	-	-
Deferred tax balance from temporary differences other than unused tax losses	385 653	511 135	-	-
Tax losses available for set off against future taxable income	22 150 150	22 502 387	-	901 410
Total deferred tax asset	**22 535 803**	**23 013 522**	**-**	**901 410**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position at an entity level as follows:

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Deferred tax asset	-	22 974 873	-	898 080
Deferred tax asset included in disposal group	22 535 803	-	-	-
Deferred tax liability included in disposal group	(26 017)	(15 315)	-	-
Total net deferred tax asset	**22 509 786**	**22 959 558**	**-**	**898 080**
Reconciliation of deferred tax asset / (liability)				
At beginning of year	22 959 558	23 506 569	898 080	1 279 738
Increases (decrease) in tax loss available for set off against future taxable income	(352 237)	(1 026 656)	(907 850)	(380 242)
Taxable / (deductible) temporary difference on capital allowances	111 233	128 144	3 330	-
Taxable / (deductible) temporary difference on allowance for impairments	(278 883)	(110 452)	-	-
Taxable / (deductible) temporary difference on revaluation of land and buildings	(446)	344 375	-	-
Other taxable / (deductible) temporary differences	70 561	117 578	6 440	(1 416)
	22 509 786	**22 959 558**	**-**	**898 080**

8. Deferred tax (continued)

Recognition of deferred tax asset

The directors assessed the deferred tax assets per individual subsidiary based on future forecasts. A deferred tax asset was not recognised for subsidiaries where it is uncertain that the tax losses will be able to be utilised for future set off against taxable income. A deferred tax asset was recognised for the subsidiaries that the group expects to be profitable in future, which is based on an increase of product sales generated from the group's retail footprint, an increase in e-commerce sales and the opening of new franchise and independent beauty salons. The deferred tax asset for the holding company was derecognised at year end due to management not being able to provide certainty on the future profitability of the holding company.

The vision of the group is to be the leading and most desirable skin care, beauty and wellness solutions group, nationally and internationally.

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Unrecognised deferred tax asset				
Deductible temporary differences not recognised as deferred tax assets	6 440	72 559	-	-
Unused tax losses not recognised as deferred tax assets	882 494	1 724 401	-	-
	888 934	**1 796 960**	**-**	**-**

9. Inventories

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Raw materials, components	2 194 379	2 357 060	-	-
Stock on hand	3 017 002	3 269 223	-	-
	5 211 381	5 626 283	-	-
Allowance for obsolete stock	(323 335)	(116 667)	-	-
	4 888 046	**5 509 616**	**-**	**-**
Reclassified to disposal groups	(4 888 046)	-	-	-
	-	5 509 616	-	-

Inventory pledged as security

At 28 February 2021 and up to the date of the report none of the inventories have been pledged as security (2020: Rnil).

Impairment

During the current year and prior year, inventory was written down to its net realisable value. Determination of the net realisable value involved considering the realisable value of current salon sale prices and obsolete stock.

10. Loans to group companies

Subsidiaries

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Placecol Fresh Beauty (Pty) Ltd	-	-	7 630 248	7 396 414
Reclassified to disposal groups	-	-	(7 630 248)	-
	-	**-**	**-**	**7 396 414**

The loan is unsecured, bears no interest and has no fixed terms of repayment. The carrying amount is stated net of loss allowances of R79 602 633 (2020: R79 520 678). An additional loss allowance of R81 955 was recognised in the current year based on the recoverability of the loan in accordance with the sale agreement relating to the disposal of the subsidiary. There was no movement in the loss allowance in the prior year.

Refer to note 31 for details relating to credit risk.

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts taking into account the expected credit loss allowance recognised and the short-term nature thereof.

11. Other financial assets

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Franchise establishment loans	-	66 330	-	-

The loan bore interest at prime as established by ABSA Bank Limited and was unsecured. The loan was repayable over a remaining period of 10 months in equal instalments of R6 956.

Exposure to credit risk

Refer to note 31 for details of credit risk.

Reconciliation of loss allowances

The following tables show the movement in the loss allowances for other financial assets. The movement in the gross carrying amounts of the loans are also presented in order to assist in the explanation of movements in the loss allowance.

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Loss allowance measured at lifetime ECL				
Opening balance	**-**	**152 116**	**-**	**-**
Write offs	-	(152 116)	-	-
Closing balance	**-**	**-**	**-**	**-**
The significant changes in the gross carrying amount are explained below:				
Gross carrying amount at beginning of reporting period	-	1 342 138	-	-
Bad debts written off	-	(762 572)	-	-
Repayment of loans	-	(513 236)	-	-
Gross carrying amount at end of reporting period	**-**	**66 330**	**-**	**-**

Fair value of loans receivable

The fair value of other financial assets approximates their carrying amounts due to the short-term nature thereof and bearing interest at market related interest rates.

12. Trade and other receivables

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
Financial instruments:				
Trade receivables	3 024 413	6 283 711	-	-
Loss allowance	(656 613)	(2 190 646)	-	-
Trade receivables at amortised cost	2 367 800	4 093 065	-	-
Deposits	330 896	170 985	-	-
Other receivables	83 506	17 937	-	-
Non-financial instruments:				
VAT	-	203		
Total trade and other receivables	**2 782 202**	**4 282 190**	-	-
Reclassified to disposal groups	(2 782 202)	(48 937)	**-**	**-**
	-	**4 233 253**	**-**	**-**

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

Figures in Rand	Group 2021	Group 2020	Company 2021	Company 2020
At amortised cost - disposal groups	2 782 202	48 937	-	-
At amortised cost	-	4 233 050	-	-
Non-financial instruments	-	203	-	-
	2 782 202	**4 282 190**	**-**	**-**

Exposure to credit risk

Trade receivables is subject to an expected credit loss approach in recognising any impairments. Refer note 31 for details of credit risk.

The aging of trade receivables with the determination of the loss allowance provision is as follows:

Group **Expected credit loss rate:**	**2021** **Estimated gross carrying amount at default**	**2021** **Loss allowance (Lifetime expected credit loss)**	2020 **Estimated gross carrying amount at default**	2020 **Loss allowance (Lifetime expected credit loss)**
Current: 7.01% (2020: 11.38%)	1 404 943	(98 505)	2 768 662	(315 042)
30 Days: 5.21% (2020: 18.61%)	300 826	(15 672)	679 220	(126 424)
60 Days: 23.45% (2020: 31.53%)	184 191	(43 191)	249 306	(78 595)
90 Days: 28.97% (2020: 45.65%)	163 327	(47 321)	173 616	(79 264)
120+ Days: 46.54% (2020: 65.95%)	971 126	(451 924)	2 412 907	(1 591 321)
Total	**3 024 413**	**(656 613)**	**6 283 711**	**(2 190 646)**

The expected credit loss ratios improved due to the lower credit risk on the remaining customers after the closure of certain outlets as a result of Covid-19.

12. Trade and other receivables (continued)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Opening balance	**(2 190 646)**	**(2 227 154)**	**-**	**-**
Bad debts written off	-	557 969	-	-
Provision reversed (raised)	1 534 033	(521 461)	-	-
Closing balance	**(656 613)**	**(2 190 646)**	**-**	**-**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short-term nature thereof.

13. Cash and cash equivalents

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Cash and cash equivalents consist of:				
Cash on hand	15 337	2 879	-	-
Bank balances	92 084	43 984	1 117	2 369
Bank overdraft	(2 071 541)	(4 020 711)	-	-
	(1 964 120)	**(3 973 848)**	**1 117**	**2 369**
Current assets	107 421	46 863	1 117	2 369
Current liabilities	(2 071 541)	(4 020 711)	-	-
	(1 964 120)	**(3 973 848)**	**1 117**	**2 369**
Reclassified to disposal groups	1 965 237	-	-	-
	1 117	**(3 973 848)**	**1 117**	**2 369**

Placecol Fresh Beauty (Pty) Ltd has an approved facility for guarantees to the value of R178 400 (2020: R265 841) as reviewed and updated on 16 October 2020. Details of contingencies are disclosed in note 28.

Trade debtors of the Group have been ceded as security to ABSA Bank Limited for the approved overdraft facility of Placecol Fresh Beauty (Pty) Ltd to the value of R3 000 000 (2020: R4 350 000).

Fair value of cash and cash equivalents

The fair value of cash and cash equivalents approximates the carrying value due to the short-term nature thereof.

14. Disposal groups and discontinued operations

Imbalie Beauty Limited is in the process of disposing of all the underlying subsidiaries to comply with the pre-condition that either the company delists from the JSE Limited, or the subsidiaries are disposed of (refer note 33). The assets and liabilities of the holding company relate to the operating activities of the subsidiaries and therefore these have also been included in the disposal group, and the current operations classified as discontinued together with the subsidiaries. At 29 February 2020 the company was in the process of finalising an agreement of sale of its property-owning subsidiary, Imbalie Innovvation (Pty) Ltd. On its own the subsidiary was not a major line of business or a separate group of cash-generating units within the group and was therefore not classified as a discontinued operation in the prior year. The sale of Imbalie Innovvation (Pty) Ltd was not concluded in the current year due to the suspensive conditions of the sale agreement not yet being fulfilled.

Profit and loss and other comprehensive income from discontinued operations

		Group		Company	
Figures in Rand	Note(s)	**2021**	2020	**2021**	2020
Revenue	19	19 046 288	33 577 828	900 000	1 920 000
Cost of sales		(5 459 216)	(10 182 926)	-	-
Gross profit		**13 587 072**	**23 394 902**	**900 000**	**1 920 000**
Other operating income and gains	20	2 102 874	2 526 503	-	-
Operating expenses		(19 590 366)	(25 544 504)	(949 288)	(569 722)
Impairment of goodwill		(3 559 644)	-	-	-
Impairment of investment in subsidiaries		-	-	(11 163 945)	-
Operating (loss) profit	**21**	**(7 460 064)**	**376 901**	**(11 213 233)**	**1 350 278**
Investment income	22	4 832	62 004	3	13
Finance costs	23	(1 432 866)	(1 934 800)	-	-
(Loss) profit before taxation		**(8 888 098)**	**(1 495 895)**	**(11 213 230)**	**1 350 291**
Taxation	24	(483 469)	(673 573)	(898 081)	(381 658)
(Loss) profit for the year		**(9 371 567)**	**(2 169 468)**	**(12 111 311)**	**968 633**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Loss on revaluation of property		-	(565 000)	-	-
Tax thereon		-	126 560	-	-
Total comprehensive (loss) profit		**(9 371 567)**	**(2 607 908)**	**(12 111 311)**	**968 633**

14. Disposal groups and discontinued operations (continued)

		Group		Company	
Figures in Rand	Note(s)	**2021**	2020	**2021**	2020
Assets and liabilities of disposal groups					
Assets of disposal groups					
Property, plant and equipment	3	14 374 717	13 500 000	-	-
Right-of-use assets	4	1 195 478	-	-	-
Intangible assets	6	15 323 330	-	-	-
Investments in subsidiaries	7	-	-	6	-
Deferred tax	8	22 535 803	-	-	-
Inventories	9	4 888 046	-	-	-
Loans to group companies	10	-	-	7 630 248	-
Trade and other receivables	12	2 782 202	46 000	-	-
Cash and cash equivalents		106 304			-
Other assets	12	-	2 937	-	-
		61 205 880	**13 548 937**	**7 630 254**	**-**
Liabilities of disposal groups					
Lease liabilities	4	1 256 857	-	-	-
Deferred tax	8	26 017	15 315	-	-
Bank overdraft	13	2 071 541	-	-	-
Other financial liabilities	17	20 089 606	14 096 640	-	-
Trade and other payables	18	7 813 724	5 042	316 194	-
Income tax payable		33 694	-	-	-
		31 291 439	**14 116 997**	**316 194**	**-**

Equity relating to disposal groups

		Group		Company	
Figures in Rand	Note(s)	**2021**	2020	**2021**	2020
Revaluation reserve	16	595 414	595 414	-	-

The investment in subsidiary Imbalie Innovvation (Pty) Ltd had a nil carrying value in the company at 29 February 2020. Refer to the individual notes referenced for the further disclosures relating to the assets, liabilities and equity.

		Group		Company	
	Figures in Rand	**2021**	2020	**2021**	2020
15.	**Share capital**				
	Authorised				
	2 000 000 000 (2020: 2 000 000 000) Ordinary shares of 0.0001 cent each	200 000	200 000	200 000	200 000
	Number of shares issued	1 384 039 225	1 384 039 225	1 384 039 225	1 384 039 225
	Issued				
	Ordinary	52 119 363	52 119 363	52 119 363	52 119 363
	Share premium	61 613 088	61 613 088	61 613 088	61 613 088
		113 732 451	**113 732 451**	**113 732 451**	**113 732 451**
16.	**Revaluation reserve**				
	Opening balance	595 414	1 033 854	-	-
	Reversal of revaluation net of taxation	-	(438 440)	-	-
		595 414	**595 414**	**-**	**-**
	The revaluation reserve is not available for distribution.				

17. Other financial liabilities

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Held at amortised cost				
ABSA Bank Limited - Covid Loan	6 174 749	-	-	-
The loan bears interest at prime rate per annum and is repayable over 5 years. Monthly repayments are R123 014 commencing from 01 May 2021.				
Other loans	-	255 285	-	-
The loan bears interest at 12% (2020: 12%) per annum and has no fixed terms of repayment.				
Bridging loans	6 913 190	7 151 180	-	-
The loan of 1 918 193 (2020: R2 263 519) is unsecured, bears no interest and is repayable on demand.				
The loan of R2 500 000 (2020: R2 500 000) does not bear interest, is secured by the shares of Imbalie Innovvation (Pty) Ltd and has no fixed terms of repayment.				
The loan of R2 494 997 (2020: R2 387 661) bears interest at the SARS prescribed minimum interest rate, is secured by the value of the property and has no fixed terms of repayment.				

17. Other financial liabilities (continued)

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Instalment sale agreements	138 220	222 830	-	-
These bear interest at prime plus 4% (2020: prime plus 4%). The amount is repayable over 36 months at an average current monthly instalment of R6 623 (2020: R6 623). The liability is secured by the value of the motor vehicles as disclosed in note 3.				
Mortgage bond	6 863 447	6 945 460	-	-
ABSA Bank Limited mortgage bond bearing interest at prime plus 1% per annum. The monthly instalment is R112 006 (2020: R117 039).				
	20 089 606	**14 574 755**	**-**	**-**
Split between non-current and current portions				
Non-current liabilities	11 273 207	6 376 551	-	-
Current liabilities	8 816 399	8 198 204	-	-
	20 089 606	**14 574 755**	**-**	**-**
Classified as liabilities of disposal groups	(20 089 606)	(14 096 640)	-	-
	-	**478 115**	**-**	**-**

Fair value of other financial liabilities

The fair value of other financial liabilities approximates the carrying value due the interest rates being market related.

Refer to note 26 - Changes in liabilities arising from financing activities for details of the movement in the liabilities during the reporting period and note 31 Financial instruments and financial risk management for the fair value of borrowings.

18. Trade and other payables

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Financial instruments:				
Trade payables	5 877 890	7 096 158	-	-
Accruals	401 194	86 000	316 194	56 000
Deposits received	134 426	166 000	-	-
Gift card liability	56 495	590 798	-	-
Non-financial instruments:				
Amounts received in advance	-	62 877	-	-
Payroll accruals	364 173	217 284	-	-
VAT	979 564	886 382	-	-
	7 813 742	**9 105 499**	**316 194**	**56 000**
Classified as liabilities of disposal groups	(7 813 742)	(5 042)	(316 194)	-
	-	**9 100 457**	**-**	**56 000**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to the short-term nature thereof.

19. Revenue

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Revenue from contracts with customers				
Sale of beauty products and treatments	15 513 938	23 696 751	-	-
Royalties	3 532 350	9 881 077	-	-
Administration fees	-	-	900 000	1 920 000
	19 046 288	**33 577 828**	**900 000**	**1 920 000**
Disaggregation of revenue from customers and timing of revenue recognition				
At a point in time				
Sale of beauty products and treatments	15 513 938	23 696 751	-	-
Over time				
Royalties	3 532 350	9 881 077	-	-
Administration fees	-	-	900 000	1 920 000
	3 532 350	**9 881 077**	**900 000**	**1 920 000**
Total revenue from contracts with customers	**19 046 288**	**33 577 828**	**900 000**	**1 920 000**

The group has one major customer which accounted for R3 562 096 (2020: R3 874 326) of the revenue for the year.

20. Other operating income and gains

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Movement in credit loss allowances	1 534 033	-	-	-
Bad debts recovered	5 000	-	-	-
Profit on foreign exchange	29 878	-	-	-
Gain on disposal of property, plant and equipment	243 192	138 309	-	-
Reversal of impairment of intangible assets	-	1 458 704	-	-
Other income	290 771	929 490	-	-
	2 102 874	**2 526 503**	**-**	**-**

21. Operating (loss) profit

Operating (loss) profit for the year is stated after charging the following, amongst others:

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Employee costs				
Salaries, wages, bonuses and other benefits	8 396 927	8 888 183	383 333	-
Retirement benefit plans: defined contribution expense	291 981	274 875	-	-
Lease charges				
Premises	588 860	1 571 231	-	-
Equipment	1 253 450	1 564 456	-	-
	1 842 310	**3 135 687**	**-**	**-**
Short term leases	588 860	2 269 489	-	-
Leases of low value assets	1 253 450	866 198	-	-
Total lease expenses	**1 842 310**	**3 135 687**	**-**	**-**
Depreciation and amortisation				
Depreciation of property, plant and equipment	354 497	855 945	-	-
Depreciation of right-of-use assets	649 480	386 514	-	-
Amortisation of intangible assets	246 815	259 939	-	10 114
	1 250 792	**1 502 398**	**-**	**10 114**
Impairment losses				
Goodwill	3 559 644	-	-	-
Intangible assets	117 219	-	-	-
Investments in subsidiaries	-	-	11 163 945	-
	3 676 863	**-**	**11 163 945**	**-**
Movement in credit loss allowances				
Trade and other receivables	(1 534 033)	521 461	-	-
Loans to group companies	-	-	81 955	-
	(1 534 033)	**521 461**	**81 955**	**-**

22. Investment income

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Interest income				
Investments in financial assets:				
Bank and other cash	51	39	3	13
Other financial assets	4 781	61 965	-	-
Total interest income	**4 832**	**62 004**	**3**	**13**

		Group		Company	
	Figures in Rand	**2021**	2020	**2021**	2020
23.	**Finance costs**				
	Other financial liabilities	158 543	400 231	-	-
	Lease liabilities	136 151	89 623	-	-
	Bank overdraft	380 742	549 996	-	-
	Mortgage bond	703 889	806 827	-	-
	Trade and other payables	53 541	88 123	-	-
	Total finance costs	**1 432 866**	**1 934 800**	**-**	**-**
24.	**Taxation**				
	Major components of the tax expense (income)				
	Current				
	Local income tax - current period	33 694	-	-	-
	Deferred				
	Originating and reversing temporary differences	(439 159)	(732 726)	9 147	381 658
	Derecognition of deferred tax asset that is no longer probable to be utilised	888 934	1 406 299	888 934	-
		483 469	**673 573**	**898 081**	**381 658**
	Reconciliation of the tax expense				
	Reconciliation between applicable tax rate and average effective tax rate.				
	Applicable tax rate	(28.00)%	(28.00)%	(28.00)%	28.00 %
	Penalties and interest disallowed (refunded)	0.01 %	(0.51)%	- %	- %
	Commitment repayment guarantees	- %	8.67 %	- %	- %
	Capital expenditure	0.09 %	- %	- %	0.26 %
	Donations not tax deductible	0.01 %			
	Impairment of investment in subsidiaries	- %	- %	27.88 %	- %
	Prior year adjustment on capital allowances	1.18 %	- %	- %	- %
	Impairment of loan to subsidiary	- %	- %	0.20 %	- %
	Reversal of impairment on intangibles	- %	(27.30)%	- %	- %
	Impairment of goodwill	11.21 %			
	Derecognition of deferred tax assets on tax losses	20.94 %	92.17 %	- %	- %
		5.44 %	**45.03 %**	**0.08 %**	**28.26 %**

25. Earnings per share

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Basic earnings reconciliation				
Profit (loss) attributable to ordinary shareholders	(9 371 567)	(2 169 468)	(11 222 377)	968 633
Basic earnings	**(9 371 567)**	**(2 169 468)**	**(11 222 377)**	**968 633**
Headline earnings reconciliation				
Profit (loss) attributable to ordinary shareholders	(9 371 567)	(2 169 468)	(12 111 311)	968 633
Gross adjustments				
IAS 16 Gain on the disposal of property, plant and equipment	(243 192)	(138 309)	-	-
IAS 38 Impairment (reversal of impairment) of intangible assets	117 219	(1 458 704)	-	-
IAS 36 Impairment on investment in subsidiaries	-	-	11 163 945	-
IAS 36 Impairment of goodwill	3 559 644	-	-	-
Taxation adjustments				
Taxation on IAS 16 adjustment	68 094	38 727	-	-
Headline earnings	**(5 869 802)**	**(3 727 754)**	**(947 366)**	**968 633**
Weighted average shares in issue	1 384 039 225	1 384 039 225	1 384 039 225	1 384 039 225
Basic and diluted basic earnings per share (cents)	(0.68)	(0.16)	(0.88)	0.07
Headline and diluted headline earnings per share (cents)	(0.42)	(0.27)	(0.07)	0.07

26. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2021

	Opening balance	**Interest accrued not paid**	**New leases**	**Reclas-sified to disposal group**	**Total non-cash move-ments**	**Cash flows**	**Closing balance**
Other financial liabilities	478 115	-	-	(138 220)	(138 220)	(339 895)	-
Lease liabilities	315 741	-	1 555 072	(1 256 857)	298 215	(613 956)	-
Liabilities of disposal groups							
Other financial liabilities	14 096 640	265 879	-	138 220	404 099	5 588 867	20 089 606
Lease liabilities	-	-	-	1 256 857	1 256 857	-	1 256 857
	14 890 496	**265 879**	**1 555 072**	**-**	**1 820 951**	**4 635 016**	**21 346 463**

26. Changes in liabilities arising from financing activities (continued)

Reconciliation of liabilities arising from financing activities - Group - 2020

	Opening balance	Recognised on adoption of IFRS 16	New property, plant and equipment financed	Reclassified to disposal group	Total non-cash movements	Cash flows	Closing balance
Other financial liabilities	15 391 002	-	185 406	(14 096 640)	(13 911 234)	(1 001 653)	478 115
Lease liabilities	-	676 400	-	-	676 400	(360 659)	315 741
Liabilities of disposal groups							
Other financial liabilities	-	-	-	14 096 640	14 096 640	-	14 096 640
	15 391 002	**676 400**	**185 406**	**-**	**861 806**	**(1 362 312)**	**(14 890 496)**

27. Commitments

Authorised capital expenditure

There were no commitments for capital expenditure at 28 February 2021 (2020: Rnil).

GetBucks

The group has a contingent liability with GetBucks as a result of business continuation agreements that provided funding to certain of its franchise operators. The group is disputing the validity and value of these claims. The group has entered into discussions with GetBucks to settle the matter. Refer to Note 33 on events after the reporting period.

28. Contingencies

The group has various contingent liabilities in terms of head leases entered into with various landlords on behalf of its franchise operators nationally. The exposure of the group is monitored on an ongoing basis with an action plan to actively reduce the group’s exposure to head leases. The group has exposure to 6 head leases with a further 1 transferred subsequent to year end, reducing the exposure to 5 head leases.

29. Related parties

Relationships

Subsidiaries	Refer to note 7
Salons owned by board member - E Colyn	Beauty Flagship (Pty) Ltd
Company owned by shareholder of holding company	AMKA Products (Pty) Ltd

	Group		Company	
Figures in Rand	**2021**	2020	**2021**	2020
Related party balances				
Loan accounts - owing by related parties				
Placecol Fresh Beauty (Pty) Ltd	-	-	7 630 248	7 396 414
Amounts included in trade receivables regarding related parties				
Beauty Flagship (Pty) Ltd	31 664	66 757	-	-
AMKA Products (Pty) Ltd	26 250	26 450	-	-
Related party transactions				
Administration fees received from related parties				
Placecol Fresh Beauty (Pty) Ltd	-	-	900 000	1 920 000
Royalties received from and products purchased by related parties				
Beauty Flagship (Pty) Ltd	383 078	540 056	-	-
Products purchased from related parties				
AMKA Products (Pty) Ltd	(34 987)	(36 265)	-	-
Rent received from related parties				
AMKA Products (Pty) Ltd	151 800	89 967	-	-

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

30. Directors' emoluments

Executive

2021	Emoluments	Expense allowances	Pension	Total
Ms E Colyn	891 480	48 000	41 040	980 520
Ms CW de Jager	738 158	-	31 050	769 208
	1 629 638	**48 000**	**72 090**	**1 749 728**

2020	Emoluments	Expense allowances	Pension	Bonuses	Total
Ms E Colyn	864 000	48 000	30 240	3 000	945 240
Ms CW de Jager	783 600	-	27 426	3 000	814 026
	1 647 600	**48 000**	**57 666**	**6 000**	**1 759 266**

Non-executive

2021

	Directors' fees	Total
Mr JH Phalane	20 000	20 000
Mr GD Harlow	80 000	80 000
Mr TJ Schoeman	80 000	80 000
Mr WP van der Merwe	80 000	80 000
Mr BJT Shongwe	50 000	50 000
	310 000	**310 000**

2020

Due to the financial constraints experienced during the prior year, the board agreed that all non-executive fees for 2020 would be forfeited.

31. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group – 2021	Note(s)	Amortised cost	Fair value
Cash and cash equivalents	13	1 117	1 117
Assets of disposal groups			
Trade and other receivables	12	2 782 202	2 782 202
Cash and cash equivalents	13	106 304	106 304
		2 889 623	**2 889 623**

Group – 2020	Note(s)	Amortised cost	Fair value
Other financial assets	11	66 330	66 330
Trade and other receivables	12	4 233 050	4 233 050
Cash and cash equivalents	13	43 984	43 984
Assets of disposal groups			
Trade and other receivables		48 937	48 937
		4 392 301	**4 392 301**

Company – 2021

	Note(s)	Amortised cost	Fair value
Cash and cash equivalents	13	1 117	1 117
Assets of disposal groups			
Loans to group companies	10	7 630 248	7 630 248
		7 631 365	**7 631 365**

Company – 2020

	Note(s)	Amortised cost	Fair value
Loans to group companies	10	7 396 414	7 396 414
Cash and cash equivalents	13	2 369	2 369
		7 398 783	**7 398 783**

Categories of financial liabilities

Group - 2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Liabilities of disposal groups					
Trade and other payables	18	6 470 005	-	6 470 005	6 470 005
Other financial liabilities	17	20 089 606	-	20 089 606	20 089 606
Lease liabilities	4	-	1 256 857	1 256 857	1 256 857
Bank overdraft	13	2 071 541	-	2 071 541	2 071 541
		28 631 152	**1 256 857**	**29 888 009**	**29 888 009**

Group - 2020

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	18	7 938 956	-	7 938 956	7 938 956
Other financial liabilities	17	478 115	-	478 115	478 115
Lease liabilities	4	-	315 741	315 741	315 741
Bank overdraft	13	4 020 711	-	4 020 711	4 020 711
Liabilities of disposal groups					
Other financial liabilities	17	14 096 640	-	14 096 640	14 096 640
		26 534 422	**315 741**	**26 850 163**	**26 850 163**

Company – 2021

	Note(s)	Amortised cost	Fair value
Liabilities of disposal groups			
Trade and other payables	18	316 194	316 194

Company - 2020

	Note(s)	Amortised cost	Fair value
Trade and other payables	18	56 000	56 000

Capital risk management

The group’s objectives when managing capital are to safeguard the group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The group manages its capital structure and makes adjustments to it, in light if changes in economic conditions and the needs of the group. No changes were made to the objectives, policies or processes during the year ended 29 February 2020. 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. There are no externally imposed capital requirements.

Financial risk management

Overview

The group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group’s financial performance. 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 board of directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

31. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk that the group's clients or counterparties will not be able or willing to pay interest, repay capital or otherwise fulfil their contractual obligations under loan agreements or other credit facilities. It also arises on bank balances. Credit risk consists mainly of cash deposits, cash equivalents, other financial assets and trade receivables. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. Individual risk limits may be set based on internal ratings in accordance with limits set by the board. The group has implemented the procedures below for avoiding excessive concentration of credit risk included in trade and other receivables:

- Maintaining a wide customer base through mainly franchisee operations;
- Continually looking for opportunities to expand the client base and product offering base;
- Reviewing the debtor book regularly with the intention of minimising the group's exposure to bad debts. As a result, management has entered into acknowledgement of debt agreements with debtors who are exceeding their normal terms. The acknowledgement of debt agreements are agreed for a twelve-month period.

Expected credit loss risk

The group has the following financial assets subject to the ECL model:

- Trade receivables;
- Loans to group companies;
- Other financial assets;
- Cash and cash equivalents.

Included in loans to group companies are amounts receivable from related parties to which the group has applied the general impairment model. The group has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables are limited in the current year and consequently the probability of default relating to these balances in the current year are low.

The group only deposits cash with major banks with high quality credit rating.

Other financial assets consist of loans to franchisees. In considering a general expected credit loss, the group reviews whether the franchisee has defaulted on their franchise agreement or terms offered on repayment of loans.

For trade receivables, the group makes use of the simplified parameter-based approach, whereby ECL is calculated using a formula incorporating the following parameters: Exposure at Default (EAD), Probability of Default (PD), Loss Given Default (LGD) discounted using the Effective Interest Rate (EIR) (i.e. PD x LGD x EAD = ECL). The group applies a 5% risk factor to the probability of default.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade receivables. The probability of a customer defaulting as well as the realised loss with defaulted accounts has been determined using historical data (12 months). The EIR represents a weighted average rate which is representative of the portfolio of customers and incorporates a risk-free rate plus a risk premium on initial recognition of the trade receivables. The group has considered quantitative forward-looking information such as inflation rate and economic downturn. Qualitative assessments have also been performed, of which the impact was found to be immaterial.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. Details of the ECL raised has been included in the trade receivables and other financial assets note.

31. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

Group		**2021**			2020		
		Gross carrying amount	**Credit loss Allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Other financial assets	11	-	-	-	66 330	-	66 330
Trade and other receivables	12	-	-	-	6 423 696	(2 190 646)	4 233 050
Cash and cash equivalents	13	1 117	-	1 117	43 984	-	43 984
Assets of disposal groups							
Trade and other receivables	12	3 438 815	(656 613)	2 782 202	48 937	-	48 937
Cash and cash equivalents	13	90 967	-	90 967	-	-	-
		3 530 899	**(656 613)**	**2 874 286**	**6 582 947**	**(2 190 646)**	**4 392 301**

Company		2021			2020		
		Gross carrying amount	Credit loss Allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	10	-	-	-	86 917 092	(79 520 678)	7 396 414
Cash and cash equivalents	13	1 117	-	1 117	2 369	-	2 369
Assets of disposal groups							
Loans to group companies	10	87 232 881	(79 602 633)	7 630 248	-	-	-
		87 233 998	**(79 602 633)**	**7 631 365**	**86 919 461**	**(79 520 678)**	**7 398 783**

Liquidity risk

The group's exposure to liquidity risk is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and available credit facilities. Cash flow forecasts are prepared, and utilised borrowing facilities are monitored. As disclosed in the going concern note, the group has been experiencing liquidity challenges. The directors have developed, and in the process of implementing, a strategy to address the liquidity and cash flow constraints. Refer to note 32 for further detail.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

31. Financial instruments and risk management (continued)

Group - 2021

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Non-current liabilities							
Liabilities of disposal groups							
Other financial liabilities	17	-	2 899 707	8 713 359	1 626 636	13 239 702	11 273 207
Lease liabilities	4	-	512 062	256 568	-	768 630	707 305
Current liabilities							
Liabilities of disposal groups							
Trade and other payables	18	6 470 005	-	-	-	6 470 005	6 470 005
Other financial liabilities	17	9 566 869	-	-	-	9 566 869	8 816 399
Lease liabilities	4	664 622	-	-	-	664 622	549 552
Bank overdraft	13	2 071 541	-	-	-	2 071 541	2 071 541
		18 773 037	**3 411 769**	**8 969 927**	**1 626 636**	**32 781 369**	**29 888 009**

Group - 2020

Non-current liabilities		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
Other financial liabilities	17	-	79 471	86 094	-	165 565	143 331
Liabilities of disposal groups							
Other financial liabilities	17	-	1 404 474	4 213 421	2 925 987	8 543 882	6 233 220
Current liabilities							
Trade and other payables	18	7 938 956	-	-	-	7 938 956	7 938 956
Other financial liabilities	17	334 784	-	-	-	334 784	334 784
Lease liabilities	4	357 577	-	-	-	357 577	315 741
Bank overdraft	13	4 020 711	-	-	-	4 020 711	4 020 711
Liabilities of disposal groups							
Other financial liabilities	17	8 555 654	-	-	-	8 555 654	7 863 420
		21 207 682	**1 483 945**	**4 299 515**	**2 925 987**	**29 917 129**	**26 850 163**

31. Financial instruments and risk management (continued)

Company - 2021		Less than 1 year	Total	Carrying amount
Current liabilities				
Liabilities of disposal groups				
Trade and other payables	18	316 194	316 194	316 194

Company - 2020		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	18	56 000	56 000	56 000

	Group		Company	
	2021	2020	**2021**	2020
Financing facilities relating to disposal groups				
Unsecured bank overdraft facility, reviewed annually and payable on call:				
Used	3 421 541	4 020 711	-	-
Unused	928 459	329 289	-	-
	4 350 000	**4 350 000**	**-**	**-**

Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. The group does not hedge foreign exchange fluctuations. The group reviews its foreign currency exposure, including commitments on an ongoing basis.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

		Group		Company	
		2021	2020	**2021**	2020
Euro exposure:					
Current liabilities:					
Trade and other payables	18	-	(22 116)	-	-

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

		Group		Company	
		2021	2020	**2021**	2020
Euro exposure:					
Current liabilities:					
Trade and other payables	18	-	(1 361)	-	-
Exchange rates					
Rand per unit of foreign currency:					
Euro		-	16.250	-	-

31. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group **Increase or decrease in rate**	**2021 Increase**	**2021 Decrease**	2020 **Increase**	2020 **Decrease**
Impact on profit or loss:				
Euro - change by 2020: R1	-	-	(1 361)	1 361

Interest rate risk

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, bank overdrafts, other financial assets and other financial liabilities. The interest applicable to these financial instruments are on a floating basis in line with those currently available in the market. The group's sensitivity to interest rates has decreased during the current period mainly due to the decrease in variable rate debt instruments. The analysis has been performed for floating interest rate assets and liabilities. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The group does not have any fair value sensitivity in respect of fixed rate instruments as at reporting date.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which management has assessed based on the current economic environment. Management expects the interest risk to be a decrease in the interest rate of 1%. The sensitivity disclosed also indicate the impact of a 1% increase in the interest rate. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group **Increase or decrease in rate**	**2021 Increase**	**2021 Decrease**	2020 **Increase**	2020 **Decrease**
Impact on profit or loss:				
Cash and cash equivalents	663	(663)	440	(440)
Other financial assets	-	-	663	(663)
Bank overdraft	(14 915)	14 915	(40 207)	40 207
Other financial liabilities	(112 834)	112 834	(74 236)	74 236
	(127 086)	**127 086**	**(113 340)**	**113 340**

32. Going concern

The consolidated and separate annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group incurred a loss of R9.4 million (2020: R2.1 million).

As indicated in the Proposed De-Listing Process note, a consortium of investors will acquire from the current major shareholders of the Company approximately 60% of their shares, and the major shareholders will through a special purpose vehicle acquire all the operating subsidiaries from the Company, which would result in all the business operations of the Company in its current structure been discontinued in the foreseeable future.

Once the disposal of the underlying subsidiaries is complete, it is envisaged that a suitable viable asset will be reversed into the cash shell of Imbalie Beauty.

Management prepared a cash flow forecast which indicated that the group will have sufficient funds available to finance future operations and settle obligations of the group that may arise in the 12 months after the year end.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

33. Events after the reporting period

Other than stated below, the directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Disposal of underlying subsidiaries

Introduction

As previously reported, one of the company's subsidiaries, received a Covid-19 loan from ABSA Bank Limited in October 2020, with a pre-condition that the Company delists from the JSE Limited, or the operating companies are disposed of. The Company is in the process to dispose of all the underlying subsidiaries to comply with this pre-condition. This is a process that is regulated by the JSE Limited Listings Requirements.

Shareholders are referred to the SENS announcements dated 12 October 2020 and 26 February 2021 respectively regarding the proposed de-listing process to be followed by the Company and the announcement dated 28 June 2021 where shareholders were advised that Holistics Remedies (Pty) Ltd, SA Madiba Investments (Pty) Ltd, Unihold Group (Pty) Ltd and Esna Colyn ("Major Shareholders"), who are major shareholders and/or directors of Imbalie Beauty, have entered into a written sale of shares agreement ("Sale of Shares Agreement"), dated 24 June 2021, with Shenver Investments (Pty) Ltd and Baxfex (Pty) Ltd (collectively the "Purchasers"), to sell some of their ordinary shares in Imbalie Beauty (the "Sale of Shares Transaction"), to the Purchasers collectively.

33. Events after the reporting period (continued)

Imbalie Beauty has also entered into a written sale of shares and claims agreement ("Disposal Agreement"), dated 24 June 2021, with iBLOOM (Pty) Ltd ("iBLOOM"), to sell to iBLOOM all its shares in and claims against the following wholly owned subsidiaries of Imbalie Beauty:

- Dreamnails Beauty (Pty) Ltd;
- Enjoy Beauty (Pty) Ltd;
- Placecol Fresh Beauty (Pty) Ltd;
- Imbalie Beauty Training Academy (Pty) Ltd; and
- Placecol Skin Care Clinic (Pty) Ltd,

collectively hereinafter referred to as (the "Subsidiaries"), for an aggregate purchase consideration of R7 630 254, with effect from the third business day after the date upon which the last of the outstanding suspensive conditions set out below have been fulfilled ("Effective Date) ("the Disposal").

The Disposal is a related party transaction as contemplated in the JSE Listings Requirements as certain directors of iBLOOM are also directors of Imbalie Beauty. The Major Shareholders are also the holders and beneficial owners of all the shares in iBLOOM.

The Disposal

Salient terms of the Disposal

In terms of the Disposal Agreement, iBLOOM will acquire the shares in and claims against the Subsidiaries for an aggregate purchase consideration of R7 630 254, payable as follows:

- R5 905 254 to Imbalie Beauty on the Effective Date; and
- R1 725 000 in respect of the transaction costs relating to the Disposal and the Sale of Shares Transaction.

The Disposal is subject to the fulfilment of the following suspensive conditions, namely that by no later than 31 October 2021:

- all approvals of all regulatory authorities (included the JSE Limited and the Takeover Regulation Panel ("TRP")) which are required to implement the Disposal are obtained; and
- the requisite shareholders' approvals to implement the Disposal in accordance with the provisions of the Companies Act have been received.
- Imbalie Beauty has provided warranties to iBLOOM in relation to the Disposal which are standard for a transaction of this nature.

Rationale for the Disposal

Absa Bank Limited had provided Placecol Fresh Beauty (Pty) Ltd with a Covid-19 loan. One of the major conditions to the loan being that the Company delists from the JSE Limited or alternatively that the operating subsidiary company to which the Covid- 19 loan was granted no longer forms part of the Imbalie Beauty group of companies.

Imbalie Beauty is of the opinion that the conduct of the Subsidiaries' businesses in a de-listed environment will be more suitable than its current operations as the cost savings in a delisted environment will be substantial.

Categorisation of Disposal

The Disposal constitutes a disposal of the whole or the greater part of the assets of Imbalie Beauty as contemplated in section 112 of the Companies Act, such Disposal being an affected transaction (as defined in section 117(1)(c) of the Companies Act) and will require the approval of Imbalie Beauty shareholders in terms of section 115 of the Companies Act and the TRP.

33. Events after the reporting period (continued)

Net asset value and profits of the Disposal

The net asset value of the assets of the Disposal as at 28 February 2021 was R29.9 million and the losses attributable to the net assets of the Disposal at 28 February 2021 were R9.4 million. The net asset value of the assets of the Disposal as at 28 February 2021 include deferred tax assets of R22.5 million and intangible assets of R15.3 million.

Interest of iBLOOM in Imbalie Beauty

iBLOOM does not own any shares in Imbalie Beauty as at the date of this announcement.

The Major Shareholders, who are acting in concert with iBLOOM in connection with the Disposal, own 997 418 768 shares in Imbalie Beauty as at the date of this announcement. As disclosed in paragraph 1 above, the Major Shareholders are selling 847 805 953 shares of the aforementioned shares held by them in terms of the Sale of Shares Transaction.

Cash confirmation

The TRP has been given an appropriate written confirmation, as contemplated in Regulation 111(4) of the Regulations, from Amod's Attorneys, situated at Suite 900, Nedbank House, 30 Ingcuce Street (formerly Albert Street), Durban, that iBLOOM has sufficient cash resources available to meet its cash commitments to Imbalie Beauty shareholders in relation to the Disposal.

Independent Board

As required in terms of the Companies Act and the Regulations, Imbalie Beauty has constituted an independent board, comprising of Jack Phalane, Pumla Tladi and Theo Schoeman ("Independent Board"). The Independent Board has appointed Suez Capital as the independent expert to provide the Independent Board with external advice with regard to the Disposal and to make appropriate recommendations to the Independent Board for the benefit of Imbalie Beauty shareholders.

Directors Responsibility Statement

The Independent Board of Imbalie Beauty and the directors of iBLOOM:

- have considered all statements of fact and opinion in this announcement;
- accept, individually and collectively, full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading;
- have made all reasonable enquiries in this regard; and
- confirm that this announcement contains all information required by the Regulations.

GetBucks

The Company entered into an agreement on 12 August 2021 in terms of which iBLOOM (Pty) Limited indemnifies the Company harmless against any GetBucks claims.

33. Events after the reporting period (continued)

Material risks

The outbreak of Covid-19 and the subsequent social distances and lockdown measures imposed by governments have significantly impacted the beauty industry.

Covid-19 has hampered the industry's export and import aspect, and the consumption of beauty products has dramatically declined.

The following are the top challenges facing the beauty and cosmetics industry in 2021:

1. **Salon closures**

   The closing of beauty salons is affecting the beauty and cosmetics industry. The coronavirus pandemic resulted in sedentary lifestyles as it has led to the imposition of measures that restricted movements and social gatherings. Consequently, the number of shoppers visiting beauty salons has reduced, resulting in temporal or total beauty salon closure. This issue has rendered many therapists jobless. The annual Professional Beauty trade shows were cancelled.

   Many consumers state that they aspire to reduce their beauty and personal care budget by 50% until the global economy stabilises and has shifted their interest to homemade beauty products. As a result, the industry's revenue has declined due to reduced sales.

2. **Sustainability**

   The beauty and cosmetics industry produces products with a mixture of several chemical elements. Interest in organic, sustainable, and environmentally friendly personal care products will continue developing because the public is still worried about beauty products' safety.

   Consumers have become aware of the level of skin care they need and the adverse effects harsh chemicals used in beauty products can have on them. This awareness, combined with the increased environmental consciousness, implies that cosmetic brands and manufacturers will have to adopt more sustainable production processes and components to win buyers and thrive in the industry.

3. **Covid-19 Protocols**

   The Covid-19 pandemic has forced the beauty and cosmetic industry to incur extra costs to implement safety measures in their beauty salons.

   Considering the increased remote working, social distancing, and wearing of masks, people have reduced interest in wearing make-ups and fragrances, leading to reduced cosmetic purchases. Besides, most will continue to wear masks when customers return to work, slowing down the beauty industry's recovery.

4. **Ongoing violence and unrest in South Africa**

   The recent unrest during July 2021 in KwaZulu-Natal and Gauteng, which affected shopping centres severely had a negative impact on the trading of many of the Group's beauty salons.

5. **Implementation of disposal process**

   The group is going through a process to dispose its underlying subsidiaries to comply to the conditions precedent of the Covid-19 loan received in October 2020 as more fully described in note 33. There is an implementation risk of the transaction due to the technicalities thereof.

34. Shareholder Analysis

Public and non-public shareholders	% Holding	No. of shareholders	No. of shares
Non-public shareholders			
Directors and associates	39.23	4	542 961 114
Holding 10% or more	32.94	1	455 871 354
Total non-public shareholders	**72.17**	**5**	**998 832 468**
Public shareholders	27.83	1 259	385 206 757
Total	**100.00**	**1 264**	**1 384 039 225**

Beneficial shareholders holding 3% or more	% Holding	No. of shares
Holistics Remedies (Pty) Ltd	32.90	455 371 354
SA Madiba Investments (Pty) Ltd	21.95	303 825 312
Unihold Group (Pty) Ltd	10.46	144 791 667
E Colyn	4.12	57 000 000
Total	**69.43**	**960 988 333**

Directors interest in shares	% Holding	No. of shares
WP van der Merwe	21.95	303 825 312
GD Harlow	10.46	144 791 667
E Colyn	4.12	57 000 000
TJ Schoeman	0.01	77 500
Total	**36.54**	**505 694 479**

SHAREHOLDER ANALYSIS

COMPANY	IMBALIE BEAUTY LIMITED
REGISTER DATE	26 FEBRUARY 2021
ISSUED SHARE CAPITAL	1 384 039 225

SHAREHOLDER SPREAD	Number of shareholders	Percentage of shareholders	Number of shares	% Holding
1 - 10 000 shares	807	63.84	1 347 639	0.10
10 001 - 100 000 shares	260	20.57	10 253 888	0.74
100 001 - 1 000 000 shares	148	11.71	41 106 829	2.97
1 000 001 shares and over	49	3.88	1 331 330 869	96.19
Total	**1 264**	**100.00**	**1 384 039 225**	**100.00**

PUBLIC / NON-PUBLIC SHAREHOLDERS	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares
Non-Public Shareholders	**5**	**0.40**	**998 909 968**	**72.17**
Directors and Associates	4		543 038 614	
Holding 10% or more	1		455 871 354	
Public Shareholders	**1 259**	**99.60**	**385 129 257**	**27.83**
Total	**1 264**	**100.00**	**1 384 039 225**	**100.00**

Beneficial shareholders holding 5% or more	Number of shares	Percentage of shares
Holistics Remedies (Pty) Limited	455 871 354	32.94
SA Madiba Investments (Pty) Limited	303 825 312	21.95
Unihold Group (Pty) Limited	144 791 667	10.46
Total	**904 488 333**	**65.35**

Directors	Number of shares	Percentage of shares
WP van der Merwe	303 825 312	21.95
E Colyn	57 000 000	4.12
GD Harlow	144 791 667	10.46
TJ Schoeman	77 500	0.01
Total	**505 694 479**	**36.54**

SHAREHOLDER’S DIARY

SHAREHOLDERS’ DIARY

FINANCIAL YEAR END	28 FEBRUARY 2022
REPORTS AND ANNOUNCEMENTS	
INTEGRATED ANNUAL REPORT	30 JUNE 2022
INTERIM REPORT	30 NOVEMBER 2022
ANNUAL GENERAL MEETING	SEPTEMBER 2022

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Imbalie Beauty will be held electronically on Thursday, 30 September 2021 at 09h30.

To ensure that the registration procedures are completed by 09h30, please register for the annual general meeting from 08h30.

The purpose of the annual general meeting is:

- to present to shareholders the annual financial statements of the Company and its subsidiaries for the year ended 28 February 2021;
- for the Chairman of the Audit and Risk Committee to present to shareholders a report on the matters within the committee's mandate;
- for the Chairman of the Social and Ethics Committee to present to shareholders a report on the matters within the committee's mandate;
- to consider all and any matters of the Company as may lawfully be dealt with at the annual general meeting; and
- to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions of shareholders set out hereunder in the manner required by the Companies Act.

A copy of the complete annual financial statements can be found on the Company's website www.imbaliebeauty.co.za

Notes:

- In terms of section 63(1) of the Companies Act, meeting participants (including proxies and representatives) will be required to present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of that person to participate and vote at the annual general meeting, either as a Shareholder, as a proxy for or representative of a Shareholder, has been reasonably verified before being entitled to attend, speak and vote at the annual general meeting. Acceptable forms of identification include a valid green-bar coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport.
- Certificated Shareholders or Own-Name Dematerialised Shareholders who are entitled to attend, participate in and vote at the annual general meeting are reminded that they are entitled to appoint a proxy to attend, participate in and vote at the annual general meeting in place of such Shareholder, provided that in doing so such Shareholder completes the attached Form of Proxy and follows the prescribed procedures set forth at the end of this Notice of annual general meeting under the title: "Voting and Proxies".

Record Dates

In terms of section 59(1)(a) and (b) of the Companies Act (and, to the extent relevant, the JSE Listings Requirements), the board has set the following record dates for the purposes of determining which Shareholders are entitled to:

- receive the integrated annual report and the Notice of the annual general meeting (being the date on which a Shareholder must be registered in the Imbalie Beauty Register in order to receive the Notice of annual general meeting), which date is Friday, 20 August 2021;
- be eligible to attend and participate in and vote at the annual general meeting, the last day to trade in the shares of the Company is Monday, 20 September 2021;
- participate in and vote at the annual general meeting (being the date on which a Shareholder must be registered in the Imbalie Beauty Register in order to participate in and vote at the annual general meeting), which date is Thursday, 23 September 2021; and
- last day to lodge forms of proxy for the annual general meeting for administrative purposes is by 09h30 on Wednesday, 29 September 2021.

Please note that Imbalie Beauty intends to provide for participation at the annual general meeting by way of electronic communication. In this regard, please read the notes at the end of this Notice of annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING

1. **ORDINARY RESOLUTION NUMBER 1**

   RE-ELECTION OF NON-EXECUTIVE DIRECTOR

   RESOLVED THAT Gary David Harlow shall retire from office at the annual general meeting in accordance with the Company's Memorandum of Incorporation and, being eligible and having offered himself for re-election, be re-elected as a non-executive director of the Company with immediate effect.

   The Board of Directors recommends to shareholders the re-election of the non-executive director.

2. **ORDINARY RESOLUTION NUMBER 2**

   ELECTION OF NON-EXECUTIVE DIRECTOR

   RESOLVED THAT Jack Howard Phalane be and is hereby elected as non-executive director of the Company.

   The Board of Directors recommends to shareholders the election of the non-executive director.

3. **ORDINARY RESOLUTION NUMBERS 3.1 TO 3.3**

   RE-APPOINTMENT OF AUDIT AND RISK COMMITTEE MEMBERS

   RESOLVED THAT, the following non-executive directors, each by way of separate resolution, be reappointed as members of the Audit and Risk Committee from the conclusion of the annual general meeting until the next annual general meeting of the Company:

   3.1 Theo Johan Schoeman (Chairman)

   3.2 Gary David Harlow

   3.3 Wessel Petrus van der Merwe

   Mr Harlow will be re-appointed, subject to his re-election as a director pursuant to ordinary resolution number 1.

   Motivation for ordinary resolution numbers 3.1 to 3.3

   Ordinary resolution numbers 3.1 to 3.3 are proposed to appoint members of the Audit and Risk Committee in accordance with the guidelines of King IV and the requirements of the Companies Act.

   Furthermore, in terms of the Companies Regulations 2011, at least one-third of the members of the Audit and Risk Committee at any time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

   Mindful of the foregoing, the board of directors recommend the aforementioned persons be members of the Audit and Risk Committee.

4. **ORDINARY RESOLUTION NUMBER 4**

   RE-APPOINTMENT OF INDEPENDENT EXTERNAL AUDITORS

   RESOLVED THAT Nexia SAB&T (with Aneel Darmalingam as Audit Partner) be and is hereby elected as the Company's independent external auditor for the ensuing financial year, to hold office until the Company's next annual general meeting, as approved by the Audit and Risk Committee and recommended to shareholders.

Motivation for ordinary resolution number 4

The Audit and Risk Committee considers the independence of the auditor, Nexia SAB&T, in accordance with Section 94(8) of the Companies Act, annually. The Committee also considered whether Nexia SAB&T is independent, as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act and was satisfied that Nexia SAB&T was independent. The Audit and Risk Committee nominates Nexia SAB&T for reappointment as registered auditor of the Company in accordance with Section 94(7)(a) of the Companies Act with Aneel Darmalingam as lead audit partner.

Furthermore, the Audit and Risk Committee has, in terms of paragraph 3.86 of the JSE Listings Requirements, considered and satisfied itself that Nexia SAB&T, the reporting accountant and the aforementioned individual auditor are accredited and is recorded on the JSE List of Auditors and their advisors, in compliance with Section 22 of the JSE Listings Requirements. Nexia SAB&T has indicated its willingness to continue in office as auditors of the Company and ordinary resolution number 3 proposes the re-appointment of that firm as the Company's auditor until the conclusion of the next annual general meeting of the Company.

5. ORDINARY RESOLUTION NUMBER 5

GENERAL AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE ORDINARY SHARES

RESOLVED THAT, subject to the provisions of the Companies Act and the JSE Listings Requirements, from time to time, the directors of the Company be and are hereby authorised, as a general authority and approval, to allot and issue, for such purposes and on such terms as they may in their discretion determine, ordinary shares in the authorised but unissued share capital of the Company.

Motivation for ordinary resolution number 5

The reason for proposing ordinary resolution number 5 is to seek a general authority and approval for the directors to allot and issue ordinary shares in the authorised but unissued share capital of the Company.

6. ORDINARY RESOLUTION NUMBER 6

NON-BINDING ADVISORY ENDORSEMENT OF THE IMBALIE BEAUTY REMUNERATION PHILOSOPHY

RESOLVED THAT, by way of a non-binding advisory vote, the remuneration philosophy of the Company, as outlined on the Remuneration Report on page 18, is endorsed.

As this is a non-binding advisory vote, no minimum voting threshold is required. Nevertheless, for record purposes, in terms of the King IV Report, more than 75% of the voting rights exercised on this resolution must be cast in favour of ordinary resolution number 6 for it to be adopted. This non-binding advisory vote allows shareholders to express their views on the remuneration policies adopted by the Company. In the event that 25% or more of the voting rights exercised are cast against this resolution, the Board of Directors will invite dissenting shareholders to engage with the Remuneration Committee on their concerns in line with the provisions of the JSE Listings Requirements.

7. ORDINARY RESOLUTION NUMBER 7

IMPLEMENTATION OF THE NON-BINDING ADVISORY ENDORSEMENT OF THE IMBALIE BEAUTY REMUNERATION PHILOSOPHY

RESOLVED THAT, by way of a non-binding advisory vote, the remuneration implementation philosophy of the Company, as outlined on page 18 of the Integrated Annual Report, be implemented.

As this is a non-binding advisory vote, no minimum voting threshold is required. Nevertheless, for record purposes, in terms of the King Report, more than 75% of the voting rights exercised on this resolution must be cast in favour of ordinary resolution number 7 for it to be adopted. This non-binding advisory vote allows shareholders to express their views on the remuneration implementation report adopted by the Company. As set out in the JSE Listings Requirements, if 25% or more of the voting rights exercised are cast against this resolution, the Board of Directors will invite dissenting shareholders to engage with the Remuneration Committee on their concerns.

Motivation for ordinary resolution numbers 6 and 7

Reason for advisory endorsement: In terms of King IV, a non-binding advisory vote should be obtained from shareholders on the Company's remuneration policy. The vote allows shareholders to express their views on the remuneration policies adopted and their implementation but will not be binding on the Company.

The Company's remuneration philosophy is designed to deliver the key principles of its remuneration which are meant to:

- influence and reward behaviour and performance of employees and executives, which align the strategic goals of the organisation, shareholders and employees;
- ensure that performance metrics are demanding, sustainable and cover all aspects of the business, including key financial and non-financial drivers;
- structure compensation to ensure that Imbalie Beauty's values are maintained and that the correct governance frameworks are applied across its compensation decisions and practices;
- apply the appropriate remuneration benchmarks; and
- provide competitive rewards to attract, motivate and retain highly skilled executives, management and staff vital to the ongoing success of the organisation.

8. SPECIAL RESOLUTION NUMBER 1

REMUNERATION OF NON-EXECUTIVE DIRECTORS

RESOLVED THAT the remuneration payable to the non-executive directors for attendance at Board meetings, and inclusive of all sub-committee meetings, as recommended by the Remuneration Committee and set out below, be and is hereby approved until the next annual general meeting:

	For approval at 2021 annual general meeting for year ending 28 February 2022 R	Approved at 2020 annual general meeting for year ending 28 February 2021 R
Chairman of the board – per quarter	**25 000**	25 000
Member of the board – per quarter	**20 000**	20 000

Motivation for special resolution number 1

In terms of Section 66(8) and (9) of the Companies Act, remuneration may only be paid to directors for their service as directors in accordance with a special resolution approved by the shareholders and if not prohibited in a Company's Memorandum of Incorporation. Imbalie Beauty's Memorandum of Incorporation does not prohibit the payment of such remuneration.

The remuneration sought to be approved is to be paid to the non-executive directors, as they are not remunerated as employees of the Company, as in the case of the executive directors.

Remuneration is VAT exclusive, where applicable.

9. SPECIAL RESOLUTION NUMBER 2

GENERAL AUTHORITY TO ACQUIRE THE COMPANY'S OWN ORDINARY SHARES

RESOLVED THAT, pursuant to the Company's Memorandum of Incorporation and subject to the Companies Act and the JSE Listings Requirements, the Company or any subsidiary of the Company, be and is hereby authorised, by way of a general approval, from time to time, to acquire ordinary shares issued by the Company, provided that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system or on the open market of the Johannesburg Stock Exchange, subject to the approval of the JSE, as necessary, in either event without any prior understanding or arrangement between the Company and the counterparty;
- this approval shall be valid only until the next annual general meeting of the Company, or for 15 months from the date of passing of this resolution, whichever period is shorter;
- ordinary shares issued by the Company may not be acquired at a price greater than 10% above the weighted average of the market value of the Company's ordinary shares for the five business days immediately preceding the date of the acquisition being effected;
- at any point in time, the Company only appoints one agent to effect any acquisitions on its behalf;
- the Board has resolved to authorise the acquisition, that the Company and its subsidiaries will satisfy the solvency and liquidity test immediately after the acquisition and that since the test was done there have been no material changes to the financial position of the Group;
- the Company may not, in any one financial year, acquire in excess of 20% of the Company's issued ordinary share capital as at the date of passing of this special resolution number 2 or in excess of 10% of such issued ordinary shares capital in the aggregate if such ordinary shares are to be held as treasury shares;
- an announcement containing details of such acquisitions will be published as soon as the Company and/or the subsidiaries, collectively, shall have acquired ordinary shares issued by the Company constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in the Company in issue as at the date of this approval;
- and an announcement containing details of such acquisitions will be published in respect of each subsequent acquisition by either the Company and/or by the subsidiaries, collectively, of ordinary shares issued by the Company, constituting, on a cumulative basis, not less than 3% of the number of ordinary shares in the Company in issue as at the date of this approval;
- the acquisition of ordinary shares by the Company or its subsidiaries may not be effected during a prohibited period, as defined in the JSE Listings Requirements, unless there is in place a repurchase programme as contemplated in the JSE Listings Requirements;
- the Company's subsidiaries shall not be entitled to acquire ordinary shares issued by the Company if the acquisition of ordinary shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the Company; and
- no voting rights attached to the ordinary shares acquired by the Company's subsidiaries may be exercised while the ordinary shares are held by them, and they remain subsidiaries of the Company.

Motivation for special resolution number 2

The reason for special resolution number 2 is to grant a general authority for the acquisition of the Company's ordinary shares by the Company, or by a subsidiary or subsidiaries of the Company. The effect of special resolution number 2, if passed, will be to authorise the Company or any of its subsidiaries to acquire ordinary shares issued by the Company on the JSE subject to the provisions of the Company's Memorandum of Incorporation, Companies Act and the JSE Listings Requirements.

The directors of Imbalie Beauty believe that the Company should retain the flexibility to act if future acquisitions of its ordinary shares were considered desirable and in the best interests of the Company and its shareholders.

The directors will ensure at the time of the commencement of any acquisitions of its ordinary shares, after considering the effect of acquisitions, up to the maximum limit, of the Company's issued ordinary shares, that they are of the opinion that if such acquisitions were implemented:

- the Company and the Group would be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice issued in respect of the annual general meeting;
- the assets of the Company and the Group would be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice issued in respect of the annual general meeting. For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited group annual financial statements;
- the ordinary capital and reserves of the Company and the group would be adequate for ordinary business purposes for a period of 12 months after the date of the notice issued in respect of the annual general meeting; and
- the working capital of the Company and the group would be adequate in the ordinary course of business for a period of 12 months after the date of the notice issued in respect of the annual general meeting.

10. ORDINARY RESOLUTION NUMBER 8

GENERAL AUTHORITY TO DIRECTORS TO ISSUE FOR CASH, THOSE ORDINARY SHARES

WHICH THE DIRECTORS ARE AUTHORISED TO ALLOT AND ISSUE IN TERMS OF ORDINARY RESOLUTION

RESOLVED THAT, the directors of the Company be and are hereby authorised, in accordance with the Companies Act and the JSE Listings Requirements, to allot and issue for cash, or otherwise, on such terms and conditions as they may deem fit, all or any of the ordinary shares in the authorised but unissued share capital of the Company, which they shall have been authorised to allot and issue in terms of ordinary resolution, subject to the following conditions:

- This authority is valid until the Company's next annual general meeting, provided that it will not extend beyond 15 months from the date that this authority is given;
- Any such issue will only be made to 'public shareholders' as defined in the JSE Listings Requirements and not to related parties, unless the JSE otherwise agrees;
- The number of ordinary shares issued for cash will not in aggregate exceed 50% of the Company's listed ordinary shares (excluding treasury shares), such number being 692 019 612 ordinary shares in the Company's issued share capital;
- Any ordinary shares issued under the authority during the period contemplated in the first bullet above must be deducted from such number in the preceding bullet; and
- In the event of a sub-division or consolidation of issued ordinary shares during the period contemplated in the first bullet above, the existing authority must be adjusted accordingly to represent the same allocation ratio.

Motivation for ordinary resolution number 8

The reason for proposing ordinary resolution number 8 is that the directors consider it advantageous to have the authority to issue ordinary shares for cash, or otherwise, to enable the Company to take advantage of any business opportunity which might arise in the future.

At present, the directors have no specific intention to use this authority.

It should be noted that this authority relates only to those ordinary shares which the directors are authorised to allot and issue in terms of ordinary resolution numbers 5 and 8 and is not intended to (nor does it) grant the directors authority to issue ordinary shares for cash over and above, and in addition to, the ordinary shares which the directors are authorised to allot and issue in terms of ordinary resolution numbers 5 and 8, when ordinary shares are issued for such purposes and on such terms as the directors may deem fit.

11. SPECIAL RESOLUTION NUMBER 3

GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

RESOLVED THAT, to the extent required by the Companies Act, that the Board may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance as contemplated in Sections 44 and 45 of the Companies Act, including by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the Company, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, for such amounts and on such terms as the Board may determine. This authority will expire on the second anniversary of the date on which this special resolution is adopted, unless renewed prior thereto.

Motivation for special resolution number 3

Section 45 applies to financial assistance provided by a company to any related or inter-related company or corporation, a member of a related or inter-related corporation, and to a person related to any such company, corporation or member.

Both Sections 44 and 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided only pursuant to a special resolution of shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the Board is satisfied that:

i. immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test (as contemplated in the Companies Act); and

ii. the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

As part of the normal conduct of the business of the Company and its subsidiaries or associates ("Imbalie Beauty Group"), the Company, where necessary, usually provides guarantees and other support undertakings to third parties on behalf of its local and foreign subsidiaries and joint ventures or partnerships in which the Company or members of the Imbalie Beauty Group have an interest.

This is particularly so where funding is raised by the foreign subsidiaries of the Company, whether by way of borrowings or the issue of bonds or otherwise, for the purposes of the conduct of their operations. The Company would like the ability to provide financial assistance, if necessary, also in other circumstances, in accordance with Sections 44 and 45 of the Companies Act. Furthermore, it may be necessary for the Company to provide financial assistance to any of its present or future subsidiaries, and/or to any related or inter-related company or entity and/or to a person related to any such company or entity, to subscribe for options or securities of the Company or another company related or interrelated to it. Under the Companies Act, the Company will however require the special resolution referred to above to be adopted.

It is difficult to foresee the exact details of financial assistance that the Company may be required to provide over the upcoming months. It is essential however that the Company is able to organise effectively its internal financial administration. For these reasons, it is necessary to obtain the approval of shareholders as set out in special resolution number 3.

It should be noted that this resolution does not authorise financial assistance to a director or a prescribed officer of the Company or any company or person related to such a director or prescribed officer.

12. ORDINARY RESOLUTION NUMBER 9

DIRECTORS' AUTHORITY TO IMPLEMENT SPECIAL AND ORDINARY RESOLUTIONS

RESOLVED THAT, each director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting.

Motivation for ordinary resolution number 9

This resolution is to provide the directors and company secretary with the necessary authority to do all things necessary to act under or implement the decisions and resolutions passed at this annual general meeting.

Further Disclosure

In terms of paragraph 11.26 of the JSE Listings Requirements, the following information is disclosed in the annual financial statements:

- Major shareholders of the Company;
- Material change statement; and
- Share capital of the Company.

Directors' responsibility statement

The directors, whose names appear in the integrated report, collectively and individually accept full responsibility for the accuracy of the information given in this Notice and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Notice contains all information required by law and the JSE Listings Requirements.

THRESHOLDS

In terms of the Companies Act and the Memorandum of Incorporation, the adoption of special resolutions will require the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution.

In terms of the Companies Act and the Memorandum of Incorporation, the adoption of ordinary resolution will require the support of more than 50% (fifty percent) of the voting rights exercised on the resolution.

VOTING AND PROXIES

Certificated Shareholders and Own-Name Dematerialised Shareholders who are entitled to attend, speak and vote at the annual general meeting, are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a show of hands or a poll. It is requested that Forms of Proxy be forwarded so as to reach the Transfer Secretary by no later than **09h30 (South African Standard Time) on Wednesday, 29 September 2021**. If Certificated Shareholders or Own-Name Dematerialised Shareholders who are entitled to attend, speak and vote at the Annual general meeting do not deliver Forms of Proxy to the Transfer Secretary by the time stipulated above, such Shareholders will nevertheless be entitled to lodge the Form of Proxy in respect of the Annual general meeting up to immediately prior to the Annual general meeting, in accordance with the instructions therein.

Shareholders who have Dematerialised their Imbalie Beauty Shares, other than Own-Name Dematerialised Shareholders, should contact their CSDP or Broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or Broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the Annual general meeting, to obtain the necessary letter of representation to do so.

On a poll, every Shareholder present in person or represented by proxy or by representative and entitled to vote, shall be entitled to cast 1 (one) vote per Imbalie Beauty Share held.

ELECTRONIC PARTICIPATION

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the meeting to be held entirely by means of electronic communication, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the Company and Transfer Secretaries via email at admin@4axregistry.co.za for the Transfer Secretary to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification for the purposes of section 63(1) of the Companies Act 71 of 2008, as amended (Companies Act) and for the Transfer Secretary to provide the shareholder (or representative or proxy) with the link to the Online Registration and Voting Platform as well as the process to register and vote online.

Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

Shareholders are advised to ensure that they are identified and registered to attend the Virtual annual general meeting by preferably no later than Thursday, 23 September 2021 at 13h00, to ensure that they do not experience any delays in accessing the meeting.

By order of the Board

Paige Atkins
Company Secretary

Woodmead, Sandton

30 August 2021

Transfer Secretary

4 Africa Exchange Registry Proprietary Limited

(Registration number 2007/033697/07)

Hill on Empire, 4th floor, Building A, 16 Empire Road, Parktown, 2193, Gauteng, South Africa

Postnet Suite 532, Private Bag X51, Bryanston, 2021, Gauteng, South Africa

Telephone: +27 (0)11 100 8389

FORM OF PROXY

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

FOR USE BY CERTIFICATED SHAREHOLDERS OR OWN-NAME DEMATERIALISED SHAREHOLDERS AT THE ANNUAL GENERAL MEETING OF IMBALIE BEAUTY TO BE HELD ENTIRELY BY ELECTRONIC MEANS AT 09H30 ON THURSDAY, 30 SEPTEMBER 2021.

For completion by Certificated Shareholders and Own-Name Dematerialised Shareholders who are unable to attend and vote at the annual general meeting of the Company to be held entirely by electronic means **at 09h30 on Thursday, 30 September 2021** or at any postponed or adjourned meeting.

Dematerialised Shareholders (other than Own-Name Dematerialised Shareholders) must **not** complete this Form of Proxy but should timeously:

(i) inform their CSDP or Broker of their intention to attend the annual general meeting and request such CSDP or Broker to issue them with the necessary letter of representation to attend; or
(ii) provide such CSDP or Broker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented at such meeting.

Each Certificated Shareholder and Own-Name Dematerialised Shareholder is entitled to appoint a proxy (who need not be an Imbalie Beauty Shareholder) to attend, speak and vote in place of that Shareholder at the annual general meeting. Please read the notes to this Form of Proxy below.

I/We (please print names in full)

of (address)

Telephone/Cell phone number: Email address:

being the holder/s of Shares in the Company, do hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to attend and speak on my/our behalf at this annual general meeting or at any postponement or adjournment thereof, and to vote or to abstain from voting at the annual general meeting as follows on the Ordinary and Special Resolutions to be proposed at such meeting:

	For	Against	Abstain
Ordinary resolution number 1: re-election of non-executive director			
Ordinary resolution number 2: election of non-executive director			
Ordinary resolution number 3.1: re-appointment of Audit and Risk Committee member			
Ordinary resolution number 3.2: re-appointment of Audit and Risk Committee member			
Ordinary resolution number 3.3: re-appointment of Audit and Risk Committee member			
Ordinary resolution number 4: re-appointment of independent external auditors			
Ordinary resolution number 5: general authority to directors to allot ordinary shares			
Ordinary resolution number 6: non-binding advisory endorsement of the Imbalie Beauty remuneration philosophy			

FORM OF PROXY

	For	Against	Abstain
Ordinary resolution number 7: implementation of the non-binding advisory endorsement of the Imbalie Beauty remuneration philosophy			
Special resolution number 1: remuneration of non-executive directors			
Special resolution number 2: general authority to acquire the company's own ordinary shares			
Ordinary resolution number 8: general authority to directors to issue shares for cash			
Special resolution number 3: general authority to provide financial assistance in terms of sections 44 and 45 of the Companies Act			
Ordinary Resolution Number 9: directors' and company secretary's general authority			

If you wish to cast your votes in a certain way, or which to abstain from voting, in respect of:

- a lesser number of Shares than you hold, insert in the appropriate box provided the number of Shares held in respect of which you desire to vote (see note 5); or
- all Shares held by you, insert an "X" in the appropriate box.

If no indication is given, the proxy may vote or abstain as she/he sees fit.

Signed at this day of 2021

Signature

Assisted by me, where applicable (name and signature)

Please read the notes below.

On a poll, every Imbalie Beauty Shareholder or his proxy shall have one vote for each Imbalie Beauty Share held or represented by him.

NOTES TO THE FORM OF PROXY

1. An Imbalie Beauty Shareholder may insert the name of a proxy or the names of two alternative proxies of his choice in the spaces provided with or without deleting the chairman of the annual general, but any such deletion must be initialled by the Imbalie Beauty Shareholder. The person whose name appears first on meeting this Form of Proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please indicate in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Imbalie Beauty Shares exercisable by you, insert the number of Imbalie Beauty Shares held in respect of which you wish to vote. Failure to provide an indication as to the manner in which you wish your votes to be cast will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he deems fit, in respect of all your votes exercisable thereat. An Imbalie Beauty Shareholder or his proxy is not obliged to use all the votes exercisable by the Imbalie Beauty Shareholder or its proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Imbalie Beauty Shareholder or his proxy.
3. Forms of proxy (enclosed) must be dated and signed by the Shareholder appointing a proxy and, for the sake of good order. Shareholders are urged (but not required) to submit forms of proxy to the offices of the Transfer Secretary, 4 Africa Exchange Registry Proprietary Limited**,** Hill on Empire, 4th floor, Building A, 16 Empire Road, Parktown, 2193, Gauteng, South Africa **or email: admin@4axregistry.co.za or** Postnet Suite 532, Private Bag X51, Bryanston, 2021, Gauteng, South Africa **to be received** by no later than **09h30 on Wednesday, 29 September 2021**. If a Shareholder does not lodge, email or post the completed Form of Proxy , in accordance with the above instruction, to reach the Transfer Secretary by the relevant time, that Shareholder will nevertheless be entitled to lodge the Form of Proxy with the chairman of the annual general meeting immediately prior to the commencement of the annual general meeting.
4. Any alteration or correction made to this Form of Proxy must be initialled by the signatory(ies).
5. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Transfer Secretary or waived by the chairman of the annual general meeting.
6. The completion and lodging of this Form of Proxy will not preclude the relevant Imbalie Beauty Shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Imbalie Beauty Shareholder wish to do so.
7. The chairman of the annual general meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairman is satisfied as to the manner in which the Imbalie Beauty Shareholder wishes to vote.
8. This Form of Proxy shall not be valid after the expiration of the annual general meeting or any adjournment thereof.
9. Joint holders – any such persons may vote at the annual general meeting in respect of such joint Imbalie Beauty Shares as if he were solely entitled thereto, but if more than one of such joint holders are present or represented at the annual general meeting, that one of the said persons whose name stands first in the register in respect of such Imbalie Beauty Shares or his proxy, as the case may be, is alone entitled to vote in respect thereof.

Summary of the rights established in terms of Section 58 of the Companies Act:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.

NOTES TO THE PROXY FORM

2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in Section 58(4)(c) of the Companies Act or expires earlier as contemplated in Section 58(8)(d) of the Companies Act.

3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise –

3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;

3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and

3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.

5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the company.

6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in Section 58(4)(c)(ii) of the Companies Act.

7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the company for doing so.

8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.

9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;

9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in Section 58 of the Companies Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;

9.3 the company must not require that the proxy appointment be made irrevocable; and

9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in Section 58(5) of the Companies Act.

CORPORATE INFORMATION

IMBALIE BEAUTY LIMITED

Registration number 2003/025374/06
JSE abbreviated name: “Imbalie”
JSE code: ILE
ISIN: ZAE000165239
Sector: AltX
Exchange: Alternative Exchange
Founded: 2003
Listed JSE: 21 August 2007
Website: www.imbaliebeauty.co.za

REGISTERED ADDRESS

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Telephone: +27 (0)11 086 9800

DIRECTORS

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Mr TJ Schoeman (Independent non-executive Director)
Mr GD Harlow (Non-executive Director)
Mr WP van der Merwe (Non-executive Director)
Ms E Colyn (CEO)

COMPANY SECRETARY

Paige Atkins
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Tel: +27 (0)83 289 6181

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Absa Bank Limited

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