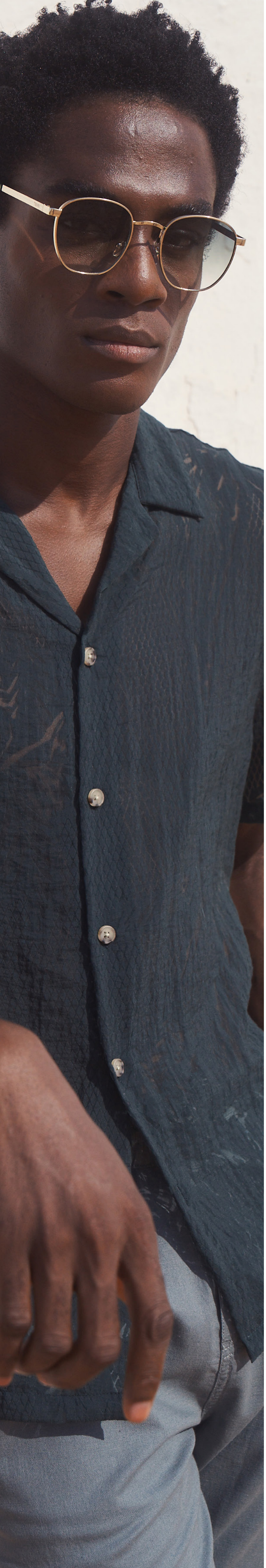
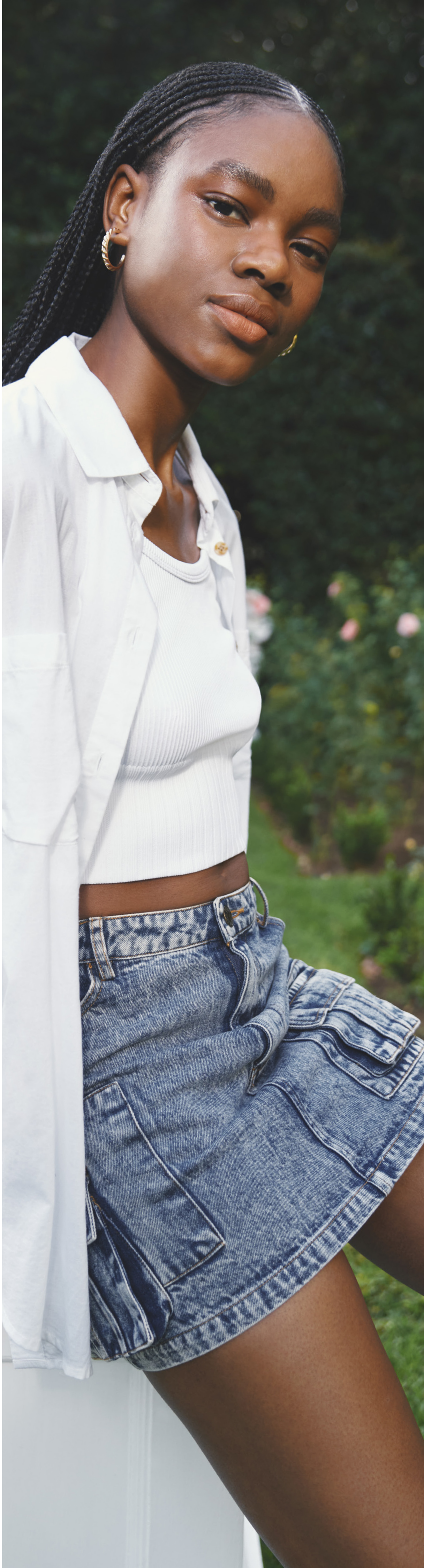


2024

GROUP AND COMPANY AUDITED ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2024

These annual financial statements were prepared by the finance department of the Truworths International Ltd Group acting under the supervision of EFPM Cristaudo (B.Comm), the Chief Financial Officer of the Group.



TRUWORTHS

INTERNATIONAL

CONTENTS

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Truworths International Limited

Report on the Audit of the Consolidated and Separate Annual Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Truworths International Limited (the Company) and its subsidiaries (the Group), set out on pages 18 to 170, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Truworths International Limited as at 30 June 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Provision for Expected Credit Losses</td></tr>
<tr><td>Retail trade receivables are unsecured, and credit is generally provided to customers with higher levels of credit risk compared to the more traditional, and often secured, loans provided by the banking industry. Refer to note 1.4 (Use of estimates in the preparation of annual financial statements), note 11 (Trade and Other Receivables) and note 26.4 (Credit Risk Management).

Trade receivables are carried at amortised cost and an impairment is measured using the general approach under IFRS 9, i.e., modelling expected credit losses (ECLs). As at 30 June 2024, the Group's trade receivables active portfolio amounted to R6 425 million, against which an ECL allowance of R1 302 million has been raised. The "charged-off" trade receivables portfolio (comprising accounts with low expectation of recovery based on the Group's behavioural credit risk models and rules which have been reported to the credit bureaux and moved from the active trade receivables portfolio to a separate portfolio) amounted to R511 million, against which and ECL allowance of R401 million was raised.

The measurement of ECL in respect of the Group's active trade receivables portfolio considers the probability and the expected timing of charge-off and the Group's anticipated exposure at the time of charge-off, as well as the likelihood that the asset is:

• simultaneously charged-off and written-off (derecognised); or
• transferred to the charged-off portfolio, in which regard it further considers the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off.</td><td>In response to the risk of the impairment of trade receivables in terms of IFRS 9 the following procedures were performed by the audit team utilising appropriately skilled credit and financial modelling specialists where required:

• Obtained an understanding of the various assumptions used, the impairment modelling and data management processes, systems and methodologies;
• Inspected the model development documentation (i.e., Provision (Markov) model, loss given charge-off (LGCO) model, economic model and expected credit loss (ECL) calculation).
• Evaluated, in conjunction with our credit and modelling specialists, the impairment methodology applied against the requirements of IFRS 9: Financial Instruments;
• Evaluated whether the impairment methodology developed has been appropriately applied in the underlying impairment models;
• Performed exploratory analytics using the model calibration and application data and performed benchmarking of key metrics against peer portfolios;
• Independently re-performed each significant component of ECL based on management's methodology, including the calculation of model parameters, stage allocation, ECL calculation, , timing of write off, loss given charge off, and the testing of risk states and management overlays to evaluate the accuracy thereof;
• Assessed the suitability of the write-off point by determining the average level of post write-off collections relative to a set materiality threshold of 10% (as a ratio of write-off balances).</td></tr>
</table>

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>
The measurement of ECL in respect of the Group's charged-off trade receivables portfolio considers the Group's expected exposure at the time of write-off after considering the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off.
When measuring the ECL of trade receivables for the Group, the following judgements and estimates are made by management:

The "Markov" loss estimate predicts the likelihood of an account entering a charge-off state, with the associated loss given charge-off estimate to ultimately calculate ECL;
The "Point of Write-off" is a key input into the ECL model and is estimated by management as the point in time at which the entity has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The point of write-off (WO) is when management determines that any recoveries beyond this point are "immaterial". Timing of WO is determined by the arrear status (contractual delinquency bucket), payment recency, economic justification (i.e., cost to collect vs outstanding balance) and is important in selecting the WO point referred to above.
The "Loss Given Charge-off" (LGCO) component is management's estimate of the loss arising on charge-off of trade receivables. It is based on the difference between the contractual cash flows due from a charged-off financial asset and those that the Group would expect to receive; and
The forecasting of balance movements within the portfolio between successive risk states, is estimated using transition matrices.

The Group uses reasonable and supportable forward-looking information, which is based on assumptions and expert opinion on the future movement of different economic drivers and how these drivers will affect each other. The impact on ECL is assessed based on the latest information available.
</td><td>

Re-performed the simulation of the effect of management's new holdback strategy on write-off and residual collections rates. We reviewed the soundness of the methodology and assumptions employed in the calculation of the adjusted ECL and performed an independent impact calculation using alternative assumptions.
Evaluated the appropriateness of forward-looking economic expectations included in the model by comparing it to independent industry data. Where management applied out-of-model adjustments to the forward-looking information, we evaluated these for reasonableness against historical experience and evaluated the methodology applied to incorporate these into the forecasts;
Performed an assessment of the adequacy of forward-looking information ("FLI") adjustments by developing a linear regression model with the portfolio level balance weighted forward transition rate as the response variable. Used macroeconomic factors as explanatory variables and incorporated forward-looking information in the Markov model by using the forecasted balance weighted forward transitions to accordingly adjust the transition rates in the Markov model.
Assessed the reasonability of the most relevant forecasted macroeconomic variables included in the credit models by benchmarking them to agencies which forecast the same variables.
Performed an assessment of the reasonableness of overlays raised by management, based on our understanding of the industry, emerging risks and regulatory changes. Based on our reperformance of the ECL model, we considered effects already taken into account by the ECL model to determine whether the impact of the overlay was not double counted.

</td></tr>
</table>

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Management have incorporated forward-looking information in the ECL calculation as follows:

• an economic overlay model, developed using linear regressions to model the relationship between macroeconomic indicators and the probability of entering a charge-off state;
• the potential impact of industry-specific factors, including changes in the regulatory environment as well as the anticipated impact of macro factors; and
• management judgement.

These forward-looking scenarios were probability weighted based on management's best estimate of their relative likelihood of occurrence to determine the ECL allowance in the current reporting period. As these assumptions and expert opinions pertain to uncertain future events, significant judgement is present.

The ECL of trade receivables is material to the consolidated financial statements in terms of its magnitude, the level of subjective judgement applied by the directors and the effect that it has on the Group's credit risk management processes and operations. The ECL balance has required significant audit effort as well as extensive use of our credit and financial modelling specialists. It has therefore been identified as a key audit matter.</td><td>• Assessed the reasonableness of the probability weightings assigned to each scenario by management. This included:
– inspecting the resulting behaviour of historical trends in the credit book under different macroeconomic conditions;
– analysing recent book performance and the impact of recent management interventions;
– identifying and assessing emerging risks, both from a macroeconomic and industry perspective, that may have an impact on the book performance; and
– benchmarking the probability weights based on weightings recently applied by banks per the base, downside and upside scenarios, taking into account the extent of optimism or pessimism in these scenarios.
• For the forward-looking information and scenarios considered, we consulted our Chief Economist to obtain a view of the appropriateness of the scenarios and weightings applied, in particular to the upside scenario.

Specific attention was given to the following areas:

• Data used in the impairment model was reconciled to the source system,
• Evaluation of the appropriateness of the disclosures included in the consolidated financial statements in accordance with the requirements of IFRS 7: Financial Instruments: Disclosure.

Based on our audit work performed we found the allowance for expected credit losses to be reasonable and the disclosures included in the consolidated financial statements to be appropriate, as set out in notes 1.4, 11 and 26.4.</td></tr>
</table>

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td></td><td>The audit team obtained an understanding and performed work around the governance structures over IFRS 9 as follows:

• Obtained an understanding of the overall governance structures and committees in place over both the base model and management overlays;
• Assessed the design, implementation and operating effectiveness of controls over the management overlays and those of the base model; and
• Tested the automated controls over the debtors' system for design, implementation and operating effectiveness, with the assistance of IT audit specialists.

Based on these procedures, we concluded that the governance processes are sound and related operational controls were appropriately designed and implemented.</td></tr>
<tr><td colspan="2">Impairment reversal of the Office Trademarks</td></tr>
<tr><td>The carrying value of the Office trademarks amounted to R1 316 million at 30 June 2024 (2023: R341 million). These trademarks were acquired at a cost of R3 917 million and were subsequently impaired by R3 576 million. Due to the improved performance of the Office Retail Group ("Office"), an impairment reversal was recognised by management in the current year, reversing R1 019 million of previous impairment costs.

The Office trademarks as at 30 June 2024 of R1 316 million make up 15% of the total non-current assets of the group.

The disclosure related to the valuation of Office trademarks is included in note 5 to the consolidated financial statements.

In line with IAS 36: Impairment of Assets, the directors are required to assess on an annual basis whether indefinite useful life intangible assets are potentially impaired or if there are external or internal quantitative impairment reversal indicators for previously impaired indefinite useful life intangible assets.</td><td>In evaluating the impairment assessment of the Office trademarks, we focused on the key areas of estimates and judgement made by management which includes the appropriateness of the valuation model used and the pre-tax weighted average cost of capital ("WACC").

In response to the risk of the impairment reversal of the Office trademarks, in terms of IAS 36: Impairment of Assets, the following procedures were performed by the audit team in conjunction with our Actuarial and Advisory (A&A) team (valuation specialists):

• Engaged our local internal valuation specialists to assess the appropriateness of the royalty relief valuation methodology applied against the requirements of IAS 36: Impairment of Assets and assessed the arithmetic accuracy of the model.
• Engaged local internal valuation specialists to independently calculate the discount rates, growth rates and royalty rates used in management's impairment calculations and considered the appropriateness of the inputs used in management's calculations;</td></tr>
</table>

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>The recoverable amounts of the Office trademarks were calculated using the royalty relief method. These valuations are subjective in nature as they are dependent on the directors' best estimate of the brands' future performance based on information known at 30 June 2024.

As disclosed in note 5, there are a number of key assumptions and estimates made in determining the inputs into the models which include:

• Sales growth rates;
• Discount rate;
• Long-term projected UK growth rates; and
• Royalty rate.

Furthermore, there is significant estimation and judgement applied when forecasting the valuation inputs, due to the inherent nature of the macroeconomic factors and the uncertainty thereof.

Due to the significance of the Office trademarks balance and the level of estimation inherently required in determining future performance, royalty rate and an appropriate discount rate, this has been identified as a key audit matter in our audit of the consolidated financial statements.</td><td>• Evaluated management's Capital Asset Pricing Model (CAPM) used to calculate the WACC, and the relevant inputs therein used to estimate the cost of equity and cost of debt; including the risk-free rate, beta, expected equity risk premium in the market and the small stock premium.
• Assessed the reasonability of the assumptions relating to sales growth rates with reference to historic information, approved budgets and considered whether these are reasonable and supportable given the current macroeconomic climate in the UK and expected future performance, as well as considered any contradictory evidence.
• Subjected the sales growth rates in the valuation model to sensitivity analyses;
• Performed a benchmarking exercise by evaluating management's royalty rates against the industry norms;
• Assessed the adequacy of the Group's disclosures in respect of the trademarks and resulting trademark impairment reversal.
• Evaluated and reperformed management's value in use (VIU) assessment of the cash generating unit (Office), to confirm adequate headroom existed to support a reversal of previous trademark impairment costs recognised.
• Assessed the reasonability of the future projected cash flows included in the VIU calculation, that it complies with IAS 36: Impairment of Assets and assessed the reasonability of sales growth rates included in projected cash flows as well as the WACC assessment which were performed for the trademark valuation.</td></tr>
</table>

Key Audit Matter	How the matter was addressed in the audit
	The audit team has obtained an understanding of the control environment over the impairment calculation and reversals as follows: • Assessed the design and tested the implementation of the key controls over the intangible assets' impairment assessment process, Including management's monitoring controls in respect of the determination of inputs into the impairment assessment of the Trademarks. Based on the procedures performed, the valuation methodology used is considered appropriate and we found the key forecast assumptions determined by management to be supportable.

Other matter

The consolidated financial statements of the group for the 52-week period ended 2 July 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 31 August 2023.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Truworths International Integrated Report for the 52 weeks ended 30 June 2024" and in the document titled "Group and Company audited annual financial statements for the year ended 30 June 2024", which includes the Approval of Annual Financial Statements, CEO and CFO Responsibility Statement, Certificate by Company Secretary, Directors' Report and Audit Committee Report as required by the Companies Act of South Africa as well as Annexure Four- Employment Equity Act Summary and Shareholder Information, which we obtained prior to the date of this report. The other information that will be available after this report date consists of the Integrated Annual Report, Ten-year Review, Ratios, Share Statistics and Definitions, Corporate Governance Report, Application of King IV Corporate Governance Principles, Environmental, Social and Sustainability Governance Report, and Social and Ethics Committee Report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will 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 Directors for the Consolidated and Separate Financial Statements

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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 and Company'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 and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 Audit Committee 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 Audit Committee 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 Audit Committee, 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 Deloitte & Touche was the auditor of Truworths International Limited for the first time for the 30 June 2024 audit.

Signed by:
Deloitte & Touche
39364DFBEA364F5...

Deloitte & Touche
Registered Auditor
Per: J Grace
Partner

11 September 2024

5 Magwa Crescent
Midrand
Johannesburg 2090
South Africa

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors are responsible for preparing annual financial statements that fairly present the financial position and changes in equity of the Group and company and the results of its operations and cash flows in accordance with the Companies Act (71 of 2008, as amended), International Financial Reporting Standards (IFRS® Accounting Standards) and the Listings Requirements of the JSE Limited (JSE). The application of IFRS Accounting Standards is reviewed by the Group's Accounting Forum, which meets quarterly with the external auditor, comprises members of the Group's financial management team, and makes recommendations to management and the directors relating to accounting treatment and disclosure.

The Group and company annual financial statements, which appear on pages 13 to 180, were approved by the board of directors on 11 September 2024 and are signed on its behalf by:

H Saven
Chairman

MS Mark
Chief Executive Officer

CEO AND CFO RESPONSIBILITY STATEMENT

The Chief Executive Officer and Chief Financial Officer hereby confirm, in accordance with the JSE Listings Requirements, that:

- the annual financial statements set out on pages 13 to 180, fairly present in all material respects the financial position, financial performance and cash flows of the Group and the company for the 52-week period ended 30 June 2024 in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the company and its consolidated subsidiaries has been provided to effectively prepare the annual financial statements of the Group;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility for the implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and where required have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

MS Mark
Chief Executive Officer

EFPM Cristaudo
Chief Financial Officer

CERTIFICATE BY COMPANY SECRETARY

I certify that, in respect of the reporting period, the company has, to the best of my knowledge and belief, lodged with the Companies and Intellectual Property Commission (CIPC) all returns and notices required of a public company in terms of the Companies Act (71 of 2008, as amended) of South Africa and that all such returns appear to be true, correct and up to date.

C Durham

C Durham
Company Secretary
11 September 2024

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the state of affairs, the business and profit of the company and the Group, together with the Group and company annual financial statements for the 52-week period ended 30 June 2024.

NATURE OF BUSINESS
Truworths International Ltd (the company) is an investment holding and management company whose shares are listed for trading on the Johannesburg Stock Exchange, A2X and the Namibian Stock Exchange. Its principal trading entities, Truworths Ltd and Office Holdings Ltd, are engaged either directly or through subsidiaries, concessions or agencies, in the cash and account retailing of fashion clothing, footwear, homeware and related merchandise. The company and its subsidiaries (the Group) operate primarily in South Africa and the United Kingdom, and have continuing operations in the Republic of Ireland and certain southern African countries.

RESULTS OF OPERATIONS
The results for the period are detailed in the Group and company annual financial statements that follow.

DIVIDENDS
Details of the dividends paid by the company during the period are disclosed in note 31 of the Group annual financial statements.

On 11 September 2024 the directors of the company resolved to declare a final cash dividend of 197 cents per share (before dividends tax) for the period ended 30 June 2024 from retained earnings of the company to shareholders recorded in the company's register on the record date, being Friday, 4 October 2024, bringing the annual dividend per share to 529 cents per share.

PROPERTY, PLANT AND EQUIPMENT
During the prior period the Group established a 50/50 joint operation with a third party, which joint operation acquired a 99-year leasehold title to industrial land in Cape Town, South Africa, and commenced the development thereon of a distribution centre. Construction of the distribution centre was completed by the end of November 2023. From December 2023 Truworths Ltd leased the property from the joint operation and commenced the fit-out of the distribution centre. Fit-out is expected to be completed in the first half of the 2025 reporting period. Please refer to note 35 for further information.

There were no other major changes in the nature of the Group's property, plant and equipment during the period. The useful lives and residual values of certain assets were reviewed and no material adjustments were required.

SHARE CAPITAL
Details of the authorised and issued share capital of the company and the movements during the period are disclosed in note 13 of the Group annual financial statements.

No shares were repurchased during the current period. During the prior period 556 655 shares were repurchased, cancelled and delisted from the JSE and NSX at an average price of R49.85 and for an aggregate nominal value of R83 and an aggregate premium of R27 748 987.

DIRECTORS, SECRETARY AND COMMITTEE MEMBERS
The names of the directors and Company Secretary in office at 30 June 2024 are set out in the Administration section of the 2024 Integrated Annual Report. The following changes to the board and board committees occurred during the period:

- Ms Earp was appointed as a member of the Risk Committee with effect from 3 July 2023.
- Ms Motsepe and Mr Muller were appointed as independent non-executive directors with effect from 1 August 2023.
- Mr Muller was appointed as a member of the Remuneration Committee and Nomination Committee with effect from 1 September 2023.
- Mr Hawinkels was appointed as lead independent director of the board with effect from 1 September 2023.
- Ms Makanjee retired as a non-executive director and as a member of the Social and Ethics Committee with effect from 9 November 2023.

DIRECTORS' REPORT (continued)

SUBSIDIARIES

Annexure One, containing full particulars of the Group's non-dormant subsidiaries, appears on pages 146 and 147 of the Group annual financial statements.

BORROWING POWERS

In terms of the company's memorandum of incorporation, its borrowing powers are unlimited. The borrowing powers of the Group's subsidiaries may be limited by the company. Any borrowings by the Group are subject to the provisions of the Group's board-approved treasury policy.

SPECIAL RESOLUTIONS BY SUBSIDIARY COMPANIES

By way of special resolution taken on 9 November 2023, the wholly-owned subsidiary company, Truworths Ltd, was authorised specifically to provide financial assistance to the company and to the Group investment company, Truworths Trading (Pty) Ltd, in the form of loans for the purpose of acquiring shares in the company, and prior such assistance given was ratified. The special resolution further generally authorised financial assistance (and ratified prior such assistance given) in the form of loans and/or guarantees to (a) the Group's subsidiaries and related companies in South Africa and the rest of Africa and the United Kingdom to enable them to meet various expense and working capital requirements relating to their operations, (b) the Group's charitable, enterprise development and share scheme trusts, so as to enable them to carry out their activities, and (c) to certain directors of that company for housing purposes. The aforesaid financial assistance was authorised subject to the provisos that any loans and guarantees granted are made in the ordinary course of the Group's business and to further its objectives, that they do not impair the solvency or liquidity of Truworths Ltd and when viewed objectively are regarded by its board as being fair and reasonable to the said company.

By way of special resolution taken on 9 November 2023, the wholly-owned subsidiary company, Truworths Ltd, was authorised to repurchase the shares of the company (being the holding company of Truworths Ltd), for the purpose of awarding shares to the employees of Truworths Ltd pursuant to the company's 2012 Share Plan.

By way of special resolution taken on 1 July 2024, the wholly-owned subsidiary company Young Designers Emporium (Pty) Ltd was authorised to provide financial assistance (and ratified prior such assistance given) to the fellow subsidiary company Truworths Ltd and other Group companies in the form of loans for the purpose of investing such funds centrally within the Group. The aforesaid financial assistance was authorised subject to the provisos that any loans and guarantees granted are made in the ordinary course of the Group's business and to further its objectives, that they do not impair the solvency or liquidity of Young Designers Emporium (Pty) Ltd and when viewed objectively are regarded by its board as being fair and reasonable to the said company.

The aforesaid special resolutions did not require filing with CIPC in terms of the Companies Act (71 of 2008, as amended) of South Africa, and have the effect of authorising the said financial assistance for two years following the passing of such resolutions.

The directors of the aforesaid subsidiaries have performed the required solvency and liquidity tests required by the Companies Act (71 of 2008, as amended) of South Africa and are satisfied that the companies have met the requirements of these tests prior to and, where applicable, immediately after the conclusion of the transactions authorised by the aforesaid special resolutions.

No other material special resolutions were passed by subsidiary companies between the reporting date and the date of this report.

EVENTS AFTER THE REPORTING DATE

No event which is material to the understanding of this report has occurred between the reporting date and the date of this report.

AUDIT COMMITTEE REPORT

The Audit Committee (the committee) of the Truworths International board complies with relevant legislation, regulation and governance practices. The responsibilities of the committee are outlined in its written charter which reflects aspects recommended by the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV) (Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved).

This report of the committee is presented to shareholders in compliance with the requirements of the Companies Act.

ROLE OF THE COMMITTEE

The objectives and functions of the committee are set out in its charter. In summary the committee:

- aims to ensure the maintenance of adequate accounting records, effective financial reporting and internal control systems;
- aims to ensure compliance of published financial reports with relevant legislation, financial reporting standards and good governance;
- aims to ensure Group assets are safeguarded;
- has oversight of fraud, information security and information technology risks in so far as these impact on the financial reporting process;
- confirms the nomination and appointment of the external auditor, ensuring such appointment is legislatively compliant;
- approves the terms of engagement and fees of the external auditor, in consultation with management;
- defines and considers the non-audit services that may be rendered by the external auditor;
- considers the external auditor's findings arising from the annual financial statement audit;
- monitors the functioning and approves the coverage plan of the internal audit department;
- reviews tax compliance and tax risk management programmes and initiatives;
- fulfils the function of audit committee to Group subsidiaries that are public companies;
- considers the external auditor's findings arising from the annual financial statement audit of, and deals with any other material financial matters deserving attention relating to, the Group's other subsidiaries and charitable and other trusts;
- reviews the expertise, resources and experience of the Group's finance function and the expertise and experience of the Chief Financial Officer; and
- reviews and recommends to the board the approval of the Group's Integrated Report, Interim Report, Summarised Audited Group Annual Results, annual financial statements and published results announcements.

STRUCTURE OF THE COMMITTEE

The committee comprises the following independent non-executive directors, and the Chairman of the committee is not the Chairman of the board of the company. The following directors served on the committee during the reporting period:

- Mr Roddy Sparks (Chairman)
- Ms Dawn Earp
- Ms Tshidi Mokgabudi

Biographical details of the committee members appear in the Truworths International Board section in the 2024 Integrated Report. Fees paid to the committee members are outlined in note 29.1 of the Group annual financial statements. Having regard to their financial and business qualifications, as well as their extensive work experience in financial accounting, auditing, consulting and corporate business, the members of the committee are regarded as having the relevant financial expertise and experience required of an audit committee member.

The Chairman of the board, certain non-executive directors, the Chief Financial Officer, the Company Secretary, the Truworths Ltd Director: Internal Audit, Legal, Governance and Risk, the Truworths Ltd Head: Governance Risk and Controls, the Truworths Ltd Divisional Director: Finance, the Chairman of the Risk Committee and the external auditor also attend meetings of the committee as invitees.

The Chairman of the committee periodically meets separately with the external auditor and the Truworths Ltd Director: Internal Audit, Legal, Governance and Risk without members of executive management being present in order to maintain a direct line of communication between these assurance providers and the committee. In addition the committee meets separately with the external auditor and the said director respectively without members of executive management being present, as part of the governance process.

AUDIT COMMITTEE REPORT (continued)

INTERNAL AUDIT

The internal audit function provides assurance to the Truworths International board, via the committee, on the adequacy and effectiveness of the Group's internal control and risk management practices, and the integrity of financial reporting systems. Internal audit also assists management by making recommendations for improvements to the control and risk management environment.

The principle of independence of the internal audit department is upheld and the Truworths Ltd Director: Internal Audit, Legal, Governance and Risk reports on operational matters to the Chief Executive Officer and on administrative matters to the Chief Financial Officer. The said director also has direct access to the Chairman of the committee.

The scope of the internal audit department's work includes:

- reviewing, appraising and reporting on the adequacy and effectiveness of the Group's system of internal control;
- reviewing the processes and systems which are designed to ensure integrity of the Group's reporting of financial and operating information; and
- reviewing the adequacy of the Group's compliance with applicable policies, plans, procedures, laws and regulations.

Specific focus is placed on the system of internal control that ensures that assets and information are protected against loss, theft or misuse, as well as on those controls that ensure key transactional information is of high integrity. Internal audit also provides consultation and other services to management such as due diligence services, forensic audit services, systems auditing services, risk management services, business continuity plan monitoring services and special reviews or audits.

INTERNAL CONTROLS

The Group aims to maintain a high standard of internal control. The sound control environment in the Group is founded on:

- strong responsibility for controls by executives;
- executive commitment to integrity and ethical values; and
- the skills and competence of executives.

The soundness of the Group's control environment is illustrated through:

- management's hands-on operating style;
- clear communication through employee policies and operating procedures;
- assignment of authority and responsibility to appropriate levels of management; and
- a control-consciousness throughout the Group.

The Truworths International board is ultimately responsible for the Group's system of internal control, which is designed to ensure:

- effectiveness and efficiency of operations;
- safeguarding and verification of and accountability for assets;
- detection and minimisation of fraud and losses;
- reliability of financial and operational information and reporting; and
- compliance with applicable laws, regulations, policies and procedures.

The Truworths International board delegates responsibility for the implementation and maintenance of the control framework to management. The committee, together with the Risk Committee and the internal auditors, assists the board in monitoring the effectiveness and adequacy of the control environment. The committee also considers the findings raised by the external auditor in assessing the effectiveness and adequacy of the control environment.

The committee reports that during the period under review:

- internal control procedures were represented by management as having been substantially effective and appropriate;
- no material breach of internal controls and procedures was brought to its attention;
- key risks appeared to be adequately documented and appropriately monitored and reported on by management;
- policies and authority levels were represented by management as having been enforced and adhered to; and
- no material breaches of any laws affecting the Group were brought to its attention.

EXTERNAL AUDITORS

The Group's external auditor is Deloitte & Touche (Deloitte). Fees paid to the external auditors are detailed in note 28.6 of the Group annual financial statements. Deloitte was appointed with effect from the 2024 financial period following the resignation of the Group's previous external auditor, Ernst & Young Inc. Deloitte was appointed and Ernst & Young Inc. resigned pursuant to the IRBA's mandatory auditor rotation policy that was effective at the time.

The external auditor's plan for the annual audit of the Group's financial statements, which incorporates the identification of significant risks and how they are to be addressed during the audit, was presented and approved at a meeting of the committee before the commencement of audit fieldwork.
The external auditor has unrestricted access to the Group's records and management. The external auditor furnishes a written report to the committee on significant findings arising from the annual audit and is able to raise matters of concern directly with the Chairman of the committee.

The committee is satisfied that the Group's external auditor, Deloitte, and the designated audit partner are independent of the Group and management, and are therefore able to express an independent opinion on the fair presentation of the Group's 2024 annual financial statements.

Based on an assessment of the independence, competence, resources, and service levels in accordance with paragraph 3.84(g)(ii) read with paragraphs 3.86 and 3.87 of the JSE Listings Requirements, the committee was satisfied that Deloitte was suitable for appointment as the external audit firm for the 2024 financial period. The committee also considered and was satisfied with the suitability for appointment of Ms Jolandi Grace as the designated audit partner for the said period.

The conclusion of the committee with regard to the independence of Deloitte was, *inter alia,* based on the following:

- the Group's policy that prohibits or otherwise restricts the non-audit services that may be provided by the external auditor;
- auditing profession standards that preclude the external auditor's personnel from holding shares in or having other business relationships with the Group;
- the external auditor may not provide services that could be seen as participating in the management of the Group's affairs; and
- the assurance provided by the external auditor that internal governance processes within the audit firm support the claim to independence.

The committee's policy on the provision of non-auditing services by the external auditor, which policy was amended during the period, restricts the auditor from rendering accounting, company secretarial, internal audit, legal, valuation, financial information system design, actuarial, management, human resource and investment services to the Group.

Furthermore, the provision of non-restricted non-audit services by the external auditor is subject to prior approval by the committee. Fees for all such non-audit services require appropriate disclosure in the financial statements. Details of non-audit service fees incurred during the reporting period were presented and approved at committee meetings.

During the period the external auditor received fees of R172 000 (2023: R893 495 paid to the Group's previous external auditors) for non-audit services relating to taxation and other services to the Group, equivalent to 1.0% (2023: 5.9%) of the annual audit fee. Refer to note 28.6 of the Group annual financial statements for further detail.

The committee has ensured that a resolution proposing the re-appointment of Deloitte as the external audit firm (and Ms Jolandi Grace as the designated audit partner) for the 2025 financial period is included in the notice of the company's 2024 annual general meeting, which notice is shortly to be published in terms of section 61(8) of the Companies Act.

COMMITTEE FUNCTIONING

During the reporting period, three committee meetings were held. Meetings are scheduled to coincide with the key dates in the Group's financial reporting and audit cycle.

Reports routinely considered by the committee at these meetings included the Truworths Africa Chief Financial Officer's Report, the Office Chief Financial Officer's Report, the report of the Internal Audit Department (including its coverage plan and IT audit activities) and the Group Tax Report.

In addition, the Chairman of the committee is also a member of the Risk Committee, attends its quarterly meetings and is able to provide feedback to the committee on the Risk Committee's activities and recommendations.

The committee also considered the draft interim, Summarised Audited Group Annual Results, annual and short-form financial reports and announcements, and the integrated annual report, prepared by management, and recommended their adoption by the board subject to identified amendments. The committee further considered the external auditor's audit plan and the appropriateness of the responses of management to the comments raised by the predecessor auditor in relation to the prior period audit.

AUDIT COMMITTEE REPORT (continued)

During the reporting period the committee also undertook the following:

- nominated for appointment Deloitte as the external auditor and obtained assurance from management that this appointment complied with legislative requirements, including providing for a resolution relating to such appointment to be incorporated in the notice of the company's annual general meeting;
- considered the suitability of the audit partner assigned to do the annual audit engagement, in accordance with legislative requirements;
- noted the reports of the Independent Regulatory Board of Auditors (IRBA) on their satisfactory findings following routine technical reviews of the audit work conducted by the audit firm Deloitte and the designated audit partner;
- approved the external auditor's fees and terms of engagement that had been negotiated by management;
- reviewed the Group's tax risk management and compliance activities, particularly relating to value-added tax and income tax in South Africa and the United Kingdom, and the Group's fiscal obligations in other countries of operation;
- considered the methods deployed by management to promote sound IT governance as well as information security and privacy and monitored progress, by way of a scorecard maintained by the Head: Governance, Risk and Controls made by management towards attaining the Group's objectives in these areas;
- considered progress made in the implementation of the Group's internal audit coverage plan, the key findings from such audits and special investigations conducted, and key outcomes arising from the Group's loss prevention programme;
- considered the assumptions made, methodologies employed and judgements exercised by management in the course of conducting impairment testing and determining the carrying values of the Group's intangible and right of use assets;
- considered the annual report of the Johannesburg Stock Exchange (JSE) on its findings arising from the proactive monitoring of the financial reports published by JSE listed companies during 2023;
- monitored the functioning of the audit committee within Office, the Group's business segment in the United Kingdom, which subsidiary committee has reporting obligations to the committee;
- considered the reports and meeting minutes of the Office audit committee, of which the Chairman of the Committee is a member;
- confirmed its satisfaction with the framework and process implemented by management designed to enable the Chief Executive Officer and Chief Financial Officer to attest with assurance in the Group's annual financial statements as to their fair presentation, correctness and completeness, and as to the effectiveness of the internal controls relating to the Group's financial reporting;
- considered recent developments relating to the JSE Listings Requirements and matters for consideration in relation to King IV and the Companies Amendment Act;
- considered presentations by management on IFRS Accounting Standards applicable to the Group, including in relation to the judgement exercised by management in making financial estimates, the methods of measurement deployed, the choices made in relation to the basis of adoption, practical expedients, and exemptions available and the accounting policy disclosures; and
- amended the committee's policy on the provision of non-audit services by the external auditor to incorporate the principle of pre-concurrence, and to align with recent amendments to the IRBA Code.

The committee was not required to deal with any complaints relating to accounting practices or internal audit, nor to the content or audit of the Group's annual financial statements.

The committee carried out its other responsibilities as set out in its board-approved charter, including those relating to the audit and financial reporting obligations of the Group's subsidiary companies and charitable and other trusts, during the reporting period by way of a consideration of the status of finalisation of the statutory annual financial statements of such entities.

Following each meeting of the committee, the Chairman of the committee submits a written report to the directors on the committee's activities, findings and recommendations, and presents and invites questions on this report at the board meeting immediately following the committee meeting.

The Chairman and members of the committee attend the annual general meeting of shareholders to answer any questions relating to the committee's activities.

CHIEF FINANCIAL OFFICER'S EXPERTISE AND EXPERIENCE

The committee reports in terms of the JSE Listings Requirements that, based on a formal assessment process, it was satisfied as to the appropriateness of the expertise and experience of the Group's Chief Financial Officer during the reporting period.

AUDIT COMMITTEE REPORT (continued)

FINANCE FUNCTION'S EXPERTISE, RESOURCES AND EXPERIENCE

Based on a consideration of the qualifications, participation in continuing professional education and the nature, duration and relevance of the experience of key managers in the Group's finance department, as well as a review of the staff complement, functional responsibilities of and information systems available to the department, the committee reports in terms of King IV that it is satisfied as to the appropriateness of the collective expertise, experience and effectiveness of the Group's finance functions, both in South Africa and the United Kingdom and the adequacy of their human and technological resources.

FINANCIAL REPORTING PROCEDURES

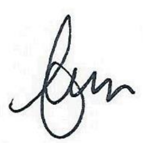
Having regard for both the aforesaid assessments, and the comprehensive, timeous and consistent nature of management's financial reporting to the committee and the Group's financial reporting to its shareholders, the committee is satisfied that the Group has established appropriate financial reporting procedures and that such procedures (which relate to all Group entities) are operating as intended so that the committee has access to all information required to effectively prepare and report on the Group's annual financial statements.

ANNUAL FINANCIAL STATEMENTS AND INTEGRATED ANNUAL REPORT

The committee has recommended the Group's 2024 audited annual financial statements (of which this report forms part), and in due course following the appropriate review process envisages recommending the Group's 2024 Integrated Report, to the board for approval.

APPROVAL OF THE REPORT

The committee confirms that it has functioned in accordance with its charter for the reporting period and that its report to shareholders was approved by the board on 11 September 2024.



RJA Sparks
Chairman

Audit Committee
11 September 2024

GROUP STATEMENTS OF FINANCIAL POSITION

	Note	at 30 June 2024 Rm	at 2 July 2023 Rm
ASSETS			
Non-current assets		**8 553**	6 716
Property, plant and equipment	2	**2 533**	2 069
Right-of-use assets	3	**3 545**	3 329
Intangible assets	5	**1 534**	590
Goodwill	4	**294**	294
Loans and receivables	8	**28**	77
Assets held at fair value	7	**315**	36
Deferred tax	9.1	**304**	321
Current assets		**10 099**	9 417
Inventories	10	**2 312**	2 244
Trade and other receivables	11	**5 419**	5 546
Derivative financial assets	6	**-**	28
Assets held at fair value	7	**1 468**	-
Prepayments		**99**	137
Cash and cash equivalents	12	**801**	1 462
Total assets		**18 652**	16 133
EQUITY AND LIABILITIES			
Total equity		**9 506**	7 654
Share capital*	13	**-**	-
Treasury shares	14	**(1 920)**	(2 066)
Retained earnings		**11 093**	9 393
Non-distributable reserves	15	**333**	327
Non-current liabilities		**3 794**	3 237
Lease liabilities	20.1	**2 927**	2 827
Interest-bearing borrowings	16	**268**	169
Provisions	22	**186**	166
Deferred tax	9.2, 9.3	**337**	-
Put option liability	17	**26**	30
Post-retirement medical benefit net obligation	18.1	**28**	27
Leave pay obligation	19	**22**	18
Current liabilities		**5 352**	5 242
Trade and other payables	21	**1 636**	1 591
Lease liabilities	20.1	**990**	1 019
Interest-bearing borrowings	16	**1 208**	1 208
Bank overdraft	12	**1 099**	935
Provisions	22	**205**	267
Put option liability	17	**29**	20
Derivative financial liability	23	**27**	-
Tax payable		**158**	202
Total liabilities		**9 146**	8 479
Total equity and liabilities		**18 652**	16 133

* Zero due to rounding

GROUP STATEMENTS OF COMPREHENSIVE INCOME

		Note	52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm
Revenue		27	**22 436**	21 992
Sale of merchandise		27	**20 664**	19 894
Cost of sales		28.1	**(9 859)**	(9 445)
Gross profit			**10 805**	10 449
Other income		27	**562**	939
Intangible asset impairment reversal		5	**1 019**	-
Trading expenses			**(8 168)**	(7 772)
Depreciation and amortisation		28.2	**(1 475)**	(1 359)
Employment costs		28.3	**(2 718)**	(2 489)
Occupancy costs		28.4	**(1 072)**	(961)
Trade receivable costs		28.5	**(1 310)**	(1 283)
Net bad debt and expected credit losses raised			**(1 168)**	(959)
Other trade receivable costs			**(142)**	(324)
Other operating costs		28.6	**(1 593)**	(1 680)
Trading profit			**4 218**	3 616
Interest income		27	**1 388**	1 143
Dividend income		27	**25**	16
Profit before finance costs and tax			**5 631**	4 775
Finance costs		28.7	**(476)**	(378)
Profit before tax		28	**5 155**	4 397
Tax expense		30.1	**(1 255)**	(1 109)
Profit for the period			**3 900**	3 288
Attributable to:				
Equity holders of the company			**3 887**	3 275
Holders of the non-controlling interest			**13**	13
Profit for the period			**3 900**	3 288
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods			**(93)**	181
Movement in foreign currency translation reserve		15.5	**(93)**	181
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			**112**	17
Re-measurement gains on defined benefit plans		18.1	**1**	12
Fair value adjustment on assets held at fair value through other comprehensive income		15.3, 15.4	**111**	5
Other comprehensive income for the period, net of tax			**19**	198
Attributable to:				
Equity holders of the company			**20**	190
Holders of the non-controlling interest			**(1)**	8
Other comprehensive income for the period, net of tax			**19**	198
Total comprehensive income for the period			**3 919**	3 486
Attributable to:				
Equity holders of the company			**3 907**	3 465
Holders of the non-controlling interest			**12**	21
Total comprehensive income for the period			**3 919**	3 486
Basic earnings per share	(cents)	32.1	**1 046.9**	888.5
Diluted basic earnings per share	(cents)	32.2	**1 031.3**	876.4

GROUP STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital* Rm	Treasury shares Rm	Retained earnings Rm	Non-distributable reserves Rm	Equity holders of the company Rm	Holders of the non-controlling interest Rm	Total equity Rm
2024								
Balance at the beginning of the reporting period		**-**	**(2 066)**	**9 393**	**327**	**7 654**	**-**	**7 654**
Total comprehensive income for the period		**-**	**-**	**3 888**	**19**	**3 907**	**12**	**3 919**
Profit for the period		**-**	**-**	**3 887**	**-**	**3 887**	**13**	**3 900**
Other comprehensive income for the period		**-**	**-**	**1**	**19**	**20**	**(1)**	**19**
Dividends declared	31	**-**	**-**	**(2 204)**	**-**	**(2 204)**	**-**	**(2 204)**
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	15.1	**-**	**103**	**-**	**(103)**	**-**	**-**	**-**
Cost of appreciation rights exercised in terms of the 2012 restricted share scheme reversed		**-**	**13**	**-**	**(13)**	**-**		
Shares sold by Truworths International Limited Share Trust	14	**-**	**30**	**6**	**-**	**36**	**-**	**36**
Share appreciation rights expired	15.1	**-**	**-**	**10**	**(10)**	**-**	**-**	**-**
Utilisation of reserves on exercise of 1998 share scheme options	15.1	**-**	**-**	**-**	**(14)**	**(14)**		**(14)**
Share-based payments	15.1	**-**	**-**	**-**	**139**	**139**	**-**	**139**
Acquisition of non-controlling interest	15.2	**-**	**-**	**-**	**(10)**	**(10)**	**(9)**	**(19)**
Movement in put option liability	15.2	**-**	**-**	**-**	**(2)**	**(2)**	**(3)**	**(5)**
Balance at 30 June 2024		**-**	**(1 920)**	**11 093**	**333**	**9 506**	**-**	**9 506**
2023								
Balance at the beginning of the reporting period		-	(2 186)	8 144	148	6 106	-	6 106
Total comprehensive income for the period		-	-	3 287	178	3 465	21	3 486
Profit for the period		-	-	3 275	-	3 275	13	3 288
Other comprehensive income for the period		-	-	12	178	190	8	198
Dividends declared	31	-	-	(1 990)	-	(1 990)	-	(1 990)
Shares repurchased	14	-	(28)	-	-	(28)	-	(28)
Shares cancelled	14,15	-	49	(49)	-	-	-	-
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	14,15.1	-	99	-	(99)	-	-	-
Share appreciation rights expired	15.1	-	-	1	(1)	-	-	-
Share-based payments	15.1	-	-	-	137	137	-	137
Acquisition of non-controlling interest		-	-	-	(13)	(13)	(33)	(46)
Movement in put option liability	15.2	-	-	-	(23)	(23)	12	(11)
Balance at 2 July 2023		-	(2 066)	9 393	327	7 654	-	7 654

* Zero due to rounding

GROUP STATEMENTS OF CASH FLOWS

	Note	52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from profit before tax	34.1	**4 658**	5 038
Working capital movements	34.2	**38**	(1 227)
Cash generated from operations		**4 696**	3 811
Interest received	34.1	**1 327**	1 139
Dividends received	27	**25**	16
Finance costs paid	34.1	**(468)**	(370)
Capitalised finance costs paid		**(9)**	(6)
Tax paid	34.3	**(967)**	(1 068)
Cash inflow from operations		**4 604**	3 522
Dividends paid	34.4	**(2 204)**	(1 989)
Net cash from operating activities		**2 400**	1 533
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment to expand operations	34.5	**(586)**	(599)
Acquisition of plant and equipment to maintain operations	34.6	**(166)**	(79)
Acquisition of computer software		**(18)**	(39)
Premiums paid to insurance cell	7.2	**(8)**	(14)
Amounts received from insurance cell	7.2	**5**	8
Loans and receivables repaid	8.1 ,8.3	**51**	13
Loans advanced	8.3	**(3)**	(19)
Proceeds from disposal of mutual fund units		**2**	2
Investment in mutual fund units		**(16)**	-
Investment in money market funds		**(5 764)**	-
Disinvestment from money market funds		**4 296**	-
Interest received from money market funds		**59**	-
Net cash used in investing activities		**(2 148)**	(727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares repurchased by the company and its subsidiaries	14	**-**	(28)
Proceeds on disposal of treasury shares		**21**	-
Borrowings repaid	16	**(500)**	-
Borrowings incurred	16	**599**	669
Lease liability payments	34.7	**(1 101)**	(1 254)
Acquisition of non-controlling interest		**(19)**	(46)
Net cash used in financing activities		**(1 000)**	(659)
Net (decrease)/increase in cash and cash equivalents		**(748)**	147
Net cash and cash equivalents at the beginning of the period		**527**	138
Net foreign exchange difference		**(77)**	242
NET CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	12	**(298)**	527

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

CORPORATE INFORMATION

The consolidated annual financial statements of Truworths International Ltd and its subsidiaries (the Group) for the 52 weeks ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors taken on 11 September 2024. Truworths International Ltd, the holding company of the Group, is incorporated and domiciled in the Republic of South Africa, and its shareholders have limited liability.

STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS Accounting Standards), Financial Reporting Guides as issued by the Accounting Practices Committee of the South African Institute of Chartered Accountants, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act (71 of 2008, as amended) of South Africa and the JSE Listings Requirements.

OPERATING CONTEXT

The Group operates mainly in South Africa and the United Kingdom, with these countries contributing 66% and 31% of Group retail sales respectively.

Truworths Africa

The Group's South African operations contribute more than 96% of the Truworths Africa segment's retail sales. The South African macro environment continued to be challenging throughout the period under review, with low levels of economic growth, high (but stabilising) inflation, high interest rates, slowing real wage growth and high levels of unemployment weighing negatively on consumer disposable incomes. In particular, higher interest rates have resulted in consumer debt servicing costs increasing, leading to higher levels of default across the credit market. This has presented a challenge as approximately 70% of the Truworths Africa segment's retail sales are on in-store credit. The general deterioration in the South African consumer credit environment during the period is reflected in the Transunion Consumer Credit Index ('TCCI'). The TCCI, which measures the general health of the credit consumer across the total credit market, declined below 50 points in the second quarter of the 2022 calendar year and declined further to a low of 39 points in the second quarter of the 2023 calendar year before recovering to 47 points at the end of the 2023 calendar year. A score below 50 indicates a deteriorating credit environment, and, while the score has improved, it still indicates deterioration albeit it a slower pace.

Truworths Africa imports approximately 55% of apparel merchandise from the East, mainly from China. Locally manufactured apparel is also, to a large degree, dependent on imported fabric and trims. Around October 2023 South Africa started experiencing disruptive port delays due to ailing infrastructure. This was compounded by the Red Sea crisis following the start of the war in the middle-East, which caused global shipping disruption due to changes in shipping routes and consequential international port congestion, equipment and container shortages and pressure on sea freight costs. This resulted in late deliveries of some summer merchandise towards the end of the first half of the period and winter merchandise in the second half of the period, impacting the freshness of the segment's merchandise offering, and the timing and availability of stock. This disruption also affected the delivery of fabric used in local manufacture, further causing a sub optimal merchandise mix. The late onset of winter in South Africa, with unseasonably warm weather stretching into May of the period also dampened demand for winter merchandise.

Measured on average over the period, the South African Rand has depreciated against major currencies and remained volatile especially in the run-up to and in the post-election period. The weak Rand contributes to inflation and cost pressure generally as the cost of imported goods and services rises. It is also a key driver of merchandise selling price inflation in Truworths Africa. While electricity load shedding has stabilised relative to the prior period, the negative impact this has had on economic growth and job creation continues to be felt.

Together these factors weighed negatively on Truworths Africa's sales performance in the period, resulting in higher levels of promotional activity to manage stock levels in-season and to achieve end-of-season terminal stock objectives. The pressure in the credit environment translated into weaker collections and higher levels of bad debt, particularly in the second half.

Notwithstanding the challenging macro environment in the current period, management is encouraged by early indicators that will support the positive trajectory of consumer confidence in the year ahead. Monetary policy easing will contribute to improved credit demand and affordability while prospects of higher growth, lower inflation and lower fuel prices are expected to boost consumer disposable income and spending in the medium term.

The impact of these factors was considered by management in the exercise of judgement and determination of estimates in the preparation of the annual financial statements, specifically in relation to the expected credit loss allowance, inventory allowances and impairment testing of right-of-use assets.

OPERATING CONTEXT (continued)

Office UK

In the United Kingdom, trading conditions were much improved in the period under review. Although still negative, consumer confidence has improved steadily since the start of the period. However consumer spending remained under pressure as a result of the fall in real disposable incomes that the UK has experienced since late 2021 combined with relatively high interest rates and modest economic growth. Despite the macro challenges, the branded fashion footwear sold by Office proved to be a resilient category and traded well throughout the period.

The segment continued to invest in its new store development and remodelling programme throughout the period, adding 8 new stores to the portfolio and renovating, relocating and extending 3 further stores. The investment in such stores has been a success as they have exceeded the Group's trading expectations and capital expenditure investment criteria.

The impact of these factors was considered by management in the exercise of judgement and determination of estimates in the preparation of the annual financial statements, specifically in relation to inventory allowances and impairment testing of right-of-use assets and trademarks.

Notwithstanding the significant macro headwinds outlined above, through continued focus on our Business Philosophy, the Group has navigated these challenges well, backed by a strong balance sheet and our ability to manage margins and costs effectively. Please refer to significant estimates and judgements in notes 1.4 and 1.5.

GLOSSARY OF FINANCIAL REPORTING TERMS

This glossary of financial reporting terms is provided to ensure clarity of meaning, as certain terms may not always have the same meaning or interpretation as in other countries.

GROUP STRUCTURES

Company

Truworths International Ltd.

Group

Truworths International Ltd and its consolidated subsidiaries.

Entity

The company or any one of its subsidiaries or, where the context requires, an entity outside of the Group.

Subsidiary

Any entity, whether a company or a trust, over which the Group has the power to exercise control.

Associate

An entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement.

Joint arrangement

An arrangement in which two or more parties have joint control being the contractually agreed sharing of control.

Joint operation

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Joint operator

A party to a joint operation that has joint control of that joint operation.

Joint venture

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

ACCOUNTING

Acquisition date

The date on which an acquiring entity (the acquirer) obtains control of the entity acquired (the acquire or investee).

Acquisition method of accounting

The method of accounting for business combinations whereby the acquirer recognises, on the acquisition date, the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree or investee and the related goodwill (or gain from a bargain purchase).

Allowance

An estimate of the reduction or diminution in the cost or subsequent carrying amount of current assets, such as inventories and trade receivables, attributable to factors such as markdowns, shrinkage and irrecoverability.

Business combination

A transaction or other event in which the acquirer obtains control of one or more businesses.

GLOSSARY OF FINANCIAL REPORTING TERMS (continued)

ACCOUNTING (continued)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs may include:

- interest expense calculated using the effective interest method as described in IFRS9;
- interest in respect of lease liabilities recognised in accordance with IFRS16; and
- exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Cash-generating unit

The smallest identifiable group of assets that generates cash inflows within the Group that are largely independent of the cash inflows from other assets or groups of assets.

Contingent liability

- a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity; or
- a present obligation that arises from past events but is not recognised because:
  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) the amount of the obligation cannot be measured with sufficient reliability.

Control

Control over an investee requires the Group to possess three essential elements:

- power over the investee;
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's variable returns.

Defined benefit plan

An arrangement, for example a post-employment benefit plan, under which an entity pays fixed contributions to a separate entity (such as a fund or an insurer), and in respect of which that entity will have a legal or constructive obligation to pay further contributions if the separate entity does not hold sufficient assets to pay all employee benefits relating to the service of such employees during the current and prior periods.

Defined contribution plan

An arrangement under which an entity pays fixed contributions to a separate entity (such as a fund or an insurer), and in respect of which that entity will have no legal or constructive obligation to pay further contributions if the separate entity does not hold sufficient assets to pay all employee benefits relating to the service of such employees during the current and prior periods.

Discount rate

The pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted. It is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset.

Fair value

The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Foreign currency

A currency other than the functional currency of the entity.

Functional currency

The currency of the primary economic environment in which the entity operates.

GLOSSARY OF FINANCIAL REPORTING TERMS (continued)

ACCOUNTING (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any director (executive and non-executive) of that entity.

Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the entity's or the company's board to make decisions about resource allocation and assess segmental performance, and for which separate financial information is available.

Presentation currency

The currency in which the financial statements are presented.

Projected unit credit method

An actuarial valuation method used to determine the present value of an entity's defined benefit obligations and the related current, and where applicable, past service cost. The method treats each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Provision

A liability of uncertain timing or amount.

Qualifying asset

A qualifying asset is an asset that necessarily takes a substantial period of time to be made ready for its intended use or sale.

Qualifying payment

When an account holder pays at least 90% of the amount payable by the payment due date.

Recoverable amount

For an asset or a cash-generating unit, this is the higher of its fair value less costs to sell, and its value in use.

Related party

A related party is a person or an entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of the parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions apply:
  - (i) the entity and the reporting entity are members of the same group (which means that the parent, and each subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of the parent of the entity); or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Residual value

The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

GLOSSARY OF FINANCIAL REPORTING TERMS (continued)

ACCOUNTING (continued)

Separate vehicle
A separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.

Significant
An asset, liability or other transaction is considered to be significant when, in the judgement of management, it is sufficiently relevant to the Group based on its nature and/or magnitude that to omit or misstate it could influence users of the financial statements.

Trading profit
The profit generated from trading activities before taking into account interest income, dividend income, finance costs and tax.

Value in use
The present value of the future cash flows expected to be derived from an asset or a cash-generating unit.

FINANCIAL INSTRUMENTS

Amortised cost
The amount at which a financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation (using the effective interest method) of any difference between that initial amount and the maturity amount, minus any reduction (directly or through the use of an allowance account) for impairment.

Credit risk
The risk that a counter-party to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation.

Charge-off
Removal of an account from the Group's active trade receivables portfolio where such account is assessed to have a low expectation of recovery based on the Group's behavioural credit risk models and policy rules. Charged-off accounts cannot shop, are moved to a separate portfolio and are not derecognised. Such accounts are reported to credit bureaux in accordance with the requirements of the National Credit Act of South Africa (NCA).

Currency risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Debt instrument
A debt instrument is a contractual obligation that enables an entity to raise funds by promising to repay a lender in accordance with the terms of a contract.

Derivative financial instrument
A financial instrument with all the following characteristics:

- its value changes in response to movements in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; provided that, in the case of a non-financial variable, the variable is not specific to a party to the contract;
- it requires no initial net investment or the initial net investment is smaller than would be required for other types of contracts that would be expected to respond similarly to changes in market factors; and
- it is settled at a future date.

Effective interest rate
The interest rate that exactly discounts estimated future cash payments or receipts during the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Equity instrument
A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

GLOSSARY OF FINANCIAL REPORTING TERMS (continued)

FINANCIAL INSTRUMENTS (continued)

Financial asset

Any asset of an entity that is:

- cash;
- an equity instrument of another entity;
- a contractual right to:
  - (i) receive cash or another financial asset from another entity; or
  - (ii) exchange financial instruments with another entity under conditions that are potentially favourable; or
- a contract that will or may be settled in an entity's own equity instruments and is:
  - (i) a non-derivative financial instrument for which the entity is or may be obliged to receive a variable number of its own equity instruments; or
  - (ii) a derivative financial instrument that will or may be settled by the entity, other than by the exchange of a fixed amount of cash or another financial asset, by the delivery by the entity of a fixed number of its own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial asset measured at amortised cost

A debt instrument is measured at amortised cost if:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of this asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Financial asset measured at fair value through other comprehensive income (FVOCI)

An equity instrument that is designated as such or a debt instrument where the asset:

- is held and managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal amount outstanding.

Financial asset measured at fair value through profit or loss (FVTPL)

A financial asset:

- held within a business model where the objective is to sell and manage the asset on a fair value basis; or
- which does not meet the criteria for measuring the asset at amortised cost or at FVOCI; or
- where the use of this classification removes or significantly reduces an accounting mismatch.

Financial instrument

A contract giving rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial liability

Any liability of an entity that is:

- a contractual obligation:
  - (i) to deliver cash or another financial asset to another entity; or
  - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in an entity's own equity instruments and is:
  - (i) a non-derivative financial instrument for which the entity is or may be obliged to deliver a variable number of its own equity instruments; or a derivative financial instrument that will or may be settled by the entity, other than by the exchange of a fixed amount of cash or another financial asset, by the delivery of a fixed number of the entity's own equity instruments to the other entity. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments; or
  - (ii) a derivative financial instrument that will or may be settled by the entity, other than by the exchange of a fixed amount of cash or another financial asset, by the delivery of a fixed number of the entity's own equity instruments to the other entity. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

GLOSSARY OF FINANCIAL REPORTING TERMS (continued)

FINANCIAL INSTRUMENTS (continued)

Financial liability measured at fair value through profit or loss (FVTPL)

A financial liability that:

- is classified as held-for-trading; or
- upon initial recognition, it is designated as such. An entity may use this designation only when permitted, or when doing so would result in more relevant information because either:
  - (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or from recognising the gains and losses on them on different bases; or
  - (ii) a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about such group is provided internally on that basis to the entity's key management personnel.

Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates of interest.

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or other financial assets.

Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

Monetary items

Units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

Other price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Regular way purchase or sale

A purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Write-off

Derecognition of an account from the statement of financial position where such account is assessed to have no reasonable expectation of recovery based on the Group's behavioural credit risk models and policy rules. Written-off accounts are reported to credit bureaux in accordance with the requirements of the NCA.

LEASES

Dismantling or dilapidation costs

Costs to dismantle stores, and return the premises to their original condition, at the end of the lease term as required by the terms and conditions of the lease.

Fixed lease payments

Payments made by a lessee to a lessor for the right to use an underlying asset during the lease term, excluding variable lease payments.

Incremental borrowing rate

The rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Initial direct costs of a lease

Incremental costs of obtaining a lease that would not have been incurred if the lease had not been obtained.

GLOSSARY OF FINANCIAL REPORTING TERMS (continued)

LEASES (continued)

Lease

A contract or part of a contract that conveys the right to use an underlying asset for a period of time in exchange for a consideration.

Lease commencement date

The date on which the lessor makes an underlying asset available for use by the lessee.

Lease incentive

Payments made by a lessor to a lessee associated with a lease, or the reimbursement or assumption by a lessor of costs of a lessee.

Lease liability

Present value of future lease payments over the lease term, discounted using the lessee's relevant incremental borrowing rate.

Lease modification

A change in the scope of the lease, or the consideration for a lease that was not part of the original terms and conditions of the lease.

Lease term

The non-cancellable period of the lease, taking into account options to extend or terminate the lease period if such options are reasonably certain to be exercised.

Lessee

An entity that obtains the right to use an underlying asset for a period of time in exchange for consideration.

Lessor

An entity that provides the right to use an underlying asset for a period of time in exchange for consideration.

Low value asset

An asset whose value for a new asset of the same kind is considered to be low and both of the following requirements are met: the lessee can benefit from the use of the asset on its own, or together with other resources, that are readily available to the lessee; and the underlying asset is not dependent on, or highly interrelated with, other assets.

Right-of-use asset

An asset that represents the lessee's right to use the underlying assets for the lease term.

Short-term lease

A lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset.

Underlying asset

An asset that is subject to a lease, for which the right-of-use asset has been provided by a lessor to a lessee.

Variable lease payment

The portion of payments made by a lessee to a lessor for the right to use an underlying asset during the lease term that varies because of the changes in facts and circumstances occurring after the commencement date, other than passage of time.

1. MATERIAL ACCOUNTING POLICIES

1.1 Basis of preparation of financial results

The annual financial statements for the period ended 30 June 2024 have been prepared in accordance with the going concern and historical cost bases except where otherwise indicated. The accounting policies are applied consistently throughout the Group. The presentation and functional currency used in the preparation of the Group and company financial statements is the South African Rand (ZAR or Rand) and all amounts are rounded to the nearest million, except where otherwise indicated.

Accounting policies and methods of computation

The accounting policies and methods of computation applied in the preparation of these financial statements comply with IFRS Accounting Standards and are consistent with those applied in the preparation of the Group's annual financial statements for the prior period ended 2 July 2023.

IFRS Accounting Standards, amendments and International Financial Reporting Interpretations Committee interpretations (IFRIC® interpretations) not materially impacting Group activities

The following new and amended IFRS Accounting Standards and IFRIC interpretations that came into effect during the current period were adopted by the Group but did not have a material impact on the Group's results and activities:

Description	**Effective date** (Periods beginning on or after)
IAS 1 and IFRS Practice Statement 2 amendments: Disclosure of accounting policies	1 January 2023
IAS 12 amendments: Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IAS 8 amendments: Definition of accounting estimates	1 January 2023
IAS 12 amendments: International tax reform – Pillar two model rules	1 January 2023

Various other new and amended IFRS Accounting Standards and IFRIC interpretations that came into effect during the current period are not applicable to the Group:

Description	**Effective date** (Periods beginning on or after)
IFRS 17: Insurance contracts	1 January 2023
IFRS 17 amendments: IFRS 17	1 January 2023
IFRS 17 amendments: Initial application of IFRS 17 and IFRS 9 – Comparative information	1 January 2023

1.2 Basis of consolidation of financial results

The Group consolidated annual financial statements comprise the annual financial statements of the company and its consolidated subsidiaries and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.2 Basis of consolidation of financial results (continued)

Business combinations (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment loss. If the fair value of the net assets acquired exceeds the aggregate consideration transferred, the company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

The results of subsidiaries are consolidated from the effective acquisition date to the effective date of loss of control. Acquisitions from outside the Group are included in the Group financial statements using the acquisition method of accounting.

In the course of such consolidation, intra-group balances and transactions, as well as unrealised gains and losses resulting from intra-group transactions and dividends, are eliminated in full.

Subsidiaries

All dividends received from subsidiaries are recognised in profit or loss in the financial statements of the company when its entitlement to receive the dividends has arisen. When such dividends are received, the company considers whether this indicates an impairment of the investment.

The company carries its investments in subsidiaries at fair value through other comprehensive income. The financial statements of subsidiaries are prepared for the same reporting period as the company, using consistent accounting policies.

1.3 Joint arrangements

A joint arrangement can be classified as a joint venture or joint operation depending on the structure, legal form and contractual arrangement thereof. The Group's joint arrangement is classified as a joint operation.

The Group, as joint operator, recognises its assets, liabilities and transactions including its share of those incurred jointly, in both its consolidated and separate financial statements. The respective assets, liabilities and transactions are to be accounted for in accordance with the relevant international financial reporting standards.

1.4 Use of estimates in the preparation of annual financial statements

In the preparation of the annual financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates and these differences may be material to the financial statements within the next reporting period. The key assumptions concerning estimation uncertainties at the reporting date are discussed below.

Property, plant and equipment

The Group assesses the depreciation methods, and estimates the useful lives and residual values of property, plant and equipment at each reporting date. These estimates take cognisance of current market and trading conditions for the Group's specific assets. In addition, the useful life estimates take into account the risk of obsolescence due to advances in technology. (Refer to note 2 for further detail.)

Impairment of right-of-use assets

Right-of-use assets, being principally leasehold rights in respect of retail store premises and distribution facilities, are assessed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Profitability of the right-of-use asset (or the cash generating unit to which it has been assigned) is the main indicator referenced in the determination of which right-of-use assets to assess for impairment. All impaired right-of-use assets are tested for impairment reversal annually or whenever events or changes in circumstances indicate that the recoverable amount may exceed the carrying amount.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.4 Use of estimates in the preparation of annual financial statements (continued)

Impairment of right-of-use assets (continued)

Generally, right-of-use assets cannot generate cash flows largely independently from other assets and are therefore tested for impairment as part of the cash-generating units to which they have been assigned, such as retail stores. Judgement is applied in determining the value-in-use of each cash-generating unit to which a right-of-use asset has been assigned, including estimates of future profitability and cash flows, an appropriate and consistent allocation of head office costs, the sales terminal growth rate where applicable, and the discount rate. In determining the discount rate applied to calculate the present value of future earnings, the Group estimates the market risk return and debt to equity ratio. (Refer to note 3 for further detail.)

Key assumptions used in the cash flow calculations were adjusted to reflect management's best estimate of the potential impact of macro challenges on future earnings and cash flows, in particular the sales growth rate and gross profit margin.

Impairment of goodwill and trademarks

The Group assesses whether goodwill and trademarks are impaired at each reporting date or more frequently if events or changes in circumstances indicate that their carrying amounts may be impaired. This assessment involves a discounted cash flow calculation, and key assumptions made in determining future earnings relate to the sales growth rate, operating margin, return on investment, reinvestment of profits, working capital requirements, terminal growth rate and capital expenditure. The growth rate used to extrapolate cash flows beyond the most recent budget period is also estimated. In determining the discount rate applied to calculate the present value of future earnings, the Group estimates the market risk return and debt to equity ratio.

Similarly, the Group also assesses at each reporting date or more frequently if events or changes in circumstances indicate that their recoverable amounts have increased and whether any previously recognised impairments of trademarks should be reversed. In making this assessment, which requires significant judgement, the Group considers both quantitative and qualitative factors, including the recoverable amount of the trademarks and whether there are any observable internal (e.g. the economic performance of the cash generating unit is or will be better than expected) or external indicators (e.g. significant changes in the external environment that will have a favourable impact on the value of the cash generating unit) that the value of the trademarks has increased significantly.

The key assumptions used in the cash flow calculations have been adjusted to reflect management's best estimate of the potential impact of macro challenges on future earnings and cash flows, in particular the sales growth rate and gross profit margin, working capital requirements and the terminal growth rate. (Refer to notes 4 and 5 for further detail.)

Expected credit losses (ECL) allowance

The Group assesses its ECL allowances at each reporting date. The ECL allowances are determined separately for the Group's active and charged-off trade receivables portfolios and are measured at a portfolio level.

The determination of the ECL allowances involves significant judgement and is governed by a formally mandated committee appointed by the board of the Group's wholly-owned subsidiary and licensed credit provider, Truworths Ltd.

Active trade receivables portfolio

Impairment modelling

The measurement of expected credit losses in respect of the active trade receivables portfolio considers the probability and the expected timing of charge-off and the Group's anticipated exposure at the time of charge-off, as well as the likelihood that the asset is:

a) simultaneously charged-off and written-off (derecognised); or
b) transferred to the charged-off portfolio, in which regard it further considers the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off.

The ECL model uses transition matrices to forecast balance movements within a portfolio between successive risk states. Risk states are determined using historical account and balance history movements. By modelling the eventual portfolio charge-off through the transition of balances within the model, it combines the probability of account charge-off and exposure at charge-off, with the monthly portfolio expected charge-off outputs.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.4 Use of estimates in the preparation of annual financial statements (continued)

Expected credit losses (ECL) allowance (continued)

The active portfolio loss given charge-off model considers the expected collections between charge-off and write-off net of direct external collections cost to determine the final loss related to such charge-off. Furthermore, the model inherently considers the proportion of charge-off exposure that will simultaneously be written-off and assumes this to equal the final loss.

Forward-looking information

The calculation of ECLs incorporates forward-looking variables, which include the following:

- an economic overlay model, developed using linear regressions to model the relationship between historic lagged and future macroeconomic indicators and ECL provisions;
- the potential impact of industry-specific challenges, including changes in the regulatory environment as well as the anticipated impact of macro factors; and
- expert management judgement.

The factors impacting the credit environment and outlook in South Africa referred to under "Operating context" on page 22 were considered in the modelling of various forward-looking scenarios for determining the ECL. These forward-looking scenarios were probability weighted based on management's best estimate of their relative likelihood of occurrence to determine the ECL allowance in the current reporting period. (Refer to note 11.1 for further detail.)

Charged-off trade receivables portfolio

The measurement of expected credit losses in respect of the charged-off trade receivables portfolio considers the Group's expected exposure at the time of write-off after considering the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off. (Refer to note 11.2 for further detail.)

The anticipated timing and amount of cash flows is estimated with reference to historical collections information of similar trade receivables.

Allowances for inventories

The allowance for markdown of inventory takes into account historic information related to sales trends and represents the expected markdown between the original cost and the estimated net realisable value. The net realisable value assigned to inventory is the net selling price in the ordinary course of business less the estimated costs of completion (where applicable) less the estimated costs to make the sale. The allowance for shrinkage applies the historic shrinkage percentage to sales between the most recent inventory count and the reporting date. (Refer to note 10 for further detail.)

The challenges experienced in the macro environment did not have a material impact on inventory provisioning as management proactively manages inventory levels taking into account the impact that macro factors are expected to have on merchandise clearance rates.

Post-retirement medical benefits

The Group provides limited post-retirement medical benefits and obtains an actuarial valuation annually of its net obligation in this regard. The key assumptions applied in arriving at the net obligation relate to mortality rates and other demographic information, medical inflation rates, investment return, the discount rate and current market conditions. (Refer to note 18 for further detail.)

The valuation of post-retirement medical benefit plan assets reflects market conditions and as such incorporates the impact of macro factors.

Fair value of equity- and cash-settled share options and share appreciation rights

The fair value attached to the 2012 share incentive scheme's share appreciation rights granted is determined with the use of a binomial option pricing model. The key assumptions used in the calculation include estimates of the company's shares' expected volatility, dividend yield, risk-free interest rate and, for equity-settled share appreciation rights, the forfeiture rate. (Refer to note 29.6 for further detail.)

Fair value of equity-settled shares with market-based performance conditions granted

The fair value attached to the share incentive scheme's performance shares with market-based performance conditions attached is determined using a Monte-Carlo simulation pricing model. The key assumptions used in the calculation include expected volatility, dividend yield, the risk- free interest rate and the forfeiture rate. (Refer to note 29.6 for further detail.)

1. MATERIAL ACCOUNTING POLICIES (continued)

1.4 Use of estimates in the preparation of annual financial statements (continued)

Fair value of subsidiaries

The fair value of subsidiaries in the company annual financial statements is determined using third party valuation multiples to determine the value of the main subsidiaries as well as sustainable EBITDA levels. The fair value is determined with reference to the relevant income valuation multiples, specifically enterprise value (EV)/EBITDA, adjusted for control, marketability and other relevant factors.
(Refer to notes 2 and 9.6.1 of the company annual financial statements for further detail.)

Uncertain tax positions

Tax benefits are not recognised unless the Group's tax position is more likely than not to be accepted by tax authorities. If considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable result. Where the amount of tax payable or recoverable is uncertain, the Group provides for a liability based on either the Group's estimate of the most likely amount or when there is a wide range of possible outcomes, a probability weighted approach is applied.

Incremental borrowing rate (IBR)

Where the Group has existing borrowings with external parties, the incremental borrowing rate is determined using actual margins, adjusted for market rates, company specific risk as well as tenor of the lease. Where there are no borrowings with external parties, the Group applies an incremental borrowing rate similar to rates that would have been incurred to borrow funds equivalent in value to the right-of-use assets for a similar term.

Going concern assessment

The directors have reviewed the Group's budget, cash flow and working capital forecast and medium-term financial forecasts. On the basis of this review, and taking into account the Group's current strong financial position at the reporting date as well as the level of existing borrowing facilities and the Group's overall borrowing capacity, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the audited annual financial statements. All covenants related to the Group's borrowings, which include gearing and debt serviceability ratios, have been met throughout the period and show significant headroom on an actual and forecast basis.

1.5 Use of judgements in the preparation of annual financial statements

In the process of applying the Group's accounting policies, management exercised some judgments in situations where a different judgement might have led to a materially different accounting treatment. Judgements which have a significant effect on amounts recognised in the financial statements at reporting date are discussed below:

Bad debts

Active trade receivables are assessed for charge-off or write-off when:

- the customer has been in default for 210 days; and
- the customer has not made a qualifying payment since account billing in the immediately preceding calendar month; or
- the customer has not met certain behavioural risk score cut-offs (holdback criteria) determined by the Group's account management practices. These behavioural risk score cut-offs are not met when Group's internal and external scorecards identify that there is no or only remote possibility of payment.

Accounts that meet the criteria set out above are either charged-off or written-off based on further assessment as set out below:

- Accounts that show some likelihood of curing over a period longer than 210 days based on the Group's behavioural risk scorecards are charged-off from the active trade receivables portfolio and moved to a separate charged-off trade receivables portfolio with bespoke collections strategies applied to them, with rehabilitation as the key outcome. There are criteria within this portfolio to write-off (derecognise) accounts when scorecards indicate further deterioration resulting in no reasonable expectation of recovery.
- Accounts that do not meet the behavioural risk qualifying criteria to be included in the charged-off portfolio are written off (derecognised).

Additionally, accounts that are subject to legal processes (i.e. in legal status) are written off immediately.

Trademarks

The Group's acquired trademarks are judged to have indefinite useful lives. The useful lives are assessed at each reporting date. This judgement is based on the market and trading conditions applicable to the Group and management's expectations and strategy for the use of the trademarks. (Refer to note 5 for further detail.)

1. MATERIAL ACCOUNTING POLICIES (continued)

1.5 Use of judgements in the preparation of annual financial statements (continued)

Taxation

In determining the liability for taxation (including indirect and withholding taxes) management makes certain assumptions regarding the interpretation of the relevant taxation legislation and its practical application by the relevant revenue authorities.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Leases

Lease term

The Group generally enters into retail store leases for periods no longer than five years to ensure flexibility in the overall lease portfolio given the fast changing retail landscape. This ensures that the Group can exit leases within a relatively short period of time. Accordingly, it is generally not possible at the time of entering into the lease to determine with reasonable certainty whether an option to extend the lease (if available) will be exercised, as the sales and profitability of a retail store are subject to several unknown factors including the development of new retail space in close proximity and the on-going migration of sales from stores to online platforms. The Group has however identified a portfolio of individually significant leases based on sales, profitability, geographic spread and key retail locations. Such leases are considered to form the core retail store portfolio. Where such leases were entered into or reassessed prior to the start of the 2015 financial year, the Group has included the period in respect of one extension option in the assessment of the lease term, provided that such inclusion does not result in the lease term exceeding ten years. For all other leases that are not considered to be individually significant, or in the case of individually significant core retail store leases entered or reassessed after the start of the 2015 financial year, no option periods are included in the assessment of the lease term.

Insurance cell captive

The Group has determined that it does not have control of its short-term insurance cell captive arrangement as the current insurance legislative framework regards all the assets and liabilities in the cell as that of the insurer. Therefore the cell captive is not considered to be a silo in accordance with IFRS 10. The Group has therefore not consolidated the cell captive.

The Group is exposed to financial risk rather than insurance risk and has therefore accounted for its investment in the cell captive as an asset held at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

The insurance cell captive does not fall within the scope of IFRS 17 as:

- the entities within the Group do not issue insurance contracts nor do they hold any reinsurance contracts; and
- the Group does not carry insurance risk with regard to the insurance cell captive as any claims in excess of the cap are covered by third party insurance contracts.

(Refer to note 7 for further detail.)

Put options held by non-controlling interests

In the Group's judgement, the option of non-controlling shareholders to put their shares in a subsidiary of the Group to the Group and the Group's contractual obligation to purchase these equity instruments from non-controlling shareholders for cash, while giving rise to a financial liability, does not transfer such non-controlling ownership interests to the Group. Rather, ownership interests remain with the non-controlling shareholders while they hold their shares. This conclusion is based on the pricing of the options being at fair value and the non-controlling interests continuing to have voting rights and rights to dividends.

Borrowing costs

The Group generally considers a substantial period of time to be a period exceeding 12 months.

Bank overdraft

The overdraft facilities are assessed annually based on actual utilisation patterns, to determine whether the account balance is consistently negative or fluctuates from positive to negative. Based on the current year utilisation it is management's judgement, that for the current year the overdraft involves the management of cash and should therefore be disclosed as part of cash and cash equivalents.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.6 Foreign currency translation

The Group and company financial statements are presented in Rand, the functional currency of the company. Each entity in the Group determines its own functional currency depending on the country of operation of the entity, and items included in the financial statements of each entity are measured in that currency.

Translation of foreign currency transactions and balances

Transactions in foreign currencies are translated to the company's functional currency at exchange rates prevailing at the date of the transaction. Subsequent to initial measurement, monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translation of monetary items at rates different from those at which they were translated at initial recognition are recognised in profit or loss. Exchange differences on non-monetary items carried at fair value are recognised in profit or loss, except where the fair value adjustments are recognised in other comprehensive income, in which case the translation differences arising are recognised in other comprehensive income.

Translation for consolidation

For financial statement consolidation purposes, the assets and liabilities of entities with a functional currency other than the Rand are translated into Rand at the exchange rates prevailing at the reporting date, and their statements of comprehensive income are translated at the average exchange rates of the reporting period, with the exception of individually significant transactions, such as asset impairments, that occur on specific dates that are translated at the prevailing exchange rates on those dates. Exchange differences arising on translation for consolidation are recognised in other comprehensive income in a separate foreign currency translation reserve (FCTR).

1.7 Property, plant and equipment

Initial recognition and measurement

Each item of property, plant and equipment is initially recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be reliably measured. Each item that qualifies for recognition is initially measured at cost, being the cash equivalent of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.7 Property, plant and equipment (continued)

Subsequent measurement

Buildings owned by the Group are classified as owner-occupied property and carried at cost less accumulated depreciation and/or accumulated impairment losses, if any. Land is carried at cost less accumulated impairment losses, if any, and is not depreciated. Motor vehicles, plant, equipment, furniture and fittings, and computer equipment are carried at cost less accumulated depreciation and/or accumulated impairment losses, if any. When these assets comprise of major components with different useful lives, these components are accounted for as separate items. Expenditure incurred to replace or modify a significant component of these assets is capitalised if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be reliably measured. Any remaining carrying amount of the component replaced is written off in profit or loss or derecognised on disposal. All other expenditure is recognised in profit or loss.

Depreciation

Buildings, motor vehicles, plant, equipment, furniture and fittings and computer equipment are depreciated to their estimated residual values on a straight-line basis over their expected useful lives. The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking into account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in profit or loss in the depreciation and amortisation expense category.

Depreciation commences when an asset is available for its intended use and ceases temporarily if the residual value exceeds or is equal to the carrying amount. Depreciation ceases permanently at the earlier of the date the asset is classified as held-for-sale in accordance with *IFRS 5: Non-current Assets Held for Sale and Discontinued Operations*, and the date that the asset is derecognised. The following estimated useful lives apply:

1. MATERIAL ACCOUNTING POLICIES (continued)

1.7 Property, plant and equipment (continued)

Depreciation (continued)

Buildings	10 years
Motor vehicles	4 years
Plant and equipment	10 – 15 years
Furniture and fittings (including shopfittings)	5 – 10 years
Computer equipment	5 years

Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on derecognition are included in profit or loss in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of derecognition.

Impairment

Items of property, plant and equipment are assessed for impairment in terms of the accounting policy set out in note 1.12.

1.8 Borrowing costs

Borrowing costs incurred which are directly attributable to the acquisition, construction or production of an asset over a substantial period of time, are capitalised to the cost of the related qualifying asset.

The Group generally considers a substantial period of time to be a period exceeding 12 months.

Capitalisation of borrowing costs commences when expenditures are incurred, borrowing costs are incurred and the activities necessary to prepare the asset for its intended use or sale are in progress. Capitalisation is suspended during periods in which active development of the qualifying asset are interrupted. Borrowing costs cease to be capitalised only when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Where specific funding is obtained to finance a qualifying asset the borrowing costs are the actual costs incurred in respect of that specific funding less any income earned on the temporary investment of such borrowings. General borrowing costs are capitalised by making use of a capitalisation rate that represents the weighted average borrowing costs applicable to the general funding pool.

1.9 Goodwill

Initial recognition and measurement

Goodwill arising from a business combination is initially measured at cost, being the excess of the aggregate of the fair value of the consideration transferred and the amount (if any) recognised for the non-controlling interest over the fair value of the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is a bargain purchase gain and is recognised in profit or loss.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the acquisition, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Subsequent measurement

Goodwill is stated at cost less accumulated impairment losses, if any.

Impairment

Goodwill is not amortised but tested for impairment bi-annually at each reporting date, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

Cash-generating units to which goodwill has been allocated are tested for impairment bi-annually at each reporting date by assessing the recoverable amount of the cash-generating unit, which is the higher of fair value (less costs of disposal) and value-in-use. The value-in-use is calculated as the present value of the future cash flows expected to be derived from the cash-generating unit. Where the recoverable amount of the unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is applied firstly to the carrying amount of any goodwill in the unit assessed. Thereafter, any remaining impairment is allocated to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset. Losses arising from the impairment of goodwill cannot be reversed.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.10 Trademarks

The Group's acquired trademarks are classified as intangible assets with indefinite useful lives.

Initial recognition and measurement

Where payments are made for the acquisition of trademarks, the amounts are capitalised at cost. Trademarks acquired through an acquisition of an entity are initially recognised at fair value.

At the acquisition date, any trademarks acquired are allocated to each of the cash-generating units expected to benefit from the acquisition, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Subsequent measurement

Acquired trademarks are stated at cost less accumulated impairment losses, if any. Subsequent expenditure incurred is capitalised if it is probable that future economic benefits associated with the trademarks will flow to the entity and costs can be reliably measured. Trademarks are considered to have indefinite useful lives, if based on an analysis of all relevant factors, there is no foreseeable limit to the period over which they are expected to generate net cash flows for the entity. The useful lives are reviewed at each reporting date to determine whether events or circumstances continue to support an indefinite useful life assessment. A change resulting from the review is accounted for as a change in accounting estimate.

Impairment and impairment reversal

Trademarks are tested for impairment bi-annually at each reporting date or more frequently if events or changes in circumstances indicate that the carrying amounts may be impaired.

Where the recoverable amount of the unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is applied firstly to the carrying amount of any goodwill in the unit assessed. Thereafter, any remaining impairment is allocated to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset. The impairment recognised in profit or loss is the excess of the carrying amount over the recoverable amount.

A previously recognised impairment will be reversed in so far as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the trademark's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in profit or loss.

1.11 Computer software

Computer software is classified as an intangible asset with a finite useful life.

Initial recognition and measurement

Purchased software and the direct costs associated with the customisation and installation thereof are capitalised.
Expenditure on software developed internally is capitalised if the following criteria are satisfied:

- it can be demonstrated that it is probable that the intangible asset will generate future economic benefits;
- it is technically feasible to complete the asset;
- the intention and ability to complete and use the asset exist;
- adequate financial, technical and other resources to complete the development are available; and
- the costs attributable to the process or product can be separately identified and reliably measured.

Subsequent measurement

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses, if any. Expenditure incurred to restore or maintain the originally assessed future economic benefits of existing software is recognised in profit or loss. Expenditure incurred to replace or modify software is capitalised if it is probable that future economic benefits associated therewith will flow to the entity and the cost thereof can be reliably measured.

Amortisation

Computer software is amortised to its estimated residual value on a straight-line basis over its expected useful life of 5 to 10 years. Amortisation commences when the computer software is available for its intended use, and ceases temporarily if the residual value exceeds or is equal to the carrying amount. Amortisation ceases permanently at the earlier of the date the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The amortisation period, amortisation method and residual values are reviewed at each reporting date. A change resulting from the review is treated as a change in accounting estimate. The amortisation expense is recognised in profit or loss in the depreciation and amortisation expense category.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.11 Computer software (continued)

Derecognition

Computer software is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses which arise on derecognition are included in profit or loss in the period of derecognition. The gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the item at the date of derecognition.

Impairment

Computer software is assessed for impairment in terms of the accounting policy set out in note 1.12.

1.12 Impairment of property, plant and equipment and computer software

The carrying amounts of the Group's property, plant and equipment (including property, motor vehicles, plant, equipment, furniture and fittings and computer equipment) and computer software are reviewed at each reporting date to determine whether there is any indication of impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the recoverable amount of the asset is estimated.

Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash flows independently, for the larger cash-generating unit to which the asset belongs. If the recoverable amount of the asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment is recognised in profit or loss as an expense. Where an impairment loss is recognised for a cash-generating unit, it is firstly allocated to any goodwill belonging to that unit and thereafter to the other assets of the unit, pro-rata based on their carrying amounts.

A previously recognised impairment will be reversed in so far as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined at the reversal date, had no impairment been recognised. A reversal of impairment is recognised in profit or loss.

After recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, on a straight-line basis over its remaining useful life.

Impairment policies for goodwill, trademarks, inventories and right-of-use assets are described within their respective accounting policies.

1.13 Financial instruments

Financial instruments recognised in the statement of financial position include financial assets held at fair value, derivative financial instruments, loans and receivables, trade and other receivables, cash and cash equivalents, interest-bearing borrowings, put option liabilities and trade and other payables. Financial instruments are recognised only when the Group becomes party to the contractual provisions of the instrument.

Initial recognition and measurement

The Group determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, in limited instances, re-evaluates this designation at each reporting date. The classification of financial assets is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at FVTPL, transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent measurement and impairment for each category is specified below.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (FVOCI), it needs to give rise to cash flows that are solely payments of principal and interest.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.13 Financial instruments (continued)

Initial recognition and measurement (continued)

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement and if not, the asset is classified and measured at FVTPL.

Fair value

The fair value of financial instruments traded in active financial markets is determined with reference to quoted prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include reference to the quoted market capitalisation of the Group, externally quoted EV/EBITDA multiples published by independent analysts multiples are compared to peer group multiples to test the reasonability, quoted market prices, relative entity profit performance, recent arm's length transactions and other recognised valuation methodologies.

Categories of financial instruments and subsequent measurement

Financial assets and liabilities measured at FVTPL

The Group measures its derivatives in the form of forward exchange contracts, short-term insurance cell captive, investments in money market funds and secured loans to share scheme participants at FVTPL. The Group's call options over shares held by non-controlling interests are designated as such on initial recognition.

Forward exchange contracts

The fair value of forward exchange contracts is calculated with reference to current forward exchange contracts traded in the open market with similar maturity profiles at the reporting date. Gains and losses arising from changes in the fair value of forward exchange contracts are recognised under other income and other operating expenses respectively, with a corresponding current asset (in the event of a gain) or liability (in event of a loss) in the statement of financial position.

Short-term insurance cell captive

The fair value of the Group's short-term insurance cell captive underwritten by an insurer is determined quarterly with reference to the net asset value of the cell captive, as determined jointly by the insurer and the Group's short-term insurance brokers.

Investments in money market funds

The fair value of the Group's money market fund investments is determined with reference to the net asset value of the investment fund units as published by the fund manager.

Secured loans to share scheme participants

The present value of secured loans to share scheme participants approximates fair value and is determined annually.

Call and put options over shares held by non-controlling interests

The Group has call and the non-controlling interest parties have put options to acquire or sell the shares held in a subsidiary of the Group by non-controlling interests. Where the call and put options do not give present access to the returns associated with the ownership interest and meets the definition of a financial asset in accordance with IAS 32: *Financial Instruments - Presentation*, the call and put options are initially recognised as a financial asset or liability at fair value, with any subsequent changes in fair value recognised in profit or loss.

Financial assets measured at FVOCI

Shares in subsidiaries, the investment in mutual fund units, personal lines insurance business arrangement and the unlisted investment are classified as equity instruments and have been designated at FVOCI as these instruments are not held for trading.

Subsequent to initial measurement, these financial assets are measured at fair value. Gains or losses arising on the change in fair value of these financial assets are recognised in other comprehensive income without reclassifying to profit or loss upon derecognition.

The fair value of subsidiaries in the company annual financial statements is determined with reference to income valuation multiples, specifically enterprise value (EV)/EBITDA, adjusted for control, marketability and other relevant factors. This methodology combines the principles of the income and market approach.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.13 Financial instruments (continued)

Financial assets measured at FVOCI *(continued)*

The fair value of the investment in mutual fund units is determined annually with reference to the quoted unit prices at the close of business on the reporting date.

The fair value of the Group's personal lines insurance business arrangement with an insurer is determined monthly with reference to a net asset value calculation stipulated in the contract and performed by the insurer.

Financial assets measured at amortised cost

Various amounts owing to the Group, trade and other receivables and cash and cash equivalents are classified as debt instruments.

Subsequent to initial measurement, these financial assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when these financial assets are derecognised or impaired, as well as through the amortisation process.

Where account sales are made on an interest-free basis, the related receivables are recognised at the fair value on transaction date and notional interest is recognised over the interest-free period.

Subsequently, such receivables are measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

Financial liabilities measured at amortised cost

Non-derivative financial liabilities including interest-bearing borrowings and trade and other payables are recognised at amortised cost. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised as well as through the amortisation process.

Obligation under put option contracts

When the holders of a non-controlling interest have put options enabling them to sell their shares in a subsidiary of the Group to another subsidiary, a financial liability is recognised initially at an amount corresponding to the present value of the redemption amount. Upon exercise of the option, the present value of the amount payable is reclassified from equity.

As the terms and conditions of the options are assessed not to transfer to the Group a present ownership interest in the shares subject to the put option, the non-controlling interest is recognised at the date of the business combination in accordance with IFRS 3: *Business Combinations.* The non-controlling interest continues to be recognised within equity, with changes in the carrying amount arising from: (a) an allocation of the profit or loss for the year; (b) a share of changes in appropriate reserves; and (c) dividends declared before the end of the reporting period. The put option liability is recognised at the present value of its redemption amount and any difference is accounted for within equity.

If the option is exercised, the accounting as discussed above is updated and the liability existing at the date of exercise is extinguished by the payment of the exercise price.

Offset

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a current legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset, or a portion of a financial asset, is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full
- without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (i) has transferred substantially all the risks and rewards of the asset; or
  - (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.14 Impairment of financial assets

The carrying amounts of the Group's financial assets are reviewed at each reporting date.

The Group recognises an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group expects to receive, discounted using the blended, portfolio-level effective interest rate of the in-store account portfolio and the original effective interest rate applicable to other financial assets held at amortised cost.

The Group has adopted the general approach, which involves a three-stage approach to the recognition of credit losses and interest:

- Stage 1: Credit risk has not increased significantly since initial recognition. The ECL is recognised on initial recognition and measured at an amount equal to the portion of lifetime credit losses that result in possible default events within the next 12 months. Effective interest is recognised on a gross receivables basis.
- Stage 2: At each reporting date the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers that there is a significant increase in credit risk when a customer's account is in arrears for more than 30 days based on contractual payment requirements. Where there is evidence of significant increase in credit risk, the ECL is based on lifetime expected credit losses. Effective interest is recognised on a gross receivables basis.
- Stage 3: At each reporting date the Group assesses whether financial assets are credit-impaired. The Group's definition of credit-impaired is aligned to its internal definition of default which occurs when a customer's account is in arrears for more than 90 days based on contractual payment requirements. ECL is measured over the lifetime of the financial asset. Effective interest is recognised on a net receivables basis (i.e. the gross carrying amount less the impairment provision).

If, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment is reversed. Any subsequent reversal of impairment is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed what the amortised cost would have been at the reversal date had no impairment been recognised.

1.15 Inventories

Inventories comprising finished goods, manufacturing work-in-progress and raw materials (comprising mainly fabric and trims) are valued at the lower of cost and net realisable value. The cost of finished goods, work-in-progress and raw materials is calculated using the weighted average method, where applicable. Adjustments are made for allowances for markdown and shrinkage, where appropriate. Write-downs to net realisable value and inventory losses are recognised in profit or loss in the reporting period in which the write-downs or losses occur. The net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion (where applicable) less the estimated costs to make the sale.

Inventories are physically verified at least once a year through the performance of inventory counts, and shortages identified are written off immediately. An allowance is raised at the reporting date, based on historical trends, for inventory losses incurred between the last physical count and the reporting date.

1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current account balances and short-term deposits, (mainly overnight call accounts) in accordance with the Group's treasury policy. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value. Cash and cash equivalents are classified as financial assets measured at amortised cost.

For the purposes of the statement of cash flows, outstanding bank overdrafts are deducted from cash and cash equivalents and disclosed on a net basis based on management's assessment of the nature and utilisation of such overdrafts. Refer to note 1.5 for further information.

1.17 Share capital and share premium

Issued share capital and share premium (if any) are stated as the amount of the proceeds received on the issue of shares less directly attributable issue costs (if any).

1. MATERIAL ACCOUNTING POLICIES (continued)

1.18 Treasury shares

Shares in the company repurchased and held by Group subsidiaries and unvested restricted shares held by a Group subsidiary for employee participants in the Group's 2012 share plan are classified as treasury shares. The cost price of these shares, together with related transaction costs, is deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's treasury shares. The issued and weighted average number of shares of the company is reduced by the treasury shares for the purposes of the basic and headline earnings per share calculations. Dividends received on treasury shares are eliminated on consolidation, except to the extent that they are paid to participants in the 2012 share plan.

When treasury shares held for participants in the 2012 share plan vest and are transferred to such participants, the shares are no longer classified as treasury shares deducted from equity and their number is taken into account for the purposes of basic and headline earnings per share calculations.

When treasury shares are subsequently cancelled, the company's share capital and premium are reduced by the cost of the shares with the number of shares deducted from both the number of shares in issue and the weighted average number of shares. Once the company's share premium is fully depleted, the premium on repurchased shares is deducted from retained earnings.

1.19 Employee benefits

The Group remunerates its employees with short-term employee benefits and participates in seven defined contribution retirement funds and one defined benefit healthcare fund. In addition, certain employees are remunerated with share-based payments.

Short-term employee benefits

Remuneration to employees is recognised in profit or loss as the services are rendered, except for non-accumulating benefits that are only recognised when the specified event occurs. Provision is made for accumulated and incentive bonuses.

Defined contribution plans

The Group's contributions to the defined contribution retirement funds are based on a percentage of the pensionable payroll and are recognised as an expense in profit or loss in the reporting period in which the services are rendered by the relevant employees.

Defined benefit plans

The Group has an obligation to provide certain post-retirement medical benefits to eligible employees, and pensioners as former employees, who entered into the Group's employment prior to 30 June 2000. The obligation is conditional upon such employees retiring whilst being in the employment of the Group.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.19 Employee benefits (continued)

Share-based payments

Equity-settled share options, restricted shares, share appreciation rights and share options (collectively 'equity-based awards')

Employees of the Group, including executive directors, receive remuneration in the form of equity-based awards, whereby they render services in exchange for such equity-based awards which are, or are referenced to, the company's JSE listed shares.

The cost of the services to be received from employees and the corresponding increase in the equity-settled compensation reserve are measured with reference to the fair value of the company's shares on the date on which the equity-based awards are granted. The fair value of performance shares with market-based performance vesting conditions attached is determined using a Monte-Carlo simulation pricing model (refer to note 29.6.1 for further detail). The fair value of the share appreciation rights is determined using an actuarial binomial model (refer to note 29.6.1 for further detail). Non-vesting conditions and vesting conditions, to the extent that they are conditions linked to the price of the company's shares (i.e. market conditions), if any, are taken into account in determining the fair value of the equity-based awards.

The cost of these equity-based awards is recognised in profit or loss, together with a corresponding increase in total equity under the equity-settled compensation reserve, over the vesting period. The cumulative expense recognised for equity-based awards granted at each reporting date until the vesting date reflects the extent to which the vesting period has expired, as well as the Group's best estimate of the number of equity-based awards that will ultimately vest. The estimate is revised if subsequent information indicates that the number of equity-based awards expected to vest differs from previous estimates. No expense is recognised for equity-based awards that do not ultimately vest. Where awards are made subject to a market-based performance condition, the awards are treated as vested irrespective of whether the condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

Where the terms of an award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the equity-based awards, or is otherwise beneficial to the employee as measured at the date of modification.

However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described above.

The effect of unvested equity-based awards is reflected in the computation of diluted earnings per share. Refer to note 32.2 for further detail.

1.20 Taxes

The tax expense consists of current tax and deferred tax.

Current tax

The current tax charge is the expected tax payable on the taxable income for each entity for the reporting period and where applicable prior reporting periods. The tax rates and tax laws used to compute this amount are those that are enacted or substantively enacted at the reporting date.

Current tax is recorded in profit or loss, unless the underlying transaction that led to the tax expense was accounted for in other comprehensive income or equity. In such an event the tax expense is also recorded in other comprehensive income or equity, as appropriate.

Deferred tax

The provision for deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of the Group's assets and liabilities. Deferred tax is provided, using the comprehensive balance sheet method, for temporary differences at the reporting date between the tax bases of assets or liabilities and their respective carrying amounts.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.20 Taxes (continued)

Deferred tax (continued)

A deferred tax liability is recognised, except to the extent that it arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit (or loss) nor taxable income (or tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with the assets and liabilities of Group subsidiaries, except to the extent that both of the following conditions are satisfied:

- the entity is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised where it is probable that, in the foreseeable future, taxable income will be available against which the deferred tax asset can be realised. A deferred tax asset is not recognised where:

- it arises from a transaction that is not part of a business combination; and
- at the time of the transaction, it has not affected accounting profit (or loss) or taxable income (or tax loss).

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are off-set, if the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is recorded in profit or loss, unless the underlying transaction that led to the tax expense was accounted for in other comprehensive income or equity. In such an event the tax expense is also recorded in other comprehensive income or equity, as appropriate.

Dividends tax

Dividends tax in South Africa is not levied on the company paying the dividend but on the beneficial owner of the share and accordingly does not require recognition in the company's profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from the tax) and payable to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

1.21 Leases

The Group recognises a 'right-of-use asset' in respect of its leases of immovable property, representing the right to use the underlying asset, and the liability to make lease payments over the lease term, with the exception of short-term leases and leases of low value assets.

The Group has elected to apply the exemptions available in respect of the recognition of both short-term leases and low-value assets to all relevant leases. Accordingly, the lease payments in terms of such leases are accounted for as expenses on a straight-line basis.

For a contract that is, or contains, a lease, lessees are required to account for each lease component within the contract as a lease separately from non-lease components of the contract, unless the practical expedient is applied. Given the complexity and subjectivity involved in distinguishing lease from non-lease components, the Group has elected to apply this practical expedient and is therefore not accounting for lease and non-lease components separately. As a result the right-of-use asset in respect of fixed property leases recognised by the Group includes fixed non-lease components such as operating costs, merchant's association contributions, rates and taxes.

The Group recognises a right-of-use asset and lease liability at the lease commencement date at a value equal to the present value of future lease payments over the lease term, discounted using the Group's relevant incremental borrowing rate for the respective lease.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.21 Leases (continued)

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability over the term of the lease, plus any lease payments made at or before the lease commencement date, initial direct costs of a lease, and dismantling costs, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses (cost model), as well as being adjusted for the impact of lease modifications. The right-of-use asset is depreciated using the straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Impairment of right-of-use assets

The carrying amounts of the Group's right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (such as a store becoming loss making), the recoverable amount of the right-of-use asset is estimated.

When right-of-use assets cannot generate cash flows largely independent from other assets (for example leasehold rights in respect of retail store premises) they are tested for impairment as part of the cash-generating units to which they have been assigned, such as retail stores. If the recoverable amount of the cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to the recoverable amount. Such impairment is recognised in profit and loss as an expense. An impairment loss recognised in respect of a cash-generating unit is firstly allocated to any goodwill allocated to that unit and thereafter to the other assets of the unit, pro-rata based on their carrying amounts.

A previously recognised impairment will be reversed in so far as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined at the reversal date, had no impairment been recognised. A reversal of impairment is recognised in profit and loss.

After recognition of an impairment loss, the depreciation charge for the right-of-use asset is adjusted in future periods to depreciate its revised carrying amount, less its residual value, on a straight-line basis over its remaining useful life.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the Group's incremental borrowing rate, and taking into account duration, country, currency and inception of the lease. Subsequently the lease liability is increased for interest and reduced for lease payments, as well as being adjusted for the impact of lease modifications.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

Variable lease payments-based agreements that do not depend on an index or rate are not included in the measurement of the right-of-use asset or lease liability. These related payments are recognised as expenses in the period in which the event or condition that triggers those payments occur.

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

Lease modifications

The lease liability is re-measured when there is a lease modification that was not contained in the original terms and conditions of the lease that is not accounted for as a separate contract. Lease liabilities are re-measured upon a change in any of the following:

- the lease term;
- future lease payments resulting from a change in an index or rate; and
- in-substance fixed lease payments.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.21 Leases (continued)

Lease modifications (continued)

For those lease modifications that do not result in a separate lease, the Group allocates the consideration in the contract and re-measures the lease liability using the lease term and the discount rate as determined at the effective date of the modification. For a modification that fully or partially decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect partial or full termination of the lease. Any difference between the adjustments in the right-of-use asset and the lease liability is recognised in profit or loss at the effective date of the modification. For all other lease modifications which are not accounted for as separate leases, the amount of the re-measurement of the lease liability is accounted for as an adjustment to the corresponding right-of-use asset and if the right-of-use asset is reduced to zero then any further reduction in the lease liability will be recognised in profit or loss.

A revised discount rate is applied when lease payments are updated for a change in the lease term. When lease payments are updated for a change in payments that are dependent on an index or rate, the original discount rate is applied unless the rate is a floating interest rate.

Furthermore, the lease term is reassessed upon the occurrence of a significant event or a significant change in circumstance that is within the control of the Group that results in the Group becoming reasonably certain to exercise a renewal option in respect of a period not previously included in the lease term, or conversely becoming no longer reasonably certain that a renewal option in respect of a period previously included in the lease term will be exercised. The most significant event for the Group is when landlord negotiations occur during the lease term, which result in the addition of further renewal options not included in the initial lease term or that result in the extension of the current or future lease periods.

The amendment to IFRS 16: COVID-19-Related Rent Concessions, effective from 1 June 2020, with a further amendment issued and effective from 1 April 2021, includes a practical expedient which allows lessees to elect not to assess whether a rent concession that meets the conditions in IFRS 16 paragraph 46B is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all COVID-19 related rent concessions.

Reductions in COVID-19 lease payments are treated as a negative variable lease payment and accordingly are recognised in profit or loss when the rent concession has been agreed with the landlord and the portion of the lease liability that is extinguished by the forgiveness of the lease payments is commensurately derecognised.

Group as a lessor

Leases of immovable property in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from these leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. (Refer to note 20.2 for further detail).

1.22 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense related to any provision is recognised in profit or loss. If the effect of the time value of money is material, a discount rate is applied to determine the present value of the provision. Where discounting is applied the annual increase in the provision due to the passage of time is recognised as an interest expense in profit or loss.

Employment provisions

Employee entitlements to annual leave and bonuses are recognised as they accrue to employees when there is a legal or constructive obligation to make such payments as a result of past performance. Such obligations are measured in terms of IAS 19.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.22 Provisions (continued)

Sales returns provision

The Group's sales return policy creates a legal obligation to accept merchandise returned within 30 days of sale provided the customer has retained proof of purchase. The provision is calculated with reference to prior period sales returns trends.

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to customers. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price and revenue) at each reporting date.

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Occupancy commitments provision

Store closure commitments, unless they are in the scope of IFRS 16, are recognised when there is a legal obligation to dismantle store fixtures and fittings and restore leased stores to their original condition when they are vacated.

Where applicable the cost of the right-of-use assets include an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

1.23 Contingent Liabilities

Contingent liabilities are not recognised as liabilities in the Group financial statements but are disclosed separately in the notes.

1.24 Dividends

Dividends payable are recognised as liabilities in the reporting period in which the dividends are declared. A dividend declared subsequent to the reporting date is not charged against total equity at the reporting date, as no liability exists at that date.

1.25 Revenue

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer and the customer obtains control of that good or service. Revenue transactions are recognised on the following bases:

Sale of merchandise

Revenue from the sale of merchandise through retail outlets and on a wholesale basis, is recognised when control has passed to the customer. Such income represents the net invoice value of merchandise provided to such third parties – excluding discounts, value-added and general sales tax. It is the Group's policy to sell its merchandise to customers with rights to a refund or exchange within 30 days, subject to certain exceptions.

Sales to customers made on interest-free deferred settlement terms effectively contain a financing element. The difference between the selling price under market-related conditions and the amount actually paid is recognised as notional interest income over the interest-free period.

Concession revenue

Revenue from the sale of goods through concession outlets where the Group is the principal is recognised at the gross amount (exclusive of VAT) at the point of sale of the merchandise to the customer. Commissions or other fees payable to the concession grantors are not classified as reductions in revenue but as an expense. It is the Group's policy to sell its merchandise to customers in accordance with the concession grantors' returns policy, which varies across concessions.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.25 Revenue (continued)

E-commerce revenue

E-commerce revenue from the sale and delivery of goods on the internet is recognised when control has passed to the customer. It is the Group's policy to sell its merchandise on the internet to customers with rights to a refund or exchange within 30 days subject to certain exceptions.

Lay-by revenue

Revenue from the sale of merchandise through a lay-by sale is recognised when control has passed to the customer which is when the final and full payment for the merchandise is received from the customer and the merchandise is handed over to the customer.

Interest

Interest income is recognised using the effective interest method. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets other than credit-impaired (stage 3) financial assets. When a financial asset is classified as credit-impaired, interest income is recognised only on the net carrying amount based on the original effective interest rate. The recognition of interest on the gross carrying amount of the financial asset is suspended during this stage and only resumes if and when the financial asset is reclassified from stage 3.

Commission

Commission, arising from the sale of merchandise by the Group on behalf of third parties, is recognised in the reporting period in which it is earned, according to the applicable contractual arrangements. Where the Group acts as such an agent, all payments collected from customers and passed on to third parties are excluded from both revenue and expenses.

Display fees and financial services income

Display fees and financial services income, comprising commissions and list fees on insurance products and account service fees, are recognised in the reporting period in which they are earned, according to the applicable contractual arrangements.

Management fees

Management fees are recognised over a period of time when the services contracted for have been rendered and control has passed to the subsidiary.

1.26 Other income

Lease rental income

Lease rental income is recognised in the reporting period in which it is earned, based on the straight-line method. Contingent rental income is recognised when it becomes contractually due.

Dividends receivable

Dividends receivable are recognised when the Group’s right to receive the payment is established, which typically arises on the record date.

1.27 Cost of sales

Cost of sales includes all costs of purchase, costs of conversion and other costs incurred in bringing inventories to their present location and condition. Costs of purchase include the purchase price (net of rebates and discounts, if any), royalties paid, import duties and other taxes (to the extent that they are not recoverable), as well as relevant depreciation, employment, occupancy and other operating costs relating to transport and distribution.

Inventory shrinkage and write-offs are included in cost of sales when recognised. Trade discounts, settlement discounts and other similar items are deducted in determining the costs of purchase.

Cost of sales is recognised as an expense when the risks and rewards of ownership related to the merchandise sold pass to the customer.

1.28 Finance costs

Finance costs are recognised using the effective interest method. The Group calculates finance costs by applying the effective interest rate to the gross carrying amount of the financial liability.

1. MATERIAL ACCOUNTING POLICIES (continued)

1.29 Segment reporting

The reportable segments of the Group have been identified as the Truworths Africa and Office UK business units. This basis is aligned with internal management reporting lines and is representative of management's review processes and the Group's internal financial reporting structures and practices. The source and nature of business risks and returns are segmented on the same basis.

The Group's geographical regions of operation, being South Africa, the United Kingdom, Germany (the Group closed all remaining stores in Germany during the period), Republic of Ireland, Namibia, Botswana, Eswatini and other countries, are based on the location of the Group's customers. Transfer prices between operating entities in different countries are at arm's length, in a manner similar to transactions with third parties.

1.30 Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Events that are indicative of conditions that arose after the reporting date are disclosed, but do not result in an adjustment of the financial statements themselves.

1.31 IFRS, amendments and IFRIC interpretations issued but not yet effective

Various IFRS, amendments and IFRIC interpretations that have been issued and are not yet effective have been considered by the Group, and it was determined that they are either not applicable to the Group or will not have a material impact on the Group's financial reporting. These IFRS, amendments and IFRIC interpretations are listed below:

Description	**Effective date** (Periods beginning on or after)
IAS 1 amendment: Classification of liabilities as current or non-current	1 January 2024
IAS 1 amendment: Non-current liabilities with covenants	1 January 2024
IFRS 16 amendment: Lease liability in a sale and leaseback	1 January 2024
IAS 7 and IFRS 7 amendments: Supplier finance arrangements	1 January 2024
IAS 21 amendment: Lack of exchangeability	1 January 2025

The following IFRS may have a material impact on the Group's financial reporting, and are being assessed for adoption in future periods when they become effective.

Description	**Effective date** (Periods beginning on or after)
IFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

	Note	Land Rm	Buildings Rm	Motor vehicles Rm	Plant, equipment, furniture and fittings Rm	Computer equipment Rm	Total Rm
2 PROPERTY, PLANT AND EQUIPMENT							
2024							
Balance at the beginning of the reporting period, net of accumulated depreciation and impairment		**51**	**640**	**7**	**1 295**	**76**	**2 069**
Additions		**-**	**99**	**2**	**608**	**75**	**784**
Finance costs capitalised^	16	**-**	**9**	**-**	**-**	**-**	**9**
Reversal of impairment	27, 34.1	**-**	**-**	**-**	**7**	**-**	**7**
Write-offs and disposals		**-**	**-**	**-**	**(2)**	**-**	**(2)**
Cost		**-**	**-**	**(1)**	**(21)**	**-**	**(22)**
Accumulated depreciation		**-**	**-**	**1**	**19**	**-**	**20**
Movement in exchange rates through other comprehensive income		**-**	**(1)**	**-**	**5**	**-**	**4**
Cost		**-**	**(2)**	**-**	**(1)**	**(1)**	**(4)**
Accumulated depreciation		**-**	**1**	**-**	**6**	**1**	**8**
Depreciation		**-**	**(17)**	**(4)**	**(284)**	**(33)**	**(338)**
Balance at the reporting date, net of accumulated depreciation and impairment		**51**	**730**	**5**	**1 629**	**118**	**2 533**
Reconciliation as at 30 June 2024							
Cost		**51**	**843**	**31**	**3 751**	**301**	**4 977**
Accumulated depreciation and impairment		**-**	**(113)**	**(26)**	**(2 122)**	**(183)**	**(2 444)**
Net carrying amount		**51**	**730**	**5**	**1 629**	**118**	**2 533**
2023							
Balance at the beginning of the reporting period, net of accumulated depreciation and impairment		51	500	8	1 045	81	1 685
Additions		-	145	3	524	26	698
Finance costs capitalised^	16	-	7	-	-	-	7
Reversal of impairment	27, 34.1	-	-	-	14	-	14
Write-offs and disposals		-	(5)	-	(3)	-	(8)
Cost		-	(8)	(4)	(60)	(2)	(74)
Accumulated depreciation		-	3	4	57	2	66
Movement in exchange rates through other comprehensive income		-	1	-	1	1	3
Cost		-	5	1	29	5	40
Accumulated depreciation		-	(4)	(1)	(28)	(4)	(37)
Depreciation		-	(8)	(4)	(286)	(32)	(330)
Balance at the reporting date, net of accumulated depreciation and impairment		51	640	7	1 295	76	2 069
Reconciliation as at 2 July 2023							
Cost		51	737	30	3 165	227	4 210
Accumulated depreciation and impairment		-	(97)	(23)	(1 870)	(151)	(2 141)
Net carrying amount		51	640	7	1 295	76	2 069

	2024 Rm	2023 Rm
Estimated replacement and insured value*	**7 162**	6 270

During the period the Group reviewed the residual values and useful lives of its property, plant and equipment and no material adjustments were required.

The carrying value of property plant and equipment under construction at the reporting date amounted to R567 million and relates to the new Truworths Africa distribution centre. Refer to note 35 for further details.

^ Refer to note 35 for further details.

* Not an indication of the fair value.

		Note	2024 Rm	2023 Rm
3	**RIGHT-OF-USE ASSETS**			
	Balance at the beginning of the reporting period, net of accumulated depreciation and impairment		**3 329**	2 594
	Buildings		**3 253**	2 594
	Land		**76**	-
	Additions in respect of new or renewed leases		**633**	970
	Lease modifications, re-measurements and lease terminations		**590**	648
	Depreciation		**(1 098)**	(987)
	Buildings		**(1 097)**	(987)
	Land		**(1)**	-
	Impairment of right-of-use assets	28.6	**(12)**	(95)
	Truworths Africa segment		**(12)**	(27)
	Office UK segment		**-**	(68)
	Reversal of previously recognised right-of-use assets impairments	27	**134**	160
	Truworths Africa segment		**2**	5
	Office UK segment		**132**	155
	Movement in exchange rates through other comprehensive income		**(31)**	39
	Balance at the reporting date, net of accumulated depreciation and impairment		**3 545**	3 329
	Comprising of right of use assets in respect of:			
	Buildings		**3 470**	3 253
	Land		**75**	76

Additions in the current period include the 15-year lease in respect of the 50% share of the new distribution centre (DC) that is owned by the joint operator to the value of R216 million. Additions in the prior period to the value of R77 million included the 99-year lease in respect of the land on which the DC was constructed. Refer to note 35 for further information.

3 RIGHT-OF-USE ASSETS (continued)

Impairment testing of right-of-use assets

Right-of-use assets are tested for impairment, or reversal of previously recognised impairment losses, at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (such as a store being loss-making), or the recoverable amount exceeds the carrying amount (such as a previously loss-making store becoming profitable).

Management relies on a number of internal and external qualitative and quantitative indicators to determine which right-of-use assets to assess for impairment. The main internal indicator relates to the profitability of the right-of-use asset or the cash-generating unit to which it has been assigned. The resulting impairment losses or reversal of previously recognised impairment losses are recognised in other operating costs or other income respectively. Refer to the Operating context section of the notes for further detail.

The recoverable amount of the cash-generating units to which the right-of-use assets belong has been determined based on their value-in-use using the discounted cash flow approach. Cash flow projections, covering the remaining lease period, were based on historical information, financial budgets and forecasts approved by senior management.

The total recoverable amount of impaired right-of-use assets allocated to the Truworths Africa and Office UK segments were R175 million and R383 million (2023: R283 million and R369 million) respectively at the reporting date.

Key assumptions applied in the value in use calculations and sensitivity analysis were as follows:

The value in use of cash generating units to which the right-of-use assets have been assigned is most sensitive to the following assumptions:

- Sales growth rate
- Gross profit margin
- Head office cost allocation
- Working capital requirements
- The discount rate applied in determining the present value of future cash flows

		2024	2023
Truworths Africa			
Assumptions applied			
Average pre-tax discount rate applied to projected cash flows*	(%)	**16.4**	18.0
Average discount rate calculated using the following variables:			
Average risk-free rate, based on the annualised yield of a South African government issued bond with a maturity of two to five years	(%)	**8.3**	8.3
Market risk premium	(% points)	**5.0**	5.0
Beta value	(:1)	**1.2**	1.1
Office UK			
Assumptions applied			
Pre-tax discount rate applied to projected cash flows*	(%)	**24.3**	19.1
Discount rate calculated using the following variables:			
Risk-free rate, based on the annualised yield of a UK government issued bond with a maturity of five years (2023: ten years)	(%)	**4.1**	4.5
Market risk premium	(% points)	**5.0**	6.0
Beta value	(:1)	**1.2**	1.1

*In the prior period the pre-tax discount rates were not presented. In the current period pre-tax discount rates have been presented along with prior period comparatives. The update in disclosure did not have any impact on the financial position or performance of the Group.

	2024 Rm	2023 Rm
4 GOODWILL		
Balance at the beginning and end of the reporting period	**294**	294

	2024 Rm	2023 Rm
Truworths Ltd cash generating unit		
Earthchild	**243**	243
Uzzi	**38**	38
Naartjie	**13**	13
	294	294

The Earthchild, Uzzi and Naartjie goodwill has been allocated to the Truworths Ltd cash-generating unit since the 2015, 2009 and 2015 reporting periods respectively. The goodwill cannot generate cash flows largely independently from other assets in the Truworths Ltd cash-generating unit and is therefore tested for impairment at the cash generating unit level. Based on the performance and fair value of the Truworths Ltd cash-generating unit and the broader macro environment, management has concluded that there are no internal or external quantitative or qualitative indicators of impairment.

The fair value of the Truworths Ltd cash-generating unit is determined based on income valuation multiples, specifically enterprise value (EV)/EBITDA, adjusted for control, marketability and other relevant factors. Refer to note 9.6.1 in the company annual financial statements for inputs used in determination of the said fair value.

		Note	Trademarks Rm	Computer software Rm	Total Rm
5	**INTANGIBLE ASSETS**				
	2024				
	Balance at the beginning of the reporting period, net of accumulated amortisation and impairment		**456**	**134**	**590**
	Additions		**-**	**19**	**19**
	Write-offs		**(7)**	**-**	**(7)**
	Cost		**(7)**	**-**	**(7)**
	Accumulated amortisation		**-**	**-**	**-**
	Amortisation		**-**	**(49)**	**(49)**
	Impairment reversal	34.1	**1 019**	**-**	**1 019**
	Movement in exchange rates through other comprehensive income		**(36)**	**(2)**	**(38)**
	Cost		**(149)**	**(7)**	**(156)**
	Accumulated amortisation		**-**	**5**	**5**
	Accumulated impairment		**113**	**-**	**113**
	Balance at the reporting date, net of accumulated amortisation and impairment		**1 432**	**102**	**1 534**
	Reconciliation as at 30 June 2024				
	Cost		**3 876**	**452**	**4 328**
	Accumulated impairment		**(2 557)**	**-**	**(2 557)**
	Accumulated amortisation		**113**	**(350)**	**(237)**
	Net carrying amount		**1 432**	**102**	**1 534**
	2023				
	Balance at the beginning of the reporting period, net of accumulated amortisation and impairment		396	143	539
	Additions		-	40	40
	Write-offs and disposals		-	-	-
	Cost		-	(39)	(39)
	Accumulated amortisation		-	39	39
	Amortisation		-	(57)	(57)
	Movement in exchange rates through other comprehensive income		60	8	68
	Cost		679	36	715
	Accumulated amortisation		-	(28)	(28)
	Accumulated impairment		(619)	-	(619)
	Balance at the reporting date, net of accumulated amortisation and impairment		456	134	590
	Reconciliation as at 2 July 2023				
	Cost		4 032	440	4 472
	Accumulated impairment		(3 576)	-	(3 576)
	Accumulated amortisation		-	(306)	(306)
	Net carrying amount		456	134	590

	2024 Rm	2023 Rm
Trademarks		
Office UK segment	**1 316**	341
Truworths Africa segment	**116**	115
Balance at the reporting date, net of accumulated impairment	**1 432**	456

5 INTANGIBLE ASSETS (continued)

Trademarks (continued)

Office UK segment

The Office trademarks have been allocated to the Office Retail Group Ltd cash-generating unit since their initial recognition on acquisition of the Office business with effect from 4 December 2015 at the acquisition date fair value, which was determined using the relief from royalty method. These trademarks are currently measured at their recoverable amount. The Office trademarks included store brands, Office (including the Office private label product brand) and Offspring, and product brands, Ask the Missus, Poste and Poste Mistress. The Office and Offspring store brands are well established in the UK market and are associated with a wide, curated range of fashion footwear brands. For this reason there is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the Group and are therefore considered to have indefinite useful lives.

<u>Impairment testing of trademarks</u>

In the 2019 reporting period the profitability of the Office business came under significant pressure. This prompted management to assess the Office goodwill and trademarks for impairment, and resulted in the impairment of the goodwill balance in full, and a partial impairment of the Office trademarks. In the 2020 reporting period the performance of the business remained under pressure due to the COVID-19 pandemic and the related lockdown restrictions, prompting a further impairment of the Office trademarks. In the 2022 and 2023 reporting periods the financial performance of the business began to show signs of recovery, attributable to a number of turnaround measures implemented by management, the low base in the prior periods and pent-up demand as the UK economy reopened following the abolishment of all COVID-19 restrictions in early 2022. During these periods, the product brands mentioned above were discontinued (with the exception of ‘Office’) and during the 2023 financial period, operations in Germany were discontinued. The trademarks attributable to these product brands and the German operations were previously impaired and must be written off.

During the current financial period Office continued to show improved profitability with sales performance above estimates, the gross profit margin improving due to further alignment with the Group’s buying and markdown methodologies, some trading expenses continued to benefit from no or low capital expenditure during the prior periods, and limited rates relief and government support on energy pricing. However, there was notable pressure on expense growth rates and a decline in sales growth rates during the second half of the period, as the macro environment remains volatile and uncertain in light of the UK economic challenges and the continued decline in consumer spending on the back of the ongoing cost of living crisis. Market interest rates have increased significantly from 2022 with the risk-free rate increasing to 4.2% (2022: 2.2%) and the Bank of England rate increasing to 5.25% (2022: 1.25%), however since June 2023 the risk-free rate has decreased from 4.5% to 4.3% in 2024, while the Bank of England rate has remained unchanged.

Having considered all internal and external qualitative and quantitative impairment reversal indicators management has concluded that the improvement in the overall performance of the business supports a reversal of a portion of the previously recognised trademark impairments.

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

Fair value less cost to sell was determined based on the relief from royalty method.

Key assumptions applied in the fair value less cost to sell calculations include:
- Royalty rate, with reference to internal and external royalty rates in the Group
- Long-term projected UK growth rates
- Sales growth rate

Based on the relief from royalty valuation, management has determined that the recoverable amount of the Office trademarks is between R1 245 million and R1 395 million, with a midpoint of R1 316 million. Management accepted the midpoint of the valuation range, which resulted in a reversal of previously recognised impairment losses of R1 019 million, before tax.

5 INTANGIBLE ASSETS (continued)

Office UK Segment (continued)

The following assumptions were used in the impairment testing during the current period:

		2024
Terminal growth rate	(%)	**1.4**
Royalty rate	(%)	**3.25**
Pre-tax discount rate applied to projected cash flows	(%)	**19.2**
Discount rate calculated using the following variables:		
Risk-free rate, based on the annualised yield of a UK government issued bond with a maturity of 10 years	(%)	**4.3**
Market risk premium	(% points)	**5.0**
Beta value	(:1)	**1.2**

The above variables are consistent with external sources of information.

Truworths Africa segment

The Truworths Africa segment's trademarks comprise the Earthchild, Uzzi, Naartjie and Loads of Living trademarks and have been allocated to the Truworths Ltd cash-generating unit since the 2015, 2009, 2015 and 2018 reporting periods respectively. These trademarks were initially recognised on acquisition of these businesses and are measured at cost (representing the fair value at acquisition date). All these brands are well established in the South African market and for this reason there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group. The trademarks are therefore considered to have indefinite useful lives.

Impairment testing of trademarks

The Earthchild, Uzzi, Naartjie and Loads of Living trademarks cannot generate cash flows largely independently from other assets in the Truworths Ltd cash-generating unit and is therefore tested for impairment at the cash-generating unit level. Based on the performance and fair value of the Truworths Ltd cash-generating unit and the broader macro environment, management has concluded that there are no internal or external quantitative or qualitative indicators of impairment.

The fair value of the Truworths Ltd cash-generating unit is determined based on income valuation multiples, specifically enterprise value (EV)/EBITDA, adjusted for control, marketability and other relevant factors. Refer to note 9.6.1 in the company annual financial statements for inputs used in determination of the said fair value.

		Note	2024 Rm	2023 Rm
6	**DERIVATIVE FINANCIAL ASSETS**			
	Current portion of derivative financial assets		-	28
	Forward exchange contracts	6.1	-	28
	Balance at the reporting date	26.1	-	28
6.1	**Forward exchange contracts**		-	28

The Group uses forward exchange contracts to reduce its foreign currency exposure arising from imports into South Africa. These contracts are marked-to-market, classified as held-for-trading financial assets, and measured at fair value. The fair value is determined as the difference between the contract price of forward exchange contracts entered into by the Group and the price of market traded forward exchange contracts with similar maturity profiles at the reporting date.

At the reporting date the marked-to-market forward exchange contract asset was Rnil million (2023: R28 million). Refer to note 26.3.1 for further information.

6.2 Call options over shares in a subsidiary held by non-controlling interests

The Group (via Truworths UK Holdco 1 Ltd) has a call option which gives the Group the right to acquire management's non-controlling interest in Truworths UK Holdco 2 Ltd in tranches upon approval of the audited consolidated accounts of that company for the 2019 to 2025 reporting periods.

The exercise price of these options is designed to approximate the fair value of the shares on the exercise date, being a multiple of that company's consolidated EBITDA (Office EBITDA) adjusted for net debt/(cash).

The call options are measured at fair value with any change in fair value recognised in profit or loss. The fair value of the call options at the reporting date was determined by an external valuations specialist by applying an intrinsic value method. As the value of the underlying business decreased considerably during the COVID-19 pandemic and the majority of the shares have now vested, a simplified approach has been adopted to value the call derivative asset. In prior periods, the call derivatives were valued using the risk-neutral option pricing principles in a Monte Carlo simulation model.

Based on the external valuation performed, the Group's call options over the non-controlling interests had no value at the reporting date (2023: Rnil).

	Note	2024 Rm	2023 Rm
7 ASSETS HELD AT FAIR VALUE			
Non-current portion of assets held at fair value		**315**	36
Mutual fund investments: Retirement benefits*	7.1	**10**	11
Insurance cell captive**	7.2	**24**	13
Personal lines insurance business arrangement*	7.3	**13**	11
Unlisted investment*	7.4	**1**	1
Mutual fund investments: Charitable trusts*	7.5	**267**	-
Current portion of assets held at fair value		**1 468**	-
Investment in money market funds**	7.6	**1 468**	-
Fair value at the reporting date	26.1	**1 783**	36

* Held at fair value through other comprehensive income
** Held at fair value through profit or loss

7.1 Mutual fund investments: Retirement benefits

Mutual fund investments comprise units in various offshore mutual funds. These investments are held to fund retirement benefits for retired former internationally deployed consultants.

The mutual fund investments have been valued at the quoted unit prices at the close of business on the reporting date which approximate fair value.

	2024 Rm	2023 Rm
Fair value at the reporting date	**10**	11

Refer to note 26.3.3 for further information relating to other price risk.

7.2 Insurance cell captive

The Group's insurance cell became operative with effect from 1 July 2013. This cell, underwritten by Old Mutual Insure, receives a portion of the Group's short-term insurance premiums and meets the Group's corporate short-term insurance claims as and when they arise up to a prescribed limit.

The interest in the insurance cell is represented by an investment in 1 C1 Class variable rate redeemable profit participating preference share in Old Mutual Alternative Risk Transfer Limited, formerly Mutual & Federal Risk Financing Limited, entitling the Group to the profits of the cell. Dividends received by the Group on this share are accounted for as dividend income.

The Group is required to ensure that the insurance cell remains in a financially sound position at all times and maintains capital adequacy requirements (CAR) as determined by various regulatory bodies and Old Mutual Insure. If the Group fails to maintain the CAR it will be required to subscribe for further shares at a premium sufficient to restore the insurance cell to a financially sound position. The Group does not carry insurance risk with regards to the insurance cell captive as any claims in excess of the cap are covered by third party insurance contracts.

The insurance cell has been valued at its net asset value at the reporting date in accordance with the agreement with Old Mutual Insure and approximates fair value.

	Note	2024 Rm	2023 Rm
Fair value at the beginning of the reporting period		**13**	14
Premiums received during the period		**8**	14
Claims paid during the period		**(5)**	(8)
Fair value adjustment	34.1	**8**	(7)
Fair value at the reporting date		**24**	13

Refer to note 26.3.3 for further information relating to other price risk.

7 ASSETS HELD AT FAIR VALUE (continued)

7.3 Personal lines insurance business arrangement

The Group has a business arrangement with Hollard Life Assurance Company Ltd (Hollard) in terms of which Hollard underwrites the account balance protection and life insurance products offered by the Group as a representative of Hollard for the benefit of the South African customers of the Group.

The Group's interest is represented by an investment in 50 A1 Class ordinary shares in Hollard Business Associates (Pty) Ltd entitling the Group to a share of the profits of the business arrangement. Dividends received by the Group on these shares are accounted for as dividend income.

The personal lines insurance business arrangement does not represent an insurance or reinsurance contract issued, nor does it hold reinsurance contracts, and accordingly falls outside the scope of IFRS 17. Hollard carries 100% of the insurance risk.

The Group's interest in the business arrangement has been valued as its net asset value, which approximates fair value, as calculated per the formula in the agreement with Hollard.

	Note	2024 Rm	2023 Rm
Fair value at the reporting date	15.3	**13**	11

Refer to note 15.3 for a reconciliation of the fair value reserve and note 26.3.3 for further information relating to other price risk.

7.4 Unlisted investment

The number of ordinary shares in the unlisted investment, Business Partners Ltd (formerly known as Small Business Development Corporation Limited), is 158 877 (2023: 158 877) which represents 0.1% of that company's total shares in issue. The cost of this investment was R349 529.

The investment has been valued at the most recently traded share price of similar instruments during the financial period and is therefore in management's view recorded at fair value.

	2024 Rm	2023 Rm
Fair value at the reporting date	**1**	1

Refer to note 26.3.3 for further information relating to other price risk.

7.5 Mutual fund investments: Charitable trusts

Mutual fund investments held by the Group’s charitable trust comprise units in various South African collective investment schemes. These investments are held to generate a return to fund the Group’s charitable donations made under the “Truworths Involved” banner. The charitable trusts were consolidated for the first time in the current period. Refer to note 33 for further information.

These mutual fund investments, along with the other charitable and enterprise development trust assets (predominantly cash) are held in trust for the benefit of the trust beneficiaries, cannot be used or accessed by the Group for its own benefit and must be distributed in accordance with the trust deeds on dissolution of the trusts.

These mutual fund investments have been valued at the quoted unit prices at the close of business on the reporting date which approximate fair value.

	2024 Rm	2023 Rm
Fair value at the reporting date	**267**	-

Refer to note 26.3.3 for further information relating to other price risk.

7 ASSETS HELD AT FAIR VALUE (continued)

7.6 Investment in money market funds

During the period the Group invested cash in short-term money market funds administered by reputable global asset managers. These investments comprise highly liquid, low volatility net asset value money market instruments of the highest credit rating. These investments allow for same day liquidity, have a weighted average duration of less than 90 days, and offer higher interest rates compared to traditional call and current accounts while maintaining low risk.

In the Truworths Africa segment, the money market fund interest rates varied between 8.46% and 10.06% per annum. In the Office UK segment, money market fund interest rates varied between 5.13% and 5.34% per annum.

	2024 Rm	2023 Rm
Fair value at the reporting date	**1 468**	-

Refer to note 26.3.2 for further information relating to interest rate risk, note 26.4 for further information relating to credit risk and note 26.3.3 for further information relating to other price risk.

	Note	2024 Rm	2023 Rm
8 LOANS AND RECEIVABLES			
Non-current portion of loans and receivables		**28**	77
Secured loans to share scheme participants	8.1	**-**	42
Unsecured loan to charitable trust	8.2	**-**	7
Loans to suppliers	8.3	**28**	28
Balance at the reporting date	26.1	**28**	77

	2024 Rm	2023 Rm
8.1 Secured loans to share scheme participants		
Balance at the beginning of the reporting period	**42**	47
Notional interest adjustment	**8**	(5)
Loans repaid during the year	**(50)**	-
Balance at the reporting date	**-**	42

Recourse loans to participants in the Truworths International Ltd share option scheme were repaid during the financial period. These loans were contractually due by 31 May 2025, were interest-free and secured by a pledge over the ordinary shares in the company held by employees of subsidiaries pursuant to the scheme.

Refer to notes 26.4.2 and 26.7.2 for further information relating to credit risk management and the fair value hierarchy respectively.

		2024 Rm	2023 Rm
8	**LOANS AND RECEIVABLES** (continued)		
8.2	**Unsecured loan to charitable trust**		
	Balance at the reporting date	**-**	7

The amount owing to the Group is unsecured, interest-free and repayable on demand. It comprises a loan to the Truworths Social Involvement Trust, whose charitable activities are funded by income earned on investments funded by the loan. During the current period the Group consolidated the trust and the loan was therefore eliminated on consolidation. Refer to note 33 for further information.

Refer to note 26.4.2 for further information relating to credit risk management.

		2024 Rm	2023 Rm
8.3	**Loans to suppliers**		
	Gross supplier loans	**42**	40
	Expected credit losses allowance	**(14)**	(12)
	Balance at the reporting date	**28**	28
	Balance at the beginning of the reporting period	**28**	40
	Repayments during the period	**(1)**	(13)
	Advances during the period	**3**	19
	Set off during the period	**-**	(19)
	Movement in expected credit losses allowance	**(2)**	1
	Balance at the reporting date	**28**	28

Loans to suppliers comprise amounts that have been advanced for purposes of supplier development to Beesa Business Services (Pty) Ltd, AL's Clothing CC, SHFQ (Pty) Ltd, Kinross Clothing (Pty) Ltd (in liquidation), Sew True CC and East London Textiles (Pty) Ltd. The loan to Beesa Business Services (Pty) Ltd is unsecured and interest free, while the loan to Sew True CC is secured and interest free. The loans to SHFQ (Pty) Ltd, Kinross Clothing (Pty) Ltd, East London Textiles (Pty) Ltd and AL's Clothing CC are secured and interest-bearing. The loan to AL's Clothing CC bears interest at a margin of 1 percentage point above the prime rate of interest in South Africa, the loan to East London Textiles (Pty) Ltd bears interest at the prime rate plus 2% while the loans to SHFQ (Pty) Ltd and Kinross Clothing (Pty) Ltd bears interest at the prime rate plus 3%. Where applicable, interest accrues on a daily basis, is compounded monthly and is added to the capital amount. Total interest earned on these loans for the year amounted to R613 388 (2023: R408 311). The terms of these loans are expected to exceed one year. Management has performed an assessment of the loan beneficiaries' ability to repay these amounts and concluded that the allowance for expected credit losses is appropriate.

These loans have been valued at amortised cost which approximates fair value.

Refer to note 26.4.2 for further information relating to credit risk management.

		Note	2024 Rm	2023 Rm
9	**DEFERRED TAX**			
	Net deferred tax asset for Africa	9.1	**304**	311
	Net deferred tax liability for Africa	9.2	**(36)**	-
	Net deferred tax (liability)/asset for United Kingdom	9.3	**(301)**	10
	Net deferred tax (liability)/asset		**(33)**	321

		Note	Balance at the beginning of the reporting period Rm	Credited/ (debited) to profit or loss Rm	Movement through other comprehensive income Rm	Balance at the reporting date Rm
9.1	**Analysis of the Africa segment deferred tax assets during the year is as follows:**					
	2024					
	Asset		**1 208**	**94**	**-**	**1 302**
	Trade and other receivables		**245**	**(6)**	**-**	**239**
	Post-retirement medical benefit obligation		**26**	**-**	**-**	**26**
	Provisions		**77**	**(40)**	**-**	**37**
	Trade and other payables		**24**	**1**	**-**	**25**
	Lease liabilities		**792**	**103**	**-**	**895**
	Inventories		**49**	**15**	**-**	**64**
	Assessed tax losses		**-**	**8**	**-**	**8**
	Other		**(5)**	**13**	**-**	**8**
	Liability		**(897)**	**(101)**	**-**	**(998)**
	Property, plant and equipment		**(119)**	**(16)**	**-**	**(135)**
	Right-of-use assets		**(697)**	**(96)**	**-**	**(793)**
	Prepayments		**(37)**	**3**	**-**	**(34)**
	Trademarks		**(22)**	**-**	**-**	**(22)**
	Employee share schemes		**(19)**	**8**	**-**	**(11)**
	Other		**(3)**	**-**	**-**	**(3)**
	Net deferred tax asset for Africa	30.1	**311**	**(7)**	**-**	**304**
	2023					
	Asset		1 125	83	-	1 208
	Trade and other receivables		227	18	-	245
	Post-retirement		25	1	-	26
	Provisions		72	5	-	77
	Trade and other payables		22	2	-	24
	Lease liabilities		728	64	-	792
	Inventories		54	(5)	-	49
	Assessed tax losses		-	-	-	-
	Other		(3)	(2)	-	(5)
	Liability		(829)	(68)	-	(897)
	Property, plant and equipment		(119)	-	-	(119)
	Right-of-use assets		(634)	(63)	-	(697)
	Prepayments		(30)	(7)	-	(37)
	Trademarks		(22)	-	-	(22)
	Employee share schemes		(22)	3	-	(19)
	Other		(2)	(1)	-	(3)
	Net deferred tax asset for Africa	30.1	296	15	-	311

	Balance at the beginning of the reporting period Rm	Credited/ (debited) to profit or loss Rm	Movement through other comprehensive income Rm	Balance at the reporting date Rm
9 DEFERRED TAX (continued)				
9.2 Analysis of the Africa segment deferred tax liabilities during the year is as follows:				
2024				
Liabilities	**-**	**-**	**(36)**	**(36)**
Charitable trusts^	**-**	**-**	**(36)**	**(36)**
Net deferred tax liability for Africa	**-**	**-**	**(36)**	**(36)**

^In the current year of assessment, the charitable trusts were consolidated into the Group.

The deferred tax position of the Africa segment is considered on a tax jurisdiction basis and if any jurisdiction is in a different deferred tax asset or liability position to the rest of the Africa segment it would be separately disclosed.

In eSwatini, the corporate tax rate will decrease from 27.5% to 25% for all years of assessment commencing after 1 July 2023 and the deferred tax assets have been therefore restated to 25%. The impact of the rate change is a net reduction in the deferred tax asset in this jurisdiction of SZL 222,424 and is not disclosed in the above amounts due to reporting in R'm.

In South Africa the corporation tax rate decreased to 27% for all years of assessment ending on or after 31 March 2023.

	Note	Balance at the beginning of the reporting period Rm	Credited/ (debited) to profit or loss Rm	Movement through other comprehensive income Rm	Balance at the reporting date Rm
9 DEFERRED TAX (continued)					
9.3 Analysis of the United Kingdom segment deferred tax liabilities during the year is as follows:					
2024					
Asset		**96**	**(64)**	**(5)**	**27**
Provisions		**8**	**(8)**	**-**	**-**
IFRS 16 transition allowance**		**44**	**(41)**	**-**	**3**
Property, plant and equipment		**8**	**(15)**	**-**	**(7)**
Movement in exchange rates through other comprehensive income		**36**	**-**	**(5)**	**31**
Liability		**(86)**	**(253)**	**11**	**(328)**
Trademarks		**3**	**(253)**	**-**	**(250)**
Movement in exchange rates through other comprehensive income		**(89)**	**-**	**11**	**(78)**
Net deferred tax liability for United Kingdom	30.1	**10**	**(317)**	**6**	**(301)**
2023					
Asset		113	(39)	22	96
Provisions		1	7	-	8
IFRS 16 transition allowance**		75	(31)	-	44
Property, plant and equipment		23	(15)	-	8
Movement in exchange rates through other comprehensive income		14	-	22	36
Liability		(70)	-	(16)	(86)
Trademarks		3	-	-	3
Movement in exchange rates through other comprehensive income		(73)	-	(16)	(89)
Net deferred tax asset for United Kingdom		43	(39)	6	10

** The HMRCs position on transition to IFRS 16 is to allow companies to maintain the link between the accounting expenses and the tax deductions available. As the deductible expenses post the implementation of IFRS 16 would have exceeded those of pre the implementation of IFRS 16 it would have resulted in an accelerated tax deduction. This transitional adjustment is being realised over the weighted average of the remaining lease term, initially estimated to be around 4 years and is set to be fully utilised in 2025.

In the United Kingdom the corporation tax rate increased to 25% from 1 April 2023.

		2024 Rm	2023 Rm
10 INVENTORIES			
Gross inventories*		**2 729**	2 683
Finished goods		**2 596**	2 532
Raw materials and work-in-progress		**133**	151
Allowance for markdown and shrinkage^		**(417)**	(439)
Net inventories at the reporting date		**2 312**	2 244
Allowances as a % of gross inventories	(%)	**15.3**	16.4
Allowances as a % of finished goods	(%)	**16.1**	17.3
Allowances for markdown and shrinkage			
Balance at the beginning of the reporting period		**439**	361
Movement for the period		**(22)**	78
Allowance raised		**419**	416
Allowance reversed		**(435)**	(373)
Movement in exchange rates through other comprehensive income		**(6)**	35
Balance at the reporting date		**417**	439

* During the reporting period shrinkage and write offs to the value of R43 million (June 2023: R51 million) were expensed in cost of sales. Please refer to note 28.1.

During the reporting period, R419 million (2023: R416 million) was raised as an allowance for inventories carried at net realisable value below cost.

^Included in the allowance for markdown and shrinkage balance is a sales return asset of R12 million (2023: R14 million).

	Note	2024 Rm	2023 Rm
11 TRADE AND OTHER RECEIVABLES			
Trade receivables: Active portfolio	11.1	**5 123**	5 212
Trade receivables: Charged-off portfolio	11.2	**110**	-
Other receivables^	26.1, 26.4.1	**186**	334
Trade and other receivables at the reporting date	26.4.1	**5 419**	5 546

^Other receivables comprise of amounts owed by concession partners, wholesale debtors as well as suppliers for recharged marketing costs. These amounts are assessed for impairment and are presented net of their respective expected credit loss (ECL) allowances. The ECL allowances in respect of other receivables are not material and are therefore not separately disclosed. The reduction in other receivables relative to the prior period relates to a refund that was owing by the South African Revenue Service in the amount of R105 million in respect of the settlement of a long-standing indirect tax matter, which amount was refunded to the Group in the prior period.

During the current period the Group reviewed its credit risk management strategies, including its write-off criteria and made certain changes thereto. Prior to the implementation of these changes it was the Group's practice to concurrently charge-off (for credit management purposes) and write-off (derecognise) accounts that were 210 days in arrears, that have not made a qualifying payment in the most recent billing cycle and that did not meet the Group's behavioural risk scorecard hold-back criteria. With the expectation of a more positive economic outlook going forward, the Group has considered account rehabilitation as a key strategy for stage three delinquent accounts that show a high probability of payment. The following changes were implemented as a result:

- The Group reassessed and enhanced its existing active book hold-back criteria to ensure that accounts with a likelihood of payment are not charged-off or written-off prematurely. This change has resulted in an increase in accounts in stage three, with a consequential decrease in gross bad debt and an increase in the expected credit loss (ECL) allowance in respect of the active trade receivables portfolio. Furthermore, this change will result in an increase in overdue balances and a decrease in active account holders able to purchase as a percentage of gross trade receivables.
- The Group resolved to separate the charge-off and write-off point. Consequently, accounts that no longer meet the Group's criteria to remain in the active trade receivables portfolio will either be charged-off (but not derecognised) if they meet certain behavioural risk criteria, or will be written off (derecognised) if there is no reasonable expectation of recovery. This has resulted in the creation of a separate on-balance sheet charged-off portfolio comprising of delinquent accounts with some likelihood of rehabilitating over a longer period based on the Group's behavioural risk scorecards. All accounts in this portfolio are classified as stage three trade receivables and cannot shop. Previously such accounts would have been written-off. This has resulted in a decrease in gross bad debt, a decrease in post write-off recoveries, and an increase in the ECL allowance.

Following these changes the Group's trade receivables are reported as two separate portfolios, namely the active trade receivables portfolio and the charged-off trade receivables portfolio. These changes have not had a material impact on the Group's earnings in the current period.

Accounts held back as a result of the changes to the Group's hold-back criteria, and those that now reside in the charged-off portfolio are managed using bespoke collection strategies, with rehabilitation as the key outcome. These accounts will be regularly assessed against the Group's risk criteria, and written off in the event of further deterioration if there is no reasonable expectation of recovery.

Accounts in the charged-off portfolio that have been successfully rehabilitated (i.e. become paid up) will be assessed for credit and, should they meet the Group's strict credit risk and affordability criteria, can re-apply for a credit facility with the Group and if successful will be allowed to shop again.

Refer to note 26.4.1 for further information relating to credit risk management.

		Note	2024 Rm	2023 Rm
11	**TRADE AND OTHER RECEIVABLES** (continued)			
11.1	**TRADE RECEIVABLES: ACTIVE PORTFOLIO**			
	Gross trade receivables		**6 425**	6 562
	Expected credit losses allowance	11.1.1	**(1 302)**	(1 350)
	Trade receivables: Active portfolio	11	**5 123**	5 212
	Expected credit losses allowance to gross trade receivables	(%)	**20.3**	20.6

The active trade receivables portfolio represents active account receivables that have neither been charged-off (refer to note 11.2 below) nor been written-off as bad debt as they do not meet the Group's charge-off and write-off criteria.

The Group's active trade receivables have payment terms ranging between six and twelve months. The debtors' days at the reporting date were 229 days (2023: 228 days).

Interest is charged on all interest-bearing plans and on all overdue accounts in accordance with legislative provisions in the country of operation and the Group's terms and conditions applicable to accounts. The interest rates charged fluctuate in accordance with changes to the relevant central bank or financial authority reference rate. The rates charged during 2024 were between 15.50% and 28.15% (2023: 12.50% and 28.15%), which are equal to or lower than the maximum rates legislated.

Refer to note 26.3.2 for further information relating to interest rate risk.

		2024 Rm	2023 Rm
	Expected credit losses allowance:		
11.1.1	**Active portfolio**		
	Balance at the beginning of the reporting period	**1 350**	1 229
	Movement for the period	**(48)**	121
	Allowance utilised	**(839)**	(838)
	Allowance transferred to charged-off trade receivables ECL allowance	**(449)**	-
	Allowance raised	**1 240**	959
	Balance at the reporting date	**1 302**	1 350

The measurement of expected credit losses in respect of the active trade receivables portfolio considers the probability and the expected timing of charge-off and the Group's anticipated exposure at the time of charge-off, as well as the likelihood that the asset is:

a) simultaneously charged-off and written-off (derecognised); or
b) transferred to the charged-off portfolio, in which regard it further considers the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off.

The calculation of ECLs incorporates forward-looking variables, which include the following:

- an economic overlay model, developed using linear regressions to model the relationship between historic lagged and future macroeconomic indicators and ECL provisions;
- the potential impact of industry-specific challenges, including changes in the regulatory environment as well as the anticipated impact of macro factors; and
- expert management judgement.

Various forward-looking scenarios were probability weighted based on management's best estimate of their relative likelihood of occurrence to determine the ECL allowance in the current reporting period. This process involves expert judgement and is governed by a formally mandated committee appointed by the board of the Group's wholly-owned subsidiary and licensed credit provider, Truworths Ltd.

At the reporting date, the ECL allowance to gross trade receivables in the active portfolio decreased to 20.3% from 20.6% (2023: decreased to 20.6% from 20.9%) of gross trade receivables.

11 TRADE AND OTHER RECEIVABLES (continued)

11.1 TRADE RECEIVABLES: ACTIVE PORTFOLIO (continued)

11.1.1 Expected credit losses allowance (continued)

The decrease in the ECL allowance balance is due to the contraction in the gross active trade receivables balance and the reduction in the ECL allowance as a percentage of gross active trade receivables. The ECL allowance as a percentage of gross active trade receivables reflects the expected future performance of the portfolio based on observed performance at the period-end as well as the improved outlook for the macro environment.

After due consideration of all the facts and consultation with the Group's external specialist consultants, the directors consider the carrying amount of the active trade receivables portfolio to approximate its fair value and that no further allowance in excess of the ECL allowance is required.

		Note	2024 Rm	2023 Rm
11.2	**TRADE RECEIVABLES: CHARGED-OFF PORTFOLIO**			
	Gross trade receivables		**511**	-
	Expected credit losses allowance	11.2.1	**(401)**	-
	Trade receivables: Charged-off portfolio	11	**110**	-
	Expected credit losses allowance to gross trade receivables	(%)	**78.5**	

The charged-off trade receivables portfolio represents accounts that have been charged off from the active trade receivables portfolio but not written off (derecognised) as they show a likelihood of making some payment over a longer period of time. In prior periods such accounts would have been written off (derecognised). All accounts in the charged-off trade receivables portfolio are classified in the stage three level of delinquency and cannot shop. These accounts are managed using bespoke collections strategies and are regularly assessed and will be written off if they deteriorate to the point where there is no reasonable expectation of recovery.

Mora interest is charged on all accounts in this portfolio in accordance with legislative provisions in the country of operation, subject to legal limitations. As these accounts are in stage three, interest is recognised on a net receivables basis.

Refer to note 26.3.2 for further information relating to interest rate risk.

		2024 Rm	2023 Rm
	Expected credit losses allowance:		
11.2.1	**Charged-off portfolio**		
	Balance at the beginning of the reporting period	**-**	-
	Movement for the period	**401**	-
	Allowance transferred from active trade receivables ECL allowance	**449**	-
	Allowance utilised	**(56)**	-
	Allowance raised	**8**	-
	Balance at the reporting date	**401**	-

The measurement of expected credit losses in respect of the charged-off trade receivables portfolio considers the Group's expected exposure at the time of write-off after considering the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off.

At the reporting date, the ECL allowance to gross charged-off trade receivables was 78.5%.

After due consideration of all the facts and consultation with the Group's external specialist consultants, the directors consider the carrying amount of the charged-off trade receivables portfolio to approximate its fair value and that no further allowance in excess of the ECL allowance is required.

	Note	2024 Rm	2023 Rm
12 CASH AND CASH EQUIVALENTS			
Balances with banks		**589**	1 258
Cash on hand		**212**	204
Cash and cash equivalents at the reporting date		**801**	1 462
Bank overdraft	26.5	**(1 099)**	(935)
Net cash and cash equivalents at the reporting date		**(298)**	527

Balances with banks comprise current account balances and short-term deposits, (mainly overnight call accounts) in accordance with the Group's treasury policy. Balances with banks earn interest at floating daily bank deposit and call rates. Call account rates in Africa varied between 0.5% and 8.4% per annum (2023: 0.5% and 11.0% per annum). The deposit and current account rates in the United Kingdom varied between 1.92% and 4.2% per annum (2023: 1.36% and 3.15% per annum). In addition to the cash and cash equivalents above, the Group also invests in highly liquid, low volatility net asset value money market funds, which are classified as assets held at fair value. Refer to note 7.6 for further information.

The bank overdraft forms part of a South African Rand-based general short-term banking facility of R2 billion, of which R300 million is committed and R1.7 billion is uncommitted (2023: R2 billion, of which R300 million is committed and R1.7 billion is uncommitted). This facility bears interest at 2.0 percentage points (2023: 2.0 percentage points) below the prime lending rate in South Africa and interest is settled monthly.

The Group funds its liquidity needs through cash generated from operations and available overdraft and revolving credit facilities (RCF). Cash flow forecasts are prepared to determine the future liquidity needs of the business and borrowing facilities are activated accordingly. Short-term funding requirements are funded through the overdraft facility, while cash flow requirements longer than three months are funded through the RCF. Refer to note 16 for further information relating to interest-bearing borrowings.

Refer to notes 26.3.2 and 26.4.4 for further information relating to interest rate risk and credit risk management respectively.

	2024 R'000	2023 R'000
13 SHARE CAPITAL		
Ordinary share capital		
Authorised		
650 000 000 (2023: 650 000 000) ordinary par value shares of 0.015 cent each	**98**	98
Issued and fully paid		
408 498 899 (2023: 408 498 899) ordinary par value shares of 0.015 cent each	**61**	61

The company has one class of ordinary shares which carry no rights to fixed income.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company's shareholders.

	Note	2024 Number of shares 000's	2023 Number of shares 000's
Reconciliation of movement in issued shares			
Balance at the beginning of the reporting period		**408 499**	409 456
Shares repurchased and cancelled	14	**-**	(957)
Balance at the reporting date		**408 499**	408 499
Treasury shares held by subsidiaries	14	**(36 248)**	(39 196)
Number of shares in issue (net of treasury shares)		**372 251**	369 303
Treasury shares to issued shares at the reporting date	(%)	**8.9**	9.6

During the current period no shares were repurchased. During the prior period 556 655 shares were repurchased, and 956 655 shares (inclusive of 400 000 shares acquired in the 2022 financial period) were cancelled and delisted from the JSE and NSX at an average price of R49.85 and for an aggregate nominal value of R83 and an aggregate premium of R27 748 987.

		Note	2024 Number of shares 000's	2023 Number of shares 000's	2024 Cost Rm	2023 Cost Rm
14	**TREASURY SHARES**					
	Balance at the beginning of the reporting period		**39 196**	41 121	**2 066**	2 186
	Truworths Trading (Pty) Ltd		**29 149**	31 445	**1 560**	1 693
	Truworths Ltd		**9 923**	9 142	**503**	469
	Truworths International Ltd		**-**	400	**-**	21
	Truworths International Limited Share Trust		**124**	134	**3**	3
	Movement for the period:		**(2 948)**	(1 925)	**(146)**	(120)
	Shares vested and transferred to participants in terms of 2012 restricted share scheme		**(2 485)**	(1 515)	**(116)**	(99)
	Shares transferred from Truworths Trading (Pty) Ltd		**(2 782)**	(2 296)	**(207)**	(133)
	Shares transferred to Truworths Ltd		**2 443**	2 296	**180**	133
	Shares transferred to Truworths International Limited Share Trust		**339**	-	**27**	-
	Shares sold by Truworths International Limited Share Trust		**(463)**	(10)	**(30)**	-
	Shares repurchased by the company	13	**-**	557	**-**	28
	Shares cancelled by the company	13	**-**	(957)	**-**	(49)
	Balance at the reporting date	13	**36 248**	39 196	**1 920**	2 066
	Truworths Trading (Pty) Ltd		**26 367**	29 149	**1 353**	1 560
	Truworths Ltd		**9 881**	9 923	**567**	503
	Truworths International Limited Share Trust		**-**	124	**-**	3

		2024	2023
Market value at the reporting date	(Rm)	**3 381**	2 218
Market value at the reporting date	(Rand per share)	**93.28**	56.60
Average purchase price since inception of the repurchase programme	(Rand per share)	**39.44**	39.44
Average purchase price during the period	(Rand per share)	**-**	49.85

The memorandum of incorporation of the company's wholly-owned subsidiaries Truworths Ltd and Truworths Trading (Pty) Ltd enables them to acquire the company's shares, subject to the relevant provisions of the Companies Act and the Listings Requirements of the JSE. The prior period repurchase of 556 655 shares by the company was effected in terms of a special resolution passed by the company in terms of which was generally authorised to acquire a maximum of 10% of its shares in issue at 2 July 2023, it being noted that in terms of the Companies Act, a maximum of 10% in aggregate of the company's issued shares is capable of being held by subsidiaries of the company. No shares were cancelled and delisted by the company during the current period. During the prior period 956 655 shares repurchased by the company were cancelled and delisted from the JSE.

All share repurchases are subject to the solvency and liquidity requirements of the Companies Act. The directors of each company involved in such repurchases are satisfied that the company in question has met the requirements of these tests prior to and, where applicable, immediately after the conclusion of the said share repurchase transactions.

Shares repurchased by the company are periodically cancelled and delisted.

		Note	2024 Rm	2023 Rm
15	**NON-DISTRIBUTABLE RESERVES**			
	Equity-settled compensation reserve	15.1	**391**	392
	Put options held by non-controlling interests reserve	15.2	**(17)**	(5)
	Personal lines insurance business arrangement reserve	15.3	**13**	11
	Net unrealised gains reserve	15.4	**112**	3
	Foreign currency translation reserve	15.5	**(166)**	(74)
	Balance at the reporting date		**333**	327
15.1	**Equity-settled compensation reserve**			
	Balance at the beginning of the reporting period		**392**	355
	Equity-settled share-based payments expensed during the period	29.6.1	**139**	137
	Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme		**(103)**	(99)
	Cost of appreciation rights exercised in terms of the 2012 restricted share scheme		**(13)**	-
	Cost of appreciation rights expired in terms of the 2012 restricted share scheme		**(10)**	(1)
	Utilisation of reserves on exercise of 1998 share scheme options		**(14)**	-
	Balance at the reporting date		**391**	392
15.2	**Put options held by non-controlling interests reserve**			
	Balance at the beginning of the reporting period		**(5)**	31
	Revaluation of put option liability		**(5)**	(11)
	Acquisition of non-controlling interest		**(10)**	(13)
	Non-controlling interest derecognised		**3**	(12)
	Balance at the reporting date		**(17)**	(5)
15.3	**Personal lines insurance business arrangement reserve**			
	Balance at the beginning of the reporting period		**11**	7
	Fair value adjustment through other comprehensive income		**2**	4
	Balance at the reporting date	7.3	**13**	11
15.4	**Net unrealised gains reserve**			
	Balance at the beginning of the reporting period		**3**	2
	Fair value adjustment through other comprehensive income		**10**	1
	Fair value adjustment on consolidation of charitable trusts*		**99**	-
	Balance at the reporting date		**112**	3

* This amount relates to the first-time consolidation of the charitable trusts in the current period. Refer to note 33 for further information.

		Note	2024 Rm	2023 Rm
15.5	**Foreign currency translation reserve**			
	Balance at the beginning of the reporting period		**(74)**	(247)
	Movement in foreign currency translation reserve through other comprehensive income		**(93)**	181
	Movement in foreign currency translation reserve through other comprehensive income attributable to non-controlling interests		**1**	(8)
	Balance at the reporting date		**(166)**	(74)

		Note	2024 Rm	2023 Rm
16	**INTEREST-BEARING BORROWINGS**			
	Balance at the beginning of the reporting period, comprising:		**1 377**	702
	Non-current portion of interest-bearing borrowings		**169**	-
	Current portion of interest-bearing borrowings		**1 208**	702
	Borrowings incurred		**599**	669
	Borrowings repaid*		**(500)**	-
	Finance costs incurred	26.6	**128**	95
	Finance costs recognised in profit before tax	28.7	**119**	88
	Finance costs capitalised	2	**9**	7
	Finance costs paid		**(128)**	(89)
	Balance at the reporting date, comprising:	26.5	**1 476**	1 377
	Non-current portion of interest-bearing borrowings		**268**	169
	Current portion of interest-bearing borrowings		**1 208**	1 208
	SA Rand-based interest-bearing borrowings		**1 468**	1 369
	Unsecured, variable-rate revolving credit facility		**1 200**	1 200
	Unsecured, variable-rate term loan facility (green loan)		**268**	169
	Accrued interest on interest-bearing borrowings		**8**	8
	Balance at the reporting date		**1 476**	1 377

* Other than this repayment (which was subsequently drawn down again), the RCF was rolled over at the end of each quarterly interest period in the current financial year.

The SA Rand-based interest-bearing borrowings comprise of an unsecured variable-rate 12-month notice revolving credit facility (RCF) of R1.2 billion advanced to the Truworths Africa segment's main operating subsidiary, Truworths Ltd, and an unsecured variable-rate R268 million term loan facility (green loan) advanced to the Truworths Africa segment's real estate investment company holding the investment in the segment's new distribution centre, the construction of which was completed at the end of November 2023.

The RCF bears interest at a margin of 1.30 (2023: 1.30) percentage points above the three-month Johannesburg Interbank Rate (JIBAR) and requires drawdowns and interest to be repaid at the end of each quarterly interest period. The facility expires 12 months after notice is given by the lender. The three-month JIBAR in respect of the interest period applicable at the reporting date was 8.4% p.a. (2023: 8.5% p.a.). At the period-end this facility was fully drawn (2023: fully drawn).

The green loan was concluded in December 2022 to fund the Group's share of the land and construction costs of the Truworths Africa segment's new distribution centre. It has a three year tenor with availability step-up over a 15-month period during the construction phase of the distribution centre, and is repayable in December 2025. This facility bears interest at a margin of 1.35 (2023: 1.38) percentage points above the three-month JIBAR. The three-month JIBAR in respect of the interest period applicable at the reporting date was 8.4% p.a. (2023: 8.5% p.a.). The Group only utilised R268 million of the total facility of R350 million, and the unutilised portion fell away at the end of the facility's availability period in April 2024. At the period-end the loan balance was R268 million (2023: R169 million). The green loan was obtained as a result of the EDGE certification requirements of the distribution centre and the interest rate charged is not influenced by any targets being met. Therefore the lending arrangement does not contain an embedded derivative.

A project is currently underway by the South African Reserve Bank to replace JIBAR with ZARONIA (South African Rand Overnight Index Average). The impact of this change will be implemented in due course.

Until December 2023, the Group's UK resident and managed subsidiary, Truworths UK Holdco 2 Ltd, also had a UK Sterling-based unsecured variable-rate RCF of £20 million. This facility was guaranteed by the company and its subsidiary, Truworths Ltd. There were no drawdowns against this facility in the current or prior period. The facility expired during December 2023 and no further extension was deemed necessary due to the Office UK segment's strong liquidity position.

16 INTEREST-BEARING BORROWINGS (continued)

In addition to the facilities set out above, the Group also has a South African Rand-based general short-term banking (overdraft) facility of R2 billion, of which R300 million is committed and R1.7 billion is uncommitted (2023: R2 billion, of which R300 million is committed and R1.7 billion is uncommitted). Refer to note 12 for further information.

The SA Rand-based RCF and green loan are subject to a single set of bank covenants and are measured against the results of the Group, excluding the Office UK segment. The covenants measure leverage (net debt to EBITDA) and interest cover. The Group met all the bank covenants relating to these interest-bearing borrowings during the period, with significant headroom in the covenant thresholds.

The amortised cost of these borrowings approximates their fair values.

17 PUT OPTION LIABILITY

The Group (via Truworths UK Holdco 1 Ltd) has granted put options to Office management in respect of their non-controlling interest in Truworths UK Holdco 2 Ltd. These options give the holders the right to sell their shares in Truworths UK Holdco 2 Ltd in tranches upon approval of the audited consolidated annual financial statements of that company for the 2019 to 2025 financial periods. At the reporting date, Office management held 0.6% (2023: 0.9%) of the shares in Truworths UK Holdco 2 Ltd.

The Group has determined that these put options do not transfer a present ownership interest of those shares to the Group. The exercise price of these options is designed to approximate the fair value of the shares on the exercise date, being a multiple of the Office consolidated EBITDA adjusted for net debt or cash. The discount rate applied in determining the present value of the liability is the forecast SONIA plus 1.39 percentage points (2023: forecast SONIA plus 1.39 percentage points).

	Note	2024 Rm	2023 Rm
Non-current liabilities			
Present value of the amount payable on exercise of the put options		**26**	30
Current liabilities			
Present value of the amount payable on exercise of the put options		**29**	20
Balance at the reporting date	26.5	**55**	50

Refer to notes 26.3.1 and 26.3.3 for further information relating to currency risk and other price risk respectively.

Any changes in the redemption amount of the liability are recognised directly in non-distributable reserves. Accordingly, changes in the valuation assumptions do not have any impact on profit or loss.

18 POST-RETIREMENT MEDICAL BENEFIT OBLIGATION

The Group participates in and contributes towards defined benefit healthcare funds for certain employees. Refer to note 29.3 for further information on such funds.

Employees who joined the Group prior to 1 July 2000 and who have been members of these funds uninterruptedly since 1 January 2001, continue to enjoy Group subsidised healthcare contributions after retirement on the same basis as permanent employees. The subsidy lapses if an employee transfers between the approved funds.

The Group's exposure in terms of this post-retirement medical benefit plan is reflected in the net benefit obligation set out on the next page. This obligation comprises the present value of the obligation, which is actuarially determined, less the fair value of the plan assets. The present value of the obligation is subject to certain financial and demographic assumptions as regards:

- the discount rate matching the duration of the liability;
- expected medical cost inflation;
- the expected return on plan assets;
- pre- and post-retirement mortality rates;
- the percentage of participants married at the time of retirement;
- the age gap between male and female participants;
- the normal retirement age; and
- the rate of withdrawal.

The nature of the benefits provided under the post-retirement medical benefit plan exposes the Group to changes in the life expectancy of beneficiaries and changes in the future medical expenses that could impact the contributions to be paid by the Group. The plan assets expose the Group to market risk.

Plan assets comprise collective investment scheme units and level annuities underwritten by an insurer. The plan is not exposed to any significant concentration of risk in relation to its assets as is evident from the breakdown of the assets on the next page. On an annual basis, level annuities are purchased from an insurer to cover the cost of the subsidies payable for eligible pensioners at the level of healthcare fund contributions set for that year. This purchase is funded from the other plan assets held in collective investment scheme units and premium payments by the employer to the insurer.

The plan is not regulated but is operated in accordance with the Group’s insurance and subsidy policies, and is managed by a Management Committee operating in terms of a written mandate and comprising employees of the Group, representatives of the Group's actuaries and representatives of the insurer underwriting the level annuities. The objectives of the Management Committee are to manage the Group's liability in terms of the post-retirement medical benefit plan, review the viability of the plan, resolve policy implementation and ongoing queries, manage the terms and conditions of the policy, and implement and monitor the execution of the plan's investment mandate.

Details of the post-retirement medical benefit obligation are disclosed on the next page.

		Note	2024 Rm	2023 Rm
18	**POST- RETIREMENT MEDICAL OBLIGATION** (continued)			
18.1	**Benefit obligation**			
	Present value of obligation (actuarially determined)		**111**	109
	Fair value of plan assets		**(83)**	(82)
	Net benefit obligation		**28**	27
	Weighted average duration of the defined benefit obligation	(years)	**11**	12
	An actuarial valuation of the Group's post-retirement medical benefit obligation is performed annually.			
	Changes in the present value of the obligation are as follows:			
	Balance at the beginning of the reporting period		**109**	110
	Interest cost		**15**	13
	Current service cost		**1**	1
	Benefits paid		**(7)**	(6)
	Actuarial gains on obligation from changes in experience		**(4)**	(2)
	Actuarial gains on obligation from changes in financial assumptions		**(3)**	(7)
	Balance at the reporting date		**111**	109
	Changes in the fair value of plan assets are as follows:			
	Balance at the beginning of the reporting period		**(82)**	(74)
	Interest on plan assets		**(11)**	(8)
	Benefits paid		**7**	6
	Actuarial losses/(gains) on plan assets		**6**	(3)
	Group contributions	34.1	**(3)**	(3)
	Balance at the reporting date		**(83)**	(82)

The actual return earned on the Group's post-retirement medical benefit plan assets amounted to a gain of R5 million (2023: gain of R11 million). The difference between the actual and the expected returns on plan assets is reflected as an actuarial gain or loss, recognised in other comprehensive income.

	2024 Rm	2023 Rm
18 POST-RETIREMENT MEDICAL BENEFIT OBLIGATION (continued)		
18.1 Benefit obligation (continued)		
Net actuarial gains		
Actuarial gains on obligation from changes in experience	**(4)**	(2)
Actuarial gains on obligation from changes in financial assumptions	**(3)**	(7)
Actuarial losses/(gains) on plan assets	**6**	(3)
Net actuarial gains recognised in other comprehensive income	**(1)**	(12)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	%	%
Collective investment scheme units, at fair value	**51**	54
South African: multi asset, high equity funds	**33**	33
South African: multi asset, low equity funds	**18**	21
Level annuities, at net present value	**49**	46
Total	**100**	100

Plan assets comprise collective investment scheme units and level annuities underwritten by an insurer. The collective investment scheme units are valued at fair value based on quoted market prices. The level annuities are valued at net present value using a discounted cash flow model based on assumptions consistent with those applied in the valuation of the plan obligation.

Present value of benefits obligation

The Group values its liability in respect of its post-retirement medical benefit obligation at the reporting date. The following assumptions were made for purposes of such valuation:

		2024	2023
Discount rate	(%)	**13.4**	13.6
Expected medical cost inflation	(%)	**9.6**	10.1
Interest on plan assets	(%)	**13.4**	13.6
Normal retirement age	(years)	**60**	60

Contributions to the plan

The Group contributes to the plan by way of premium payments on a periodic basis based on the recommendations of the Management Committee in consultation with the Group's actuaries and the insurer.

The Group is expected to contribute between R3 million and R8 million to the plan in the next reporting period, but given the uncertainty relating to the number of employees likely to retire in the next reporting period and the level of the actuarial gains in the plan, the Group cannot currently make a reliable estimate of likely funding contributions to the plan in the next reporting period.

	Note	2024 Rm	2023 Rm
18.2 Net benefit expense recognised in profit or loss			
Interest cost on benefit obligation		**15**	13
Current service cost		**1**	1
Interest on plan assets		**(11)**	(8)
Net benefit expense	28.3, 34.1	**5**	6

18 POST-RETIREMENT MEDICAL BENEFIT OBLIGATION (continued)

18.3 Sensitivity analysis

The effect of a 50 basis point fluctuation in the discount rate on the present value of the obligation would be as follows:

		50 basis points Increase	50 basis points Decrease
2024			
Percentage (decrease)/increase in obligation	(%)	**(4.4)**	**4.8**
Present value of the obligation	(Rm)	**105.7**	**115.9**
2023			
Percentage (decrease)/increase in obligation	(%)	(4.7)	5.1
Present value of the obligation	(Rm)	104.1	114.8

The effect of a 100 basis point fluctuation in medical cost inflation on the present value of the obligation would be as follows:

		100 basis points Increase	100 basis points Decrease
2024			
Percentage increase/(decrease) in obligation	(%)	**10.3**	**(8.9)**
Present value of the obligation	(Rm)	**122.0**	**100.8**
2023			
Percentage increase/(decrease) in obligation	(%)	10.9	(9.3)
Present value of the obligation	(Rm)	121.1	99.0

The effect of a 100 basis point fluctuation in medical cost inflation on the aggregate of the current service cost and interest cost components would be as follows:

		100 basis points Increase	100 basis points Decrease
2024			
Percentage increase/(decrease) in aggregate current service and interest costs	(%)	**11.1**	**(9.5)**
Aggregate current service and interest costs	(Rm)	**17.3**	**14.1**
2023			
Percentage increase/(decrease) in aggregate current service and interest costs	(%)	11.7	(10.0)
Aggregate current service and interest costs	(Rm)	17.6	14.2

The effect of a one-year increase or decrease in the retirement age on the present value of the obligation would be as follows:

		1 year Increase	1 year Decrease
2024			
Percentage (decrease)/increase in obligation	(%)	**(2.7)**	**2.7**
Present value of the obligation	(Rm)	**107.6**	**113.6**
2023			
Percentage (decrease)/increase in obligation	(%)	(3.3)	3.3
Present value of the obligation	(Rm)	105.6	112.9

There has been no change to the methods applied in the preparation of the sensitivity analysis since the prior reporting period.

18.4 Amounts for the current and prior four periods are as follows:

	2024 Rm	2023 Rm	2022 Rm	2021 Rm	2020 Rm
Present value of obligation	**111**	109	110	113	103
Fair value of plan assets	**(83)**	(82)	(74)	(73)	(64)
Funding deficit	**28**	27	36	40	39
Experience adjustment included in actuarial gains on plan liabilities	**4**	2	11	5	4
Experience adjustment included in actuarial (losses)/gains on plan assets	**(6)**	3	(6)	4	(8)

		Note	2024 Rm	2023 Rm
19	**LEAVE PAY OBLIGATION**			
	Balance at the beginning of the reporting period		**105**	95
	Current leave pay accrual included in trade and other payables		**87**	91
	Non-current leave pay obligation included in non-current liabilities		**18**	4
	Movement for the period		**-**	10
	Movement in exchange rates through other comprehensive income		**(1)**	-
	Balance at the reporting date		**104**	105
	Current leave pay accrual included in trade and other payables	21	**82**	87
	Non-current leave pay obligation included in non-current liabilities		**22**	18

20 LEASES

20.1 Group as a lessee

Lease liabilities

Lease liabilities relate mainly to store leases, representing the financial obligation of the Group to make lease payments to landlords to use the underlying leased premises over the lease term.

In Truworths Africa the Group has lease contracts for its trading premises, certain of its office and storage space, one small warehouse and three small distribution centres, whereas other operating assets, including the head office building, the head office annex, two distribution centres, one vacant industrial plot for future distribution development, an apartment and a number of parkade parking bays are owned. Lease terms on trading premises are typically contracted for periods of five years, with renewal options for a further five years. Some of these leases provide for minimum annual rental payments together with additional amounts determined on the basis of sale of merchandise (turnover). A total of 11 (2023: 49) stores, or 1.5% (2023: 7%) of all premises leased on contracts with turnover rental clauses reached the turnover threshold in terms of the lease agreements and therefore incurred these additional payments averaging approximately 4% (2023: 4%) of the turnover above the threshold, or 0.4% (2023: 0.4%) of the total turnover of these stores. Annual rental escalation rates have varied at an average rate of approximately 5% (2023: 5%) per annum. The discount rate applicable to leases during the period varied between 6% and 10% (2023: 5% and 10%) for South African subsidiaries and between 5% and 12% (2023: 5% and 11%) for subsidiaries in the rest of Africa.

In Office the Group leases its trading premises, its head office and its warehouse/distribution centre. Historically, Office concluded leases for a 10 year lease period. Currently, lease terms on trading premises are typically contracted for a 10 year period with a tenant-only break option after 5 years (which is assumed will be exercised) allowing Office to exit such leases should it become necessary. The discount rate applicable to leases during the period varied between 1.9% and 8.3% (2023: 1.7% and 7.9%). Some of these leases provide for minimum rental payments together with additional amounts determined on the basis of sale of merchandise (turnover). A total of 16 (55.2%) (2023: 7 (36.8%)) of all premises leased on contracts with turnover rental clauses reached the turnover threshold in terms of the lease agreements and therefore incurred these additional payments averaging approximately 8.1% (2023: 7.8%) of the turnover above the threshold, or 2.5% (2023: 2.8%) of the total turnover of these stores.

The majority of the Group's lease contracts include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased store portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The value of future cash outflows for leases committed to but that have not yet commenced amounts to R114 million (2023: R72 million).

Refer to note 28.4 for further information relating to lease expenses.

		Note	2024 Rm	2023 Rm
20	**LEASES** (continued)			
20.1	**Group as a lessee** (continued)			
	Lease liabilities (continued)			
	Balance at the beginning of the reporting period		**3 846**	3 443
	Additions for new or renewed leases		**617**	879
	Lease modifications, re-measurement and terminations		**598**	614
	Finance charges	28.7	**288**	225
	Movement in exchange rates through profit and loss		**3**	7
	COVID-19 rent concessions	28.4	**-**	(6)
	Lease payments		**(1 388)**	(1 479)
	Movement in exchange rates through other comprehensive income		**(47)**	163
	Balance at the reporting date		**3 917**	3 846
	Current lease liabilities		**990**	1 019
	Non-current lease liabilities		**2 927**	2 827
			3 917	3 846

	2024 Rm	2023 Rm
Cash outflows related to leases		
Fixed rent	**1 390**	1 485
Variable rent	**82**	111
	1 472	1 596

20.2 Group as a lessor

In Truworths Africa the Group leases a limited number of trading premises under operating lease agreements to third parties. Leases on these premises are typically contracted for a five-year period, with renewal options on certain leases for up to five years. Rental escalations are fixed in terms of the lease contracts and averaged 7% (2023: 7%) per annum during the period. Lease rental income of R2 million (2023: R2 million) was received during the reporting period.

In Office the Group sublets two (2023: two) trading premises under operating lease agreements to third parties. Lease rental income of R6 million (2023: R8 million) was received during the reporting period.

	2024 Rm	2023 Rm
The expected future minimum rental income under non-cancellable leases is as follows:		
Within one year	**4**	7
Between one and two years	**2**	3
Between two and five years	**5**	4
	11	14

		Note	2024 Rm	2023 Rm
21	**TRADE AND OTHER PAYABLES**			
	Trade payables	26.5	**862**	850
	Other payables and accrued expenses*		**516**	542
	Unredeemed gift vouchers contract liability		**46**	30
	Value-added tax		**124**	76
	Current leave pay accrual	19	**82**	87
	Unclaimed dividends owing to shareholders	34.4, 26.5	**4**	4
	Withholding tax		**2**	2
	Balance at the reporting date	26.1	**1 636**	1 591

* Consist mainly of expense and fixed asset accruals of R445 million (2023: R433 million) and salary deductions of R30 million (2023: R61 million).

The directors consider the carrying amounts of all trade and other payables to approximate their fair values.

Terms and conditions of financial and other liabilities:

- Trade payables are generally non-interest-bearing and are normally settled between 30 and 60 days.
- Other payables, accrued expenses, value-added tax and withholding tax are non-interest-bearing provided they are settled within their respective credit terms.
- The unredeemed gift vouchers contract liability is non-interest bearing and is settled on redemption
- Leave pay due to employees is payable on termination of employment.
- Unclaimed dividends due to shareholders are non-interest-bearing and are payable on demand.

Refer to note 26.5 for further information relating to liquidity risk management.

		Note	2024 Rm	2023 Rm
22	**PROVISIONS**			
	Employment costs	22.1	**135**	131
	Sales returns contract liability	22.2	**63**	79
	Occupancy commitments	22.3	**193**	223
	Balance at the reporting date		**391**	433
	Non-current provisions		**186**	166
	Current provisions		**205**	267
			391	433
22.1	**Employment costs**			
	Balance at the beginning of the reporting period		**131**	158
	Movement in exchange rates through other comprehensive income		**(1)**	5
	Movement for the period		**5**	(32)
	Provision raised		**127**	116
	Provision utilised		**(119)**	(124)
	Provision released		**(3)**	(24)
	Balance at the reporting date		**135**	131

The provision relates to accumulated payments in terms of employment contracts, incentive-based bonuses and long-term incentives. The estimated incentive-based bonuses, which ordinarily will be no greater than the provision raised, are calculated as a present obligation with reference to different incentive arrangements for different levels of employees. Dependent on the level of employee, the calculation could either refer to the employment contract, or employee performance and the Group's results. The incentives are expected to be paid over the period between September 2024 and November 2024 to Truworths employees and as such the present obligation included amounts earned to date based on the assumption of continued employment until the payment date. The performance incentives for Office employees are paid between September 2024 and November 2024 or on a monthly, quarterly or bi-annual basis depending on the individual and/or the nature of the performance targets. The Office long-term incentives are calculated as a present obligation with reference to different incentive arrangements for different levels of employees. The Office long-term incentives are payable over a period of 1 to 4 years. The uncertainty relating to the amount of the obligation is attributable to the fact that qualifying employees are required to be in the Group's employ at the time of payment, and the fact that payment of the larger portion of the incentives is conditional upon the outcome of individual performance assessments and Remuneration Committee approval, both of which take place after the reporting date.

Of the R127 million (2023: R116 million) provision raised in the current reporting period, R4 million (2023: R5 million) relates to accumulated payments due to Truworths employees in terms of employment contracts and R106 million (2023: R111 million) relates to incentive bonuses.

		2024 Rm	2023 Rm
22.2	**Sales returns contract liability**		
	Balance at the beginning of the reporting period	**79**	53
	Movement in exchange rates through other comprehensive income	**(2)**	5
	Movement for the period	**(14)**	21
	Provision raised	**63**	79
	Provision utilised	**(77)**	(57)
	Provision released	**-**	(1)
	Balance at the reporting date	**63**	79

It is the Group's policy to accept merchandise returns up to 30 days after the sale has occurred or, in the case of defective goods, up to six months after sale, provided that the customer has retained proof of purchase. The amount of the provision was calculated with reference to prior period sales returns trends.

	2024 Rm	2023 Rm
22 PROVISIONS (continued)		
22.3 Provision for occupancy commitments		
Balance at the beginning of the reporting period	**223**	160
Unwinding of discount	**8**	3
Movement in exchange rates through other comprehensive income	**(8)**	33
Movement for the period	**(30)**	27
Provision raised	**9**	47
Provision utilised	**(10)**	(20)
Provision released	**(29)**	-
Balance at the reporting date	**193**	223

The provision relates to dismantling costs in respect of the restoration of leased stores to their original condition in terms of rental agreements, which amounts are calculated based on actual quotes or estimates of the future costs.

	Note	2024 Rm	2023 Rm
23 DERIVATIVE FINANCIAL LIABILITIES			
Current portion of derivative financial liabilities			
Forward exchange contracts	23.1	**27**	-
	26.6, 26.7.2	**27**	-

23.1 Forward exchange contracts

The Group uses forward exchange contracts to reduce its foreign currency exposure arising from imports into South Africa. These contracts are marked-to-market, are classified as held-for-trading financial liabilities, and are measured at fair value. The fair value is determined as the difference between the contract price of forward exchange contracts entered into by the Group and the price of market traded forward exchange contracts with similar maturity profiles at the reporting date.

At the reporting date the mark-to-market forward exchange contract liability was R27 million (2023: Rnil million). Refer to notes 6.1 and 26.3.1 for further information.

	2024 Rm	2023 Rm
24 CAPITAL COMMITMENTS		
Capital commitments refer to all capital expenditure projects specifically approved by the board.		
Authorised but not contracted		
To be incurred in the next 12 months	**467**	538
Store renovation and development	**410**	378
Computer software and infrastructure	**42**	66
Distribution facilities	**11**	87
Motor vehicles	**3**	3
Head office refurbishment	**1**	4
To be incurred after more than 12 months	**-**	17
Distribution facilities	**-**	17
Capital expenditure authorised but not contracted	**467**	555
Authorised and contracted		
To be incurred in the next 12 months	**353**	357
Distribution facilities	**289**	307
Computer software and infrastructure	**57**	50
Head office refurbishments	**7**	-
To be incurred after more than 12 months	**-**	165
Distribution facilities	**-**	165
Capital expenditure authorised and contracted	**353**	522
Total capital commitments	**820**	1 077

The capital commitments will be financed through cash generated from operations, available cash resources and borrowings.

25 CONTINGENT LIABILITIES

The Group had no contingent liabilities at the reporting date (2023: Rnil).

Litigation

There is no current or pending litigation which is considered likely to have a material adverse effect on the Group.

26 FINANCIAL RISK MANAGEMENT

26.1 Classifications

The Group's financial assets and liabilities, per class and measurement category of financial instrument, are summarised below. Non-financial assets and liabilities, where applicable, are disclosed in order to reconcile to the statements of financial position.

	Note	At amortised cost and cash Rm	Assets held at fair value through profit or loss Rm	Assets held at fair value through other comprehensive income Rm	Non-financial assets Rm	Total Rm
Assets						
2024						
Net trade receivables	11	**5 233**	**-**	**-**	**-**	**5 233**
Other receivables	11	**186**	**-**	**-**	**-**	**186**
Assets held at fair value	7	**-**	**1 492**	**291**	**-**	**1 783**
Loans and receivables	8	**28**	**-**	**-**	**-**	**28**
Cash and cash equivalents	12	**801**	**-**	**-**	**-**	**801**
		6 248	**1 492**	**291**	**-**	**8 031**
2023 (Restated)						
Net trade receivables	11	5 212	-	-	-	5 212
Other receivables	11	229	-	-	105	334
Assets held at fair value	7	-	13	23	-	36
Loans and receivables	8	77	-	-	-	77
Cash and cash equivalents*	12	1 462	-	-	-	1 462
Derivative financial assets	6	-	28	-	-	28
		6 980	41	23	105	7 149

	Note	At amortised cost Rm	At fair value through profit or loss Rm	Other financial liabilities Rm	Non-financial liabilities Rm	Total Rm
Liabilities						
2024						
Interest-bearing borrowings	16	**1 476**	**-**	**-**	**-**	**1 476**
Trade and other payables	21	**1 374**	**-**	**-**	**262**	**1 636**
Bank overdraft	12	**1 099**	**-**	**-**	**-**	**1 099**
Put option liability	17	**-**	**-**	**55**	**-**	**55**
Derivative financial liabilities	23	**-**	**27**	**-**	**-**	**27**
Lease liabilities	20	**-**	**-**	**3 917**	**-**	**3 917**
		3 949	**27**	**3 972**	**262**	**8 210**
2023 (Restated)						
Interest-bearing borrowings	16	1 377	-	-	-	1 377
Trade and other payables	21	1 363	-	-	228	1 591
Bank overdraft*	12	935	-	-	-	935
Put option liability	17	-	-	50	-	50
Lease liabilities	20	-	-	3 846	-	3 846
		3 675	-	3 896	228	7 799

* In the prior period cash and cash equivalents were incorrectly presented net of bank overdraft. In the current period net cash and cash equivalents have been disaggregated to present cash and cash equivalents and bank overdraft separately. Prior period presentation has been restated accordingly. The update in disclosure did not have any impact on the financial position and financial performance of the Group.

26 FINANCIAL RISK MANAGEMENT (continued)

26.2 Financial risk management

In the ordinary course of business operations the Group is exposed to a variety of financial risks arising from the use of financial instruments. These risks include:

- market risk (comprising currency risk, interest rate risk and other price risk);
- credit risk; and
- liquidity risk.

The Truworths International board is responsible for risk governance, including in relation to financial risks, and is assisted by the directors of Truworths Ltd. The Risk Committee, a committee of the Truworths International board, together with the Office Risk Committee oversee the management of financial risks relating to the Group's operations. The Truworths International board has adopted King IV's risk governance and management principles and has established a policy framework which guides the Group's risk management processes. These policies and guidelines are periodically examined by senior executives and adjusted, if necessary, to ensure that changes in the business and economic environment have been taken into account.

Treasury risk management objectives and policies

The Truworths Ltd board, acting on the recommendations of the Investment Committee, oversees the management of the Group's South African treasury function. Comprehensive treasury policies and processes have been developed and issued for the Group's Africa and UK operations to control the risks arising from the respective treasury functions. The Investment Committee, which consists of senior executives, meets regularly to update treasury risk policies and objectives, as well as to re-evaluate risk management strategies against revised economic forecasts. Policy amendments have to be submitted to the board for approval. Compliance with the treasury policy is reviewed periodically by internal audit.

26.3 Market risk management

The Group's exposure to market risk relates to currency risk, interest rate risk and other price risk. Market risk is managed by identifying and quantifying risks on the basis of current and future expectations and by ensuring that all treasury trading occurs within defined parameters. This involves the review and implementation of methodologies to reduce risk exposure. The reporting on the state of the risk and risk practices to executive management is part of this process. The processes set up to measure, monitor and mitigate these market risks are described below. There has been no change to the Group's exposure to market risk and the manner in which the Group manages and measures the risk since the prior reporting period.

26.3.1 Currency risk

The following exchange rates applied during the period:

	Average spot rate for the reporting period	Spot rate at the reporting date
2024		
US Dollar	**18.72**	**18.21**
Pound Sterling	**23.58**	**23.04**
2023		
US Dollar	17.79	18.87
Pound Sterling	21.44	23.95

26 FINANCIAL RISK MANAGEMENT (continued)

26.3 Market risk management (continued)

26.3.1 Currency risk (continued)

The Group's exposure to currency risk results mainly from its Euro and US Dollar-based imports into South Africa and the United Kingdom (UK) from foreign suppliers, as well as the translation of the results of operations in the UK and Republic of Ireland. Consequently, exchange rate fluctuations may have an impact on Group results as well as future cash flows. Forward exchange contracts are used to reduce currency exposures arising from imports into South Africa. Foreign currency exposures in the Office UK segment are not hedged as the Office UK segment has sufficient US Dollar and Euro denominated earnings that act as a natural hedge against currency movements.

Translation of the results of foreign operations into South African Rand (ZAR)

Sensitivity analysis

If the ZAR weakens or strengthens against the GBP by 5% (2023: 15%), assuming all other variables remain constant, profit before tax would increase or decrease by the amount set out in the table below due to the change in the ZAR equivalent of the results of the Group. A 5% (2023: 15%) fluctuation is considered to be appropriate based on the volatility of the Rand exchange rate during the period as well as current market indicators.

	2024 Rm	2023 Rm
Effect on profit before tax	**121**	153
Effect on equity	**91**	115

Forward exchange contracts (FECs)

It is the Group's policy to cover all committed imports into South Africa, whilst imports into the United Kingdom are hedged by foreign currency earnings. The Group had no uncovered foreign currency liabilities in respect of imports into South Africa at 30 June 2024 (2 July 2023: nil). All foreign exchange trading positions are valued at fair value determined using market traded foreign exchange rates with similar maturity profiles at the reporting date. Resultant profits or losses are recognised in profit or loss. The mark-to-market forward exchange contract asset at the reporting date was Rnil million (2023: R28 million) and the mark-to-market forward exchange contract liability at the reporting date was R27 million (2023: Rnil million). Refer to notes 6.1 and 23 for further information.

At the reporting date the Group had the following open forward exchange contracts which will mature within 12 months to cover specific orders of goods.

	Average contract rate R	Foreign currency '000	Contract equivalent R'000
2024			
US Dollar	**19.17**	**31 770**	**609 031**
Pound Sterling	**24.27**	**62**	**1 505**
Euro	**20.70**	**269**	**5 568**
			616 104
2023			
US Dollar	18.39	26 441	486 250
			486 250

26 FINANCIAL RISK MANAGEMENT (continued)

26.3 Market risk management (continued)

26.3.1 Currency risk (continued)

Currency risk sensitivity analysis (forward exchange contracts)

The effect on the Group's profit before tax has been calculated assuming that there were no changes in the merchandise retail selling prices and the gross margin as a result of the currency fluctuations. The sensitivity analysis includes all open forward exchange contracts at the reporting date and adjusts the mark-to-market translation.

If the ZAR weakens or strengthens against the currencies stated below by 5% (2023: 15%), assuming all other variables remain constant, profit before tax would have increased or decreased by the amounts set out in the table below due to the change in the fair value of the FECs. A 5% (2023: 15%) fluctuation is considered to be appropriate based on the volatility of the Rand exchange rate during the period as well as current market indicators.

	2024 R'000	2023 R'000
Effect on profit before tax*		
US Dollar	**30 452**	72 937
Pound Sterling	**75**	-
Euro	**279**	-
	30 806	72 937

* Effect on equity R22 million (2023: R53 million)

Put option liability

The liability arising from the put options granted by the Group to holders of non-controlling interests in Office is GBP denominated. Any changes in the value of the put option liability (including those arising from foreign exchange rate movements) are recognised directly in equity and will have no impact on the earnings of the Group. Refer to note 17 for further information.

Sensitivity analysis

If the ZAR weakens or strengthens against the GBP by 5% (2023: 15%), assuming all other variables remain constant, equity would increase or decrease by the amount set out in the table below due to the change in the ZAR equivalent settlement value of the put option liability. A 5% (2023: 15%) fluctuation is considered to be appropriate based on the volatility of the Rand exchange rate during the period as well as current market indicators.

	2024 Rm	2023 Rm
Effect on equity	**3**	7

26 FINANCIAL RISK MANAGEMENT (continued)

26.3 Market risk management (continued)

26.3.2 Interest rate risk

The Group is exposed to interest rate risk on its interest-bearing borrowings (refer to note 16), floating rate cash and cash equivalents and the interest-bearing portion of trade receivables. The Group does not hold any fixed rate interest instruments. Where applicable a weighted average has been applied in determining the below figures.

Interest rate analysis

The interest rates of interest-bearing instruments at the reporting date are summarised below:

	2024 %	2023 %
Floating rate		
Interest earned on balances with banks in Africa	**4.6**	4.4
Interest earned on balances with banks in United Kingdom	**3.20**	2.88
Interest earned on money market funds in Africa	**8.99**	-
Interest earned on money market funds in United Kingdom	**5.23**	-
Interest earned on interest-bearing portion of trade receivables*	**28.15****	28.15**
Interest paid on bank overdraft in South Africa	**9.8**	9.3
Interest paid on green loan in South Africa#	**9.7**	9.8
Interest paid on unsecured variable-rate revolving credit banking facility in South Africa	**9.6**	9.8

* At the reporting date, 79% (2023: 79%) of trade receivables were interest-bearing.

** Being the maximum interest rate charged on interest-bearing plans at the reporting date.

#In the prior period the interest rate on the green loan has not been disclosed. In the current period this figure has been presented and the prior period presentation has been adjusted accordingly. The update in disclosure did not have any impact on the financial position or performance of the Group

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on a fluctuation of 100 basis points in Africa and 50 basis points in the United Kingdom and assumes that all other variables, in particular foreign exchange rates, remain constant. A fluctuation of 100 basis points in Africa and 50 basis points in the United Kingdom is considered appropriate based on recent forecasts and economic indicators.

The cash flow interest rate sensitivity of the interest-bearing portion of trade receivables, cash and cash equivalents and interest-bearing borrowings is based on their respective balances at the reporting date. The sensitivity analysis was performed by increasing or decreasing the interest rates achieved at the reporting date, which would result in an increase or decrease in profit before tax respectively.

	2024 Rm	2023 Rm
Effect on profit before tax*		
Cash and cash equivalents	**4**	8
Investment in money market funds	**8**	-
Interest-bearing portion of trade receivables	**41**	41
Bank overdraft#	**11**	9
Interest-bearing borrowings	**15**	14

* Effect on equity R20 million (2023: R19 million)#

#In the prior period the bank overdraft was not presented. This item has been included in the current period and the prior period presentation has been adjusted accordingly. The update in disclosure did not have any impact on the financial position and financial performance of the Group.

26 FINANCIAL RISK MANAGEMENT (continued)

26.3 Market risk management (continued)

26.3.3 Other price risk

The Group's exposure to other price risk relates to call options over shares held by non-controlling interests, put options held by non-controlling interests, the Group's insurance cell captive, mutual fund investments, money market fund units, the unlisted investment in Business Partners Ltd and the personal lines insurance business arrangement.

Call options over shares held by non-controlling interests

The call options held by the Group over shares held by non-controlling interests are classified as derivative financial assets and are measured at fair value through profit or loss. The fair value of the call options at the reporting date was determined by an external specialist by applying an intrinsic value method. The call option sensitivity analysis prepared as part of the valuation indicates that reasonable changes in the valuation assumptions will not have a material impact on the Group's earnings.

Insurance cell captive, mutual fund investments, money market fund units, unlisted investment and personal lines insurance business arrangement

These assets are classified as assets held at fair value. Subsequent to initial measurement, the insurance cell captive and money market fund units are measured at FVTPL and investments in mutual fund units, unlisted investment and personal lines insurance business arrangement are measured at FVOCI.

A movement in the fair value of the personal lines insurance business arrangement, prices of the mutual fund units and the share price of the unlisted investment (Business Partners Ltd) will not have a material impact on other comprehensive income. Refer to note 7 for further information.

26 FINANCIAL RISK MANAGEMENT (continued)

26.4 Credit risk

The Group's exposure to credit risk relates to derivative financial assets, assets held at fair value, loans and receivables, trade and other receivables, cash and cash equivalents and money market fund units, which are disclosed in notes 6, 7, 8, 11 and 12 respectively. Refer to the Account Management Report in the 2024 Integrated Annual Report for further information.

The Group's maximum exposure to credit risk at the reporting date, split per class and category of financial asset, is shown in note 26.1. There is no exposure to credit risk relating to items not recognised in the statement of financial position.

26.4.1 Trade and other receivables

The Group offers account sales to customers in South Africa, Namibia, Eswatini and Botswana only. Group entities perform ongoing credit evaluations of the financial condition of their customers. Before accepting any new account customer or offering additional credit to existing account holders, the Group uses statistically derived credit risk models and scoring systems, external credit bureaux data and affordability assessments to determine the customer's credit quality. These methods used to grant credit to customers comply with the requirements of the South African National Credit Act (NCA) and relevant legislation (where applicably) in the other countries in which accounts are offered. The assumptions of the Group's risk models are reviewed and updated on a regular basis.

Customers that are overdue in excess of 30 days or more can no longer purchase until they have made at least a qualifying payment to bring their accounts up to date. The Group continued to apply the high qualifying payment percentage of 90% necessary for customers to avoid delinquency and at the reporting date 79% (2023: 80%) of accounts in the active trade receivables portfolio were able to purchase on account because they continued to meet the Group's stringent and consistently applied criteria for ongoing purchases. Management is satisfied with the quality of the active trade receivables portfolio.

The Group follows a strict policy of contractual delinquency and either charges off (for credit risk management purposes) or writes off (derecognises) non-performing accounts. Accounts that show a likelihood of recovery in the future are charged off, as opposed to being written off, and reside in a separate charged-off trade receivables portfolio where bespoke collections strategies are applied with rehabilitation as the key outcome. Whilst in the charged off portfolio account holders cannot shop until their accounts have been rehabilitated and they have been reassessed for credit in accordance with the Group's standard credit risk criteria and the requirements of the NCA. Accounts that show no reasonable expectation of recovery are written off and derecognised and moved to the written-off (off-balance sheet) portfolio where collection efforts continue through specialist external collections agencies. Movements of accounts to either the charged off or written off portfolios are assessed monthly.

The Group assesses its ECL allowances separately for the active and charged-off trade receivables portfolios at each reporting date.

The measurement of expected credit losses in respect of the active trade receivables portfolio considers the probability and the expected timing of charge-off and the Group's anticipated exposure at the time of charge-off, as well as the likelihood that the asset is:

a) simultaneously charged-off and written-off (derecognised); or
b) transferred to the charged-off portfolio, in which regard it further considers the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off.

The measurement of expected credit losses in respect of the charged-off trade receivables portfolio considers the Group's expected exposure at the time of write-off after considering the expected timing and estimated cash-flows (net of direct external collection costs) up to the point of write-off. There are no material individually impaired trade receivables included in the ECL allowance. Amounts owing by deceased customers and customers who have been sequestrated or placed under administration are written off immediately.

There is no concentration of risk in the Group's trade receivables as there is a large, widespread customer base. The directors believe that no further allowance in excess of the ECL allowance is required.

The table below represents an age analysis of impaired trade and other receivables. Trade and other receivables are considered past due should a qualifying payment not be received within 30 days.

26 FINANCIAL RISK MANAGEMENT (continued)

26.4.1 Trade and other receivables (continued)

	Note	Trade and other receivables Rm	Allowance Rm	Net trade and other receivables Rm	Allowance as a percentage of trade receivables %
2024					
Active trade receivables	11.1	**6 425**	**(1 302)**	**5 123**	**20.3**
Stage 1		**4 664**	**(344)**	**4 320**	**7.4**
Stage 2		**607**	**(216)**	**391**	**35.6**
Stage 3		**1 154**	**(742)**	**412**	**64.3**
Charged-off trade receivables	11.2	**511**	**(401)**	**110**	**78.5**
Stage 3		**511**	**(401)**	**110**	**78.5**
Total trade receivables		**6 936**	**(1 703)**	**5 233**	**24.6**
Other receivables	11			**186**	
Trade and other receivables	11			**5 419**	
2023					
Active trade receivables	11.1	6 562	(1 350)	5 212	20.6
Stage 1		4 819	(397)	4 422	8.2
Stage 2		649	(237)	412	36.5
Stage 3		1 094	(716)	378	65.4
Charged-off trade receivables	11.2	-	-	-	
Total trade receivables		6 562	-1 350	5 212	20.6
Other receivables	11			229	
Total trade and other receivables	11			5 441	

	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2024				
ECL allowance – Active portfolio				
ECL allowance at the beginning of the reporting period	**397**	**237**	**716**	**1 350**
Movement in balances	**184**	**(79)**	**(42)**	**63**
Changes in risk classification and ECL assumptions	**(228)**	**67**	**1 371**	**1 210**
Balances written off	**-**	**(3)**	**(835)**	**(838)**
Balances transferred to charged-off trade receivables ECL allowance	**-**	**-**	**(449)**	**(449)**
Other	**(8)**	**(6)**	**(20)**	**(34)**
ECL allowance as at the reporting date	**345**	**216**	**741**	**1 302**
ECL allowance – Charged-off portfolio				
ECL allowance at the beginning of the reporting period	**-**	**-**	**-**	**-**
Balances transferred from active trade receivables ECL allowance	**-**	**-**	**449**	**449**
Changes in risk classification and ECL assumptions	**-**	**-**	**8**	**8**
Balances written off	**-**	**-**	**(56)**	**(56)**
ECL allowance as at the reporting date	**-**	**-**	**401**	**401**

26 FINANCIAL RISK MANAGEMENT (continued)

26.4 Credit risk (continued)

26.4.1 Trade and other receivables (continued)

	Stage 1 Rm	Stage 2 Rm	Stage 3 Rm	Total Rm
2023				
ECL allowance – Active portfolio				
ECL allowance at the beginning of the reporting period	380	226	623	1 229
Movement in balances	223	(82)	(51)	90
Changes in risk classification and ECL assumptions	(183)	108	1 361	1 286
Balances written off	-	(3)	(1 189)	(1 192)
Other	(23)	(12)	(28)	(63)
ECL allowance as at the reporting date#	397	237	716	1 350

#The ECL disclosure in the current period has been updated and as a result the prior period presentation has been adjusted accordingly. The update in disclosure did not have any impact on the financial position and financial performance of the Group.

26.4.2 Loans and receivables (non-current assets)

Loans and receivables totalling R35 million (2023: R77 million) are neither past due nor impaired. At the reporting date the Group carried an allowance for expected credit losses of R14 million (2023: R12 million) on the R42 million (2023: R40 million) loans granted to Beesa Business Services (Pty) Ltd, AL's Clothing CC, SHFQ (Pty) Ltd, Kinross Clothing (Pty) Ltd (in liquidation), Sew True CC and East London Textiles (Pty) Ltd based on an assessment of the beneficiaries ability to repay their loans. Refer to note 8 for further information.

The loans to share scheme participants, which were repaid during the financial period, were secured by pledges over the ordinary shares of the company held by the participants.

The unsecured loans represent a loan to a charitable trust founded by the Group and loans to Beesa Business Services. The unsecured loan to Beesa Business Services (Pty) Ltd represents funds that cannot be released without the authorisation of an investment committee which comprises of two members from BEESA and two members who are employees of the Group. The funds are used to grant loans to, or make equity investments in various of the Group's suppliers. As the risk will be spread over a number of suppliers and over a period of time the Group is not exposed to concentrated credit risk on this loan.

The loans to SHFQ (Pty) Ltd, Kinross Clothing (Pty) Ltd, East London Textiles (Pty) Ltd and Sew True CC are secured via personal suretyships signed by the directors/members of these entities as well as a cession of book debts. The loan to the supplier AL's Clothing is secured via a notarial bond and a suretyship from the co-principal debtor. Accordingly, the Group is not currently exposed to significant credit risk on the secured or unsecured loans.

26.4.3 Assets held at fair value through other comprehensive income

Mutual fund investments comprise units in various offshore mutual funds administered by reputable asset managers with long-term proven past performance. Accordingly the Group is not exposed to significant credit risk arising from its mutual fund investments. Refer to note 7 for further information.

26.4.4 Cash and cash equivalents

The Group holds cash with A1+ (ZA), A1 (ZA)/A1 approved rated financial institutions. The amount of exposure to any counterparty is subject to the limits imposed by the Group's treasury policy in order to achieve a spread of risk and opportunity. Refer to note 12 for further information.

26.4.5 Money market fund units

The Group invests cash with A1+ (ZA)/AAA rated money market unit trust funds. These funds are highly liquid, low-volatility net asset value money market funds with a weighted average duration of less than 90 days. The amount of exposure to any counterparty is subject to the limits imposed by the Group's treasury policy in order to achieve a spread of risk and opportunity. Refer to note 7.6 for further information.

26 FINANCIAL RISK MANAGEMENT (continued)

26.5 Liquidity risk

The Group's exposure to liquidity risk relates to interest-bearing borrowings, lease liabilities, trade and other payables and derivative financial liability, which are disclosed in notes 16, 20, 21 and 23 respectively.

The Group has minimal risk of illiquidity as reflected by its substantial surplus cash and unutilised gearing capacity. The Group utilises cash reserves and borrowings to fund working capital and capital investment requirements. The Group also has committed and uncommitted unutilised banking facilities available as set out in note 16. Management has obtained a letter of funding support issued by the Group's principal bankers which shows that the Group qualifies for significant funding in addition to the unutilised banking facilities, based on its solid financial track record in past years.

The expected maturity profile of the Group's financial liabilities at the reporting date, based on contractual undiscounted payments, including contractual interest payable (where applicable), is as follows:

	Note	Settled on demand Rm	Settled in <60 days Rm	Settled between 60-89 days Rm	Settled between 90-365 days Rm	Settled after 365 days	Total Rm
2024							
Interest-bearing borrowings*	16	**-**	**-**	**1 208**	**-**	**268**	**1 476**
Put option liability	17	**-**	**-**	**-**	**29**	**26**	**55**
Bank overdraft	12	**1 099**	**-**	**-**	**-**	**-**	**1 099**
Trade payables	21	**127**	**709**	**11**	**15**	**-**	**862**
Unclaimed dividends owing to			**-**			**-**	**-**
shareholders	21	**4**	**-**	**-**	**-**	**-**	**4**
Other payables and accrued expenses		**34**	**462**	**1**	**15**	**-**	**512**
Forward exchange contracts	23.1	**-**	**-**	**-**	**27**	**-**	**27**
		1 264	**1 171**	**1 220**	**86**	**294**	**4 035**
2023 (Restated)							
Interest-bearing borrowings*	16	-	-	1 208	-	169	1 377
Put option liability	17	-	-	-	20	30	50
Bank overdraft#	12	935	-	-	-	-	935
Trade payables	21	13	764	11	62	-	850
Unclaimed dividends owing to			-			-	-
shareholders	21	4	-	-	-	-	4
Other payables and accrued expenses		40	470	4	-	-	514
		992	1 234	1 223	82	199	3 730

* The RCF portion of interest-bearing borrowings is settled quarterly, unless the facility utilisation is rolled-over.

In the prior period the bank overdraft was incorrectly omitted from the presentation above as it was deducted from cash and cash equivalents. In the current period the bank overdraft has been included in the maturity profile, the ageing buckets have been updated and the prior period presentation has been restated accordingly. The update in disclosure did not have any impact on the financial position and financial performance of the Group.

26 FINANCIAL RISK MANAGEMENT (continued)

26.5 Liquidity risk (continued)

	2024 Rm	2023 Rm
Lease liabilities maturity profile (undiscounted)		
Within one year	**1 259**	1 242
Between one year and two years	**1 210**	1 144
Between two years and five years	**1 897**	1 917
More than five years*	**388**	80
	4 754	4 383

* This amount largely relates to the lease for the Distribution Centre. Please refer to note 35.

	2024 Rm	2023 Rm
Borrowings maturity profile (undiscounted)		
Within one year	**1 208**	1 208
Between one year and two years	**268**	169
	1 476	1 377

26 FINANCIAL RISK MANAGEMENT (continued)

26.6 Items of income, expense, gains or losses

		Interest received on impaired receivables Rm	Interest received/ (paid) Rm	Impairment losses recognised Rm	Fair value (losses)/ gains Rm	Other costs Rm	Total net gains/ (losses) Rm
2024							
Financial assets							
At amortised cost		**463**	**844**	**(1 022)**	**-**	**(281)**	**4**
At fair value through profit or		**-**	**82**	**-**	**8**	**-**	**90**
At fair value through other comprehensive income		**-**	**-**	**-**	**2**	**-**	**2**
Financial liabilities							
Interest-bearing borrowings	16	**-**	**(128)**	**-**	**-**	**-**	**(128)**
Lease liabilities	28.7	**-**	**(288)**	**-**	**-**	**-**	**(288)**
Derivative financial liabilities	23	**-**	**-**	**-**	**(27)**	**-**	**(27)**
2023							
Financial assets							
At amortised cost		400	743	(966)	-	(317)	(140)
At fair value through profit or		-	-	-	(7)	-	(7)
At fair value through other comprehensive income		-	-	-	4	-	4
Derivative financial assets*	6	-	-	-	28	-	28
Financial liabilities							
Interest-bearing borrowings	16	-	(88)	-	-	-	(88)
Lease liabilities	28.7	-	(225)	-	-	-	(225)

*In the prior period the derivative financial assets/liabilities were not presented. In the current period the derivative financial assets/liabilities have been included and the prior period presentation has been adjusted accordingly. The update in disclosure did not have any impact on the financial position and financial performance of the Group.

26.7 Fair value of financial instruments

26.7.1 Fair value measurement

The following methods and assumptions are used by the Group in establishing fair values:

Financial assets and liabilities (other than those separately disclosed below)

Carrying amounts reported in the statements of financial position at amortised cost approximate fair values. The fair value of the financial instruments at the reporting date has been determined using available market information and appropriate valuation methodologies.

Assets held at fair value

The fair value of the Group’s mutual fund units and unlisted investment is determined annually with reference to the quoted unit prices at the close of business on the reporting date and the most recently traded share price respectively. The fair value of the Group's short-term insurance cell captive and personal lines insurance business arrangement is determined with reference to the net asset value of these interests per management accounts prepared by third parties. The fair value of the Group’s money market fund investments is determined with reference to the net asset value of the investment fund units at the reporting date as published by the fund manager. Refer to note 7 for further information.

Forward exchange contracts

The fair value of forward exchange contracts entered into by the Group is determined with reference to market traded forward exchange contracts with similar maturity profiles at the reporting date.

26 FINANCIAL RISK MANAGEMENT (continued)

26.7 Fair value of financial instruments (continued)

26.7.1 Fair value measurement (continued)

Call options over shares held by non-controlling interests

The fair value of the call option asset has been determined with reference to a valuation performed by an external specialist at the reporting date. Refer to notes 6.2 and 26.3.3 for further information.

26.7.2 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

At the reporting date, the Group held the following financial instruments measured at fair value:

			Fair value hierarchy		
	Note	Rm	Level 1	Level 2	Level 3
2024					
Assets measured at fair value					
Assets held at fair value	7	**1 783**	**1 745**	**1**	**37**
Liabilities measured at fair value					
Derivative financial liabilities	23	**27**	**-**	**27**	**-**
Put options over shares held by non-controlling interests	17	**55**	**-**	**-**	**55**
2023					
Assets measured at fair value					
Assets held at fair value	7	36	11	1	24
Secured loans to share scheme participants	8.1	42	-	42	-
Forward exchange contracts	6.1	28	28	-	-
Liabilities measured at fair value					
Put options over shares held by non-controlling					-
interests	17	50	**-**	-	50

There were no transfers between level 1 and level 2, or into and out of level 3 fair value categories during the reporting period.

26 FINANCIAL RISK MANAGEMENT (continued)

26.8 Capital management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going concerns while enhancing the return to its shareholders. The Group's overall strategy has remained unchanged from 2023.

The capital structure of the Group consists of debt and equity (fully attributable to owners of the parent), comprising of interest-bearing borrowings, issued ordinary share capital, non-distributable reserves and retained earnings, less treasury shares. Refer to notes 13 to 16 for further information.

The primary objectives of the Group's capital management are:

- to ensure that the Group maintains healthy capital ratios in order to support its business;
- to enhance the return to shareholders after benchmarking anticipated returns against the Group's financial targets;
- to ensure that entities within the Group will be able to continue as going concerns and have sufficient capital for their operations;
- to provide flexibility so as to be able to take advantage of opportunities that could improve shareholder value; and
- to use excess cash to buy back shares in order to enhance both earnings per share and return on equity.

The management of capital is reviewed by the Truworths International board on a quarterly basis. The Group will manage the overall capital structure through, but not limited to, dividend payments and share buy-backs. The Group manages its capital structure and makes adjustments thereto in light of changes in economic conditions and the needs of the Group. The Group monitors capital using the return on equity, return on capital and dividend cover ratios. The Group's policy is to keep these ratios in line with annual financial targets.
The Group is subject to externally imposed covenant requirements on its borrowings. It also needs to adhere to the capital requirements in terms of the Companies Act (71 of 2008, as amended). The Group must ensure that following any share repurchases or payments to shareholders, on a fair value basis, the consolidated assets of the Group must exceed its consolidated liabilities, the capital of the Group must be adequate for the purposes of the Group's business and the Group must be able to pay its debts when they fall due. Consequently, when such transactions are in contemplation, management considers their impact on the Group's solvency, liquidity and equity.

		2024	2023
Profit before finance costs and tax for the period	(Rm)	**5 631**	4 775
Profit for the period, attributable to equity holders of the parent	(Rm)	**3 887**	3 275
Total equity	(Rm)	**9 506**	7 654
Net asset value per share	(cents)	**2 553**	2 073
Ratios			
Return on equity	(%)	**45**	48
Return on capital	(%)	**65**	69
Return on assets	(%)	**30**	30
Asset turnover	(times)	**1.1**	1.2
Inventory turn	(times)	**4.3**	4.2
Net debt to equity	(%)	**3.2**	11.1
Net debt to EBITDA	(times)	**-**	0.1
Dividend cover	(times)	**1.5**	1.5

Refer to the Group's financial targets in the Chief Financial Officer's Report in the 2024 Integrated Annual Report.

		Note	2024 Rm	2023 Rm
27	**REVENUE**			
	Sale of merchandise		**20 664**	19 894
	Retail sales		**21 378**	20 627
	Variable consideration adjustments*		**(804)**	(834)
	Delivery fee income		**86**	76
	Wholesale sales		**4**	25
	Interest income	34.1	**1 388**	1 143
	Trade receivables interest		**1 278**	1 107
	Investment and other interest		**110**	36
	Other income		**562**	939
	Commission		**178**	184
	Financial services income		**130**	111
	Display fees		**48**	49
	Insurance recoveries^#		**20**	85
	Reversal of previously recognised IFRS 16 impairment losses#	3	**134**	160
	Reversal of previously recognised PPE impairment losses#	2	**7**	14
	Foreign exchange gains#		**-**	19
	Gain on IFRS 16 re-measurements and modifications#	34.1	**17**	39
	Lease rental income#	20.2	**8**	10
	Variable lease rental income#		**9**	5
	Fair value adjustment of insurance cell captive#	34.1	**8**	-
	Tax dispute settled**#		**-**	254
	Other income		**3**	9
	Dividends received from insurance business arrangements	34.1	**25**	16
	Total		**22 639**	21 992
	Comprising:			
	Revenue		**22 436**	21 406
	#Non-revenue items~		**203**	586
			22 639	21 992

* Variable consideration adjustments made in terms of IFRS Accounting Standards and generally accepted accounting practice relate to promotional vouchers, staff discounts on merchandise purchased, cellular retail sales, notional interest on non-interest-bearing trade receivables and the sales returns provision. Notional interest represents a significant financing component in accordance with IFRS 15. The Group recognised notional interest of R151 million in variable consideration adjustments (2023: R126 million) through a reduction to retail sales.

^ Prior period insurance recoveries relate mainly to losses incurred during the civil unrest in South Africa during July 2021.

** A longstanding indirect tax matter was settled with SARS in the prior period, resulting in previous adverse assessments that had been issued in the 2022 financial period being reduced by R109 million (including the reversal of interest charged of R37 million), as well as the release of accruals in respect of this matter amounting to R145 million that had accumulated since the 2008 financial period.

~ In the current period the Group reconsidered the presentation of revenue, and concluded that certain items previously included did not meet the definition of Revenue as defined in IFRS 15. The prior period allocation between Revenue and Non-revenue items is disclosed above. The prior period total has not been restated on the face of the statement of comprehensive income as Revenue is not considered to be a qualitatively material metric in the context of the Group's business, which is focused on retail sales.

		Note	2024 Rm	2023 Rm
28	**PROFIT BEFORE TAX**			
	Profit before tax is stated after taking account of the following items:			
28.1	**Cost of sales***			
	Purchases		**9 635**	9 356
	Movement in allowance for inventories carried at net realisable value below cost		**(17)**	43
	Shrinkage and write-offs	10	**43**	51
	Movement in opening and closing stock		**(151)**	(331)
	Trading expenses related to inventory distribution:		**349**	326
	Depreciation		**10**	14
	Employment costs		**129**	117
	Occupancy costs		**57**	47
	Transport and distribution costs#		**146**	141
	Other operating costs		**7**	7
			9 859	9 445

#In the prior periods transport and distribution costs were included in other operating costs. In the current period transport and distribution costs have been presented seperately. Prior period presentation has been adjusted accordingly. The update in disclosure did not have any impact on the financial position or performance of the Group.

		2024 Rm	2023 Rm
28.2	**Depreciation and amortisation***		
	Right-of-use assets	**1 091**	976
	Property, plant and equipment & intangible assets	**384**	383
		1 475	1 359

28.3 Employment costs*

The Group employed 9 146 full-time equivalent employees at the reporting date. The aggregate remuneration and associated costs for the period relating to the employment of permanent and flexi-time employees, including executive directors, were:

		Note	2024 Rm	2023 Rm
	Salaries, bonuses, wages and other benefits		**2 546**	2 320
	Contributions to defined contribution plans		**23**	21
	Post-retirement medical benefit expense	18.2	**5**	6
	Medical scheme contributions		**5**	5
	Share-based payments	29.6.1	**139**	137
			2 718	2 489
28.4	**Occupancy costs (not accounted for under IFRS 16)***			
	Turnover-based lease expenses		**49**	24
	Short-term lease expenses		**217**	226
	Total lease expenses		**266**	250
	Variable lease costs:		**806**	711
	Utilities		**304**	242
	Rates and municipal expenses		**252**	236
	Security expenses		**133**	117
	Other occupancy costs		**117**	122
	COVID-19 rent concessions	34.1, 20.1	**-**	(6)
			1 072	961

* The nature of cost of sales is disclosed in note 28.1 and trading expenses are disclosed net of the cost of sales re-allocations.

		Note	2024 Rm	2023 Rm
28	**PROFIT BEFORE TAX** (continued)			
28.5	**Trade receivable costs**			
	Net bad debt and expected credit losses raised*		**1 168**	959
	Other trade receivable costs		**142**	324
			1 310	1 283

* Inclusive of R263 million of bad debt recoveries and debt sold

Trade receivable costs include amounts written off of R183 million (2023: R193 million) in respect of balances arising in the current period.

		Note	2024 Rm	2023 Rm
28.6	**Other operating costs***			
	Sales promotion, advertising and communication costs		**561**	657
	Administration costs		**469**	560
	Transport and distribution costs		**316**	256
	Management, technical, consulting and secretarial fees paid		**136**	112
	Loss on write-off or disposal of plant, equipment and intangible assets	34.1	**7**	8
	Audit fees - current period^		**19**	16
	Fair value adjustment of insurance cell captive	34.1	**-**	7
	Impairment of right-of-use assets	3	**12**	95
	Foreign exchange losses		**73**	-
	Fair value adjustment on call and put options over shares held by non-controlling interests	34.1	**-**	(31)
			1 593	1 680

^ Inclusive of R172 000 (2023: R674 345) in respect of non-audit services. Other non-audit services for the period, not included in audit fees, amounted to RNil (2023: R219 150), bringing total non-audit services for the period to R172 000 (2023: R893 495).

* The nature of cost of sales is disclosed in note 28.1 and trading expenses are disclosed net of the cost of sales re-allocations.

		Note	2024 Rm	2023 Rm
28.7	**Finance costs**			
	Lease liabilities	20.1, 26.6	**288**	225
	Interest-bearing borrowings	16	**119**	88
	Interest on bank overdraft#		**61**	45
	Other		**8**	20
			476	378

#In the prior periods interest on bank overdraft was included in other finance costs. In the current period interest on bank overdraft has been presented seperately. Prior period presentation has been adjusted accordingly. The update in disclosure did not have any impact on the financial position or performance of the Group.

29 DIRECTORS AND EMPLOYEES

29.1 Directors' remuneration

	Months paid	Short-term benefits: Directors' fees R'000	Short-term benefits: Salaries R'000	Short-term benefits: Performance bonus* R'000	Short-term benefits: Allowances R'000	Long-term Interest benefit on loans R'000	Total remuneration R'000	Fair value of equity-based awards granted** R'000	Loans pursuant to share scheme# R'000
2024									
Executive directors									
Michael Mark	**12**	**-**	**11 321**	**7 758**	**62**	**1 073**	**20 214**	**17 742**	**-**
Emanuel Cristaudo	**12**	**-**	**5 758**	**3 552**	**5**	**-**	**9 315**	**4 379**	**-**
Sarah Proudfoot	**12**	**-**	**5 758**	**3 552**	**20**	**159**	**9 489**	**6 468**	**-**
		-	**22 837**	**14 862**	**87**	**1 232**	**39 018**	**28 589**	**-**
Non-executive directors									
Hilton Saven	**12**	**2 009**	**-**	**-**	**-**	**-**	**2 009**	**-**	**-**
Hans Hawinkels	**12**	**870**	**-**	**-**	**-**	**-**	**870**	**-**	**-**
Rob Dow	**12**	**647**	**-**	**-**	**-**	**-**	**647**	**-**	**-**
Dawn Earp	**12**	**755**	**-**	**-**	**-**	**-**	**755**	**-**	**-**
Maya Makanjee	**6**	**204**	**-**	**-**	**-**	**-**	**204**	**-**	**-**
Tshidi Mokgabudi	**12**	**628**	**-**	**-**	**-**	**-**	**628**	**-**	**-**
Thabo Mosololi	**12**	**605**	**-**	**-**	**-**	**-**	**605**	**-**	**-**
Daphne Motsepe	**12**	**448**	**-**	**-**	**-**	**-**	**448**	**-**	**-**
Wayne Muller	**12**	**598**	**-**	**-**	**-**	**-**	**598**	**-**	**-**
Roddy Sparks	**12**	**948**	**-**	**-**	**-**	**-**	**948**	**-**	**-**
Tony Taylor	**12**	**647**	**-**	**-**	**-**	**-**	**647**	**-**	**-**
		8 359	**-**	**-**	**-**	**-**	**8 359**	**-**	**-**
2023									
Executive directors									
Michael Mark	12	-	10 860	13 250	100	3 334	27 544	14 878	43 254
Emanuel Cristaudo	12	-	5 217	5 951	-	-	11 168	3 017	-
Sarah Proudfoot	12	-	5 217	5 951	59	175	11 402	7 700	2 273
		-	21 294	25 152	159	3 509	50 114	25 595	45 527
Non-executive directors									
Hilton Saven	12	1 862	-	-	-	-	1 862	-	-
Hans Hawinkels	12	702	-	-	-	-	702	-	-
Rob Dow	12	610	-	-	-	-	610	-	-
Dawn Earp	12	583	-	-	-	-	583	-	-
Maya Makanjee	12	510	-	-	-	-	510	-	-
Tshidi Mokgabudi	12	583	-	-	-	-	583	-	-
Thabo Mosololi	12	550	-	-	-	-	550	-	-
Michael Thompson	6	330	-	-	-	-	330	-	-
Roddy Sparks	12	898	-	-	-	-	898	-	-
Tony Taylor	12	610	-	-	-	-	610	-	-
		7 238	-	-	-	-	7 238	-	-

* Determined on performance for the reporting period.

** The fair value of equity-based awards granted is the annual expense as determined in accordance with IFRS 2: Share-based Payments, and is presented for information purposes only, as it is not regarded as constituting remuneration, given that the value was neither received by nor accrued to the directors during the period. Gains made on the exercise of such equity-based awards are disclosed in note 29.5 in the period when vesting occurs.

The value of the loans granted to directors pursuant to the share option scheme represents the price paid, less any repayments made, for shares allotted pursuant to the said scheme. All outstanding loans were repaid during the period.

29 DIRECTORS AND EMPLOYEES (continued)

29.1 Directors' remuneration (continued)

Executive directors

All amounts received by the executives, while being directors of the company, were in respect of services rendered to, and in connection with the carrying on of the affairs of the Group's subsidiaries. These amounts were paid by Group subsidiaries.

The service contract of Mr Michael Mark, the Chief Executive Officer is subject to a six-month notice period. In terms of this contract, he is entitled to a guaranteed remuneration package and to participate in the Group's various cash and share-based incentive schemes. Both parties have the right to terminate the contract on a six-month notice period. The contract requires such six-month notice period to be provided except in the case of permanent disability/incapacitation.

The other executive directors have employment contracts with a Group subsidiary that entitle them to guaranteed remuneration packages and to participate in the Group's various cash and share-based incentive schemes. These contracts provide for notice periods of either six or nine months in respect of resignation.

Non-executive directors

All amounts received by the non-executive directors were for services rendered as directors of the company. These amounts, which were approved by the shareholders at the company's annual general meeting held on 9 November 2023, were paid by the company. None of the non-executive directors has a service contract with the company.

Consultancy fees

There were no consultancy fees paid to executive and non-executive directors during the period (2023: Rnil).

29.2 Defined contribution retirement funds

Alexander Forbes Retirement Fund: Defined contribution plan

The Alexander Forbes Retirement Fund is a defined contribution arrangement for the Group's South African employees with flexibility in contribution rates giving the various employee categories options to choose their desired contribution rate. The contribution rates in respect of the specialised full-timers vary from 4% of pensionable salary plus risk and administration to 27.5% of pensionable salary inclusive of risk and administration. Core full-timers are non-contributory but the Group pays 4% of pensionable salary towards retirement benefits, death and disability benefits, funeral benefits and administration costs. Flexi-timers, who generally work over peak trading periods, are non-contributory but the Group pays 10.5% of their earnings into the retirement fund for retirement, funeral and healthcare benefits. With effect from 1 January 2020, this contribution rate was reduced to 5% of pensionable salary, with the implementation of a Health4Me day-to-day healthcare benefit (refer note 29.3) being provided for these flexi-timers. These benefits apply to core full-timers and flexi-timers with more than two completed years of service. The fund's retirement age is 60. Core full-timers and flexi-timers can structure additional voluntary members' contributions towards retirement savings.

The member's pension entitlement at retirement age is determined by his/her fund credit. On retirement, the member is entitled to elect up to one-third of the fund credit as a cash lump sum payout and receive the balance in the form of a monthly pension. The plan is registered under the Pension Funds Act (1956, as amended) of South Africa.

The People's Pension Retirement Fund: Defined contribution plan

The People's Pension Retirement Fund is a defined contribution arrangement for the Group's UK employees. The fund is provided by Building & Civil Engineering Holiday Scheme Management Limited (B&CE), a long-standing not-for-profit organisation which operates for the benefit of its members.

B&CE has been operating a form of automatic enrolment to assist employers in complying with their automatic enrolment duties. This is a legislative requirement in the UK whereby both employers and employees are required to contribute into a pension scheme arranged by the employer.

The minimum pension contribution is 8% with at least 3% coming from the employer. Office currently contributes 3% of pensionable salary for those enrolled. The People's Pension is a multi-employer pension scheme with an independent trustee and the 'Balanced Lifestyle Profile' is the default investment fund. This fund offers an investment strategy at the start of the pension plan that ensures a member benefits from potentially higher returns during the earlier years and lesser risk in the final 15 years. The default retirement age is 65 for both men and women and on retirement the member can elect to take a lump sum cash payment and/or receive the balance in the form of a monthly pension.

SACCAWU National Provident Fund: Defined contribution plan

The SACCAWU National Provident Fund is a defined contribution arrangement for the Group's South African employees administered by Old Mutual. Specialised full-time employees in South Africa who have elected membership of the fund pay 17.5% of their pensionable salary, from their total guaranteed package (TGP) towards retirement benefits, risk benefits and administration costs. The member's entitlement at retirement age is determined by his/her fund credit. The plan is registered under the Pension Funds Act (1956, as amended) of South Africa.

29 DIRECTORS AND EMPLOYEES (continued)

29.2 Defined contribution retirement funds (continued)

Alexander Forbes Namibia Retirement Fund (formerly The Namflex Pension Fund): Defined contribution plan

The Alexander Forbes Namibia Retirement Fund is a defined contribution arrangement for the Group's Namibian employees whereby members pay 7.5% of their pensionable salary as contributions towards retirement benefits. The Group contributes 7.5% to retirement benefits and an additional 3.5% of pensionable salaries towards risk benefits and administration costs. The fund's retirement age is 60. Membership of the fund is compulsory for all Namibian permanent employees under normal retirement age. The member's pension entitlement at retirement age is determined by his/her fund credit. On retirement, the member is entitled to elect up to one-third of the fund credit as a cash lump sum payout and receive the balance in the form of a monthly pension. The plan is registered under the Namibian Pension Funds Act.

National Pension Scheme Authority (Zambia)

The National Pension Scheme Authority (NAPSA) is governed by the National Pension Scheme Act of 1996 of Zambia. It provides retirement and other social security benefits to the Group's employees in Zambia. The main functions of NAPSA are to collect contribution income, invest contributions and distribute benefits when they fall due. It is a compulsory condition of service for all employees in Zambia to participate in this fund and employees contribute a regulated 5% of cash salary. The Group also contributes 5% towards this fund for each employee. All contributions are paid directly to NAPSA monthly.

Eswatini (Swaziland) National Provident Fund: Defined contribution plan

The Eswatini National Provident Fund is an arrangement for the Group's Eswatini employees whereby members and the Group pay a statutory contribution based on members' earnings on a 50/50 basis with a maximum monthly contribution of R370 (2023: R350) based on a maximum monthly wage of R3 700 (2023: R3 500). The fund provides for a retirement benefit at or after age 45 and an age benefit at or after age 50. The fund also provides for a disability benefit, immigration benefit and a survivor's benefit. The employer is registered under the provisions of the Registration of Contributing Employers Regulations 1975, and Section 8 of the Swaziland National Provident Fund Order 1974. Membership of the fund is compulsory for all Eswatini-based permanent employees under normal retirement age. The member's pension entitlement at retirement age is determined by his/her share of the fund.

Eswatini (Swaziland) Retirement Fund: Defined contribution plan

The Eswatini Retirement Fund is a defined contribution arrangement for the Group's Eswatini employees whereby members pay 7.5% of their pensionable salary as contributions towards retirement benefits. The Group contributes 10.5% of pensionable salaries towards retirement benefits, risk benefits, funeral benefits and administration costs. The fund's retirement age is 60. The member's pension entitlement at retirement age is determined by his/her fund credit. On retirement, the member is entitled to elect up to one-third of the fund credit as a cash lump sum payout and receive the balance in the form of a monthly pension.

29 DIRECTORS AND EMPLOYEES (continued)

29.2 Defined contribution retirement funds (continued)

	Number of members	
	2024	2023
Summary per fund		
Alexander Forbes Retirement Fund	**6 755**	6 442
The People's Pension Retirement Fund	**656**	640
SACCAWU National Provident Fund	**159**	179
Alexander Forbes Namibia Retirement Fund	**39**	35
National Pension Scheme Authority (Zambia)	**12**	12
Eswatini (Swaziland) National Provident Fund/Swaziland Retirement Fund	**16**	18
	7 637	7 326

During the reporting period, the Group contributed R25 million (2023: R23 million) to the above-mentioned funds. Approximately R28 million is expected to be contributed to the above-mentioned funds in the 2025 reporting period.

29.3 Defined benefit healthcare funds

Wooltru Healthcare Fund, Momentum Health and Namibia Medical Care

Participation in the Wooltru Healthcare Fund (the WHF) and the Namibia Medical Care is a compulsory condition of employment for all employees in the specialised full-time category. A small group of employees, who previously elected to join the Momentum Health Fund, formerly Ingwe Healthcare Plan the (MHF), continue to enjoy benefits under the MHF. The MHF is no longer open to new employees. Healthcare benefits under both these funds are defined as per the rules of the respective funds.

The specialised full-timer employees pay the full contribution for their benefits under these funds.

Most employees in the core full-timer category are beneficiaries of the Health4Me insurance product (see below). However, there is a small group in this category who are members of either the WHF or the MHF and who continue to have their healthcare contributions to these funds subsidised.

Employees who participate in these funds and who joined the Group prior to 30 June 2000, will continue to enjoy Group subsidised contributions after their retirement. Refer to note 18 for further information related to the Group's post-retirement medical benefit obligation.

The audited annual financial statements of the WHF at 31 December 2023 reveal that it continues to maintain a sound financial position with a solvency ratio of 44.59% (2022: 54.89%) at its reporting date.

During the reporting period, the Group contributed R5.2 million (2023: R5.5 million) to the above funds (excluding Health4Me). Approximately R5.5 million is expected to be contributed to the above funds in respect of the short-term healthcare benefits in the 2025 reporting period.

Health4Me

Health4Me is an insurance product that offers premium, private, day-to-day healthcare through private medical practitioners of the CareCross Health Group which is a national network of GP's, specialists, radiologists, pathologists, dentists and optometrists, who collectively embrace the concept of affordable healthcare for both employees and their dependents. The Group pays a premium of R289 (2023: R270) per month for each participating employee and the employee in turn receives unlimited day-to-day doctors' visits, limited specialist visits, and chronic medication for prescribed minimum benefit conditions. Health4Me permits employees to pay for their dependents and additional benefits like accidental cover and hospital cash benefit plan. The Group offered this benefit to all qualifying flexi-timers with effect from 1 January 2020 and pays an amount of R244 per participating employee. The flexi-time employees have access to GP consultations, acute formulary medication, x-rays, blood tests, maternity benefits and basic dentistry through various networks.

During the reporting period, the Group contributed R11.1 million (2023: R10.7 million) to Health4Me. Approximately R11.7 million is expected to be contributed to Health4Me in respect of the short-term healthcare benefits in the 2025 reporting period.

29 DIRECTORS AND EMPLOYEES (continued)

29.4 Other

Group employees and pensioners may be entitled to a discount on purchases made at Group stores. In the calculation of sale of merchandise, these discounts are accounted for as a deduction from retail sales. During the reporting period R13 million (2023: R11 million) was incurred in respect of staff discounts.

	2024 Rm	2023 Rm
29.5 Directors' equity-settled compensation gains		
Executive directors	**1**	3

1998 Share Option Scheme

Share option scheme participants (including directors) may exercise their equity-settled share options at any date subsequent to the offer date. The shares acquired on exercise of the options are, however, only eligible for sale after the vesting date, when ownership passes to the participants (subject to repayment of any financial assistance) who are then able to dispose of the shares. Refer to Annexure Two for details of directors' equity-settled share options.

Restricted and Performance share plans

The gains in respect of the restricted and performance share plans are calculated by multiplying the market price at the date ownership passes by the number of shares vested on that date.

29.6 Share-based payment plans

The Group implemented the 1998 Share Option scheme during 1998. Options are granted over the company's shares at a purchase price equal to the volume weighted average trading price of the shares on the JSE over the five-day share trading period immediately preceding the date of the grant. No consideration is payable on acceptance of the options and the purchase price of the shares becomes payable on exercise of the options unless participants qualify for interest-free loans secured by a pledge over the shares. Shares and options have either a five- or six-year vesting period. Shares and options not vested are forfeited upon termination of employment, other than on retirement or death and options granted before 7 November 2012 lapse after 10 years, unless such period is extended by the Remuneration Committee, while those granted subsequently lapse after eight years, unless otherwise determined by the Remuneration Committee.

In 2012 the Group introduced the 2012 Share Plan, which includes four sub-plans:

- Restricted share plan (with no Group performance targets on vesting)
- Performance share plan (with Group performance targets on vesting)
- Share appreciation rights plan (with no Group performance targets on vesting)
- Performance appreciation rights plan (with Group performance targets on vesting)

The 2012 Share Plan's shares and appreciation rights are granted over the company's shares at a purchase price equal to the weighted average trading price of the shares on the JSE over the five-day share trading period immediately preceding the date of the grant. Shares generally have a three, four, five, or six-year vesting period while appreciation rights generally have a four, five, or six-year vesting period. Shares and appreciation rights not vested are forfeited upon termination of employment, other than on retirement or death, and lapse after eight years.

In 2017 the Group introduced the Office Performance Equity Plan: Options (with Office performance targets on vesting).

29 DIRECTORS AND EMPLOYEES (continued)

29.6 Share-based payment plans (continued)

The following table illustrates the number of share options, restricted shares, performance shares, share appreciation rights and performance appreciation rights held by eligible participants, including executive directors, in the equity-settled compensation schemes:

	Note	2024 Number of equity-settled awards 000's	2023 Number of equity-settled awards 000's
Shares and options held in terms of the 1998 share option scheme	29.6.1.1	**279**	2 708
Restricted and performance shares held by participants	29.6.1.2+3	**9 145**	9 728
Share and performance appreciation rights held by participants	29.6.1.4+5	**-**	1 093
Total utilisation at the reporting date		**9 424**	13 529
Maximum equity-settled compensation schemes allocation		**46 181**	46 181
Utilisation	(%)	**20.4**	29.3
Shares available for utilisation		**36 757**	32 652
Percentage available for utilisation	(%)	**79.6**	70.7

		Note	2024 Rm	2023 Rm
29.6.1	**Equity-settled compensation schemes**			
	Expense recognised for employee services rendered during the period:			
	Restricted share plan		**62**	61
	Performance share plan		**77**	76
	Total expense recognised in employment costs for employee services rendered during the period	15.1, 28.3, 34.1	**139**	137
	Weighted average strike price of equity-based awards*			
	Granted during the period	(R)	**74.01**	58.08
	Exercised during the period	(R)	**38.27**	65.55
	Forfeited during the period	(R)	**70.48**	66.26
	Held by participants at the reporting date	(R)	**52.00**	46.01
	Exercisable at the reporting date	(R)	**62.45**	46.67
	Details of options exercised during the period*			
	Simple average exercise price per share	(R)	**77.97**	56.68
	Weighted average market price per share	(R)	**61.35**	56.68
	Summarised exercise conditions applicable to share option awards*			
	Latest date by which options become exercisable		**31 May 2025**	31 May 2025
	Latest date by which options will lapse if not exercised**		**31 May 2025**	31 May 2025
	Lowest price	(R)	**44.78**	44.78
	Highest price	(R)	**103.60**	103.60

* Excludes the Office Performance Equity Plan Options, which are disclosed separately in note 29.6.1.6.

**Unless alternative arrangements are agreed to by the trustees of the scheme.

29 DIRECTORS AND EMPLOYEES (continued)

29.6 Share-based payments (continued)

29.6.1 Equity-settled compensation schemes (continued)

29.6.1.1 1998 Share Option Scheme

There were no new awards during the current or the prior periods. The following table illustrates the number of shares and options for the 1998 share option scheme held by eligible participants, including executive directors:

	2024 Number of shares/ options 000's	2023 Number of shares/ options 000's
Shares held by participants	**-**	1 771
Shares held by the trust	**-**	124
Options held by participants	**220**	748
Inclusion (in terms of trust deed) of shares sold by participants, who are still employees	**59**	65
Total utilisation at the reporting date	**279**	2 708
Shares held by participants		
The following table illustrates the number of, and movements in, shares during the reporting period:		
Shares held by participants at the beginning of the reporting period and at the reporting	**-**	1 771
Options held by participants		
The following table illustrates the number of, and movements in, share options during the reporting period:		
Options held by participants at the beginning of the reporting period	**748**	759
Options exercised during the period	**(527)**	(10)
Options forfeited during the period	**(1)**	(1)
Options held by participants at the reporting date	**220**	748

			2024 Number of equity-settled awards	2023 Number of equity-settled awards
29	**DIRECTORS AND EMPLOYEES** (continued)			
29.6	**Share-based payment plans** (continued)			
29.6.1	**Equity-settled compensation schemes** (continued)			
29.6.1.2	*Restricted share plan shares (RSPs)*			
	The fair value of the RSPs is determined on grant date.			
	Number of RSPs			
	RSPs held in a nominee account on behalf of the participants at the beginning of the reporting period	(000's)	**4 841**	4 574
	RSPs granted during the period	(000's)	**910**	1 446
	RSPs vested during the period	(000's)	**(1 008)**	(1 033)
	RSPs forfeited during the period due to resignations	(000's)	**(143)**	(146)
	RSPs held in a nominee account on behalf of the participants at the reporting date	(000's)	**4 600**	4 841
	Weighted average fair value of RSPs			
	Granted during the period	(R)	**74.10**	58.12
	Vested during the period	(R)	**49.17**	61.74
	Forfeited during the period due to resignations	(R)	**54.11**	53.93
	Held by participants at the reporting date	(R)	**55.86**	50.99
	Summarised exercise conditions applicable to RSPs			
	Earliest date by which RSPs become exercisable		**30 Sep 2024**	30 Sep 2023
	Latest date by which RSPs become exercisable		**31 Mar 2029**	31 Mar 2028
29.6.1.3	*Performance share plan shares (PSPs)*			
	The fair value of the PSPs is determined on grant date.			
	Where PSPs have market-based performance conditions attached the inputs into the Monte-Carlo simulation pricing model are as follows:			
	Expected share price volatility	(%)	**40.6 - 42**	40.6 - 42
	Expected dividend yield	(%)	**8.2 - 10.9**	8.2 - 10.9
	Risk-free interest rate	(%)	**4 - 6.1**	4 - 6.1
	Number of PSPs			
	PSPs held in a nominee account on behalf of the participants at the beginning of the reporting period	(000's)	**4 887**	4 409
	PSPs granted during the period	(000's)	**1 091**	1 039
	PSPs vested during the period	(000's)	**(1 404)**	(486)
	PSPs forfeited during the period due to corporate performance targets (CPT) not met	(000's)	**-**	(24)
	PSPs forfeited during the period due to resignations	(000's)	**(29)**	(51)
	PSPs held in a nominee account on behalf of the participants at the reporting date	(000's)	**4 545**	4 887
	Weighted average fair value of PSPs			
	Awarded during the period	(R)	**73.91**	58.03
	Vested during the period	(R)	**38.07**	74.10
	Forfeited during the period due to CPT not met	(R)	**36.71**	108.48
	Forfeited during the period due to resignations	(R)	**50.99**	41.81
	Held by participants at the reporting date	(R)	**46.25**	40.58
	Summarised exercise conditions applicable to PSPs			
	Earliest date by which PSPs become exercisable		**30 Sep 2024**	30 Sep 2023
	Latest date by which PSPs become exercisable		**30 Sep 2028**	30 Sep 2027
	Total RSPs and PSPs	(000's)	**9 145**	9 728

			2024	2023
29	**DIRECTORS AND EMPLOYEES** (continued)			
29.6	**Share-based payment plans** (continued)			
29.6.1	**Equity-settled compensation schemes** (continued)			
29.6.1.4	*Share appreciation rights (SARs)*			
	The inputs into the binomial actuarial option pricing valuation model are as follows:			
	Expected life of SARs	(years)	**1 - 6**	1 - 6
	Expected share price volatility	(%)	**27.5 - 32.7**	27.5 - 32.7
	Expected dividend yield	(%)	**3.2 - 5.3**	3.2 - 5.3
	Risk-free interest rate	(%)	**6.71 - 8.17**	6.71 - 8.17
	Number of SARs held by participants			
	SARs held by participants at the beginning of the reporting period	(000's)	**609**	674
	SARs exercised during the period	(000's)	**(363)**	-
	SARs lapsed during the period	(000's)	**(246)**	(65)
	SARs held by participants at the reporting date	(000's)	**-**	609
	Weighted average grant price of SARs			
	Exercised during the period	(R)	**69.56**	-
	Lapsed during the period	(R)	**77.61**	68.16
	Held by participants at the reporting date	(R)	**-**	72.81
	Summarised exercise conditions applicable to SARs			
	Earliest date by which SARs become exercisable		**-**	3 Jul 2023
	Latest date by which SARs become exercisable		**-**	14 Mar 2024
	Latest date by which SARs will lapse if not exercised		**-**	14 Mar 2024
	Lowest price	(R)	**66.97**	66.97
	Highest price	(R)	**102.70**	102.70
29.6.1.5	*Performance appreciation rights (PARs)*			
	The inputs into the binomial actuarial option pricing valuation model are as follows:			
	Expected life of PARs	(years)	**1 - 7**	1 - 7
	Expected share price volatility	(%)	**28.0 - 32.7**	28.0 - 32.7
	Expected dividend yield	(%)	**3.2 - 5.3**	3.2 - 5.3
	Risk-free interest rate	(%)	**6.93 - 8.17**	6.93 - 8.17
	Number of PARs held by participants			
	PARs held by participants at the beginning of the reporting period	(000's)	**484**	491
	PARs exercised during the period	(000's)	**(277)**	-
	PARs lapsed during the period	(000's)	**(207)**	(7)
	PARs held by participants at the reporting date	(000's)	**-**	484
	Weighted average grant price of PARs			
	Exercised during the period	(R)	**69.56**	-
	Lapsed during the period	(R)	**78.28**	75.62
	Held by participants at the reporting date	(R)	**-**	73.29
	Summarised exercise conditions applicable to PARs			
	Earliest date by which PARs become exercisable		**-**	3 Jul 2023
	Latest date by which PARs become exercisable		**-**	14 Mar 2024
	Latest date by which PARs will lapse if not exercised		**-**	14 Mar 2024
	Lowest price	(R)	**67.77**	67.77
	Highest price	(R)	**83.42**	83.42
	Total SARs and PARs	(000's)	**-**	1 093

29 DIRECTORS AND EMPLOYEES (continued)

29.6 Share-based payment plans (continued)

29.6.1 Equity-settled compensation schemes (continued)

29.6.1.6 Office Performance Equity Plan: Options

Options were issued at a nil strike price and participants receive dividends over the vesting period, therefore the fair value of these at grant date equates to the company value that was determined by management using a discounted cash flow model divided by the number of shares in issue at grant date.

		2024	2023
Number of Options			
Options held by participants at the beginning of the period	(000's)	**21**	21
Options exercised during the period	(000's)	**(21)**	-
Options held by participants at the reporting date	(000's)	**-**	21
Summarised exercise conditions applicable to options			
Earliest date by which options become exercisable		**-**	18 Oct 2020
Latest date by which options become exercisable		**-**	18 Oct 2021
Latest date by which options will lapse if not exercised		**-**	18 Oct 2025

		Note	2024 Rm	2023 Rm
30	**TAX EXPENSE**			
30.1	**Current period tax charge**			
	Truworths Africa segment current tax	34.3	**687**	911
	Current period		**720**	869
	Prior period (over)/under provision		**(33)**	42
	Truworths Africa segment deferred tax	9.1	**7**	(15)
	Origination and reversal of temporary differences in current period		**(34)**	30
	Movement as a result of prior year under provision		**41**	(45)
	Office UK segment current tax	34.3	**244**	174
	Current period		**287**	174
	Prior period over provision		**(43)**	-
	Office UK segment deferred tax	9.3	**317**	39
	Origination and reversal of temporary differences in current period		**317**	38
	Movement as a result of prior year over provision		**-**	1
			1 255	1 109

Tax returns and payments

All Group companies have lodged their income tax returns for the 2023 tax year. Income tax payments for tax-paying Group companies have been made in respect of the second period of the 2024 tax year. The prevalence of self-assessment and electronic filing platforms for the submission of income tax returns has resulted in all of the returns in respect of the 2023 tax years having been assessed. The Truworths Limited operating subsidiary received revised assessments in relation to its 2019 period on 22 September 2023 and 23 May 2024.

Update on Global Minimum Tax

Following the introduction of the OECD Global Anti-Base Erosion Model Rules in 2021, which set a global minimum corporate tax rate of 15% for multinational entities, South Africa has joined the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting by proposing on 21 February 2024 to implement the OECD's Global Minimum Tax components - the 'Income Inclusion Rule' (IIR) and a 'Domestic Minimum Top-up Tax' (DMTT). This Inclusive Framework also impacts the European Union (EU), with Ireland revising domestic legislation to comply with the rules. The UK has already implemented the main rules and a domestic minimum tax for accounting periods starting after 31 December 2023. Disclosure of the Group's position on Pillar 2 is considered appropriate even though the legislation has not yet been enacted in South Africa.

In response to these changes, the Group has assessed the Global Minimum Tax requirements in relevant tax jurisdictions for the current financial year. Utilising exemptions and exceptions, the Group is not required to include any income under the IIR, nor incur a DMTT. The Group's exposure is Rnil.

The Group will continue to monitor and evaluate the impact of the OECD Global Minimum Tax on its tax position across all jurisdictions in the upcoming years, taking into account additional guidance and regulations from tax authorities. The Group remains committed to compliance with all applicable tax laws and regulations in every jurisdiction in which it operates.

	2024 %	2023 %
30 TAX EXPENSE (continued)		
30.2 Reconciliation of effective Group tax rate		
South African current tax rate	**27.0**	27.0
Decrease due to adjustment items	**(2.0)**	(1.0)
Disallowable expenditure*	**0.3**	0.5
Impact of unrecognised tax losses	**0.1**	-
Impact of adjustments relating to prior periods	**(0.9)**	-
Impact of recognising the charitable trusts	**(0.6)**	-
Change in tax rate - United Kingdom#	**-**	0.1
Differences in corporate tax rates^^	**(0.9)**	(1.6)
Non-taxable income^	**(0.7)**	(0.8)
Effective Group tax rate	**24.3**	25.2

The tax effects of the most significant items impacting the statutory rate reconciliation are as follows:

* The Group has expenses disallowed as deductions for tax purposes which materially entail the disallowed wear and tear on immovable assets of R8.3 million (2023: R9.5 million), interest and penalties provided in respect of disputes with the South African Revenue Authority (SARS) of R1.8 million (2023: R1.2 million), expenses of a capital nature of R1 million (2023: R5.4 million) and donations of Rnil (2023: R1.2 million). In respect of the expenses disallowed in the UK segment, the most significant amount relates to disallowed expenses of a legal nature of R1.8 million and a lease surrender premium which was paid in respect of leases in Germany due to closure of operations in that country during 2023 of R4.2 million. In the prior period there were also non-deductible expenses in the UK segment which related to hospitality/entertainment and disallowed legal expenses R2.9 million.

#The South African tax rate reduced to 27% from the 2023 year of assessment, whilst the UK corporation tax rate increased to 25% - proportionately applied from 31 March 2023 onwards, resulting in an applied tax rate of 20.5% for the UK for the 2023 year of assessment.

^^ The difference in corporate tax rates is mainly attributable to the difference between the corporate tax rates of South Africa (27%) and the UK (25%).

^ The Group has non-taxable income which substantively comprises the learnership tax allowances of R11.9 million (2023: R11.9 million), external dividends of R6.1 million (2023: R2 million) and employment tax incentives (ETI) rebates of R4.1 million (2023: R5.4 million). There was also the remittance of penalties and interest previously imposed and paid to SARS relating to the settlement of a dispute of R0.9 million (2023: R11 million). Non-taxable income in the Office UK segment relates to the amortisation of capital grants R0.1 million (2023: R1.5 million).

30 TAX EXPENSE (continued)

The Group has the following ZAR equivalent tax losses of which the availability for offsetting against future taxable income and expiry periods (if applicable) is summarised as follow at year-end:

Loss prescription period	**5 years**		**10 years**	**Indefinite**
Allocation of loss	**Mauritius#**	**Zambia**	**Kenya#**	**South Africa%**
	Rm	**Rm**	**Rm**	**Rm**
2024				
Expires in year 1 (2025)	**-**	**0.8**	**-**	**0.3**
Expires in year 2 (2026)	**-**	**-**	**-**	**-**
Expires in year 3 (2027)	**-**	**0.5**	**-**	**-**
Expires in year 4 (2028)	**-**	**-**	**-**	**-**
Expires in year 5 (2029)	**-**	**-**	**-**	**-**
Expires in year 6 (2030)	**-**	**-**	**-**	**-**
Does not expire	**-**	**-**	**-**	**37.7**
	-	**1.3**	**-**	**38.0**
2023				
Expires in year 1 (2024)	0.4	1.5	2.9	-
Expires in year 2 (2025)	-	4.2	2.9	-
Expires in year 3 (2026)	0.1	0.8	2.9	-
Expires in year 4 (2027)	-	-	1.3	-
Expires in year 5 (2028)	-	0.5	2.7	-
Expires in year 6 (2029)	-	-	0.5	-
Does not expire	5.6	-	-	7.6
	6.1	7.0	13.2	7.6

Deferred tax assets (except for Truworths Real Estate Investment Company (TREIC)) have not been recognised in respect of tax losses as they either may not be used to off-set taxable profits elsewhere in the Group or they have arisen in subsidiaries that have been loss-making with no evidence of recoverability in the near future. If the Group was able to recognise all unrecognised deferred tax assets, the profit would increase by R10.6 million (2023: R9 million).

The Mauritius and Kenyan operations were ceased in September 2021 and November 2021 respectively. Kenya is in the process of being deregistered for all taxes whilst Mauritius was deregistered in August 2023. The tax losses are no longer considered as available.

% In South Africa, tax losses do not expire. However, only 80% of a loss can be utilized in any subsequent year of assessment, with the remaining 20% carried over to future years.

		Note	2024 Rm	2023 Rm
31	**DIVIDENDS**			
	Interim dividend - 2024			
	Cash dividend of 332 cents per share declared on 29 February 2024 and paid on 25 March 2024		**1 356**	-
	Final dividend - 2023			
	Cash dividend of 245 cents per share declared on 31 August 2023 and paid on 26 September 2023		**1 001**	-
	Interim dividend - 2023			
	Cash dividend of 320 cents per share declared on 23 February 2023 and paid on 20 March 2023		**-**	1 307
	Final dividend - 2022			
	Cash dividend of 205 cents per share declared on 1 September 2022 and paid on 26 September 2022		**-**	837
	Less: dividends received on treasury shares held by subsidiaries		**(153)**	(154)
	Total dividends declared, excluding treasury shares	34.4	**2 204**	1 990

	2024 Cents	2023 Cents
Dividends per share		
Cash final - payable October/paid September	**197**	245
Cash interim - paid March	**332**	320
	529	565

The final dividend for the period ended 30 June 2024 of 197 cents per share, before deduction of dividends tax (where applicable), was declared on 11 September 2024 to shareholders registered on the record date of 4 October 2024. The cash dividend is payable on 7 October 2024. No liability regarding this final cash dividend has been recognised.

The directors have performed the required solvency and liquidity tests required by the Companies Act and are satisfied that the company has met the requirements of these tests prior to and, where applicable, immediately after the declaration of the aforesaid dividend.

32 EARNINGS AND CASH FLOW PER SHARE

Basic earnings per share are derived by dividing profit for the period attributable to shareholders of the company, by the weighted average number of shares (WANOS). Appropriate adjustments are made to the WANOS used in calculating diluted basic earnings per share.

Headline earnings per share are derived by dividing headline earnings by the WANOS. Appropriate adjustments are made to the WANOS used in calculating diluted headline earnings per share. Headline earnings is determined as follows:

	Note	2024 Rm	2023 Rm
Profit for the period, attributable to equity holders of the company		**3 887**	3 275
Adjusted for:			
Impairment reversal of trademarks		**(1 012)**	-
Tax in relation to impairment reversal of trademarks		**253**	-
Net impairment reversal of right-of-use assets		**(121)**	(63)
Tax in relation to net impairment reversal of right-of-use assets		**30**	12
Reversal of impairment of property, plant and equipment	2, 27	**(7)**	(14)
Tax in relation to reversal of impairment of property, plant and equipment		**2**	3
Loss on write-off of intangible assets		**7**	-
Tax on loss on write-off of intangible assets		**(2)**	-
Loss on write-off or disposal of plant and equipment		**-**	8
Tax on loss on write-off or disposal of plant and equipment		**-**	(2)
Headline earnings		**3 037**	3 219

32 EARNINGS AND CASH FLOW PER SHARE (continued)

The weighted average number of ordinary shares, adjusted for treasury shares held by subsidiaries (including shares held for participants in the Group's equity-settled compensation scheme in respect of RSPs and PSPs), and referred to hereafter as 'weighted average number of shares', is used in calculating all the basic earnings, headline earnings and cash flow per share amounts below:

		2024 Number of shares	2023 Number of shares
Issued shares (net of treasury shares) at the beginning of the reporting period	(millions)	**369.3**	368.3
Weighted average number of shares issued and repurchased during the reporting period	(millions)	**2.0**	0.3
Weighted average number of shares for the reporting period	(millions)	**371.3**	368.6

		2024	2023
32.1 Basic and headline earnings basis			
Basic earnings per share	(cents)	**1 046.9**	888.5
Headline earnings per share	(cents)	**817.9**	873.3

		2024 Number of shares	2023 Number of shares
32.2 Diluted basic and headline earnings basis			
Weighted average number of shares for the reporting period	(millions)	**371.3**	368.6
Add: Dilutive effect of share options, restricted shares and share appreciation rights	(millions)	**5.6**	5.1
Diluted weighted average number of shares for the reporting period	(millions)	**376.9**	373.7

The dilution arises from equity based awards outstanding in respect of the equity-settled share schemes. The amount of the dilution is calculated with reference to the difference between the fair value and the issue price of the company's shares, the issue price being adjusted for the cost of share-based payments, being the fair value of services to be received. Fair value is determined using the weighted average market price of the shares during the period.

		2024	2023
Diluted basic earnings per share	(cents)	**1 031.3**	876.4
Percentage dilution in basic earnings per share	(%)	**(1.5)**	(1.4)
Diluted headline earnings per share	(cents)	**805.8**	861.4
Percentage dilution in headline earnings per share	(%)	**(1.5)**	(1.4)
32.3 Cash flow basis			
This basis focuses on the cash inflow actually achieved during the reporting period. Cash flow per share is calculated by dividing cash inflow from operations by the weighted average number of shares.			
Cash inflow from operations	(Rm)	**4 604**	3 522
Cash flow per share	(cents)	**1 240.0**	955.5

32 EARNINGS AND CASH FLOW PER SHARE (continued)

32.4 Cash equivalent earnings basis

This basis recognises the potential of the earnings stream to generate cash. It is therefore an indicator of the underlying quality of earnings. Cash equivalent earnings per share is calculated by dividing the cash equivalent earnings by the weighted average number of shares.

		2024	2023
Profit for the period	(Rm)	**3 900**	3 288
Adjusted for:			
Non-cash items (refer to note 34.1)	(Rm)	**437**	1 429
Deferred tax (refer to note 9)	(Rm)	**324**	24
Cash equivalent earnings	(Rm)	**4 661**	4 741
Cash equivalent earnings per share	(cents)	**1 255.3**	1286.2

32.5 Cash realisation rate

		2024	2023
This represents the potential cash earnings realised and is derived by dividing cash flow per share by cash equivalent earnings per share.	(%)	**99**	74

33 RELATED PARTY DISCLOSURES

Post-retirement benefit plans

The Group is a participating employer in various defined contribution retirement plans as well as defined benefit healthcare plans. Refer to notes 29.2 and 29.3 for further information.

Key management personnel

Details relating to executive and non-executive directors' remuneration and shareholdings (including equity-based awards) in the company are disclosed in notes 29.1, 29.5 and Annexure Two respectively. Directors of the company and of the subsidiaries, Truworths Ltd and Office Holdings Ltd, have been classified as key management personnel. Below is a summary of the total compensation incurred in relation to the 22 (2023: 22) employees constituting key management personnel for the period.

	2024 Rm	2023 Rm
Category		
Short-term benefits	**89**	104
Equity-and-cash-settled compensation benefits	**44**	21
Total remuneration	**133**	125

Details of secured loans made pursuant to key management personnel's participation in the share incentive scheme are disclosed in note 8.1. All such secured loans were repaid during the period.

Interest of directors in contracts

Except as disclosed below, no directors have a material direct or indirect interest in any transaction with the company or any of its subsidiaries.

Other related parties

During the current period the Group consolidated its charitable and enterprise development trusts for the first time. These trusts were not consolidated in prior periods as they were considered immaterial to the Group's financial position and performance. These trusts are the Truworths Chairman's Foundation, the Truworths Community Foundation, the Truworths Social Involvement Trust and the Truworths Enterprise Development Trust. The total net assets and total comprehensive income of the four entities are R231 million (2023: R222 million) and R9 million (2023: R19 million) respectively. The consolidation of these trusts resulted in the recognition of net assets of R222 million (comprising mainly of mutual fund investments), with a total corresponding credit in other operating costs (R123 million, representing the original value of donations made to the trusts together with their cumulative retained earnings) and other comprehensive income (R99 million, representing the unrealised fair value gains on the mutual fund investments, net of deferred tax).

		Note	2024 Rm	2023 Rm
34	**NOTES TO THE STATEMENTS OF CASH FLOWS**			
34.1	**Cash flow from profit before tax**			
	Profit before tax		**5 155**	4 397
	Add: Non-cash items		**437**	1 429
	Depreciation and amortisation		**1 484**	1 374
	Restoration cost provision movement		**8**	3
	Fair value adjustment of loan		**(8)**	5
	Movement in leave pay obligation		**25**	29
	Net interest accrued/(reversed)		**(2)**	4
	Fair value adjustment of put options held by non-controlling interests	28.6	**-**	(31)
	Expected credit losses allowance on supplier development loans	8.3	**2**	(1)
	Reversal of impairment of property, plant and equipment	2	**(7)**	(14)
	Unrealised foreign exchange losses		**47**	12
	Covid-19 rent concessions	28.4	**-**	(6)
	Post-retirement medical benefit expense	18.2	**5**	6
	Reversal of impairment of intangible assets	5	**(1 019)**	-
	Net reversal of impairment of right-of-use assets		**(122)**	(65)
	Gain on IFRS 16 re-measurements and modifications	27	**(17)**	(39)
	Loss on write-off or disposal of plant, equipment and intangible assets	28.6	**7**	8
	Fair value adjustment of insurance cell captive	7.2, 28.6, 27	**(8)**	7
	Consolidation of charitable and enterprise development trusts		**(97)**	-
	Share-based payments: equity-settled	29.6.1	**139**	137
	Interest received		**(1 327)**	(1 139)
	Interest income on trade receivables, cash and cash equivalents	27	**(1 388)**	(1 143)
	Interest received on money market funds		**59**	-
	Accrued interest income		**2**	4
	Interest received on money market funds		**(59)**	-
	Dividends received	27	**(25)**	(16)
	Finance costs paid		**468**	370
	Interest expense	28.7	**476**	378
	Accrued interest expense		**(8)**	(8)
	Lease incentives received		**12**	-
	Contribution to post-retirement medical benefit plan asset	18.1	**(3)**	(3)
	Cash inflow from profit before tax		**4 658**	5 038
34.2	**Working capital movements**			
	Increase in inventories		**(99)**	(298)
	Reduction/(increase) in trade and other receivables and prepayments		**155**	(626)
	Reduction in trade and other payables and provisions		**(18)**	(303)
	Cash inflow/(outflow)		**38**	(1 227)

		Note	2024 Rm	2023 Rm
34	**NOTES TO THE STATEMENTS OF CASH FLOWS** (continued)			
34.3	**Tax paid**			
	Amounts owing at the beginning of the reporting period		**(202)**	(153)
	Current tax charged to profit or loss		**(931)**	(1 085)
	Truworths Africa segment current tax	30.1	**(687)**	(911)
	Office UK segment current tax	30.1	**(244)**	(174)
	Foreign exchange movements charged to equity		**8**	(32)
	Amounts owing at the reporting date		**158**	202
	Cash outflow		**(967)**	(1 068)
34.4	**Dividends paid**			
	Unclaimed dividends due to shareholders at the beginning of the reporting period		**(4)**	(3)
	Amounts charged to equity	31	**(2 204)**	(1 990)
	Unclaimed dividends due to shareholders at the reporting date	21	**4**	4
	Cash outflow		**(2 204)**	(1 989)
34.5	**Acquisition of property, plant and equipment to expand operations**			
	Equipment, furniture and fittings		**(451)**	(440)
	Computer equipment		**(36)**	(21)
	Buildings		**(99)**	(136)
	Motor vehicles		**-**	(2)
	Cash outflow		**(586)**	(599)
34.6	**Acquisition of plant and equipment to maintain operations**			
	Equipment, furniture and fittings		**(123)**	(64)
	Computer equipment		**(40)**	(5)
	Buildings		**(1)**	(9)
	Motor vehicles		**(2)**	(1)
	Cash outflow		**(166)**	(79)
34.7	**Leases paid**			
	Payment of principal portion of lease liabilities		**(1 101)**	(1 254)
	Cash outflow		**(1 101)**	(1 254)

35 DISTRIBUTION CENTRE

On 2 August 2022 the Group concluded a suite of agreements with the Atterbury group to establish a 50/50 joint operation to acquire a 99-year leasehold title to industrial land, and develop thereon a distribution centre (DC) for the Truworths Africa segment. Construction of the DC was completed by the end of November 2023 in accordance with 'green' building standards and the building was awarded EDGE Advanced certification in July 2024 shortly after the period end.

The Group's 50% share in the DC is held in a newly formed wholly-owned subsidiary, K2022434602 (South Africa) (Pty) Ltd trading as Truworths Real Estate Investment Company (TREIC). Upon completion of construction, the DC was leased by the joint operators TREIC and King Air Industria (Pty) Ltd (KAI) (a subsidiary of the Atterbury group) to the Group's main operating subsidiary, Truworths Ltd. The lease commenced on 1 December 2023 and is for an initial period of 15 years. Truworths Ltd is responsible for the procurement and installation of the materials handling equipment, which installation is expected to be completed in the first half of the 2025 financial period.

Around mid-December 2022 TREIC took transfer of 50% of the leasehold rights in the land at a cost of R77 million. The leasehold rights constitute a lease in terms of IFRS 16 and accordingly a right-of-use asset was recognised in December 2022. As the full purchase consideration for the land was paid on transfer, no corresponding lease liability was recognised. The right-of-use asset in respect of the leasehold rights is depreciated over the 99-year lease term. Refer to note 3 for further information.

At the reporting date TREIC has incurred and capitalised construction and related costs in the amount of R171 million. No depreciation has been recognised as the residual value of the building exceeds the cost thereof.

TREIC's share of the land and development costs of the DC is funded through a term loan facility concluded in December 2022. The term loan is classified as a 'green loan' (refer to note 16 for further information).

The interest incurred on this facility was capitalised to the DC in terms of IAS 23 up until the completion of construction. At the reporting date interest of R16 million had been capitalised (refer to note 2 for further information).

Truworths Ltd has entered into a separate agreement with another service provider to supply and install the materials handling equipment. At the reporting date R380 million had been incurred and capitalised to plant and equipment (refer to note 2 for further information).

The Group has the right to acquire the joint operator's 50% share in the leasehold rights in respect of the land and the DC building thereon on the 5th or 8th anniversary of the commencement of the lease between the joint operators and Truworths Ltd. Furthermore, the Group also has the option to acquire the adjacent stand within 2 years from the commencement of the lease between the joint operators and Truworths Ltd. The Group has not made a decision on either of these options. These options represent the right to acquire property and accordingly fall outside the scope of IFRS 9 and are therefore not recognised in the financial statements.

36 SEGMENT REPORTING

The Group's reportable segments have been identified as the Truworths Africa and Office UK business units. The Truworths Africa business unit comprises all of the retailing activities conducted by the Group in Africa through which the Group retails fashion apparel comprising clothing, footwear and other fashion products as well as homeware. Included in the Truworths Africa business unit is the YDE business unit which comprises the agency activities through which the Group retails clothing, footwear and related products on behalf of emerging South African designers. The Office UK business unit comprises the footwear retail activities conducted by the Group through stores, concession outlets and an e-commerce channel in the United Kingdom and Republic of Ireland.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is reported on an IFRS Accounting Standards basis and evaluated based on revenue, EBITDA and profit before tax.

		Note	Truworths Africa Rm	Office Rm	Consoli-dation entries Rm	Group Rm
36	**SEGMENT REPORTING** (continued)					
36.1	**Reportable segment information**					
	2024					
	Total revenue	27	**15 490**	**7 012**	**(66)**	**22 436**
	Third party		**15 428**	**7 008**	**-**	**22 436**
	Inter-segment		**62**	**4**	**(66)**	**-**
	Trading expenses		**6 175**	**2 055**	**(62)**	**8 168**
	Depreciation and amortisation	28.2	**1 170**	**305**	**-**	**1 475**
	Employment costs	28.3	**2 019**	**699**	**-**	**2 718**
	Occupancy costs	28.4	**668**	**404**	**-**	**1 072**
	Trade receivable costs	28.5	**1 310**	**-**	**-**	**1 310**
	Net bad debt and expected credit losses raised		**1 168**	**-**	**-**	**1 168**
	Other trade receivable costs		**142**	**-**	**-**	**142**
	Other operating costs	28.6	**1 008**	**647**	**(62)**	**1 593**
	Interest income	27	**1 319**	**69**	**-**	**1 388**
	Finance costs	28.7	**425**	**51**	**-**	**476**
	Profit for the period		**2 045**	**1 855**	**-**	**3 900**
	Profit before tax		**2 739**	**2 416**	**-**	**5 155**
	Tax expense		**(694)**	**(561)**	**-**	**(1 255)**
	EBITDA		**4 334**	**2 772**	**-**	**7 106**
	Segment assets		**24 489**	**5 081**	**(10 918)***	**18 652**
	Segment liabilities		**7 131**	**2 050**	**(35)***	**9 146**
	Capital expenditure		**632**	**181**	**-**	**813**
	Key ratios					
	Gross margin (%)		**54.9**	**47.0**	**-**	**52.3**
	Trading margin (%)		**13.3**	**34.6**	**-**	**20.4**
	Operating margin (%)		**23.1**	**35.5**	**-**	**27.3**
	Inventory turn (times)		**4.0**	**4.8**	**-**	**4.3**
	Account: cash sales mix (%)		**70:30**	**0:100**	**-**	**48:52**
	2023					
	Total revenue	27	16 112	5 907	(27)	21 992
	Third party		16 088	5 904	-	21 992
	Inter-segment		24	3	(27)	-
	Trading expenses		6 057	1 738	(23)	7 772
	Depreciation and amortisation	28.2	1 139	220	-	1 359
	Employment costs	28.3	1 915	590	(16)	2 489
	Occupancy costs	28.4	604	357	-	961
	Trade receivable costs	28.5	1 265	18	-	1 283
	Other operating costs	28.6	1 134	553	(7)	1 680
	Interest income	27	1 130	14	(1)	1 143
	Finance costs	28.7	350	29	(1)	378
	Profit for the period		2 478	810	-	3 288
	Profit before tax		3 374	1 023	-	4 397
	Tax expense		(896)	(213)	-	(1 109)
	EBITDA		4 863	1 272	(1)	6 134
	Segment assets		18 739	3 243	(5 849)*	16 133
	Segment liabilities		6 544	1 948	(13)*	8 479
	Capital expenditure		651	94	-	745
	Key ratios					
	Gross margin (%)		55.4	45.2	-	52.5
	Trading margin (%)		18.1	18.3	-	18.2
	Operating margin (%)		26.2	18.5	-	24.0
	Inventory turn (times)		4.5	3.8	-	4.2
	Account: cash sales mix (%)		70:30	0:100	-	51:49

* Elimination of investment in Office as well as inter-segment assets and liabilities.

		2024 Contribution to revenue Rm	2024 %	2023 Contribution to revenue Rm	2023 %
36	**SEGMENT REPORTING** (continued)				
36.2	**Third party revenue**				
	South Africa	**14 898**	**66.5**	15 563	70.8
	United Kingdom	**6 650**	**29.6**	5 501	25.0
	Republic of Ireland	**343**	**1.5**	276	1.3
	Namibia	**183**	**0.8**	187	0.9
	Botswana	**177**	**0.8**	169	0.8
	Eswatini	**119**	**0.6**	119	0.5
	Lesotho	**29**	**0.1**	31	0.1
	Zambia	**22**	**0.1**	19	0.1
	Rest of Europe#	**8**	**- ***	7	- *
	United States#	**5**	**- ***	3	- *
	Germany	**1**	**- ***	116	0.5
	Middle East, Asia and Australia#	**1**	**- ***	1	- *
	Total third party revenue (refer to note 27)	**22 436**	**100**	21 992	100

* Zero due to rounding

\# Ecommerce revenue

		Note	2024 Contribution to sale of merchandise Rm	2024 %	2023 Contribution to sale of merchandise Rm	2023 %
36.3	**Components of sale of merchandise**					
	Truworths ladieswear		**3 752**	**18.2**	3 924	19.7
	Truworths designer emporium*		**1 388**	**6.7**	1 459	7.3
	Truworths ladieswear		**5 140**	**24.9**	5 383	27.0
	Office		**6 848**	**33.1**	5 621	28.3
	Truworths menswear**		**3 619**	**17.5**	3 734	18.8
	Identity		**2 289**	**11.1**	2 420	12.2
	Truworths kids emporium@		**1 430**	**6.9**	1 522	7.7
	Other#		**2 052**	**10.0**	1 947	9.8
	Group retail sales		**21 378**	**103.5**	20 627	103.8
	Wholesale sales		**4**	**0.0**	25	0.1
	Delivery fee income		**86**	**0.4**	76	0.3
	Variable consideration adjustments^		**(804)**	**(3.9)**	(834)	(4.2)
	Sale of merchandise	27	**20 664**	**100**	19 894	100
	YDE agency sales		**216**		233	

* Daniel Hechter Ladies, Ginger Mary, Glamour, LTD Ladies and Earthaddict.

** Truworths Man, Uzzi, Daniel Hechter Mens, LTD Mens and Fuel.

@ LTD Kids, Earthchild and Naartjie.

\# Cosmetics, cellular, Truworths Jewellery, Office London (South Africa), Loads of Living and Sync.

^ Refer to note 27 for further information.

		2024 Rm	2023 Rm
36	**SEGMENT REPORTING** (continued)		
36.4	**Non-current assets**		
	South Africa	**2 760**	2 446
	United Kingdom	**1 562**	481
	Republic of Ireland	**13**	-
	Botswana	**17**	15
	Namibia	**7**	9
	Eswatini	**2**	2
		4 361	2 953

Non-current assets represent property, plant and equipment, goodwill and intangible assets.

		Note	2024 Rm	2023 Rm
36.5	**Right-of-use assets**			
	South Africa		**2 722**	2 562
	United Kingdom		**595**	552
	Republic of Ireland		**131**	94
	Botswana		**38**	42
	Namibia		**28**	41
	Eswatini		**19**	20
	Zambia		**7**	13
	Lesotho		**4**	5
	Germany		**1**	-
		3	**3 545**	3 329

37 EVENTS AFTER THE REPORTING DATE

No event which is material to the understanding of this report has occurred between the reporting date and the date of this report.

COMPANY ANNUAL FINANCIAL STATEMENTS

CONTENTS

Registration number: 1944/017491/06
Registered office: No.1 Mostert Street, Cape Town, 8001, South Africa

COMPANY STATEMENTS OF FINANCIAL POSITION

	Note	at 30 June 2024 R'000	at 2 July 2023 R'000
ASSETS			
Non-current assets			
Assets held at fair value	2	**39 353 804**	28 797 456
Current assets		**10 198**	9 489
Loans and other receivables	3	**127**	854
Tax receivable	14.3	**64**	78
Cash and cash equivalents	4	**10 007**	8 557
Total assets		**39 364 002**	28 806 945
EQUITY AND LIABILITIES			
Total equity		**37 767 866**	27 219 663
Share capital	5	**61**	61
Retained earnings		**6 750 383**	6 746 782
Non-distributable reserves	6	**31 017 422**	20 472 820
Current and total liabilities		**1 596 136**	1 587 282
Loans and other payables	7	**1 596 136**	1 587 282
Total equity and liabilities		**39 364 002**	28 806 945

COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Note	52 weeks to 30 June 2024 R'000	52 weeks to 2 July 2023 R'000
Revenue	10	**2 378 683**	2 157 674
Other income	10	**20 750**	12 486
Expenses		**(18 044)**	(20 751)
Board and committee fees	11.1	**(9 603)**	(9 037)
Other operating costs	11.2	**(8 441)**	(11 714)
Profit/(loss) before dividend and interest income		**2 706**	(8 265)
Dividend income	10	**2 357 038**	2 144 619
Interest income	10	**895**	569
Profit before tax		**2 360 639**	2 136 923
Tax	12.1	-	39
Profit for the period		**2 360 639**	2 136 962
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Fair value adjustment on assets held at fair value	6.2	**-**	4 389
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Revaluation of subsidiaries	6.2	**10 542 977**	7 241 923
Fair value adjustment on assets held at fair value	6.2	**1 625**	-
Other comprehensive income for the period		**10 544 602**	7 246 312
Total comprehensive income for the period		**12 905 241**	9 383 274

COMPANY STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital R'000	Treasury shares R'000	Retained earnings R'000	Non-distri-butable reserves R'000	Total equity R'000
2024						
Balance at the beginning of the reporting period		**61**	**-**	**6 746 782**	**20 472 820**	**27 219 663**
Total comprehensive income for the period		**-**	**-**	**2 360 639**	**10 544 602**	**12 905 241**
Profit for the period		**-**	**-**	**2 360 639**	**-**	**2 360 639**
Other comprehensive income for the period	6.2	**-**	**-**	**-**	**10 544 602**	**10 544 602**
Dividends declared	13	**-**	**-**	**(2 357 038)**	**-**	**(2 357 038)**
Balance as at 30 June 2024		**61**	**-**	**6 750 383**	**31 017 422**	**37 767 866**
2023						
Balance at the beginning of the reporting period		61	(20 727)	6 802 915	13 226 508	20 008 757
Total comprehensive income for the period		-	-	2 136 962	7 246 312	9 383 274
Profit for the period		-	-	2 136 962	-	2 136 962
Other comprehensive income for the period	6.2	-	-	-	7 246 312	7 246 312
Dividends declared	13	-	-	(2 144 619)	-	(2 144 619)
Shares repurchased		-	(27 749)	-	-	(27 749)
Shares cancelled	5	-	48 476	(48 476)	-	-
Balance as at 2 July 2023		61	-	6 746 782	20 472 820	27 219 663

COMPANY STATEMENTS OF CASH FLOWS

	Note	52 weeks to 30 June 2024 R'000	52 weeks to 2 July 2023 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash outflow from profit before tax	14.1	**(5 610)**	(507)
Dividends received		**2 357 038**	2 144 619
Working capital movements	14.2	**2 658**	(1 183)
Cash generated from operations		**2 354 086**	2 142 929
Interest received	14.1	**895**	569
Tax paid	14.3	**14**	(59)
Cash inflow from operations		**2 354 995**	2 143 439
Dividends paid	14.4	**(2 356 268)**	(2 144 006)
Net cash outflow from operating activities		**(1 273)**	(567)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received from subsidiary company	14.6	**2 723**	2 462
Net cash generated from financing activities		**2 723**	2 462
Net increase in cash and cash equivalents		**1 450**	1 895
Cash and cash equivalents at beginning of period		**8 557**	6 662
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	4	**10 007**	8 557

		Note	2024 R'000	2023 R'000
2	**ASSETS HELD AT FAIR VALUE**			
	Shares in Truworths Ltd*	9.6.2	**26 795 961**	22 392 584
	Shares in Truworths UK Holdco 1 Ltd*	9.6.2	**10 883 124**	5 835 902
	Shares in Young Designers Emporium (Pty) Ltd*	9.6.2	**377 559**	302 766
	Shares in Truworths Trading (Pty) Ltd*	9.6.2	**1 260 018**	242 433
	Insurance cell captive**	2.1	**24 455**	12 709
	Personal lines insurance business arrangement*	2.2	**12 687**	11 062
	Balance at the reporting date		**39 353 804**	28 797 456

A detailed listing of all subsidiaries is contained in Annexure One.
* Held at fair value through other comprehensive income
** Held at fair value through profit or loss

2.1 Insurance cell captive

The Group's insurance cell became operative with effect from 1 July 2013. This cell, underwritten by Old Mutual Insure, receives a portion of the Group's short-term insurance premiums and meets the Group's corporate short-term insurance claims as and when they arise up to a prescribed limit.

The company's interest in the insurance cell is represented by an investment in 1 C1 Class variable rate redeemable profit participating preference share in Old Mutual Alternative Risk Transfer Limited, formerly Mutual & Federal Risk Financing Limited, entitling the Group to the profits of the cell. Dividends received are accounted for as dividend income.

The Group is required to ensure that the insurance cell remains in a financially sound condition at all times and maintains capital adequacy requirements (CAR) as determined by the insurance regulator in South Africa and Old Mutual Insure. If the Group fails to maintain the CAR, it will be required to subscribe for further shares at a premium sufficient to restore the insurance cell to a financially sound position.

The insurance cell has been valued at its net asset value at the reporting date in accordance with the agreement with Old Mutual Insure and approximates fair value.

	Note	2024 R'000	2023 R'000
Fair value at the reporting date	9.6.2	**24 455**	12 709

2.2 Personal lines insurance business arrangement

The Group has a business arrangement with Hollard Life Assurance Company Ltd (Hollard) in terms of which Hollard underwrites the account balance protection and life insurance products offered by the Group as a representative of Hollard for the benefit of account customers of the Group.

The Group's interest is represented by an investment in 50 A1 Class ordinary shares in Hollard Business Associates (Pty) Ltd entitling the Group to a share of the profits of the business arrangement. Dividends received are accounted for as dividend income.

The personal lines insurance business arrangement does not represent an insurance or reinsurance contract issued, nor does it hold reinsurance contracts, and accordingly falls outside the scope of IFRS 17. Hollard carries 100% of the insurance risk.

The Group's interest in the business arrangement has been valued to approximate its net asset value, as calculated per the formula in the agreement with Hollard, and this approximates fair value.

	Note	2024 R'000	2023 R'000
Fair value at the reporting date	9.6.2	**12 687**	11 062

		2024 R'000	2023 R'000
3	**LOANS AND OTHER RECEIVABLES**		
	Interest receivable	**80**	2
	Amount due by Truworths UK Holdco 1 Ltd#	**44**	44
	Accrued income *	**-**	800
	Other receivables	**3**	8
	Balance at the reporting date	**127**	854

* This relates to management fees receivable from Truworths Limited

The directors consider the carrying amounts of all loans and other receivables to approximate their fair values.

#The amount owing by Truworths UK Holdco 1 Ltd is unsecured, interest-free and repayable on demand.

Refer to note 9.3 for further information relating to credit risk management.

		2024 R'000	2023 R'000
4	**CASH AND CASH EQUIVALENTS**		
	Balance at the reporting date	**10 007**	8 557

Cash and cash equivalents comprise balances with banks, which earn interest based on floating daily bank deposit rates. Refer to notes 9.2.1 and 9.3 for further information relating to interest rate risk and credit risk management respectively.

		2024 R'000	2023 R'000
5	**SHARE CAPITAL**		
	Ordinary share capital		
	Authorised		
	650 000 000 (2023: 650 000 000) ordinary par value shares of 0.015 cent each	**98**	98
	Issued and fully paid		
	408 498 899 (2023: 408 498 899) ordinary par value shares of 0.015 cent each	**61**	61

The company has one class of ordinary shares which carry no rights to fixed income.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company's shareholders.

	2024 Number of shares 000's	2023 Number of shares 000's
Reconciliation of movement in issued shares		
Balance at the beginning of the period	**408 498**	409 455
Shares repurchased and cancelled during the period	**-**	(957)
Balance at the reporting date	**408 498**	408 498

			2024 R'000	2023 R'000
6	**NON-DISTRIBUTABLE RESERVES**			
	Equity-settled compensation reserve	6.1	**137 790**	137 790
	Revaluation reserve	6.2	**30 934 056**	20 389 454
	Cash flow hedging reserve	6.3	**(54 424)**	(54 424)
	Balance at the reporting date		**31 017 422**	20 472 820
6.1	**Reconciliation of equity-settled compensation reserve**			
	Balance at the beginning and end of the period		**137 790**	137 790
6.2	**Reconciliation of revaluation reserve**			
	Balance at the beginning of the period		**20 389 454**	13 143 142
	Fair value adjustment	9.6.2	**10 544 602**	7 246 312
	Balance at the reporting date		**30 934 056**	20 389 454
6.3	**Cash flow hedging reserve**			
	Balance at the beginning and end of the period		**(54 424)**	(54 424)

		Note	2024 R'000	2023 R'000
7	**LOANS AND OTHER PAYABLES**			
	Amount owing to Truworths Ltd	14.6, 9.4	**1 587 898**	1 581 745
	Value-added tax		**5**	125
	Other payables and accrued expenses		**3 834**	1 783
	Unclaimed dividends owing to shareholders	14.4, 9.4	**4 399**	3 629
	Balance at the reporting date		**1 596 136**	1 587 282

The directors consider the carrying amounts of all loans and other payables to approximate their fair values.
Terms and conditions of financial liabilities:

- The amount owing to Truworths Ltd is interest-free and repayable on demand.
- Other payables and accrued expenses and value-added tax are non-interest-bearing provided they are settled within their respective credit terms.
- Unclaimed dividends owing to shareholders are non-interest-bearing and are repayable on demand.

Refer to note 9.4 for further information relating to liquidity risk management.

8 CONTINGENT LIABILITIES

The company is a guarantor for the external borrowings of Truworths Ltd, Truworths Real Estate Investment Company (TREIC) and Truworths UK Holdco 2 Ltd (until December 2023 when this latter facility was cancelled).

9 FINANCIAL RISK MANAGEMENT

9.1 In the ordinary course of business operations, the company is exposed to a variety of financial risks arising from the use of financial instruments. These risks include:

- market risk (comprising interest rate risk and other price risk);
- credit risk; and
- liquidity risk.

The board of the company is responsible for risk governance, including in relation to financial risks, and is assisted by the directors of Truworths Ltd. The Risk Committee, a committee of the company's board, oversees the management of financial risks relating to the company's operations. The board has adopted King IV's risk governance and management principles and has established a policy framework which guides the company's risk management processes. These policies and guidelines are periodically examined by senior executives and adjusted, if necessary, to ensure that changes in the business and economic environment have been taken into account.

9.1.1 Treasury risk management objectives and policies

The board, acting on the recommendations of the Truworths Limited Investment Committee, oversees the management of the company's treasury function. It has developed and issued a comprehensive treasury policy and process to monitor and control the risks arising from the treasury function. The Investment Committee, which consists of senior executives, meets regularly to update treasury risk policies and objectives, as well as to re-evaluate risk management strategies against revised economic forecasts. Policy amendments have to be submitted to the board for approval. Compliance with the treasury policy is reviewed periodically by internal audit.

9.2 Market risk management

The company's exposure to market risk relates to interest rate risk and other price risk. Market risk is managed by identifying and quantifying risks on the basis of current and future expectations and by ensuring that all treasury trading occurs within defined parameters. This involves the review and implementation of methodologies to reduce risk exposure. The reporting on the state of the risk and risk practices to executive management is part of this process. The processes set up to measure, monitor and mitigate these market risks are described below. There has been no change in the company's exposure to market risk or the manner in which it manages and measures the risk since the prior reporting period.

9 FINANCIAL RISK MANAGEMENT (continued)

9.2 Market risk management (continued)

9.2.1 Interest rate risk

The company is exposed to cash flow interest rate risk on its floating rate cash and cash equivalents. The company does not hold any fixed rate interest instruments.

The company is not geared and is therefore not subject to interest rate risk on borrowings.

Interest rate analysis

No interest-bearing instruments have a maturity profile exceeding one year. The interest rates of interest-bearing instruments at the reporting date are summarised below:

	2024 %	2023 %
Floating rate at the reporting date for balances with banks	**8.3**	8.4

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on a fluctuation of 100 basis points in the prime interest rate and assumes that all other variables remain constant. A fluctuation of 100 basis points in the prime interest rate is considered appropriate based on recent forecasts and economic indicators.

A change of 100 basis points in interest rates would not have a material impact on the profits of the company. The analysis was performed on the same basis for 2023.

9.2.2 Other price risk

The company is exposed to fluctuations in the fair value of investments in subsidiaries that are classified as equity instruments measured at fair value through other comprehensive income. Refer to note 9.6 for further information relating to the relevant valuation techniques used in determining the fair value of investments in subsidiaries.

The fair value of the investment in subsidiaries (excluding Truworths Trading (Pty) Ltd, the insurance cell captive and the personal lines insurance business arrangement) is sensitive to changes in the EV/EBITDA valuation multiple applied in the calculation, the subsidiaries' EBITDA and the applicable control premium. A 0.1 times increase or decrease in the EV/EBITDA multiple increases or decreases the combined enterprise value of these assets investments by approximately R637 million, while a 1 percentage point increase or decrease in the control premium increases or decreases their equity value by approximately R312 million.

9.3 Credit risk

The company's exposure to credit risk relates to loans and other receivables and cash and cash equivalents. Refer to note 3 for further information relating to loans and other receivables and note 4 for cash and cash equivalents.

The company's maximum exposure to credit risk amounted to R10 million (2023: R10 million) at the reporting date. Loans and other receivables are neither past due nor impaired.

9.3.1 Loans and other receivables

Truworths UK Holdco 1 Ltd is in a sound financial position and has the ability to repay the loan on demand, therefore the company is not exposed to significant credit risk on this unsecured loan.

9.3.2 Cash and cash equivalents

The company invests surplus cash only with A1+ (ZA) and approved A1 (ZA) rated financial institutions. The amount of exposure to any one counterparty is subject to the limits imposed by the Group's treasury policy in order to achieve a spread of risk and opportunity.

9 FINANCIAL RISK MANAGEMENT (continued)

9.4 Liquidity risk

The company's exposure to liquidity risk relates to loans and other payables.

The expected maturity profile of the company's financial liabilities at the reporting date, based on contractual undiscounted payments, including contractual interest payable (where applicable), is as follows:

	Note	Settled on demand R'000	Settled before 30 days R'000	Settled between 30-59 days R'000	Total R'000
2024					
Amount owing to Truworths Ltd	7	**1 587 898**	**-**	**-**	**1 587 898**
Other payables and accrued expenses		**-**	**5**	**3 755**	**3 760**
Unclaimed dividends due to shareholders	7	**4 399**	**-**	**-**	**4 399**
		1 592 297	**5**	**3 755**	**1 596 057**
2023					
Amount owing to Truworths Ltd	7	1 581 745	-	-	1 581 745
Other payables and accrued expenses		-	31	1 684	1 715
Unclaimed dividends due to shareholders	7	3 629	-	-	3 629
		1 585 374	31	1 684	1 587 089

The amount owing to Truworths Ltd relates mainly to financial assistance provided by Truworths Ltd to the company for the purpose of share buy-backs in prior periods. While the amount is repayable on demand, the company is able to control the timing of repayment of the amount through its control over Truworths Ltd. Accordingly, the amount owing to Truworths Ltd does not expose the company to liquidity risk.

9.5 Items of income, expense, gains or losses

	Fair value gains R'000	Dividends received R'000	Interest received R'000	Net gains R'000
2024				
Financial assets and liabilities				
Assets held at fair value	**10 552 918**	**2 357 038**	**-**	**12 909 956**
Loans and receivables	**-**	**-**	**895**	**895**
2023				
Financial assets and liabilities				
Assets held at fair value	7 238 554	2 144 619	-	9 383 173
Loans and receivables	-	-	569	569

9 FINANCIAL RISK MANAGEMENT (continued)

9.6 Fair value of financial instruments

9.6.1 Fair value measurement

All financial instruments have been recognised in the statements of financial position and there is no material difference between their fair values and carrying amounts. The following methods and assumptions were used by the company in establishing fair values:

Financial assets and liabilities (other than assets held at fair value)

Carrying amounts reported in the statements of financial position at amortised cost approximate fair values. The fair value of the financial instruments at the reporting date has been determined using available market information and appropriate valuation methodologies.

Assets held at fair value through other comprehensive income

Shares in subsidiaries are classified as equity instruments and are measured at fair value through other comprehensive income. Direct subsidiaries of Truworths International Ltd include Truworths Ltd (the Group's main trading subsidiary in South Africa and holding company of the Group's trading subsidiaries in the rest of Africa), Truworths UK Holdco 1 Ltd (the Group's UK investment holding company of the Group's trading subsidiary in the UK), Young Designers Emporium (Pty) Ltd (the YDE trading subsidiary), Truworths Trading (Pty) Ltd (the Group's treasury share investment holding company) and K2022434602 (South Africa) (Pty) Ltd (the real estate investment company holding the Group's 50% share in the new Truworths Africa distribution centre).

The Group determines the fair value of the company's investments in Truworths Ltd, Truworths UK Holdco 1 Ltd and Young Designers Emporium (Pty) Ltd with reference to consensus income valuation multiples applicable to the Group, specifically enterprise value (EV)/EBITDA multiples, adjusted for control, marketability and other relevant factors. This methodology ensures a consistent valuation approach across the Group's main trading subsidiaries and reflects current market valuations. The EV/EBITDA multiples are compared to peer group multiples in South Africa and the UK for reasonability. This methodology combines the principles of the income and market approach.

The fair value of the Group's treasury share holding company, Truworths Trading (Pty) Ltd, is determined with reference to that company's net asset value which approximates its fair value given the nature of the underlying assets and liabilities in that entity. The fair value of the Group's real estate investment company, K2022434602 (South Africa) (Pty) Ltd is determined with reference to the buy-out multiple per the agreement between that company and the joint operator, which reflects a market related real estate rental return rate, plus other assets and less other liabilities. The fair values of the Group's short-term insurance cell captive and personal lines insurance business arrangement are determined with reference to the net asset value of these interests per management accounts prepared by third parties.

Valuation assumptions	**2024**
Truworths International Limited Group EV/EBITDA multiple	6.3 times
South African peer group EV/EBITDA multiple range	4.9 times to 7.2 times
Control premium	22%

9.6.2 Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

At the reporting date, the company's assets held at fair value were the only financial assets measured at fair value through other comprehensive income or fair value through profit and loss. The fair value measurement of these assets is classified as level 3.

A reconciliation of the movements in each of the assets held at fair value is set out below:

9 FINANCIAL RISK MANAGEMENT (continued)

9.6 Fair value of financial instruments (continued)

9.6.2 Fair value hierarchy (continued)

	Note	2024 R'000	2023 R'000
Shares in Truworths Ltd			
Balance at the beginning of the period		**22 392 584**	20 637 263
Revaluation recognised in other comprehensive income*		**4 403 377**	1 755 321
Balance at the reporting date	2	**26 795 961**	22 392 584
Shares in Truworths UK Holdco 1 Ltd			
Balance at the beginning of the period		**5 835 902**	783 913
Revaluation recognised in other comprehensive income*		**5 047 222**	5 051 989
Balance at the reporting date	2	**10 883 124**	5 835 902
Shares in Young Designers Emporium (Pty) Ltd			
Balance at the beginning of the period		**302 766**	110 586
Revaluation recognised in other comprehensive income*		**74 793**	192 180
Balance at the reporting date	2	**377 559**	302 766
Shares in Truworths Trading (Pty) Ltd			
Balance at the beginning of the period		**242 433**	-
Revaluation recognised in other comprehensive income*		**1 017 585**	242 433
Balance at the reporting date	2	**1 260 018**	242 433
Insurance cell captive			
Balance at the beginning of the period		**12 709**	14 241
Premiums received during the period		**8 091**	14 434
Claims paid during the period		**(4 661)**	(8 208)
Fair value adjustment recognised in other income/(other operating costs)	10, 11.2	**8 316**	(7 758)
Balance at the reporting date	2.1	**24 455**	12 709
Personal lines insurance business arrangement			
Balance at the beginning of the period		**11 062**	6 673
Fair value adjustment*		**1 625**	4 389
Balance at the reporting date	2.2	**12 687**	11 062
*Total fair value adjustment recognised in revaluation reserve	6.2	**10 544 602**	7 246 312

9 FINANCIAL RISK MANAGEMENT (continued)

9.7 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while enhancing the return to its stakeholders. The company's overall strategy has remained unchanged from 2023.

The capital structure of the company consist of equity, comprising issued ordinary share capital, non-distributable reserves and retained earnings. Refer to notes 5 to 6 for further information.

The primary objectives of the company's capital management are:

- to ensure that the company maintains healthy capital ratios to support its business;
- to enhance the return to shareholders after benchmarking anticipated returns against the company's financial targets;
- to ensure that the company will be able to continue as a going concern and have sufficient capital for its operations; and
- to provide flexibility so as to be able to take advantage of opportunities that could improve shareholder value.

The management of capital is reviewed by the board on a quarterly basis. The company will manage the overall capital structure through, but not limited to, dividend payments and share buy-backs, either directly or through subsidiaries. The company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the needs of the company.

The company is not subject to any externally imposed minimum capital requirements, save that in terms of the Companies Act (71 of 2008, as amended) it must ensure that following any share repurchases or payments to shareholders, on a fair value basis, its assets must exceed its liabilities, its capital must be adequate for the purposes of its business and it must be able to pay its debts when they fall due. Consequently, when such transactions are in contemplation, management considers their impact on the company's solvency, liquidity and equity.

	Note	2024 R'000	2023 R'000
Profit for the period		**2 360 639**	2 136 962
Equity of the company		**37 767 866**	27 219 663

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

			2024 R'000	2023 R'000
10	**REVENUE**			
	Dividend income		**2 357 038**	2 144 619
	Other income		**20 750**	12 486
	Management fees received		**12 420**	11 850
	Other income		**14**	636
	Fair value adjustment in respect of insurance cell captive*	9.6.2, 14.1	**8 316**	-
	Interest income		**895**	569
			2 378 683	2 157 674
	Revenue		**2 370 367**	2 157 674
	*Items not included in revenue		**8 316**	-
			2 378 683	2 157 674
11	**PROFIT BEFORE TAX**			
	Profit before tax is stated after taking account of the following items:			
11.1	**Board and committee fees**			
	Directors fees		**6 729**	6 485
	Board committee fees		**2 874**	2 552
			9 603	9 037

The detail of fees by director is included in note 29.1 in the Group Audited Annual Financial Statements. The difference in the amount disclosed in that note compared to this note relates to value-added tax and skills development levy which is expensed as the company is unable to claim the input tax.

			2024 R'000	2023 R'000
11.2	**Other operating costs**			
	Management, administrative and secretarial fees incurred include:			
	Financial reporting fees		**1 656**	1 956
	JSE and STRATE fees		**1 601**	1 306
	Consulting fees		**705**	153
	Transfer secretaries' fees		**160**	149
	Fair value adjustment in respect of insurance cell	9.6.2, 14.1	**-**	7 758
	Other		**4 319**	392
			8 441	11 714

			2024 R'000	2023 R'000
12	**TAX EXPENSE**			
12.1	**Current period tax charge**			
	South African normal tax			
	Current period		**-**	8
	Prior period over provision		**-**	(47)
		14.3	**-**	(39)

Tax returns and payments

The company has lodged its income tax return for the 2023 tax year. The most recent tax assessment issued by the South African Revenue Service to the company was in respect of the 2023 tax year. The required income tax payments for the 2024 year of assessment have been made.

		2024 %	2023 %
12.2	**Reconciliation of effective tax rate**		
	South African normal tax rate	**27.0**	27.0
	Decrease in rate of tax due to	**(27.0)**	(27.0)
	Non-taxable income^	**(27.0)**	(27.1)
	Disallowed expenditure*	**-**	0.1
	Effective tax rate	**-**	-

* The company has expenses disallowed as deductions for tax purposes, as they are considered of a capital nature, of R1.4 million (2023: R1 million).

^ The company has non-taxable income, which substantively comprises dividend income which is tax exempt, of R2.36 billion (2023: R2.15 billion).

The company also reflects non-taxable income relating to a fair value gain on financial assets of R5.15 million (2023: disallowable expenses relating to a fair value loss on financial assets of R7.76 million).

		2024 R'000	2023 R'000
13	**DIVIDENDS**		
	Interim dividend - 2024		
	Cash dividend of 332 cents per share declared on 29 February 2024 and paid on 25 March 2024	**1 356 216**	
	Final dividend - 2023		
	Cash dividend of 245 cents per share declared on 31 August 2023 and paid on 26 September 2023	**1 000 822**	
	Interim dividend - 2023		
	Cash dividend of 320 cents per share declared on 23 February 2023 and paid on 20 March 2023	**-**	1 307 196
	Final dividend - 2022		
	Cash dividend of 205 cents per share declared on 1 September 2022 and paid on 26 September 2022	**-**	837 423
	Total dividends declared	**2 357 038**	2 144 619

The final dividend for the period ended 30 June 2024 of 197 cents per share, before deduction of dividends tax (where applicable), was declared on 11 September 2024 to shareholders registered on the record date of 4 October 2024. The cash dividend is payable on 7 October 2024. No liability regarding this final cash dividend has been recognised.

The directors have performed the required solvency and liquidity tests required by the Companies Act and are satisfied that the company has met the requirements of these tests prior to and, where applicable, immediately after the conclusion of the above transactions.

		Note	2024 R'000	2023 R'000
14	**NOTES TO THE STATEMENTS OF CASH FLOWS**			
14.1	**Cash flow from profit before tax**			
	Profit before tax		**2 360 639**	2 136 923
	(Deduct)/Add: Non-cash items		**(8 316)**	7 758
	Fair value adjustment of insurance cell captive	10,11.2	**(8 316)**	7 758
	Dividends received	10	**(2 357 038)**	(2 144 619)
	Interest received		**(895)**	(569)
	Cash outflow		**(5 610)**	(507)
14.2	**Working capital movements**			
	Increase/(decrease) in other payables and accrued expense		**1 931**	(4 068)
	Decrease in other receivables		**727**	2 885
	Cash inflow/(outflow)		**2 658**	(1 183)
14.3	**Tax paid**			
	Amounts receivable/(owing) at the beginning of the period		**78**	(20)
	Amounts credited to profit and loss: South African normal tax	12.1	**-**	39
	Amounts receivable at the reporting date		**(64)**	(78)
	Cash inflow/(outflow)		**14**	(59)
14.4	**Dividends paid**			
	Unclaimed dividends owing to shareholders at the beginning of the period		**(3 629)**	(3 016)
	Amounts charged to equity		**(2 357 038)**	(2 144 619)
	Unclaimed dividends owing to shareholders at the reporting date	7	**4 399**	3 629
	Cash outflow		**(2 356 268)**	(2 144 006)

14.6 Reconciliation of movements in assets and liabilities arising from financing activities

		Balance at the beginning of the period R'000	Cash movements R'000	Non-cash movements* R'000	Balance at the reporting date R'000
2024					
Truworths Ltd	7	**(1 581 745)**	**(2 723)**	**(3 430)**	**(1 587 898)**
2023					
Truworths Ltd	7	(1 545 308)	(2 462)	(33 975)	(1 581 745)

*In the prior year R27 749 000 related to amounts owing in respect of the shares that were repurchased and cancelled during the current period.

15 RELATED PARTY DISCLOSURES

During the period the company and its subsidiaries entered into various transactions with one another, in the ordinary course of business. Details of interest in and loan balances with subsidiaries are disclosed in notes 2, 7 and Annexure One.

Related party transactions during the period were as follows:

	Income received from R'000	Dividends received from R'000	Expenses paid on behalf of R'000	Dividends paid R'000	Amount due related parties R'000
2024					
Truworths Ltd	**12 420**	**2 181 287**	**-**	**-**	**(1 587 897)**
Truworths Trading (Pty) Ltd	**-**	**-**	**-**	**(152 968)**	**-**
Truworths International Limited Share Trust	**-**	**-**	**-**	**(231)**	**-**
Truworths UK Holdco 1 Ltd	**-**	**-**	**-**	**-**	**-**
2023					
Truworths Ltd	11 850	1 975 170	(2 344)	-	(1 581 745)
Truworths Trading (Pty) Ltd	-	-	-	(153 223)	-
Truworths International Limited Share Trust	-	-	-	(536)	-

Shareholders

The company's shares are widely held principally by public holders. The major shareholders of the company are detailed in the Shareholder Information section on pages 172 to 175.

Key management personnel

Details of the executive and non-executive directors' emoluments and shareholdings (including options) in the company are disclosed in notes 29.1 and 29.5 of the Group annual financial statements and Annexure Two.

Interests of directors in contracts

Refer to note 33 of the Group annual financial statements for further information relating to directors' interest in contracts with the company and its subsidiaries.

Other related parties

Refer to note 33 of the Group annual financial statements for further information relating to other related party transactions.

ANNEXURE ONE DETAILS OF SUBSIDIARIES

Name	Main business	Ordinary share capital and premium 2024	2023	Percentage held (effective interest) 2024 %	2023 %	Book value of shares 2024 Rm	2023 Rm
Direct subsidiaries							
All (Pty) Ltd companies unless otherwise stated							
Incorporated in South Africa							
Truworths Ltd	R	**R23 883 152**	R23 883 152	**100**	100	**26 796**	22 393
Young Designers Emporium	C	**R200**	R200	**100**	100	**378**	303
Truworths Trading	I	**R60**	R60	**100**	100	**1 260**	242
Truworths International Limited Share Trust	E	**N/A**	N/A	**100**	100	**N/A**	N/A
K2022434602 (South Africa)	RE	**R1**	-	**100**	-	**-**	-
The Apparel Manufacturers Employees Trust	E	**N/A**	-	**100**	-	**N/A**	N/A
Incorporated in the Isle of Man							
Truworths Intellectual Property Ltd	IP	**US$3**	US$3	**100**	100	**-**	-
Incorporated in the United Kingdom							
Truworths UK Holdco 1 Ltd	I	**£161 415 625**	£161 415 625	**100**	100	**10 883**	5 836

C = Commission agent, E = Employee share scheme, I = Investment holding, R = Retailing, IP = Intellectual property holding, RE = Real estate Investment

* Refer to note 3 in the company annual financial statements.

Dormant companies are excluded.

ANNEXURE ONE **DETAILS OF SUBSIDIARIES** (continued)

Name	Main business	Ordinary share capital and premium 2024	2023	Percentage held (effective interest) 2024 %	2023 %
Indirect subsidiaries					
All (Pty) Ltd companies unless otherwise stated					
Incorporated in South Africa					
Identity Retailing	C	**R2**	R2	**100**	100
Truworths Mostert Street Properties Share Block	S	**R5 920 950**	R5 920 950	**100**	100
K2020211444 (South Africa)	M	**R1**	R1	**100**	100
Truworths Collections	A	**R2**	R2	**100**	100
K2022461035 (South Africa)	M	**N/A**	N/A	**100**	100
Truworths Chairman's Foundation	CA	**N/A**	-	**100**	-
Truworths Community Foundation	CA	**N/A**	-	**100**	-
Truworths Social Involvement Trust	CA	**N/A**	-	**100**	-
Truworths Enterprise Development Trust	ED	**N/A**	-	**100**	-
Incorporated in Namibia					
Truworths (Namibia) Ltd	R	**N$14**	N$14	**100**	100
Incorporated in eSwatini					
Truworths (Swaziland) Ltd	R	**E40 000**	E40 000	**100**	100
Incorporated in Lesotho					
Truworths (Lesotho)	R	**M2**	M2	**100**	100
Incorporated in Botswana					
Truworths Botswana	R	**P100**	P100	**100**	100
Incorporated in Zambia					
Truworths (Zambia) Ltd	R	**ZK20 004 500**	ZK20 004 500	**100**	100
Incorporated in the United Kingdom					
Shoo 635 Ltd	IP	**£1**	£1	**100**	100
Truworths UK Holdco 2 Ltd	I	**£181 595 892**	£181 570 892	**99.4**	99.1
Truworths UK Holdco 3 Ltd	I	**£161 415 625**	£161 415 625	**99.4**	99.1
Office Retail Group Ltd	I	**£1 700 000**	£1 700 000	**99.4**	99.1
Office Retail Midco 1 Ltd	I	**£2 000 000**	£2 000 000	**99.4**	99.1
Office Retail Ltd	I	**£2 000 000**	£2 000 000	**99.4**	99.1
Office Holdings Ltd	R	**£220 731**	£220 731	**99.4**	99.1

C = Commission agent, I = Investment holding, IP = Intellectual property holding, R = Retailing, M = Manufacturing,
S = Share block scheme, A = Administrative support services, CA = Charitable activities, ED = Enterprise development

Dormant companies are excluded.

ANNEXURE TWO DETAILS OF DIRECTORS' HOLDINGS OF SHARES AND EQUITY-BASED AWARDS

1 DIRECTORS' HOLDINGS OF SHARES AND EQUITY-BASED AWARDS

	RSPs 000's	PSPs 000's	SARs 000's	PARs 000's	Shares 000's	Options 000's	Total 000's
2024							
In aggregate							
Balance at the beginning of the period	28	1 516	15	12	2 142	463	4 176
Awarded during the period	-	365	-	-	-	-	365
Exercised during the period	-	-	(15)	(12)	-	(450)	(477)
Gained during the period due to corporate performance targets (CPT's) being met	-	221	-	-	-	-	221
Vested during the period	(9)	(147)	-	-	-	-	(156)
Awards vested, exercised and retained	-	-	-	-	251	-	251
Shares sold during the period	-	(218)	-	-	(1 078)	-	(1 296)
Indirect holdings included	-	-	-	-	102	-	102
Balance at the reporting date	19	1 737	-	-	1 417	13	3 186
By director							
The direct and indirect interest of each of the directors in the company's shares, which are held either beneficially or pursuant to the equity-settled share scheme, are as follows:							
Executive directors	19	1 737	-	-	1 328	13	3 097
Michael Mark	-	1 041	-	-	1 161	-	2 202
Sarah Proudfoot	-	457	-	-	146	13	616
Emanuel Cristaudo	19	239	-	-	21	-	279
Non-executive directors	-	-	-	-	89	-	89
Hilton Saven	-	-	-	-	83	-	83
Tony Taylor	-	-	-	-	3	-	3
Wayne Muller	-	-	-	-	3	-	3
Balance at the reporting date	19	1 737	-	-	1 417	13	3 186
Comprising:							
Direct interest	19	1 737	-	-	1 232	13	3 001
Indirect interest	-	-	-	-	185	-	185
Total	19	1 737	-	-	1 417	13	3 186

	Direct interest 000's	Indirect interest 000's
Michael Mark	2 102	100
Sarah Proudfoot	616	-
Emanuel Cristaudo	279	-
Hilton Saven	-	83
Tony Taylor	3	-
Wayne Muller	1	2
	3 001	185

1 DIRECTORS' HOLDINGS OF SHARES AND EQUITY-BASED AWARDS (continued)

	RSPs 000's	PSPs 000's	SARs 000's	PARs 000's	Shares 000's	Options 000's	Total 000's
2023							
In aggregate							
Balance at the beginning of the period	37	1 214	15	12	1 955	463	3 696
Granted during the period	-	470	-	-	-	-	470
Gained during the period due to CPT's being met	-	29	-	-	-	-	29
Vested during the period	(9)	(178)	-	-	-	-	(187)
RSPs and PSPs vested and retained	-	-	-	-	187	-	187
Shares purchased during the period	-	(19)	-	-	-	-	(19)
Balance at the reporting date	28	1 516	15	12	2 142	463	4 176
By director							
The direct and indirect interest of each of the directors in the company's shares, which are held either beneficially or pursuant to the equity-settled share scheme, are as follows:							
Executive directors	28	1 516	15	12	2 056	463	4 090
Michael Mark	-	911	-	-	1 873	450	3 234
Sarah Proudfoot	-	447	15	12	173	13	660
Emanuel Cristaudo	28	158	-	-	10	-	196
Non-executive directors	-	-	-	-	86	-	86
Hilton Saven	-	-	-	-	83	-	83
Tony Taylor	-	-	-	-	3	-	3
Balance at the reporting date	28	1 516	15	12	2 142	463	4 176
Comprising:							
Direct interest	28	1 516	15	12	2 059	463	4 093
Indirect interest*	-	-	-	-	83	-	83
Total	28	1 516	15	12	2 142	463	4 176

*The indirect interest comprises the following director holdings ('000):
Hilton Saven 83
There have been no changes to these interests between the reporting date and the date of the Directors' Report.

It is the Group's policy that all directors and officers, as well as those employees who have access to price-sensitive information, should not deal in company shares, or receive or exercise share options or share appreciation rights of the company during the closed period. The closed periods commence two weeks before the end of the interim (December) and annual (June) reporting periods and end twenty-four hours after announcement of the financial results on the JSE news service.

2 DETAILS OF DIRECTORS' EQUITY-SETTLED AWARDS IN THE AGGREGATE

		Exercise price/grant date fair value* R	Number of options/awards 2024 000's	Number of options/awards 2023 000's
2.1	**1998 Share Option scheme**			
	The options become releasable between the following dates and at the following exercise prices:			
	Balance at the beginning of the reporting period		**463**	463
	Between 19 February 2011 and 19 February 2016	44.78	**456**	456
	Between 1 December 2010 and 1 December 2016	73.80	**7**	7
	Options exercised during the period		**(450)**	-
	Between 16 October 2023 and 31 October 2023	44.78	**(450)**	-
	Balance at the reporting date		**13**	463
	Between 19 February 2011 and 19 February 2016	44.78	**6**	456
	Between 1 December 2010 and 1 December 2016	73.80	**7**	7
2.2	**Restricted share plan (RSPs)**			
	The RSPs vest between the following dates and had the following grant date fair values:			
	Balance at the beginning of the reporting period		**28**	37
	Between 30 September 2022 and 30 September 2024	54.49	**28**	37
	RSPs awarded during the period		**-**	-
	On 30 September 2021	54.49	**-**	-
	RSPs vested during the period		**(9)**	(9)
	On 30 September 2022	54.49	**-**	(9)
	On 30 September 2023	54.49	**(9)**	-
	Balance at the reporting date		**19**	28
	Between 30 September 2022 and 30 September 2024	54.49	**19**	28

2 DETAILS OF DIRECTORS' EQUITY-SETTLED AWARDS IN THE AGGREGATE (continued)

	Exercise price/grant date fair value* R	Number of awards 2024 000's	2023 000's
2.3 Performance share plan (PSPs)			
The PSPs vest between the following dates and had the following grant date fair values:			
Balance at the beginning of the reporting period		**1 516**	1 214
Between 21 August 2020 and 21 August 2022	77.71	**-**	40
Between 1 March 2022 and 1 March 2023	103.65	**-**	88
Between 18 September 2021 and 18 September 2023	80.60	**7**	11
Between 4 June 2022 and 4 June 2023	70.50	**-**	27
Between 6 September 2022 and 6 September 2023	53.23	**53**	63
Between 3 March 2023 and 3 March 2024	47.05	**12**	11
Between 29 September 2023 and 29 September 2025	30.70	**550**	550
Between 25 March 2024 and 25 March 2026	47.71	**42**	42
Between 17 September 2024 and 17 September 2027	54.49	**382**	382
Between 8 September 2025 and 8 September 2027	58.09	**470**	-
PSPs awarded during the period		**365**	470
On 8 September 2022	58.09	**-**	470
On 14 September 2023	73.91	**365**	-
PSPs vested and retained during the period		**(148)**	(178)
On 21 August 2022	77.71	**-**	(40)
On 18 September 2022	80.60	**-**	(4)
On 4 June 2023	70.50	**-**	(14)
On 1 March 2023	103.65	**-**	(83)
On 6 September 2022	53.23	**-**	(35)
On 3 March 2023	47.05	**-**	(2)
On 30 September 2023	80.60	**(4)**	-
On 30 September 2023	53.23	**(8)**	-
On 30 September 2023	30.70	**(136)**	-
PSPs forfeited during the period		**-**	-
PSPs awarded due to CPTs met during the period		**221**	29
On 6 September 2022	53.23	**-**	25
On 3 March 2023	47.05	**-**	4
On 29 September 2023	30.70	**205**	-
On 25 March 2021	47.71	**16**	-
PSPs vested and sold during the period		**(218)**	(19)
On 1 March 2023	103.65	**-**	(5)
On 4 June 2023	70.50	**-**	(13)
On 3 March 2023	47.05	**-**	(1)
On 18 September 2023	80.60	**(3)**	-
On 6 September 2023	53.23	**(45)**	
On 3 March 2024	47.05	**(4)**	-
On 25 March 2024	47.71	**(18)**	-
On 29 September 2023	30.70	**(148)**	-
Balance at the reporting date		**1 736**	1 516
Between 18 September 2021 and 18 September 2023	80.60	**-**	7
Between 6 September 2022 and 6 September 2023	53.23	**-**	53
Between 3 March 2023 and 3 March 2024	47.05	**8**	12
Between 29 September 2023 and 29 September 2025	30.70	**471**	550
Between 25 March 2024 and 25 March 2026	47.71	**40**	42
Between 17 September 2024 and 17 September 2027	54.49	**382**	382
Between 8 September 2025 and 8 September 2027	58.09	**470**	470
Between 14 September 2026 and 14 September 2028	73.91	**365**	-

2 DETAILS OF DIRECTORS' EQUITY-SETTLED AWARDS IN THE AGGREGATE (continued)

	Exercise price/grant date fair value* R	Number of awards 2024 000's	Number of awards 2023 000's
2.4 Share appreciation rights (SARs)			
The SARs vest between the following dates and at the following exercise prices:			
Balance at the beginning of the reporting period		**15**	15
Between 14 March 2017 and 14 March 2020	69.56	**15**	15
SARs exercised during the period		**(15)**	-
Between September 2023 and March 2024	69.56	**(15)**	-
Balance at the reporting date		**-**	15
Between 14 March 2017 and 14 March 2020	69.56	**-**	15
2.5 Performance appreciation rights (PARs)			
The PARs vest between the following dates and at the following exercise prices:			
Balance at the beginning of the reporting period		**12**	12
Between 14 March 2017 and 14 March 2020	69.56	**12**	12
PARs exercised during the period		**(12)**	-
Between September 2023 and March 2024	69.56	**(12)**	-
Balance at the reporting date		**-**	12
Between 14 March 2017 and 14 March 2020	69.56	**-**	12

* The grant date fair value is the price which is used to determine the number of shares which would be issued to the participants under the restricted and performance share plans. The grant date fair value has no impact in determining the gain for the above share schemes.

3 DETAILS OF DIRECTORS' EQUITY-SETTLED AWARDS PER DIRECTOR

The grant date fair value is the price which is used to determine the number of shares which would be issued to the participants under the restricted and performance share plans. The grant date fair value has no impact in determining the gain for the above share schemes.

The gains in respect of the restricted and performance share plans are calculated by multiplying the market price at the date ownership passes by the number of shares vested on that date.

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
2024				
Executive directors				
MICHAEL MARK				
1998 Share Option Scheme				
Balance at the beginning of the reporting period			**450**	
	44.78		**450**	19 February 2011 and 19 February 2016
Options			**(450)**	
	44.78		**(450)**	16 October 2023 and 31 October 2023
Balance at the reporting date			**-**	
			-	
Performance share plan				
Balance at the beginning of the reporting period			**911**	
	30.70		**420**	30 September 2023 and 30 September 2024
	54.49		**228**	On 30 September 2024
	58.09		**263**	On 30 September 2025
			203	
Awarded during the period	**73.91**		**203**	On 30 September 2026
Gained during CPT's being			**157**	
	30.70		**157**	On 30 September 2024
			(231)	
Vested during the period	**30.70**		**(231)**	On 30 September 2023
			-	
Balance at the reporting date			**1 040**	
	30.70		**346**	30 September 2023 and 30 September 2024
	54.49		**228**	On 30 September 2024
	58.09		**263**	On 30 September 2025
	73.91		**203**	On 30 September 2026

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
EMANUEL CRISTAUDO				
Restricted share plan				
Balance at the beginning of the reporting period			**28**	
		54.49	**28**	30 September 2022 and
			-	30 September 2024
			(9)	
Vested during the period		**54.49**	**(9)**	On 30 September 2023
Balance at the reporting date			**19**	
		54.49	**19**	30 September 2022 and
			-	30 September 2024

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
EMANUEL CRISTAUDO (continued)				
Performance share plan				
Balance at the beginning of the reporting period			**158**	
		54.49	**55**	30 September 2024 and 30 September 2025
		58.09	**103**	30 September 2025 and 30 September 2026
Awarded during the period			**81**	
		73.91	**81**	30 September 2026 and 30 September 2027
Balance at the reporting date			**239**	
		54.49	**55**	30 September 2024 and 30 September 2025
		58.09	**103**	30 September 2025 and 30 September 2026
		73.91	**81**	30 September 2026 and 30 September 2027

ANNEXURE TWO DETAILS OF DIRECTORS' HOLDINGS OF SHARES AND EQUITY-BASED AWARDS (continued)

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of options/ awards 000's	Vesting dates between
SARAH PROUDFOOT				
1998 Share Option Scheme				
Balance at the beginning and the end of the reporting period			**13**	
	44.78		**6**	19 February 2010 and 19 February 2015
	73.80		**7**	1 December 2010 and 1 December 2016

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
SARAH PROUDFOOT (continued)				
Performance share plan				
Balance at the beginning of the reporting period			**447**	
	80.60		**7**	18 September 2021 and 18 September 2023
	53.23		**53**	6 September 2022 and 6 September 2023
	47.05		**12**	3 March 2023 and 3 March 2025
	30.70		**130**	29 September 2023 and 29 September 2025
	47.71		**42**	25 March 2024 and 25 March 2026
	54.49		**99**	17 September 2024 and 17 September 2026
	58.09		**104**	8 September 2025 and 8 September 2027
Sold during the period			**(112)**	
	80.60		**(3)**	On 18 September
	53.23		**(45)**	On 6 September 2023
	47.05		**(5)**	On 3 March 2024
	30.70		**(42)**	On 29 September
	47.71		**(17)**	On 25 March 2024
Awarded during the period			**81**	
	73.91		**81**	30 September 2026 and 30 September 2028
Vested during the period			**(24)**	
	80.60		**(4)**	On 30 September
	53.23		**(8)**	On 30 September
	30.70		**(12)**	On 30 September
Gained during the period due to CPT's being achieved			**64**	
	30.70		**49**	On 30 September
	47.71		**15**	On 31 March 2024

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
SARAH PROUDFOOT (continued)				
***Performance share plan** (continued)*				
Balance at the reporting date			**456**	
		47.05	**7**	31 March 2023 and 31 March 2025
		30.70	**125**	30 September 2023 and 30 September 2025
		47.71	**40**	31 March 2024 and 31 March 2026
		54.49	**99**	30 September 2024 and 30 September 2026
		58.09	**104**	30 September 2025 and 30 September 2027
		73.91	**81**	30 September 2026 and 30 September 2028

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
SARAH PROUDFOOT (continued)				
Share appreciation rights				
Balance at the beginning of the reporting period			**15**	
	69.56		**15**	14 March 2017 and 14 March 2020
SARs exercised during the period			**(15)**	
Between September 2023 and March 2024	**69.56**		**(15)**	
Balance at the reporting date			**-**	
Performance appreciation rights				
Balance at the beginning of the reporting period			**12**	
	69.56		**12**	14 March 2017 and 14 March 2020
SARs exercised during the period			**(12)**	
Between September 2023 and March 2024	**69.56**		**(12)**	
Balance at the reporting date			**-**	

* The grant date fair value is the price which is used to determine the number of shares which would be issued to the participants under the restricted and performance share plans. The grant date fair value has no impact in determining the gain for the above share schemes.

3 DETAILS OF DIRECTORS' EQUITY-SETTLED AWARDS PER DIRECTOR

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
2023				
Executive directors				
MICHAEL MARK				
1998 Share Option Scheme				
Balance at the beginning and the end of the reporting period			**450**	
	44.78		**450**	19 February 2011 and 19 February 2016
Performance share plan				
Balance at the beginning of the reporting period			**755**	
	77.71		**29**	21 August 2021 and 21 August 2022
	103.65		**78**	1 March 2022 and 1 March 2023
	30.70		**420**	29 September 2023 and 29 September 2024
	54.49		**228**	On 17 September 2024
			263	
Awarded during the period	**58.09**		**263**	On 8 September 2025
			(107)	
Vested during the period	**77.71**		**(29)**	On 21 August 2022
	103.65		**(78)**	On 1 March 2023
Balance at the reporting date			**911**	
	30.70		**420**	29 September 2023 and 29 September 2024
	54.49		**228**	On 17 September 2024
	58.09		**263**	On 8 September 2025

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
EMANUEL CRISTAUDO				
Restricted share plan				
Balance at the beginning of the reporting period			**37**	
		54.49	**37**	17 September 2022 and 17 September 2024
			(9)	
Vested during		**54.49**	**(9)**	On 17 September
Balance at the reporting date				
			28	
		54.49	**28**	17 September 2022 and
			-	17 September 2024

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
EMANUEL CRISTAUDO (continued)				
Performance share plan				
Balance at the beginning of the reporting period			**55**	
		54.49	**55**	17 September 2024 and 17 September 2025
Awarded during the period			**103**	
		58.09	**103**	8 September 2025 and 8 September 2026
Balance at the reporting date			**158**	
		54.49	**55**	17 September 2024 and 17 September 2025
		58.09	**103**	8 September 2025 and 8 September 2026

ANNEXURE TWO DETAILS OF DIRECTORS' HOLDINGS OF SHARES AND EQUITY-BASED AWARDS (continued)

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of options/ awards 000's	Vesting dates between
SARAH PROUDFOOT				
1998 Share Option Scheme				
Balance at the beginning and the end of the reporting period			**13**	
	44.78		**6**	19 February 2010 and 19 February 2015
	73.80		**7**	1 December 2010 and 1 December 2016

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
SARAH PROUDFOOT (continued)				
Performance share plan				
Balance at the beginning of the reporting period			**404**	
	77.71		**11**	21 August 2020 and 21 August 2022
	103.65		**10**	1 March 2022 and 1 March 2023
	80.60		**11**	18 September 2021 and 18 September 2023
	70.50		**27**	4 June 2022 and 4 June 2023
	53.23		**63**	9 September 2022 and 9 September 2023
	47.05		**11**	3 March 2023 and 3 March 2025
	30.70		**130**	29 September 2023 and 29 September 2025
	47.71		**42**	25 March 2024 and 25 March 2026
	54.49		**99**	17 September 2024 and 17 September 2026
Sold during the period			**(19)**	
	103.65		**(5)**	On 1 March 2022
	70.50		**(13)**	On 4 June 2023
	47.05		**(1)**	On 3 March 2023
Awarded during the period			**104**	
	58.09		**104**	8 September 2025 and 8 September 2027
Vested during the period			**(71)**	
	77.71		**(10)**	On 21 August 2022
	103.65		**(6)**	On 1 March 2023
	80.60		**(4)**	On 18 September
	70.50		**(14)**	On 4 June 2023
	53.23		**(35)**	On 9 September 2022
	47.05		**(2)**	On 3 March 2023

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
SARAH PROUDFOOT (continued)				
Performance share plan *(continued)*				
Gained during the period due to CPT's being achieved			**29**	
	53.23		**25**	On 9 September 2022
	47.05		**4**	On 3 March 2023
Balance at the reporting date			**447**	
		80.60	**7**	18 September 2021 and 18 September 2023
		53.23	**53**	6 September 2022 and 6 September 2023
		47.05	**12**	3 March 2023 and 3 March 2025
		30.70	**130**	29 September 2023 and 29 September 2025
		47.71	**42**	25 March 2024 and 25 March 2026
		54.49	**99**	17 September 2024 and 17 September 2026
		58.09	**104**	8 September 2025 and 8 September 2027

3 DETAILS OF DIRECTORS' EQUITY-SETTLED SHARE AWARDS PER DIRECTOR (continued)

	Exercise price/ grant date fair value* R	Market price on date ownership passed R	Number of awards 000's	Vesting dates between
SARAH PROUDFOOT (continued)				
Share appreciation rights				
Balance at the beginning and the end of the reporting period			**15**	
	69.56		**15**	14 March 2017 and 14 March 2020
Performance appreciation rights				
Balance at the beginning and the end of reporting period			**12**	
	69.56		**12**	14 March 2017 and 14 March 2020

* The grant date fair value is the price which is used to determine the number of shares which would be issued to the participants under the restricted and performance share plans. The grant date fair value has no impact in determining the gain for the above share schemes.

ANNEXURE THREE DETAILS OF PARTICIPANTS' HOLDINGS OF EQUITY-BASED AWARDS

1 DETAILS OF PARTICIPANTS' EQUITY-SETTLED AWARDS IN THE AGGREGATE

The summary below reflects the period between the offer date and the last vesting date as well as the exercise price of equity-settled awards held by participants:

	Exercise price R	2024 Number 000's	2023 Number 000's
1.1 1998 Share Option Scheme			
Between 19 February 2010 and 19 February 2016	44.78	**90**	582
Between 2 June 2010 and 2 June 2015	53.75	**-**	3
Between 23 August 2010 and 23 August 2016	55.32	**4**	6
Between 1 October 2010 and 1 October 2016	67.64	**-**	2
Between 4 October 2010 and 4 October 2016	67.64	**2**	2
Between 5 November 2010 and 5 November 2016	71.12	**2**	2
Between 1 December 2010 and 1 December 2016	73.80	**53**	62
Between 8 December 2010 and 8 December 2016	73.80	**29**	35
Between 23 February 2011 and 23 February 2016	64.57	**2**	4
Between 2 March 2011 and 2 March 2016	62.91	**-**	3
Between 2 March 2011 and 2 March 2017	62.91	**-**	3
Between 4 April 2011 and 4 April 2016	70.55	**-**	2
Between 4 May 2011 and 4 May 2017	75.02	**2**	2
Between 19 August 2011 and 19 August 2017	71.91	**5**	8
Between 22 August 2011 and 22 August 2017	72.43	**-**	1
Between 4 October 2011 and 4 October 2017	70.66	**3**	3
Between 2 November 2011 and 2 November 2017	79.74	**3**	3
Between 2 December 2011 and 2 December 2017	77.89	**1**	1
Between 24 February 2012 and 24 February 2018	79.84	**15**	15
Between 2 March 2012 and 2 March 2018	79.90	**4**	4
Between 3 May 2012 and 3 May 2018	82.33	**1**	1
Between 25 May 2012 and 25 May 2018	81.46	**1**	1
Between 17 August 2012 and 17 August 2018	103.60	**3**	3
		220	748

1 DETAILS OF PARTICIPANTS' EQUITY-SETTLED AWARDS IN THE AGGREGATE (continued)

		Exercise price R	2024 Number 000's	2023 Number 000's
1.2	**Restricted share plan**			
	Between 18 September 2018 and 18 September 2022	80.60	**-**	1
	Between 18 September 2018 and 18 September 2023	80.60	**2**	78
	Between 6 March 2019 and 6 March 2023	74.22	**-**	2
	Between 6 March 2019 and 6 March 2024	74.22	**5**	81
	Between 6 September 2019 and 6 September 2023	53.23	**-**	227
	Between 6 September 2019 and 6 September 2024	53.23	**168**	280
	Between 3 March 2020 and 3 March 2024	47.05	**-**	147
	Between 3 March 2020 and 3 March 2025	47.05	**74**	126
	Between 29 September 2020 and 29 September 2024	30.70	**49**	82
	Between 29 September 2020 and 29 September 2025	30.70	**595**	862
	Between 25 March 2021 and 3 March 2025	47.71	**11**	18
	Between 25 March 2021 and 3 March 2026	47.71	**115**	165
	On 17 September 2024	54.49	**14**	14
	Between 17 September 2024 and 17 September 2024	54.49	**18**	27
	Between 17 September 2024 and 17 September 2025	54.49	**68**	68
	Between 17 September 2024 and 17 September 2026	54.49	**1 131**	1 154
	Between 7 March 2023 and 3 March 2026	60.67	**19**	19
	Between 7 March 2023 and 3 March 2027	60.67	**62**	71
	On 8 September 2025	58.09	**24**	24
	Between 8 September 2025 and 8 September 2026	58.09	**53**	53
	Between 8 September 2025 and 8 September 2027	58.09	**1 188**	1 222
	Between 4 October 2024 and 4 October 2026	51.37	**2**	2
	Between 3 November 2024 and 3 November 2026	51.71	**6**	6
	Between 10 March 2025 and 10 March 2027	59.09	**19**	19
	Between 10 March 2025 and 10 March 2028	59.09	**79**	93
	On 14 September 2026	73.91	**14**	-
	Between 14 September 2026 and 14 September 2028	73.91	**93**	-
	Between 14 September 2026 and 14 September 2028	73.91	**655**	-
	Between 14 September 2026 and 14 September 2027	73.91	**22**	-
	Between 14 September 2025 and 14 September 2027	73.91	**4**	-
	Between 14 September 2024 and 14 September 2026	73.91	**2**	-
	Between 12 March 2027 and 12 March 2029	75.48	**54**	-
	Between 12 March 2027 and 12 March 2029	75.48	**54**	-
			4 600	4 841

ANNEXURE THREE **DETAILS OF PARTICIPANTS' HOLDINGS OF EQUITY-BASED AWARDS** (continued)

1 DETAILS OF PARTICIPANTS' EQUITY-SETTLED AWARDS IN THE AGGREGATE (continued)

	Exercise price R	2024 Number 000's	2023 Number 000's
1.3 Performance share plan			
Between 18 September 2018 and 18 September 2023	80.60	**3**	36
Between 6 March 2019 and 6 March 2024	74.22	**5**	35
Between 6 September 2019 and 9 September 2023	53.23	**-**	114
Between 6 September 2019 and 9 September 2024	53.23	**61**	87
Between 3 March 2020 and 3 March 2024	47.05	**-**	7
Between 3 March 2020 and 3 March 2025	47.05	**30**	46
Between 29 September 2020 and 9 September 2024	30.70	**416**	693
Between 29 September 2020 and 9 September 2025	30.70	**1 073**	1 515
Between 25 March 2021 and 25 March 2025	47.71	**49**	81
Between 25 March 2021 and 25 March 2026	47.71	**175**	250
On 17 September 2024	54.49	**242**	242
Between 17 September 2024 and 17 September 2025	54.49	**227**	227
Between 17 September 2024 and 17 September 2026	54.49	**514**	514
On 8 September 2025	58.09	**348**	348
Between 8 September 2025 and 8 September 2026	58.09	**210**	210
Between 8 September 2025 and 8 September 2027	58.09	**472**	472
On 4 October 2025	51.37	**10**	10
On 14 September 2026	73.91	**213**	-
Between 14 September 2026 and 14 September 2028	73.91	**339**	-
Between 14 September 2026 and 14 September 2027	73.91	**158**	-
		4 545	4 887

1 DETAILS OF PARTICIPANTS' EQUITY-SETTLED AWARDS IN THE AGGREGATE (continued)

		Exercise price £	Exercise price R	2024 Number 000's	2023 Number 000's
1.4	**Share Appreciation Rights Plan**				
	Between 14 March 2014 and 15 March 2020		69.56	-	446
	Between 14 March 2014 and 15 March 2018		69.56	-	20
	Between 21 August 2015 and 21 August 2020		83.42	-	143
				-	609
1.5	**Performance Appreciation Rights Plan**				
	Between 14 March 2014 and 15 March 2020		69.56	-	342
	Between 14 March 2014 and 15 March 2018		69.56	-	16
	Between 21 August 2015 and 21 August 2020		83.42	-	133
				-	491
1.6	**Office Performance Equity Plan**				
	Between 5 December 2016 and 5 December 2021	1.09		-	21

ANNEXURE FOUR **EMPLOYMENT EQUITY ACT SUMMARY (UNAUDITED)**

In terms of Section 22 of the Employment Equity Act of South Africa, herewith is a summary of the Group's 2024 Employment Equity Report in respect of its operations in South Africa at 30 June 2024, required by Section 21 of the Act.

	Designated groups							Non-designated groups				
	Male			Female				Male	Foreign nationals		Total	Total
Occupational levels	A	C	I	A	C	I	W	W	Male	Female	2024	2023
Top management	**-**	**-**	**-**	**-**	**1**	**1**	**1**	**6**	**1**	**-**	**10**	11
Senior management	**2**	**8**	**1**	**1**	**2**	**1**	**33**	**24**	**1**	**1**	**74**	73
Professionally qualified#	**34**	**46**	**16**	**39**	**78**	**22**	**227**	**86**	**6**	**8**	**562**	572
Skilled technical##	**205**	**72**	**24**	**685**	**275**	**49**	**117**	**20**	**7**	**8**	**1 462**	1 428
Semi-skilled*	**1 806**	**277**	**41**	**4 991**	**813**	**97**	**42**	**14**	**4**	**7**	**8 092**	8 055
Total 2024	**2 047**	**403**	**82**	**5 716**	**1 169**	**170**	**420**	**150**	**19**	**24**	**10 200**	
Total 2023	1 939	401	87	5 689	1 215	188	424	151	19	26		10 139

A= African, C=Coloured, I=Indian, W=White

Middle management
Junior management
* Includes weekly flexi-time employees.

SHAREHOLDER INFORMATION

ANALYSIS OF HOLDINGS OF ORDINARY SHARES AT 30 JUNE 2024

	Number of share-holdings	%	Number of shares	%
Size of holding				
1 - 1000	5 517	70.7	889 118	0.2
1 001 - 10 000	1 198	15.3	4 067 390	1.0
10 001 - 100 000	693	8.9	26 040 532	6.4
100 001 - 1 000 000	329	4.2	97 055 824	23.8
Over 1 000 000	68	0.9	280 446 035	68.6
	7 805	100.0	408 498 899	100.0
Distribution of shareholders				
Unit trusts/Mutual funds			171 871 281	42.1
Pension funds			149 559 712	36.6
Other funds			68 613 107	16.8
Individuals			6 207 254	1.5
Insurance companies			12 247 545	3.0
			408 498 899	100.0
Geographical spread of holders of beneficial interests				
South Africa			267 571 517	65.5
North America			85 483 579	20.9
Europe			25 780 714	6.3
Rest of the world			24 552 192	6.0
United Kingdom			5 110 897	1.3
			408 498 899	100.0
Geographical spread of fund managers				
South Africa			283 123 528	69.2
North America			93 421 922	22.9
Europe			13 430 627	3.3
United Kingdom			14 187 984	3.5
Rest of the world			4 334 838	1.1
			408 498 899	100.0
Share type				
Dematerialised	7 431	95.2	408 084 199	99.9
Certificated	374	4.8	414 700	0.1
	7 805	100.0	408 498 899	100.0

SHAREHOLDER INFORMATION (continued)

ANALYSIS OF HOLDINGS OF ORDINARY SHARES AT 2 JULY 2023

	Number of share-holdings	%	Number of shares	%
Size of holding				
1 - 1000	5 353	70.1	832 822	0.2
1 001 - 10 000	1 354	17.7	4 564 950	1.1
10 001 - 100 000	601	7.9	21 963 498	5.4
100 001 - 1 000 000	274	3.6	89 292 497	21.9
Over 1 000 000	58	0.8	291 845 132	71.4
	7 640	100.0	408 498 899	100.0
Distribution of shareholders				
Unit trusts/Mutual funds			161 662 393	39.6
Pension funds			138 850 985	34.0
Other funds			94 158 729	23.0
Individuals			5 894 648	1.5
Insurance companies			7 932 144	1.9
			408 498 899	100.0
Geographical spread of holders of beneficial interests				
South Africa			241 426 267	59.1
North America			119 644 534	29.3
Rest of the world			23 397 625	5.7
Europe			18 920 147	4.6
United Kingdom			5 110 326	1.3
			408 498 899	100.0
Geographical spread of fund managers				
South Africa			272 897 874	66.8
North America			106 610 936	26.1
Rest of the world			1 678 645	0.4
Europe			11 825 536	2.9
United Kingdom			15 485 908	3.8
			408 498 899	100.0
Share type				
Dematerialised	7 259	95.0	407 868 738	99.8
Certificated	381	5.0	630 161	0.2
	7 640	100.0	408 498 899	100.0

SHAREHOLDER INFORMATION (continued)

SHAREHOLDER SPREAD AT THE END OF THE PERIOD

Pursuant to the Listings Requirements of the JSE and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at the end of the reporting period was as follows:

	2024			2023		
	Number of share-holdings	Number of shares	% of issued share capital	Number of share-holdings	Number of shares	% of issued share capital
NON-PUBLIC SHAREHOLDERS						
Treasury shares held by:						
Truworths Limited, held on behalf of participants in terms of the 2012 share plan:	**1**	**9 814 374**	**2.4**	1	9 924 406	2.4
Directors of the company and subsidiaries		**3 393 320**	**0.8**		3 474 354	0.9
Non-director participants		**6 401 151**	**1.6**		6 364 589	1.6
Other		**19 903**	**- ***		85 463	- *
Truworths International Limited Share Trust	**-**	**-**	**-**	1	123 606	- *
Truworths Trading (Pty) Ltd	**1**	**26 366 957**	**6.5**	1	29 149 184	7.1
Shares held in terms of the 1998 share scheme directly by:						
Directors of the company and subsidiaries	**-**	**-**	**-**	5	1 771 257	0.4
Privately owned shares held in accounts with brokers:						
Directors of the company and subsidiaries	**8**	**1 364 347**	**0.3**	9	626 800	0.1
Associates of directors of the company and subsidiaries	**1**	**82 833**	**- ***	2	182 833	- *
TOTAL NON-PUBLIC SHAREHOLDERS	**11**	**37 628 511**	**9.2**	19	41 778 086	10.1
PUBLIC SHAREHOLDERS	**7 794**	**370 870 388**	**90.8**	7 621	366 720 813	89.9
TOTAL	**7 805**	**408 498 899**	**100.0**	7 640	408 498 899	100.0

*Zero due to rounding.

SHAREHOLDER INFORMATION (continued)

HOLDERS OF MAJOR BENEFICIAL INTERESTS IN SHARES

According to the company's register of disclosures of beneficial interests made by registered shareholders acting in a nominee capacity, and the disclosures made by fund managers in terms of section 56 of the Companies Act (71 of 2008, as amended), the following juristic persons had beneficial interests in excess of 3% of the company's shares at the reporting date:

	Country	2024 Number of shares	2024 % of issued capital	2023 Number of shares	2023 % of issued capital
Government Employees Pension Fund	South Africa	**83 921 561**	**20.5**	76 245 952	18.7
Old Mutual#	South Africa	**28 029 240**	**6.9**	-	-
Westwood Global Investments LLC	United States of America	**27 641 062**	**6.8**	19 123 047	4.7
Truworths Trading (Pty) Ltd	South Africa	**26 366 957**	**6.5**	29 149 184	7.1
The Vanguard Group Inc.	United States of America	**14 024 285**	**3.4**	13 669 992	3.4
Momentum Metropolitan Holdings Limited*	South Africa	**-**	**-**	13 024 525	3.2
Namibian Government Institutions Pension Fund*	Namibia	**-**	**-**	12 470 997	3.1

* Not a juristic person with a beneficial interest greater than 3% in the company's shares at the reporting date.
# Not a juristic person with a beneficial interest greater than 3% in the company's shares at the prior reporting date

MAJOR FUND MANAGERS

According to the disclosures made by nominee and asset management companies in terms of section 56 of the Companies Act (71 of 2008, as amended), the following fund managers administered portfolios (including those of the holders of major beneficial interests above) in excess of 3% of the company's shares at the end of the reporting period:

	Country	2024 Number of shares	2024 % of issued capital	2023 Number of shares	2023 % of issued capital
Public Investment Corporation	South Africa	**69 681 480**	**17.1**	70 118 749	17.2
Ninety One#	South Africa	**36 208 719**	**8.9**	-	-
Old Mutual Investment Group#	South Africa	**33 932 208**	**8.3**	-	-
Westwood Global Investment LLC	United States of America	**28 965 547**	**7.1**	19 123 047	4.7
Sanlam Investments	South Africa	**20 430 457**	**5.0**	13 598 618	3.3
Fairtree Asset Management	South Africa	**16 600 695**	**4.1**	21 282 793	5.2
Vanguard Global Advisors	United States of America	**14 024 285**	**3.4**	14 420 011	3.5
BlackRock#	United States of America	**12 280 212**	**3.0**	-	-
Allan Gray*	South Africa	**-**	**-**	13 223 207	3.2

* Not a fund manager administering portfolios in excess of 3% of the company's shares at the reporting date.
# Not a fund manager administering portfolios in excess of 3% of the company's shares at the prior reporting date

PRO FORMA INFORMATION

Basis of preparation

Non-IFRS financial information

The Group's current period earnings were enhanced by:

- a trademark impairment reversal in relation to the Office trademark (R1 019 million),
- insurance recoveries in Office (R20 million) in relation to prior period claims resulting from a burglary at the distribution centre, and
- a reduction in other operating costs (R123 million) resulting from the consolidation of the Group's charitable trusts for the first time.

The Group's prior period earnings were enhanced by:

- the settlement of a long-standing indirect tax matter with the South African Revenue Service (SARS), resulting in previous adverse assessments that had been issued in the 2022 financial period being reduced by R109 million (including the reversal of interest charged of R37 million), the release of accruals that had been accumulated since the 2008 financial period in respect of this matter amounting to R145 million, and the recognition of interest of R6 million on the overpayment of tax, and
- insurance recoveries received of R85 million as a result of losses and damages arising from the civil unrest in South Africa during July 2021.

Furthermore, foreign exchange gains and losses have been excluded from both periods. The current period includes a foreign exchange loss (R73 million) compared to a foreign exchange gain (R19 million) in the prior period.

The pro forma financial information:

- has been prepared for illustrative purposes only, and because of its nature, may not fairly represent the Group's financial position, changes in equity, results of operations or cash flows;
- is based on the audited financial information of the Group as at and for the 52 weeks ended 30 June 2024; and
- is presented in accordance with the JSE Listings Requirements and the SAICA Guide on Pro Forma Financial Information, where applicable.

The directors of the company are responsible for the pro forma financial information included in these Annual Financial Statements.

Deloitte's independent auditor's assurance report on the compilation of pro forma financial information is included on page 181.

PRO FORMA INFORMATION (continued)

	Reported 52 weeks to 30 Jun 2024 Audited Rm	Pro forma adjustments Rm	Pro forma 52 weeks to 30 Jun 2024 Rm	Reported 52 weeks to 2 Jul 2023 Audited Rm	Pro forma adjustments Rm	Pro forma 52 weeks to 2 Jul 2023 Rm	Change on prior period 52 on 52 weeks reported %	Change on prior period Pro forma 52 on Pro forma 52 weeks %
STATEMENTS OF COMPREHENSIVE INCOME								
Sale of merchandise	**20 664**	**-**	**20 664**	19 894	-	19 894	4	4
Cost of sales	**(9 859)**	**-**	**(9 859)**	(9 445)	-	(9 445)	4	4
Gross profit	**10 805**	**-**	**10 805**	10 449	-	10 449	3	3
Other income	**562**	**(20)**	**542**	939	(358)	581	(40)	(7)
Intangible asset impairment reversal	**1 019**	**(1 019)**	**-**	-	-	-	100	-
Trading expenses	**(8 168)**	**(50)**	**(8 218)**	(7 772)	-	(7 772)	5	6
Depreciation and amortisation	**(1 475)**	**-**	**(1 475)**	(1 359)	-	(1 359)	9	9
Employment costs	**(2 718)**	**-**	**(2 718)**	(2 489)	-	(2 489)	9	9
Occupancy costs	**(1 072)**	**-**	**(1 072)**	(961)	-	(961)	12	12
Trade receivable costs	**(1 310)**	**-**	**(1 310)**	(1 283)	-	(1 283)	2	2
Net bad debt and expected credit losses raised	**(1 168)**	**-**	**(1 168)**	(959)	-	(959)	22	22
Other trade receivable costs	**(142)**	**-**	**(142)**	(324)	-	(324)	(56)	(56)
Other operating costs	**(1 593)**	**(50)**	**(1 643)**	(1 680)	-	(1 680)	(5)	(2)
Trading profit	**4 218**	**(1 089)**	**3 129**	3 616	(358)	3 258	17	(4)
Interest	**1 388**	**-**	**1 388**	1 143	(6)	1 137	21	22
Dividends	**25**	**-**	**25**	16	-	16	56	56
Profit before finance costs and tax	**5 631**	**(1 089)**	**4 542**	4 775	(364)	4 411	18	3
Finance costs	**(476)**	**-**	**(476)**	(378)	-	(378)	26	26
Profit before tax	**5 155**	**(1 089)**	**4 066**	4 397	(364)	4 033	17	1
Tax expense	**(1 255)**	**279**	**(976)**	(1 109)	86	(1 023)	13	(5)
Profit for the period	**3 900**	**(810)**	**3 090**	3 288	(278)	3 010	19	3
Attributable to:								
Equity holders of the company	**3 887**	**(804)**	**3 083**	3 275	(278)	2 997	19	3
Holders of the non-controlling interest	**13**	**(6)**	**7**	13	-	13	-	(46)

PRO FORMA INFORMATION (continued)

		Reported 52 weeks to 30 Jun 2024 Audited	Pro forma adjustments	Pro forma 52 weeks to 30 Jun 2024	Reported 52 weeks to 2 Jul 2023 Audited	Pro forma adjustments	Pro forma 52 weeks to 2 Jul 2023	Change on prior period 52 on 52 weeks reported %	Change on prior period Pro forma 52 on Pro forma 52 weeks %
Basic earnings per share	(cents)	**1 046.9**	**(216.6)**	**830.3**	888.5	(75.4)	813.1	18	2
Headline earnings per share	(cents)	**817.9**	**(12.1)**	**805.8**	873.3	(75.4)	797.9	(6)	1
Diluted basic earnings per share	(cents)	**1 031.3**	**(213.3)**	**818.0**	876.4	(74.4)	802.0	18	2
Diluted headline earnings per share	(cents)	**805.8**	**(12.0)**	**793.8**	861.4	(74.4)	787.0	(6)	1
Weighted average number of shares	(millions)	**371.3**		**371.3**	368.6		368.6		
Diluted weighted average number of shares	(millions)	**376.9**		**376.9**	373.7		373.7		
Key ratios									
Gross margin	(%)	**52.3**		**52.3**	52.5		52.5		
Expenses as % of sale of merchandise	(%)	**39.5**		**39.8**	39.1		39.1		
Trading margin	(%)	**20.4**		**15.1**	18.2		16.4		
Operating margin	(%)	**27.3**		**22.0**	24.0		22.2		

PRO FORMA INFORMATION (continued)

	Reported 52 weeks to 30 Jun 2024 Audited Rm	Pro forma adjustments Rm	Pro forma 52 weeks to 30 Jun 2024 Rm	Reported 52 weeks to 2 Jul 2023 Audited Rm	Pro forma adjustments Rm	Pro forma 52 weeks to 2 Jul 2023 Rm
RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS						
Profit for the period, attributable to equity holders of the company	**3 887**	**(804)**	**3 083**	3 275	(278)	2 997
Adjusted for:						
Impairment reversal of trademarks	**(1 012)**	**1 012**	**-**	-	-	-
Tax in relation to impairment reversal of trademarks	**253**	**(253)**	**-**	-	-	-
Net impairment reversal of right-of-use assets	**(121)**	**-**	**(121)**	(63)	-	(63)
Tax in relation to net impairment reversal of right-of-use assets	**30**	**-**	**30**	12	-	12
Reversal of impairment of property, plant and equipment	**(7)**	**-**	**(7)**	(14)	-	(14)
Tax in relation to reversal of impairment of property, plant and equipment	**2**	**-**	**2**	3	-	3
Loss on write-off of intangible assets	**7**	**-**	**7**	-	-	-
Tax on loss on write-off of intangible assets	**(2)**	**-**	**(2)**	-	-	-
Loss on write-off or disposal of plant and equipment	**-**	**-**	**-**	8	-	8
Tax on loss on write-off or disposal of plant and equipment	**-**	**-**	**-**	(2)	-	(2)
Headline earnings	**3 037**	**(45)**	**2 992**	3 219	(278)	2 941

PRO FORMA INFORMATION (continued)

Notes:

1. The accounting policies adopted by the Group in the 2024 audited annual financial statements, which have been prepared in accordance with IFRS, have been used in preparing the pro forma financial information.
2. The 'Reported 52 weeks to 30 Jun 2024' column is the audited results for the current 52-week period ended 30 June 2024, which information has been extracted without adjustment from the audited statement of comprehensive income included in the summarised Group statements of comprehensive income.
3. The amounts in the 2024 'Pro forma adjustments' column relate to the partial reversal of previously recognised impairments on the Office UK trademarks to the value of R1 019 million, insurance recoveries received of R20 million as a result of burglary at the Office UK DC, income (R123 million) resulting from the consolidation of the charitable trusts for the first time, net foreign exchange losses of R73 million, and their impact on trading profit, profit before finance costs and tax, profit before tax, the resultant tax impact and profit for the period.
4. The 2024 'Pro forma adjustments' column, in the opinion of the directors, fairly reflects the impact of the adjustments listed in note 3 above.
5. The 'Pro forma 52 weeks to 30 Jun 2024' column is the pro forma 52-weeks financial information, after making the adjustments in the 'Pro forma adjustments' column to the 'Reported 52 weeks to 30 Jun 2024' column.
6. The 'Reported 52 weeks to 2 Jul 2023' column is the audited results for the 52-week prior period ended 2 July 2023, which information has been extracted without adjustment from the audited statement of comprehensive income included in the summarised Group statements of comprehensive income.
7. The amounts in the 2023 'Pro forma adjustments' column relate to the settlement of a long-standing indirect tax matter with the South African Revenue Service (SARS), resulting in previous adverse assessments that had been issued in the 2022 financial period being reduced by R109 million (including the reversal of interest charged of R37 million), the release of accruals that had been accumulated since the 2008 financial period in respect of this matter amounting to R145 million, the recognition of interest of R6 million on the overpayment of tax, insurance recoveries received of R85 million as a result of losses and damages arising from the civil unrest in South Africa during July 2021, net foreign exchange gains of R19 million, and their impact on trading profit, profit before finance costs and tax, profit before tax, the resultant tax impact and profit for the period.
8. The 2023 'Pro forma adjustments' column, in the opinion of the directors, fairly reflects the impact of the adjustments listed in note 7 above.
9. The 'Pro forma 52 weeks to 2 Jul 2023' column is the pro forma 52-weeks financial information, after making the adjustments in the 'Pro forma adjustments' column to the 'Reported 52 weeks to 2 Jul 2023' column.
10. The relevant amounts for the 2024 and 2023 'Pro forma adjustments' have been extracted from the Group's accounting records.
11. The calculation of earnings per share and headline earnings per share for the relevant periods is based on the weighted average number of shares in issue over that period.
12. The amounts in the 'Pro forma adjustment' column are not expected to have a continuing effect on the Group's Statement of Comprehensive Income.

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INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE GROUP ANNUAL FINANCIAL STATEMENTS FOR TRUWORTHS INTERNATIONAL LIMITED ("THE GROUP") FOR THE YEAR ENDED 30 JUNE 2024

To the Directors of Truworths International Limited
No. 1 Mostert Street
Cape Town
8001

Dear Sirs/Mesdames

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in the Group Annual Financial Statements for Truworths International Limited ("the Group") for the year ended 30 June 2024

We have completed our assurance engagement to report on the compilation of pro forma financial information of Truworths International Limited by the directors. The pro forma financial information, as set out in pages 176 to 180 in the Group Annual Financial Statements for Truworths International Ltd for the year ended 30 June 2024 dated on 11 September 2024, consists of certain once-off adjustments which constitute non-IFRS information ("pro forma information") included in said Group Annual Financial Statements.

The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and described in the pro forma information.

The pro forma financial information has been compiled by the directors to illustrate the impact of the below adjustments on the Group's performance for the year ended 30 June 2024 as well as the comparatives for the same prior year period.

The Group's earnings for the 52-week period ended 30 June 2024 (the current period) were enhanced as a result of:

- The partial reversal of previously recognised impairments on the Office UK trademarks to the value of R1 019 million;
- Insurance recoveries received of R20 million as a result of theft at the Office distribution centre during the prior period; and
- A reduction in other operating costs (R123 million) resulting from the consolidation of the Group's charitable trusts for the first time.

In addition, the Group’s earnings for the 52-week prior period ended 2 July 2023 (the prior period or 2023) were enhanced by:

- the settlement of a long-standing indirect tax matter with the South African Revenue Service (SARS), resulting in a previous adverse assessment that had been issued in the 2022 financial period being reduced by R109 million (including the reversal of interest charged of R37 million), the release of accruals that had been accumulated since the 2008 financial period in respect of this matter amounting to R145 million, and the recognition of interest of R6 million on the overpayment of tax; and
- insurance recoveries received of R85 million as a result of the civil unrest in South Africa during July 2021.

Furthermore, foreign exchange gains and losses have been excluded from both periods. The current period includes a foreign exchange loss (R73 million) compared to a foreign exchange gain (R19 million) in the prior period.

As part of this process, information about the Group’s financial position and financial performance has been extracted by the directors from the company’s audited financial statements for the period ended 30 June 2024, on which an auditor’s report was issued on 11 September 2024 and which contained an unmodified opinion.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the pro forma information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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).

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of aforementioned adjustments on the Group's performance for the year ended 30 June 2024 as well as the comparatives for the same prior year period. We do not provide any assurance that the actual results for the year ended 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements.

Signed by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditors

Per: Jolandi Grace
Partner
11 September 2024

5 Magwa Crescent
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