AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH

THE FOSCHINI GROUP LIMITED

2024

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These consolidated annual financial statements represent the financial information of The Foschini Group Limited and were audited in compliance with Section 30 of the Companies Act of South Africa, No. 71 of 2008 (Companies Act of South Africa). These consolidated annual financial statements were prepared by the TFG Finance department under the supervision of Ralph Buddle CA(SA), Chief Financial Officer (CFO) of The Foschini Group Limited.

These consolidated annual financial statements were authorised by the Supervisory Board on 19 July 2024 and published on 19 July 2024.

* *The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.*

Directors’ responsibility for and approval of the consolidated annual financial statements

For the year ended 31 March 2024

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of The Foschini Group Limited, comprising the consolidated statement of financial position at 31 March 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, the consolidated segmental analysis and the notes to the consolidated annual financial statements which includes a summary of significant accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa and JSE Limited Listings Requirements.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these consolidated annual financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the foreseeable future.

The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with IFRS Accounting Standards.

Approval of consolidated annual financial statements

The consolidated annual financial statements of The Foschini Group Limited were approved by the Supervisory Board on 19 July 2024 and signed by:

M Lewis
Chairman
Authorised Director

A E Thunström
Chief Executive Officer
Authorised Director

CEO and CFO responsibility statement

For the year ended 31 March 2024

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

(a) the consolidated annual financial statements set out on pages 19 to 94, fairly present in all material respects the financial position, financial performance and cash flows of The Foschini Group Limited in terms of IFRS Accounting Standards;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to The Foschini Group Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of The Foschini Group Limited;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) We are not aware of any fraud involving directors.

A E Thunström
Chief Executive Officer
Authorised Director

19 July 2024

R R Buddle
Chief Financial Officer
Authorised Director

19 July 2024

Directors' report

For the year ended 31 March 2024

Review of activities

Nature of business

The Foschini Group Limited (TFG) is a diverse group with a portfolio of 34 leading fashion and lifestyle retail brands – @home, @homelivingspace, American Swiss, Archive, Bash, The Bed Store, Connor, Coricraft, Dial-a-Bed, Exact, Fabiani, The FIX, Foschini, Galaxy & Co., Granny Goose, G-Star RAW, Hi, Hobbs, Jet, Jet Home, Johnny Bigg, Markham, Phase Eight, Relay Jeans, RFO, Rockwear, Sneaker Factory, Sportscene, Sterns, Tarocash, Totalsports, Volpes, Whistles and yd. Our range of 34 retail brands offers clothing, jewellery, cellphones, accessories, cosmetics, sporting and outdoor apparel and equipment, homeware and furniture across value to upper market.

The Group consists of four operating segments:

TFG Africa Retail division refers to the consolidated performance of all African operations comprising of the @home division, Exact division, the FIX division, the Foschini division, the Jet division, the Jewellery division, the Markham division, the Tapestry division and the Sport division, retailing clothing, jewellery, cosmetics, cellphones and homeware and furniture. TFG Africa operates through retail outlets throughout South Africa and certain parts of Africa, as well as online.

TFG Africa Credit manages the Group's trade receivables and related functions with regard to the granting of credit within certain countries within TFG Africa.

TFG London refers to the consolidated performance of Dress Holdco A Limited and all its subsidiaries. Dress Holdco A Limited is the ultimate United Kingdom (UK) holding company of Phase Eight, Whistles and Hobbs brands. TFG London operates through retail outlets throughout the United Kingdom and internationally, as well as online.

TFG Australia refers to the consolidated performance of TFG Retailers Proprietary Limited and all its subsidiaries. TFG Retailers Proprietary Limited is the ultimate Australian holding company of Connor, Johnny Bigg, Rockwear, Tarocash and yd. brands. The Retail Apparel Group (RAG) operates through retail outlets throughout Australia and New Zealand, as well as online.

General review

The financial results are reflected in the consolidated annual financial statements on pages 19 to 93. The subsidiary companies, analysis of shareholdings and definitions are contained in the appendices on pages 94 to 97. Company information and shareholders' calendar are reflected on page 100.

Authorised and issued share capital

At 31 March 2024, 1,1 (2023: 1,1) million shares are owned by a subsidiary of the company, 3,9 (2023: 6,4) million shares are held by employees of TFG in terms of share incentive schemes and 1,1 (2023: 1,1) million shares are owned by the share incentive trust. These were eliminated on consolidation. For further details of authorised and issued share capital and treasury shares refer to notes 13 and 14.

Dividends

Interim ordinary

The directors declared a dividend of 150,0 (2023: 170,0) cents per ordinary share, which was paid on Monday, 8 January 2024 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 5 January 2024.

Final ordinary

The directors declared a final dividend of 200,0 (2023: 150,0) cents per ordinary share, payable on Monday, 22 July 2024, to ordinary shareholders recorded in the books of the company at the close of business on Friday, 19 July 2024.

Preference

The company paid the following dividends to holders of 3,25% cumulative preference shares:

11 March 2024 – R13 000 (13 March 2023 – R13 000)

18 September 2023 – R13 000 (19 September 2022 – R13 000)

Directors

The names of the company's directors as at publication date (19 July 2024):

Independent non-executive directors

M Lewis (Chairman)
Prof. F Abrahams
C Coleman
G H Davin
D Friedland
B L M Makgabo-Fiskerstrand
E Oblowitz
J N Potgieter
N V Simamane
N L Sowazi
R Stein

Non-executive director

A D Murray

Executive directors

A E Thunström (CEO)
R R Buddle (CFO)

Changes to directors in the current financial year

As was announced on SENS on 7 July 2023, Mr Jan Potgieter was appointed as an independent non-executive director of the Board and member of the Audit and Risk Committees with effect from 10 July 2023. Mr Nkululeko Sowazi was appointed as an independent non-executive director of the Board with effect from 1 January 2024.

As was announced on SENS on 13 October 2023, Ms Bongiwe Ntuli resigned as Chief Financial Officer as well as executive director of the Company with effect from 30 November 2023.

Following the confirmation from the JSE Limited, Mr Anthony Thunström fulfilled the role of both Chief Executive Officer and executive financial director for the period 1 December 2023 until the appointment of the new Chief Financial Officer.

As was announced on SENS on 28 March 2024, Mr Ralph Buddle was appointed as Chief Financial Officer and executive director with effect from 1 April 2024. Mr R R Buddle was also appointed as a member of the Risk Committee with effect from 1 April 2024.

As was announced on SENS on 2 July 2024, Ms N V Simamane will be retiring from the Supervisory Board with effect from 5 September 2024, following the conclusion of the Company's AGM. Consequently, she will also step down as a member of the Audit, Risk and Social & Ethics Committees.

In terms of the Companies Memorandum of Incorporation (MOI), the following directors will retire by rotation at the Annual General Meeting (AGM) to be held on 5 September 2024 and, being eligible, offer themselves for re-election as directors:

Prof. F Abrahams
B L M Makgabo-Fiskerstrand
E Oblowitz
N L Sowazi

In addition, the current CFO Mr R R Buddle will be proposed for re-election as an executive director.

For details of directors' interests in the company's issued shares, refer to note 13. Details of directors' remuneration are set out in note 35.

Audit Committee

The directors confirm that the Audit Committee addressed the specific responsibilities required in terms of section 94(7) of the Companies Act of South Africa. Further details are contained within the Audit Committee report.

Subsidiaries

The names of, and certain information relating to, the company’s key subsidiaries appear in appendix 1 of the supplementary information.

Special resolutions

On 7 September 2023, shareholders passed the following special resolutions:

> The remuneration to be paid to non-executive directors for the period 1 October 2023 to 30 September 2024;

> The company may provide direct or indirect financial assistance to a related or interrelated company or corporation provided that such financial assistance may only be provided within two (2) years from the date of the adoption of the special resolution and subject further to Sections 44 and 45 of the Companies Act; and

> The Company and/or any subsidiary of the Company, by way of a general authority, from time to time, may repurchase ordinary shares in the share capital of the Company upon such terms and conditions and amounts as the Directors of the Company may from time to time determine but subject to the proviso’s set out in the notice convening the meeting.

Staff share incentive and share option schemes

Details are reflected in note 34.

Subsequent events

Details are reflected in note 25.2.

Going concern

These consolidated annual financial statements were prepared on the going concern basis.

The Supervisory Board has performed a review of the company and its subsidiaries’ ability to continue trading as a going concern in the foreseeable future and, based on this review, the directors are satisfied that the Group and businesses are going concerns and continued to adopt the going concern basis in preparing the consolidated financial statements. Details are reflected in note 25.1.

Company Secretary's certificate

For the year ended 31 March 2024

I certify that The Foschini Group Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all returns as required by a public company in terms of the Companies Act of South Africa, and that all such returns appear to be true, correct and up to date.

D van Rooyen
Company Secretary

19 July 2024

Audit Committee report

For the year ended 31 March 2024

The Audit Committee is pleased to present its report for the financial year ended 31 March 2024 to the shareholders of TFG. This report complies with the Companies Act of South Africa, the JSE Listings Requirements, King IV and any other relevant requirements.

Membership as at 31 March 2024

	Appointed to committee	Meetings attended/ possible meetings
Eddy Oblowitz (Chairman)	1 October 2010	3/3
Graham Davin	1 July 2022	3/3
David Friedland	1 April 2016	3/3
Boitumelo Makgabo-Fiskerstrand	1 October 2015	3/3
Jan Potgieter*	10 July 2023	2/2
Nomahlubi Simamane	24 February 2010	3/3

Eddy Oblowitz (67)

* *Jan Potgieter was appointed to the Audit Committee with effect from 10 July 2023 and attended all the relevant meetings after that date.*

The CEO, the CFO, the Head of Group Assurance, the Head of Internal Audit, the Company Secretary and the partner and senior members of the external auditors' team attended committee meetings by way of standing invitations. Additional attendees included non-executive directors Doug Murray and Ronnie Stein, and relevant members of executive management, who are invited to attend all meetings on an *ad hoc* basis. The Chairman of the Group has an open invitation to attend all Audit Committee meetings.

Roles and responsibilities

Statutory duties as prescribed in the Companies Act of South Africa

General

> Receive and deal appropriately with any concerns or complaints (whether internal, external or on its own initiative) relating to the accounting practices and internal audit of the Group, the content or auditing of the Group's financial statements, the internal financial controls or any related matter.

External auditors

- Evaluate the appointment of the external auditors on an annual basis and establish whether such appointment is in terms of the provisions of the Companies Act of South Africa, section 3.84(g)(ii) of the Listings Requirements and any other legislation and/or regulations and interrogate the external audit annual audit plan, the related scope of work and the overall appropriateness of the key audit risks identified.
- Evaluate the independence, effectiveness and performance of the external auditor.
- Approve the audit fee and fees in respect of any non-audit services.
- Determine the nature and extent of any non-audit services the auditors may provide to the Group and pre-approve all proposed agreements for non-audit services.
- Obtain assurance from the auditors that adequate accounting records are being maintained and that appropriate accounting policies are in place, which have been consistently applied.
- Review the findings and recommendations of the external auditors and establish that there are no significant unresolved matters as at the date of the approval of the annual financial statements.

Financial results

- Make submissions to the Supervisory Board on any matters concerning the Group's accounting policies, financial controls, records and reporting.
- Provide an Audit Committee report as part of the integrated annual report and consolidated annual financial statements.

Duties assigned and delegated by the Supervisory Board

General

> Guarantee the respective roles and functions of external audit and internal audit are sufficiently clarified and, where relevant, coordinated.

> Assess the effectiveness of the arrangements in place for combined assurance.

> Assist the Supervisory Board in carrying out its risk management, technology and information management responsibilities.

External auditors

> Consider and respond to any questions from the Supervisory Board and shareholders regarding the resignation or dismissal of the external auditors, if necessary.

> Review and approve the annual external audit plan.

> Make sure the scope of the external audit has no limitations imposed by executive management and that there is no impairment of its independence.

Internal control and internal audit function

> Review the effectiveness of the Group's systems of internal control, including internal financial controls, financial reporting procedures and risk management, and maintain their operational effectiveness.

> Guarantee that written representations on internal controls are submitted to the committee annually – being representations that provide assurance on the adequacy and effectiveness of the Group's systems of internal control.

> Monitor and supervise the effective functioning and performance of the internal audit function.

> Review and approve the annual internal audit plan and any proposed amendments thereto, prior to their implementation, and the internal audit charter.

> Make sure the scope of the internal audit function has no limitations imposed by executive management and that there is no impairment of its independence.

Finance function

> Consider the appropriateness of the expertise and experience of the CFO.

> Satisfy itself with the expertise, resources and experience of the finance function and its related activities.

Financial results

> Consider any accounting treatments, significant, unusual, sensitive and complex transactions, or accounting judgements and estimates that could be contentious.

> Review executive management's assessment of going concern and make a recommendation to the Supervisory Board that the Group adopt the validity of the going concern concept.

> Consider the JSE's report on the proactive monitoring of financial statements for compliance with IFRS and/or any other relevant reports issued by the JSE to audit committees and guarantee that appropriate action is taken, if required.

> Review the integrated annual report, consolidated annual financial statements, interim reports, condensed reports and/or any other financial information prior to submission and approval by the Supervisory Board.

Specific responsibilities

The committee confirms that it has carried out its functions in terms of the Audit Committee charter and section 94(7) of the Companies Act of South Africa, by:

> Confirming the nomination of Deloitte & Touche as the Group's registered auditor, and Mr J M Bierman as the designated partner, for the year ending 31 March 2025.

> Being satisfied that both Deloitte and Mr J M Bierman are independent of the company.

> Approving the terms of engagement and fees to be paid to Deloitte & Touche.

> Confirming that appointment of Deloitte & Touche complies with the provisions of the Companies Act of South Africa, the JSE Listings Requirements and any other regulations.

> Determining the nature and extent of any non-audit services, which the external auditors provide to the company or any related company prior to the provision of such non-audit services.

> Pre-approving proposed agreements with Deloitte & Touche for the provision of any non-audit services.

> Receiving and dealing appropriately with any relevant concerns or complaints that fall within the remit of the committee's charter.

> Making submissions to the Supervisory Board on any matter concerning the Group's accounting policies, financial controls, records and financial reporting.

> Preparing this report for inclusion in the consolidated annual financial statements and the integrated annual report.

> Performing any other oversight functions as determined by the Supervisory Board.

Internal financial controls

The CEO and CFO, through delegated authority to executive management and regular report-backs, continually evaluate the controls and control environment. This evaluation includes:

> Identifying risks and determining their materiality.
> Testing the design and implementation of controls that address significant and high-risk areas impacting the financial reporting process.
> Utilising the internal audit function to test the operating effectiveness of these controls.
> Reviewing of control self-assessments performed by management.

Deficiencies in the design and operational effectiveness of internal controls which are identified during the evaluation are presented to the committee together with the relevant compensating controls, any additional procedures performed and the plans to remediate.

The committee considered the information provided in respect of the design and operational effectiveness of internal controls for the current financial year and noted the contents of the CEO and CFO final attestation. The committee is of the opinion that TFG's system of internal financial controls and financial reporting procedures are effective and form a basis for the preparation of reliable financial statements in respect of the year under review.

This assessment included consideration of all the entities included in the consolidated annual financial statements and the Group's ability to prepare and report on the consolidated annual financial statements effectively.

The committee was not made aware of any material breaches of any laws or regulations or material breaches of internal controls or procedures.

Internal audit

The Group's internal audit function provides assurance over TFG Africa, TFG London and TFG Australia operations. Internal audit continues to develop and refine its auditing approach and methodologies with new digital enablement and associated interventions.

This approach facilitates the increased automation of processes, and enhanced generation of more risk-focused assurance and related insights and reporting through the implementation of a suite of technologies to broaden assurance coverage. It supports efficiencies of the internal audit processes, enabling greater coverage while optimising costs and providing enhanced value through more focused risk-oriented insight. These technologies include the applications of data analytics, robotic process automation, artificial intelligence, and other enterprise technology tools.

The committee believes that Mr R Kusel, the Head of Internal Audit, possesses the appropriate expertise, skills and experience to meet his responsibilities and that the internal audit function was functioning effectively throughout the year under review.

Combined assurance

The Audit Committee reviewed the combined assurance process and related methodologies and the outcomes thereof and considers these processes to be effective.

Read more about combined assurance on page 23 of the Governance report.

Risk management

While the Supervisory Board is ultimately responsible for the maintenance of an effective risk management process, the committee, together with the Risk Committee, assists the Supervisory Board in assessing and forming a conclusion on the adequacy of the risk management process.

The committee Chairman is also a member of the Risk Committee, and the Chairman of the Risk Committee is an invitee to this committee. This aligns the communication between the two committees. The committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk, information management and technology risks as they relate to financial reporting.

The strategies adopted by the Audit Committee and the Risk Committee allows for the timely review of any internal control weakness identified by any assurance providers. In addition, continual improvements in the development of Enterprise Risk Management (ERM) methodologies further enhances the Group's overall risk management coverage and focus.

Read more about our risk management approach on page 16 of the Governance report.

TFG international operations

The Group's international operations, TFG London and TFG Australia, have well established combined Audit and Risk Committees.

These committees play an important role in the governance oversight of TFG London, TFG Australia and the Group. These committees typically meet twice a year.

The TFG London Audit and Risk Committee is chaired by Ronnie Stein (the Group's Risk Committee Chairman) while the TFG Australia Audit and Risk Committee is chaired by Eddy Oblowitz (the Group's Audit Committee Chairman). The Chairmen provide feedback to the Group's Audit and Risk Committees and the Supervisory Board on matters of risk and the financial results of TFG's international operations.

Internal audit compiles assurance plans responsive to the significant risks identified and appropriate assurance reviews and audits were conducted during the year to assess those risks.

The financial and business environment

Trading environment

The Group delivered solid results for the year ended 31 March 2024 despite tough trading conditions and significant headwinds. Our results reflect two distinct halves, influenced by various macroeconomic factors in all three territories that affected customers and our performance.

Retail turnover grew by 8,6%, supported by the expansion of our footprint and brand portfolio, and further growth in online retail turnover in South Africa via our Bash platform.

The strong trading performance and sustained gross profit margins, along with our continued focus on resetting the cost base, enabled growth of 9,9% in operating profit before finance costs, which pleasingly was ahead of retail turnover growth. Despite increased finance costs and a higher effective tax rate, the Group's strong H2 2024 supported HEPS growth of 0,2%.

Group inventories were 11,6% lower than the elevated position in the prior year brought about by load shedding in South Africa, and the post-COVID-19 normalisation in trading conditions in other territories.

The Group generated cash from operations of R12,5 billion for the year (FY 2023: R7,1 billion), delivered through robust trading performance and effective working capital management.

With effect from 26 April 2023, the Group acquired Street Fever, a South African independent retailer of affordable branded footwear and apparel. The integration of the 91 Street Fever stores into Sneaker Factory has allowed us to quickly scale this business to 213 stores.

Accounting matters

As recommended by King IV, the committee has concentrated primarily on the following financial captions with the actions taken to address the risks listed:

Provision for impairment in respect of Trade receivables – retail

The provision for impairment in respect of Trade receivables – retail amounts to R1,9 billion (FY 2023: R1,9 billion). Further details of the provision for impairment is set out in note 24 of the annual financial statements.

During the year, the committee received detailed presentations from the TFG Africa Group director responsible for credit on the processes and procedures undertaken in controlling the granting of credit and the optimisation of the collection of receivables. These reports detailed trends in the credit environment, recoveries, bad debt write-offs and other relevant patterns associated with the status of customer accounts. Similar presentations are made to the Supervisory Board at regular intervals.

Executive management and the Audit Committee, have reviewed the assessments and related calculations that the provision for impairment is based on.

The committee is satisfied that the level of the provision carried is appropriate responsive to the determining assumptions in South Africa.

The external auditors have considered this a key audit matter (KAM) for the purposes of their audit. More details on their assessment is provided in their audit opinion on page 14 of the annual financial statements.

Inventory

The value of inventory at year-end amounts to R11,6 billion (FY 2023: R13,1 billion).

The valuation method of certain inventories within TFG Africa changed from the retail inventory method (RIM) to weighted average cost (WAC). The change from RIM to WAC was implemented to maintain a more consistent inventory valuation method across the Group, and to drive improved margin management. The Group inventory is measured at the lower of cost and net realisable value.

Inventory provisions are made for slow-moving, obsolete and damaged items and have been assessed for obsolescence using an appropriate inventory provision model.

The change in accounting policy has not resulted in a change in the cost or net realisable value of inventory as the retail inventory method approximates the weighted average cost of inventory.

The CEO provides regular reports to the Audit Committee in respect of inventory management. The report includes comments made by each brand head on:

- Their inventory holdings, inventory turn statistics and write-down information.
- The adequacy or otherwise of the overall quantum of their inventory holdings per business unit.

The CFO also provides the Audit Committee with regular updates on the level of inventory provisioning.

In addition, the external auditors provided a detailed year-end report on their work undertaken to satisfy themselves that the Group's inventory is fairly stated.

After considered debate and review of the external and internal auditors' reports, together with detailed operational inputs from senior executives and brand heads, the Audit Committee is satisfied that the value of inventory reflected on the statement of financial position at 31 March 2024 is fairly stated.

Goodwill and intangible impairment assessment

The goodwill and intangible assets value amounts to R10,3 billion (FY 2023: R9,8 billion) and makes up 37,5% (FY 2023: 36,8%) of the total non-current assets of the Group.

Due to the challenging macroeconomic conditions, including high levels of inflation and increasing interest rates, management, the external auditors, and the Audit Committee continued to apply stress-testing valuation scenarios to critically assess the carrying values of intangibles in TFG Africa, TFG London and TFG Australia, respectively. Notwithstanding the macroeconomic headwinds experienced during FY 2024, all three trading territories delivered sufficient levels of profitability and cash flow generation.

The committee specifically considered the recoverable amount of the Group's goodwill and intangible assets using the value-in-use technique. The assumptions and estimates used were supported by comprehensive calculations, analyses, forecasts and assumptions as prepared by management. Management also received inputs from independent external consultants to corroborate several of the most critical assumptions and estimates used in the value-in-use calculations.

Reports from the external auditors on their work carried out was done independently of management's calculations. The external auditors supported that no impairments are required regarding the Group's goodwill and intangible assets.

Following the review of the carrying values of the intangibles, it was concluded that the relevant operations had adequate headroom to sustain the current carrying values of intangibles.

The external auditors have considered this a KAM for their audit. More details on their assessment is provided in their audit opinion on page 14 of the annual financial statements.

External auditors

The Group's external auditors are Deloitte & Touche, and the designated partner for FY 2024 is Mr J H W de Kock.

Deloitte & Touche is afforded unrestricted access to the Group's records and management and were free to present any issues arising from their annual audit to the committee. In addition, the designated partner has unrestrained opportunity to raise any matters of concern directly with the committee Chairman, where necessary.

The committee gave due consideration to the independence of the external auditors and is satisfied that Deloitte & Touche remained independent of the Group and executive and senior management throughout their audit. Therefore, they are able to express an independent opinion on the Group's consolidated annual financial statements. The committee specifically considered Deloitte & Touche's tenure (seven years) and the nature and extent of non-audit services rendered. Non-audit services amounting to R6,3 million were provided during the current year (FY 2023: R3,4 million).

The committee has nominated, for approval at the AGM, Deloitte & Touche as the external auditor and Mr J M Bierman as designated audit partner for the 2025 financial year. Mr J M Bierman has been nominated as a result of the IRBA Code of Professional Conduct and the Companies Act rotation policy requirements for audit partners.

The committee made this nomination having satisfied itself (by obtaining and reviewing the information specified in Paragraph 3.84(g) of the JSE Listings Requirements) of the suitability of the appointment and reappointment of the individual auditor and the audit firm, respectively.

Financial statements

The committee reviewed the annual financial statements of the company and the Group and is satisfied that they comply with IFRS and the requirements of the Companies Act of South Africa.

This review included a consideration of the JSE's reports on the proactive monitoring of financial statements. In addition, the committee reviewed executive management's assessment of going concern and recommended to the Supervisory Board that the Group is a going concern for the ensuing year.

Integrated annual report

The committee fulfils an oversight role with respect to the contents of the integrated annual report. The committee considered the need for assurance on the sustainability information in this report and concluded that obtaining any independent assurance would not be required at this stage.

The committee considered the sustainability information as disclosed in the integrated annual report, assessed its consistency with the consolidated annual financial statements and Inspired Living report and is satisfied that the sustainability information is in no way contradictory to information disclosed in the consolidated annual financial statements.

Expertise of CFO and finance function

The committee considers the appropriateness of the expertise and experience of the CFO and finance function on an annual basis. The committee believes that the CFO, Ralph Buddle, possesses the appropriate expertise and experience to meet his responsibilities in that position.

In addition, the committee is satisfied that the expertise, resources and experience of the current senior incumbents of the finance function are appropriate based on the nature, complexities and size of the Group's operations.

It is noted that the JSE granted a dispensation to the Group for Anthony Thunström to act in the dual role as Chief Executive Officer and executive financial director for the period 1 December 2023 to 31 March 2024, being the period from the resignation of TFG's previous CFO (Bongiwe Ntuli) until the appointment of TFG's new CFO (Ralph Buddle).

Election of committee members

The following members made themselves available for election to the committee. Their election was recommended by the Nomination Committee and will be proposed to shareholders at the upcoming AGM:

- Eddy Oblowitz (Chairperson)
- Graham Davin
- David Friedland
- Boitumelo Makgabo-Fiskerstrand
- Jan Potgieter

Approval

The committee recommended the approval of the consolidated annual financial statements and the integrated annual report for the year ended 31 March 2024 to the Supervisory Board on 19 July 2024.

The Supervisory Board subsequently approved the consolidated annual financial statements and the integrated annual report for the year ended 31 March 2024, which will be tabled and open for discussion at the forthcoming AGM.

Appreciation

I acknowledge and thank my fellow committee members and attendees, the CEO, CFO and executives, management and the Deloitte & Touche engagement team for their continuing efforts, assistance, guidance and support rendered to me and to this committee during the year under review.

Eddy Oblowitz
Chairperson: Audit Committee
19 July 2024

Independent auditor's report

To the Shareholders of The Foschini Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Foschini Group Limited and its subsidiaries (the Group) set out on pages 19 to 94, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Foschini Group Limited and its subsidiaries as at 31 March 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (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 judgement, were of most significance in our audit of the consolidated 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.

Key Audit Matter	How the matter was addressed in the audit
Impairment of trade receivables – retail	
Retail trade receivables are unsecured and generally provided to customers with higher levels of default compared to the more traditional and often secured loans provided by the banking industry. Refer to note 1.2 (Significant judgements and estimates), note 9 (Trade Receivables – Retail) and note 24 (Risk Management). Retail trade receivables are carried at amortised cost and the impairment is measured using the simplified approach under IFRS 9, i.e. modelling lifetime expected credit losses (ECLs). As at 31 March 2024, gross trade receivables – retail amounted to R10 242.6 million, against which an ECL of R1 917.4 million was raised.	In response to the risk of the impairment of trade receivables in terms of IFRS 9 the following was performed by the audit team in conjunction with our Financial Services Advisory (FSA) team (credit and modelling specialists): > Obtained an understanding of the various assumptions used, the impairment modelling, and data management processes, systems and methodologies; > Evaluated, in conjunction with our credit and modelling specialists, the impairment methodology applied against the requirements of IFRS 9: Financial Instruments; > Our specialists evaluated that the impairment methodology developed has been appropriately applied in the underlying impairment modelling > Reviewed the reasonability of the PW and EAW outputs by performing empirical challenger estimates;

Key Audit Matter	How the matter was addressed in the audit
Impairment of trade receivables – retail continued	
When measuring the ECL of financial assets for the Group, the following judgements and estimates are employed by management (refer to notes 1.2 and 24): > Probability of Write-off (PW) constitutes a key input in measuring ECLs. PW is an estimate of the likelihood of write-off over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions; > Loss Given Write-off (LGW) is an estimate of the loss arising on write-off of financial assets. It is based on the difference between the contractual cash flows due from a financial asset and those that the Group would expect to receive; > Exposure at Write-off (EAW) is an estimate of the expected exposure at a future write-off date; and > Discounted Survival Percentage is the discount factor applied on a segmented basis derived from a survival curve to discount future losses. Instead of discounting the EAW of each account by the number of months it takes for the account to be written off, a survival curve to derive a discount factor on a segmented basis is used i.e. what percentage of the balance survives from one month to the next (where survival is 100% - write off), and apply the discounting on this survival percentage. The Group uses reasonable and supportable forward-looking information, which is based on assumptions and expert opinion for the future movement of different economic drivers and how these drivers will affect each other. As these assumptions and expert opinions pertain to uncertain future events, significant judgement is present. Forward-looking information can include the impact of potential future legislation. The impact on ECLs is assessed based on the latest information available regarding the applicable legislation. Estimates and judgements are required to assess the impact on the PW and EAW, and the timing of the anticipated credit loss. For the year ended 31 March 2024, management have included the following overlays: Macro-economic and AWOB overlays. The following approach was adopted: > The probability of write-off (PW), exposure at write-off (EAW) and loss given write-off (LGW) was increased by applying stress factors to upside, base and downside scenarios; > Anticipated recovery yields were reduced by applying the stress factor for each scenario; and > Probabilities were assigned to each scenario. The impairment of retail 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. It has therefore been identified as a key audit matter.	> Our specialists have independently re-performed each component and the total ECL calculation based on the methodology set out by management, i.e. ECL, probability of write off, loss given write off and survival discount to evaluate the accuracy thereof in the model; > We evaluated the appropriateness of forward-looking economic expectations included in the model by comparing to independent industry data. We evaluated management's economic response models to ensure that the macro-economic inputs are appropriately incorporated into the models. 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; > Performing a top-down challenger assessment of the adequacy of forward-looking information ("FLI") adjustments utilising a Vasicek based methodology; and > We assessed 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. We evaluated whether these overlays were subject to an appropriate governance process. Specific attention was also given to the following areas: > Data used in the impairment model was reconciled to the source system, > With assistance from our IT specialist team we tested the business rules applied for the critical IFRS 9 modelling fields. > 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 impairment to be reasonable and the disclosures included in the consolidated financial statements to be appropriate, as set out in notes 1.2, 9 and 24. The audit team has 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; > Design and implementation of controls was assessed over the management overlays and that of the base model; and > With the assistance of the Risk Advisory IT team (IT specialists) the automated controls over the base model were tested for design and implementation. Based on the above the governance processes were found to be sound and controls in place were appropriately designed and implemented.

Key Audit Matter	How the matter was addressed in the audit
TFG London and TFG Australia goodwill and intangible impairment assessment	
The goodwill and intangible asset value of R10 258.5 million makes up a 36% of the total non-current assets of the group. The goodwill attributable to the TFG London (UK) cash generating unit (CGU) and the value of the TFG London brands amount to R2 683.4 million, or 26%, of the total goodwill and indefinite life intangible assets balance at the end of the 2024 financial year. The goodwill attributable to the TFG Australia cash generating unit (CGU) and the value of the TFG Australia brands amount to R3 656.8 million, or 36%, of the total goodwill and indefinite life intangible assets balance at the end of the 2024 financial year. Refer to note 3 (Goodwill and Intangible Assets). In line with IAS 36: *Impairment of Assets* (IAS 36), the directors are required to assess whether goodwill and indefinite useful life intangibles are potentially impaired on an annual basis. The recoverable amount of the CGUs were calculated using the value-in-use technique. The recoverable amounts of the TFG London brands (Phase Eight, Whistles and Hobbs) and TFG Australia Brands (Connor, Tarocash, Yd, Johnny Big and Rockwear) were calculated using the royalty relief method. These valuations are subjective in nature as they are dependent on the directors' best estimate of the CGU and brands' future performance based on information known as at 31 March 2024. As disclosed in note 3, there are a number of key assumptions and estimates made in determining the inputs into the models which includes: > Retail turnover growth rates; > Discount rate; > Long term growth rate; and > Royalty rate. The current economic climates in the UK and Australia, uncertainty surrounding the future economic conditions of the retail industry, the Russia and Ukraine conflict, the Middle East conflict and uncertainty in global markets, resulted in significant estimation and judgment applied in the annual impairment assessment. Due to the significance of the goodwill and intangible asset 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.	In evaluating the impairment assessment for the TFG London and TFG Australia CGUs and related brands, we focused on the key areas of estimates made by the directors. Our audit procedures included: > Assessing the design and testing the implementation of the key controls over the goodwill and intangible impairment process; > Engaging our internal specialists to assess the arithmetic accuracy of the impairment assessment for goodwill and intangible assets as well the appropriateness of the valuation methodology against the requirements of IAS 36; > Engaging our internal specialists to independently calculate the discount rates, growth rates and royalty rates used in the directors' impairment calculations and consider the appropriateness of the inputs used in the directors' calculations; > With the assistance of our internal specialists, critically evaluating whether the future projected cash flows used by the Directors to calculate the value-in-use, comply with the requirements of IAS 36; > Assessing the reasonability of the future projected cash flows, including the assumptions relating to retail turnover growth rates and gross margins with reference to historic information, approved budgets and considering whether they are reasonable and supportable given the current economic climate in the UK and expected future performance; > Subjecting the key judgments in the valuation model to sensitivity analyses, including retail turnover growth rates, gross margins, discount rates, long term growth rates and royalty rates; > Independently recalculating the recoverable amount for the CGU and brand intangible assets; and > Assessing the adequacy of the Group's disclosures in respect of goodwill and intangible assets. Based on the procedures performed, the valuation methodology used is considered appropriate and we found the key forecast assumptions determined by the directors to be supportable. We reviewed the disclosures in note 3 and found these to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "2024 Integrated Annual Report of The Foschini Group Limited for the year ended 31 March 2024" and in the document titled "2024 Audited Consolidated Annual Financial Statements of The Foschini Group for the year ended 31 March 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the CEO and CFO Responsibility Statement, which we obtained prior to the date of this report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

> - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
> - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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 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 has been the auditor of The Foschini Group Limited for 7 years.

Deloitte & Touche
Registered Auditor

Per: J H W de Kock
Partner

19 July 2024

Unit 11 Ground Floor
La Gratitude
97 Dorp Street
Stellenbosch 7600

Consolidated statement of financial position

As at 31 March

The Foschini Group Limited and its subsidiaries

	Note	2024 Rm	Restated* 2023 Rm
Assets			
Non-current assets			
Property, plant and equipment	2	**5 923,1**	5 184,6
Goodwill and intangible assets	3	**10 258,5**	9 813,4
Right-of-use assets	4	**10 811,1**	9 751,4
Investments	5	**138,4**	143,7
Insurance contract assets	6	**253,0**	230,6
Deferred taxation assets	7	**1 457,6**	1 345,3
		28 841,7	26 469,0
Current assets			
Inventory	8	**11 560,0**	13 074,0
Trade receivables – retail	9	**8 325,2**	7 745,5
Other receivables and prepayments	10	**1 387,9**	1 469,4
Concession receivables	11	**240,7**	236,7
Taxation receivable		**31,3**	14,3
Cash and cash equivalents	12	**3 775,4**	4 095,2
		25 320,5	26 635,1
Total assets		**54 162,2**	53 104,1
Equity and liabilities			
Share capital	13	**4,4**	4,4
Share premium		**7 905,4**	7 905,4
Treasury shares	14	**(699,8)**	(1 070,2)
Dividend reserve	15	**662,1**	496,5
Hedging (deficit) surplus	16	**(26,4)**	76,4
Foreign currency translation reserve	17	**1 755,4**	1 405,1
Post-retirement defined benefit plan reserve	18	**39,6**	8,0
Retained earnings		**14 500,7**	12 826,9
Equity attributable to equity holders of The Foschini Group Limited		**24 141,4**	21 652,5
Liabilities			
Non-current liabilities			
Interest-bearing debt	19	**5 953,1**	5 990,0
Put option liability	20	**–**	43,5
Lease liabilities	21	**8 302,8**	7 266,5
Deferred taxation liabilities	7	**1 115,0**	1 073,3
Post-retirement defined benefit plan	18	**202,3**	233,0
		15 573,2	14 606,3
Current liabilities			
Interest-bearing debt	19	**2 716,9**	5 230,3
Trade and other payables	22	**7 454,2**	7 799,2
Contract liabilities**	23	**365,8**	–
Lease liabilities	21	**3 835,8**	3 675,0
Taxation payable		**74,9**	140,8
		14 447,6	16 845,3
Total liabilities		**30 020,8**	31 451,6
Total equity and liabilities		**54 162,2**	53 104,1

* *Refer to note 43.*

** *Contract liabilities, consisting of gift card and lay-by customer obligations, have been disclosed separately in the statement of financial position for the first time due to it being material in the current year. Previously, these contract liabilities amounting to R330,1 million were disclosed as part of trade and other payables in the 2023 financial statements. Refer to note 22 and note 23 to view the separate disclosure.*

Consolidated statement of comprehensive income

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

	Note	2024 Rm	Restated* 2023 Rm
Revenue	27	**60 112,1**	55 212,4
Retail turnover		**56 220,7**	51 778,1
Cost of turnover		**(29 266,4)**	(26 959,6)
Gross profit		**26 954,3**	24 818,5
Interest income	28	**2 075,4**	1 673,8
Insurance revenue		**247,0**	205,7**
Other income	29	**1 579,0**	1 554,8
Net bad debt	24	**(1 394,5)**	(1 351,1)
Insurance service expense		**(110,7)**	(91,1)**
Trading expenses	30	**(23 393,6)**	(21 393,9)
Operating profit before acquisition costs, gain on bargain purchase and impairment of goodwill		**5 956,9**	5 416,7
Acquisition costs		**–**	(5,6)
Gain on bargain purchase		**4,5**	–
Impairment of goodwill	3	**(15,6)**	–
Operating profit before finance costs		**5 945,8**	5 411,1
Finance costs	31	**(1 770,2)**	(1 367,8)
Profit before tax		**4 175,6**	4 043,3
Income tax expense	32	**(1 144,4)**	(1 017,5)
Profit for the year		**3 031,2**	3 025,8
Attributable to:			
Equity holders of The Foschini Group Limited		**3 031,2**	3 025,8

	Note	2024	2023
Earnings per ordinary share (cents)	33		
Total			
Basic		**934,7**	938,5
Diluted (basic)		**928,7**	930,2

* *Refer to note 43.*

** *To enhance disclosure between insurance revenue and insurance service expense, certain restatements were made to adequately disclose income and expenses.*

Consolidated statement of comprehensive income (continued)

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

	2024 Rm	Restated* 2023 Rm
Profit for the year	**3 031,2**	3 025,8
Other comprehensive income (loss):		
Items that will never be reclassified to profit or loss		
Actuarial gain on post-retirement defined benefit plan	**43,3**	–
Deferred tax on items that will never be reclassified to profit or loss	**(11,7)**	–
Items that are or may be reclassified to profit or loss		
Movement in effective portion of changes in fair value of cash flow hedges	**(144,9)**	330,1
Foreign currency translation reserve movements	**350,3**	746,8
Deferred tax on items that are or may be reclassified to profit or loss	**42,1**	(96,5)
Other comprehensive income for the year, net of tax	**279,1**	980,4
Total comprehensive income for the year	**3 310,3**	4 006,2
Attributable to:		
Equity holders of The Foschini Group Limited	**3 310,3**	4 006,2

* *Refer to note 43.*

Consolidated statement of changes in equity

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

	Note	Share capital Rm	Share premium Rm	Treasury shares Rm	Other reserves Rm	Retained earnings Rm	Attributable to equity holders of The Foschini Group Limited Rm
Equity at 31 March 2022		4,4	7 905,4	(1 046,3)	1 601,5	10 672,9	19 137,9
Total comprehensive income for the year		–	–	–	980,4	3 025,8	4 006,2
Profit for the year		–	–	–	–	3 025,8	3 025,8
Other comprehensive income (loss)							
Movement in effective portion of changes in fair value of cash flow hedges	16	–	–	–	330,1	–	330,1
Foreign currency translation reserve movements	17	–	–	–	746,8	–	746,8
Deferred tax on movement in other comprehensive income	7	–	–	–	(96,5)	–	(96,5)
Contribution by and distributions to owners							
Share-based payments reserve movements		–	–	–	–	217,9	217,9
Transfer from dividend reserve	15	–	–	–	(1 092,4)	1 092,4	–
Dividends paid	39	–	–	–	–	(1 635,6)	(1 635,6)
Transfer to dividend reserve	15	–	–	–	496,5	(496,5)	–
Proceeds from sale of shares in terms of share incentive schemes		–	–	–	–	13,1	13,1
Shares purchased in terms of share incentive schemes		–	–	(87,0)	–	–	(87,0)
Delivery of shares by share incentive schemes		–	–	63,1	–	(63,1)	–
Equity at 31 March 2023		4,4	7 905,4	(1 070,2)	1 986,0	12 826,9	21 652,5

Consolidated statement of changes in equity (continued)

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

	Note	Share capital Rm	Share premium Rm	Treasury shares Rm	Other reserves Rm	Retained earnings Rm	Attributable to equity holders of The Foschini Group Limited Rm
Equity at 31 March 2023		**4,4**	**7 905,4**	**(1 070,2)**	**1 986,0**	**12 826,9**	**21 652,5**
Total comprehensive income for the year		**–**	**–**	**–**	**279,1**	**3 031,2**	**3 310,3**
Profit for the year		**–**	**–**	**–**	**–**	**3 031,2**	**3 031,2**
Other comprehensive income (loss)							
Actuarial gain on post-retirement defined benefit plan	18	**–**	**–**	**–**	**43,3**	**–**	**43,3**
Movement in effective portion of changes in fair value of cash flow hedges	16	**–**	**–**	**–**	**(144,9)**	**–**	**(144,9)**
Foreign currency translation reserve movements	17	**–**	**–**	**–**	**350,3**	**–**	**350,3**
Deferred tax on movement in other comprehensive income	7	**–**	**–**	**–**	**30,4**	**–**	**30,4**
Contribution by and distributions to owners							
Share-based payments reserve movements		**–**	**–**	**–**	**–**	**168,2**	**168,2**
Transfer from dividend reserve	15	**–**	**–**	**–**	**(496,5)**	**496,5**	**–**
Dividends paid	39	**–**	**–**	**–**	**–**	**(984,4)**	**(984,4)**
Transfer to dividend reserve	15	**–**	**–**	**–**	**662,1**	**(662,1)**	**–**
Transfer of put option reserve		**–**	**–**	**–**	**–**	**(1,0)**	**(1,0)**
Delivery of shares by share incentive schemes		**–**	**–**	**370,4**	**–**	**(374,6)**	**(4,2)**
Equity at 31 March 2024		**4,4**	**7 905,4**	**(699,8)**	**2 430,7**	**14 500,7**	**24 141,4**

	Year ended 31 March 2024	Year ended 31 March 2023
Dividend per ordinary share (cents)		
Interim	**150,0**	170,0
Final	**200,0**	150,0
Total	**350,0**	320,0

Consolidated statement of cash flows

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

	Note	2024 Rm	2023 Rm
Cash flows from operating activities			
Operating profit before working capital changes	37	**11 660,7**	10 631,6
Decrease (increase) in working capital	37	**877,8**	(3 528,0)
Cash generated from operations	37	**12 538,5**	7 103,6
Interest income		**143,1**	145,4
Finance costs	31	**(1 770,2)**	(1 367,8)
Taxation paid	38	**(1 270,5)**	(1 223,2)
Dividends received	5	**57,3**	93,4
Dividends paid	39	**(984,4)**	(1 635,6)
Net cash inflows from operating activities		**8 713,8**	3 115,8
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		**(2 005,1)**	(3 000,6)
Proceeds from sale of property, plant and equipment and intangible assets		**18,3**	15,8
Acquisitions during the year, net of cash acquired	41	**(151,4)**	(2 096,2)
Purchase of other investments		**(5,9)**	–
Net cash outflows from investing activities		**(2 144,1)**	(5 081,0)
Cash flows from financing activities			
Shares purchased in terms of share incentive schemes		**(4,2)**	(87,0)
Proceeds from sale of shares in terms of share incentive schemes		**–**	13,1
Net (decrease) increase in interest-bearing debt		**(2 636,0)**	4 047,2
Borrowings received		**1 146,7**	9 008,2
Borrowings paid		**(3 782,7)**	(4 961,0)
Lease liability payments	40	**(4 369,9)**	(4 006,6)
Net cash outflows from financing activities		**(7 010,1)**	(33,3)
Net decrease in cash and cash equivalents during the year		**(440,4)**	(1 998,5)
Cash and cash equivalents at the beginning of the year		**4 095,2**	5 745,8
Effect of exchange rate fluctuations on cash held		**120,6**	347,9
Cash and cash equivalents at the end of the year	12	**3 775,4**	4 095,2

Consolidated segmental analysis

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

2024	TFG Africa Retail Rm	TFG Africa Credit Rm	TFG London Rm	TFG Australia Rm	Total Rm
External revenue	**40 177,3**	**822,8**	**7 619,5**	**9 427,1**	**58 046,7**
External interest income	**136,9**	**1 932,3**	**–**	**6,2**	**2 075,4**
Total revenue*	**40 314,2**	**2 755,1**	**7 619,5**	**9 433,3**	**60 122,1**
External finance costs	**(914,2)**	**–**	**(64,6)**	**(6,7)**	**(985,5)**
External finance costs on lease liabilities	**(653,1)**	**–**	**(35,4)**	**(96,2)**	**(784,7)**
Depreciation and amortisation	**(928,0)**	**–**	**(116,5)**	**(156,9)**	**(1 201,4)**
Depreciation on right-of-use assets	**(3 034,6)**	**–**	**(230,1)**	**(1 167,6)**	**(4 432,3)**
(Impairment) reversal of impairment property, plant and equipment, goodwill and intangible assets	**(26,1)**	**–**	**28,6**	**(17,3)**	**(14,8)**
(Impairment) reversal of impairment of right-of-use assets	**(24,6)**	**–**	**2,2**	**(22,4)**	**(44,8)**
Gain on bargain purchase	**–**	**–**	**4,5**	**–**	**4,5**
Profit before tax**	**2 013,7**	**717,6**	**433,1**	**1 011,2**	**4 175,6**

2023	Restated*** TFG Africa Retail Rm	TFG Africa Credit Rm	TFG London Rm	TFG Australia Rm	Restated*** Total Rm
External revenue	36 490,7	750,3	6 900,1	9 397,5	53 538,6
External interest income	126,6	1 528,4	–	18,8	1 673,8
Total revenue*	36 617,3	2 278,7	6 900,1	9 416,3	55 212,4
External finance costs	(736,1)	—	(56,5)	(1,3)	(793,9)
External finance costs on lease liabilities	(459,5)	—	(30,4)	(84,0)	(573,9)
Depreciation and amortisation	(790,2)	—	(75,5)	(192,7)	(1 058,4)
Depreciation on right-of-use assets	(2 711,8)	—	(199,5)	(1 056,9)	(3 968,2)
(Impairment) reversal of impairment of property, plant and equipment and intangible assets	(45,2)	—	32,5	(13,4)	(26,1)
Reversal of impairment (impairment) of right-of-use assets	16,8	—	(16,2)	(49,2)	(48,6)
Profit before tax**	1 944,8	311,5	397,0	1 390,0	4 043,3

* *Includes retail turnover, interest income, other income and insurance revenue.*

** *The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit before tax represents the profit before tax earned by each segment. This is the measure reported to the Chief Operating Decision-Maker (CODM) for the purpose of resource allocation and segment performance.*

*** *Refer to note 43.*

Consolidated segmental analysis (continued)

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

The Group has identified that the Chief Executive Officer (CEO) in conjunction with the Operating Board fulfils the role of the Chief Operating Decision-Maker (CODM). The Operating Board, is distinct from the Group's Supervisory Board and consists only of executive directors. All operating segments' operating results are reviewed regularly by the CODM to make decisions about the allocation of resources to the operating segment and to assess its performance.

Performance is measured based on segmental profit before tax, as included in the monthly management report reviewed by the CODM.

The merchandise category information per segment is presented in the table below:

2024	**TFG Africa Rm**	**TFG London Rm**	**TFG Australia Rm**	**Total Rm**
Clothing	**28 373,1**	**7 619,5**	**9 427,1**	**45 419,7**
Homeware	**5 337,5**	**–**	**–**	**5 337,5**
Cosmetics	**1 027,3**	**–**	**–**	**1 027,3**
Jewellery	**1 460,4**	**–**	**–**	**1 460,4**
Cellphones	**2 975,8**	**–**	**–**	**2 975,8**
Total retail turnover	**39 174,1**	**7 619,5**	**9 427,1**	**56 220,7**

2023	TFG Africa Rm	TFG London Rm	TFG Australia Rm	Total Rm
Clothing	25 868,8	6 900,1	9 397,5	42 166,4
Homeware	4 270,6	–	–	4 270,6
Cosmetics	981,3	–	–	981,3
Jewellery	1 449,5	–	–	1 449,5
Cellphones	2 910,3	–	–	2 910,3
Total retail turnover	35 480,5	6 900,1	9 397,5	51 778,1

The Group is split into four reportable operating segments, and is further structured based on products and services offered.

For management purposes, the following operating divisions have been identified as the Group's reportable segments:

> **TFG Africa Retail division** comprising of the @home division, Exact division, the FIX division, the Foschini division, the Jet division, the Jewellery division, the Markham division, the Sport division and the Tapestry division, retailing clothing, jewellery, cosmetics, cellphones and homeware and furniture.

> **TFG Africa Credit** manages the Group's trade receivables and related functions with regard to the granting of credit.

> **TFG London division** comprising of the Phase Eight, Whistles and Hobbs divisions, which operate through retail outlets throughout the United Kingdom and internationally, as well as online.

> **TFG Australia division** comprising of the Connor, Johnny Bigg, Rockwear, Tarocash and yd. divisions. RAG operates through retail outlets throughout Australia and New Zealand, as well as online.

Geographical information

The TFG Africa Retail and Credit reportable segments earn revenue throughout South Africa and certain African countries, as well as online. TFG London operates through retail outlets throughout the United Kingdom and internationally, as well as online. TFG Australia operates through retail outlets throughout Australia and New Zealand, as well as online.

Consolidated segmental analysis (continued)

For the year ended 31 March

The Foschini Group Limited and its subsidiaries

In presenting information on the basis of geographical segments, segment revenue is based on the location of the customers, while segment assets are based on the location of the asset.

The geographical information is presented in the table below:

2024	TFG Africa Retail Rm	TFG Africa Credit Rm	TFG London Rm	TFG Australia Rm	Total Rm
Segment revenue					
South Africa	**36 735,1**	**2 697,7**	**–**	**–**	**39 432,8**
Rest of Africa	**1 938,3**	**57,4**	**–**	**–**	**1 995,7**
United Kingdom and Ireland	**–**	**–**	**3 298,4**	**–**	**3 298,4**
Australia	**–**	**–**	**–**	**8 210,1**	**8 210,1**
Rest of the World	**–**	**–**	**1 071,9**	**537,6**	**1 609,5**
E-commerce**	**1 640,8**	**–**	**3 249,2**	**685,6**	**5 575,6**
Total segment revenue*	**40 314,2**	**2 755,1**	**7 619,5**	**9 433,3**	**60 122,1**
Segment non-current assets					
South Africa	**16 361,4**	**–**	**–**	**–**	**16 361,4**
Rest of Africa	**484,0**	**–**	**–**	**–**	**484,0**
United Kingdom and Ireland	**–**	**–**	**3 497,0**	**–**	**3 497,0**
Australia	**–**	**–**	**–**	**6 447,1**	**6 447,1**
Rest of the World	**–**	**–**	**98,9**	**104,3**	**203,2**
Total segment non-current assets***	**16 845,4**	**–**	**3 595,9**	**6 551,4**	**26 992,7**

2023	Restated**** TFG Africa Retail Rm	TFG Africa Credit Rm	TFG London Rm	TFG Australia Rm	Restated**** Total Rm
Segment revenue					
South Africa^	33 661,1	2 230,2	–	–	35 891,3
Rest of Africa	1 820,0	48,5	–	–	1 868,5
United Kingdom and Ireland	–	–	3 324,8	–	3 324,8
Australia	–	–	–	8 294,3	8 294,3
Rest of the World	–	–	732,6	529,0	1 261,6
E-commerce**	1 136,2	–	2 842,7	593,0	4 571,9
Total segment revenue*	36 617,3	2 278,7	6 900,1	9 416,3	55 212,4
Segment non-current assets					
South Africa	15 044,5	–	–	–	15 044,5
Rest of Africa	405,7	–	–	–	405,7
United Kingdom and Ireland	–	–	3 019,5	–	3 019,5
Australia	–	–	–	6 094,8	6 094,8
Rest of the World	–	–	33,8	151,1	184,9
Total segment non-current assets***	15 450,2	–	3 053,3	6 245,9	24 749,4

* *Includes retail turnover, interest income and other income.*

** *E-commerce sales is revenue earned throughout the world in which the segments operate.*

*** *Non-current assets consist of property, plant and equipment, right-of-use assets, goodwill and intangible assets.*

**** *Refer to note 43.*

^ *The e-commerce revenue has been enhanced in 2024 to more appropriately reflect the split between store and e-commerce revenue.*

Notes to the consolidated financial statements

For the year ended 31 March 2024

The Foschini Group Limited and its subsidiaries

1. Accounting policies

Reporting entity

The Foschini Group Limited (the "company") is a company domiciled in South Africa. The address of the company's registered office is Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, South Africa. The consolidated annual financial statements (together referred to as the "financial statements") for the year ended 31 March 2024 comprise the company and its subsidiaries (together referred to as the "Group").

1.1 Basis of preparation

Statement of compliance

The financial statements are prepared in accordance with the Group's accounting policies, which comply with IFRS Accounting Standards and its interpretations adopted by the International Accounting Standards Board, The South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and disclosure required by the Companies Act of South Africa and the JSE Limited Listings Requirements, and consistently applied with those adopted in the prior year except as noted otherwise.

The financial statements were authorised for issue by the Supervisory Board on 19 July 2024.

Basis of measurement

The financial statements are prepared on the going concern and historical cost basis, except where otherwise stated.

Functional and presentation currency

The financial statements are presented in South African Rand, which is the Group's functional currency, rounded to the nearest million, unless otherwise stated. Certain individual companies (foreign operations) in the Group have functional currencies that differ to that of the presentation currency of the Group and are translated on consolidation.

1.2 Significant judgements and estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management and directors to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements made in applying the Group's accounting policies that potentially have a significant effect on the amounts recognised in the financial statements are as follows:

Forward-looking information

Forward-looking information used for impairment assessments as required by IAS 36 Impairment of Assets, and the application of the Expected Credit Loss method as required by IFRS 9 Financial Instruments incorporate significant judgements and assumptions. These judgements and assumptions are detailed further in the relevant sections of these financial statements.

1. Accounting policies continued

1.2 Significant judgements and estimates continued

Trade receivables impairment

Measurement of Expected Credit Losses (ECLs)

When measuring the ECL of financial assets for the Group, the following judgement and estimates are employed (refer to note 24):

> Probability of Write-off (PW) constitutes a key input in measuring ECLs. PW is an estimate of the likelihood of write-off over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions;

> Loss Given Write-off (LGW) is an estimate of the loss arising on write-off of financial assets. It is based on the difference between the contractual cash flows due from a financial asset and those that the Group would expect to receive; and

> Exposure at Write-off (EAW) is an estimate of the expected exposure at a future write-off date.

> The Group uses reasonable and supportable forward-looking information, which is based on assumptions and expert opinion for the future movement of different economic drivers and how these drivers will affect each other. As these assumptions and expert opinions pertain to uncertain future events, significant judgement is present. Forward-looking information can include the impact of potential future legislation. The impact on ECLs is assessed based on the latest information available regarding the applicable legislation. Estimates and judgements are required to assess the impact on the PW and EAW, and the timing of the anticipated credit loss.

> No provision is made and held against trade receivables – retail unutilised facilities. The unutilised facility does not meet the definition of a loan commitment.

Concession receivables

Concession receivables relates to balances due from stores located in the United Kingdom and internationally, where concessions are in place. The concessions arise due to TFG London selling their branded merchandise in various department stores globally. Management continually monitors the concession receivables to assess the potential negative impact of the global economy and to implement mitigating action where possible. The provision relating to concessions has taken into account the uncertain environment and forward-looking component available at 31 March 2024. The Group uses forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. As these assumptions pertain to uncertain future events, significant judgement is present. Estimates and judgements are required to assess the impact on the probability write-off and the timing of the anticipated credit losses.

Inventory valuation

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

The Group uses the Weighted Average Cost method to value inventory and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Costs may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Insurance contracts

In-substance reinsurance contracts issued

After considering the contracts and their overall commercial effect, it was determined that the nature of the relationship between the third party cell insurers and the cell owner, where significant insurance risk is transferred, is in effect the same as the relationship between an insurer and a reinsurer. The Group, as the cell owner, have therefore accounted for these relationships that transfer significant insurance risk as a reinsurance contract issued in accordance with IFRS 17. The Group has applied the simplified Premium Allocation Approach (PAA), to recognise and measure these reinsurance contracts. The third-party cell captive arrangements were previously accounted for by the Group in accordance with IFRS 9. It has been assessed by the Group that the adoption of IFRS 17 for these arrangements has not had a material impact on the financial results.

First party cell captive arrangements and those arrangements that do not transfer significant insurance risk, are classified as a current financial asset included within other receivables and prepayments on the statement of financial position. The financial asset is designated for measurement at fair value through profit or loss as it does not qualify for recognition at fair value through other comprehensive income.

1. Accounting policies continued

1.2 Significant judgements and estimates continued

Insurance contracts continued

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Group fulfils insurance contracts. The requirements for a risk adjustment on the Liability for Remaining Coverage (LRC) do not apply when the PAA is used for measurement, but the risk adjustment on the Liability for Incurred Claims (LIC) is still applicable. From the perspective of the Group as an in-substance reinsurer, a risk adjustment on the LIC is not material. The risk adjustment would be required and applied on the underlying cell to allow for the non-financial insurance risk, and would therefore be included in the fulfilment cash flows of the in-substance reinsurance.

Taxation

The Group is subject to income tax in more than one jurisdiction. Judgement is required in determining the provisions for income tax due to the complexity of legislation. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on whether the particular tax treatment is acceptable to the respective revenue authorities. If the Group concludes that it is probable that a particular tax treatment is accepted, the Group determines its taxable profit (tax losses), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (note 32).

Property, plant and equipment and right-of-use assets

The Group has considered property, plant and equipment and right-of-use (ROU) assets for impairment. To determine if an impairment is required, the profitability of stores is assessed to determine if there is an indication of impairment. Where there is an indication of impairment the stores are assessed to identify the reasons for which the store could have been unprofitable in the year and if there was any likelihood in the assets' carrying values not being recovered by forecasted future cash flows. The Group assessed its full store base and impaired certain non-profitable stores. The recoverable amount for sites where impairment indicators were identified was determined. These assessments were made on forecasted information and circumstances known at 31 March 2024.

Goodwill and intangible assets impairment assessment

The recoverable amount of the TFG Africa, TFG London and TFG Australia cash-generating units (CGU's) was calculated using the value in use valuation technique when assessing the goodwill and indefinite useful life intangibles for impairment. The recoverable amounts of the CGU's was used for the goodwill impairment, whilst the recoverable amounts of the individual brands were used for brand impairment. The Group uses certain judgements in calculating the recoverable amount of the goodwill and brands within each CGU. Some of these judgements include the use of a weighted average cost of capital (WACC) rate, retail turnover growth rate, long-term growth rate and a royalty rate. Refer to note 3 for additional information on the key assumptions used.

Lease liabilities

The Group recognises a lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, together with assessing if the lessee is reasonably certain to exercise an option to extend or terminate the lease. In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement to assess the likelihood of exercising, termination or extension of the option. The lease term will only include renewal options where we are reasonably certain that the renewal option will be exercised. Management will consider the following factors when determining whether renewal options will be exercised: the initial term of the lease, the nature and purpose of the leased asset and the expected return the lease will bring to the underlying division it belongs to. The lease liability is initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate. The Group uses judgements when determining the borrowing rate by taking the following assumptions into account such as duration, country, currency, and inception of the lease. Incremental borrowing rates are based on a series of inputs, including the JIBAR rate, a credit risk adjustment and a country specific adjustment.

1. Accounting policies continued

1.2 Significant judgements and estimates continued

Other

Further estimates and judgements that are not significant, but are areas in the financial statements that exist. These relate to residual values, useful lives and depreciation and amortisation methods (notes 2 and 3); estimating the fair value of share incentives granted (note 34); pension fund and employee obligations (note 34) and fair value estimation (note 24).

1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company, its subsidiaries, and structured entities. The financial statements of subsidiaries are prepared using consistent accounting policies.

Subsidiaries and structured entities are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use power over the entity to affect the amount of the investor's returns. In assessing control, potential voting rights that are presently exercisable are taken into account. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Adjustments made on changes of interest in subsidiaries are recognised in equity when control is retained, and in profit or loss when control is lost.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests (NCI). All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The Group established structured entities in the form of the Share Incentive Trust and TFG Foundation. The Group does not have any direct or indirect shareholding in the Share Incentive Trust and TFG Foundation. However the Group directs all the relevant activities of the Share Incentive Trust and TFG Foundation through key management involvement that directly affects the returns generated and therefore the Share Incentive Trust and TFG Foundation, that in substance are controlled by the Group, are consolidated.

All intra-group transactions, intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated on consolidation.

The financial statements of foreign operations are translated in terms of the accounting policy on foreign currencies.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition conditions of IFRS 3: Business Combinations are recognised at their fair values at acquisition date, except for:

> Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively

> Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date

> Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

The Group measures goodwill at the acquisition date as:

> the fair value of the consideration transferred; plus

> the recognised amount of any NCI in the acquiree; plus

> if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less

> the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

1. Accounting policies continued

1.3 Basis of consolidation continued

Business combinations continued

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. If the contingent consideration is a measurement period adjustment, the change in fair value is adjusted for retrospectively and is recognised directly as goodwill. When it is not a measurement period adjustment, the change in fair value is recognised in profit or loss in terms of the underlying IFRS Accounting Standard applicable to the contingent consideration.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

1.4 Cost of turnover

Cost of turnover is calculated as the cost of goods sold, including all costs of purchases, costs of conversion and other costs, including costs incurred in bringing inventories to their present location and condition. Costs of purchases include royalties paid, import duties and other taxes, and transport costs. Costs of conversion are immaterial. Inventory write-downs are recognised in cost of turnover.

1.5 Dividends

Dividend distributions are accounted for in the period when the dividend is declared. Dividends declared on equity instruments after the reporting date are accordingly not recognised as liabilities at the reporting date. However, final dividends declared after the reporting date are transferred to a dividend reserve. The Group has chosen to classify dividend income and dividend distributions as operating activities in the consolidated statement of cash flows.

1.6 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise share incentives granted to employees.

Headline EPS and diluted headline EPS is calculated per the requirements of SAICA Circular 1/2023, using the same number of shares as the EPS and diluted EPS calculation.

1.7 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The accruals for employee entitlements to wages, salaries, bonus, annual and sick leave represent the amount the Group has a present obligation to pay as a result of employees' services provided to the reporting date. The short-term employee benefits are calculated at undiscounted amounts based on current wage and salary rates and expensed when incurred.

Post-employment benefits

The Group contributes to several defined benefit and defined contribution plans as mentioned below.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension, provident, medical and retirement funds are recognised as an employee benefit expense in profit or loss when the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1. Accounting policies continued

1.7 Employee benefits continued

Defined benefit plans

Post-retirement medical aid benefits

Where the Group has an obligation to provide post-retirement medical aid benefits to employees, the Group recognises the cost of these benefits in the year in which the employees render the services using the accounting methodology as described in respect of the defined benefit plans below.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods – that benefit is discounted to determine its present value.

The Projected Unit Credit Method is used to determine the present value of the defined benefit post-retirement medical aid obligations and the related current service cost and, where applicable, past service cost. This calculation is performed by a qualified actuary. An economic benefit is available to the Group if it is realisable during the life of the plan or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income (OCI) and are not reclassified. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

Share-based payment transactions

Equity-settled share-based options

The Group grants equity-settled share instruments to certain employees under an employee share plan. The grant date fair value of options, share appreciation rights (SARs) and forfeitable shares (FS) granted to employees is recognised as an expense, with a corresponding increase in equity in a separate reserve over the vesting period of the instruments. The fair value is measured at the grant date using a Binomial option pricing model. The amount recognised as an expense is adjusted to reflect the actual number of share instruments for which the related service and non-market vesting conditions are expected to be met so that the amount ultimately recognised as an expense is based on the number of share instruments that meet the related service and non-market performance conditions at the vesting date. Costs incurred in administering the schemes are expensed as incurred.

Shares forfeited are sold on the open market and resultant gain or loss is recognised in equity.

1.8 Expenses

Finance costs

Finance costs comprise interest paid and payable on borrowings calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Borrowing costs are recognised in profit or loss or capitalised to property, plant and equipment if it meets the requirements of a qualifying asset.

Finance costs on lease liabilities

Finance costs comprise interest on lease liabilities calculated using the effective interest method and are recognised in profit or loss.

Variable lease payments

Leases containing variable payments that do not depend on an index or rate are not included in the measurement of the right-of-use asset and lease liability. These related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur. Other variable lease payments that depend on an index or rate are included in the measurement of the right-of-use assets and lease liabilities.

1. Accounting policies continued

1.8 Expenses continued

Short-term and low value leases

For leases of short-term and low-value assets, the Group has opted to recognise a lease expense on a systematic basis over the lease term. The expense is presented within trading expenses on the face of the consolidated statement of comprehensive income. The Group defines a short-term lease as one that has a lease term of 12 months or less without any purchase options.

1.9 Financial instruments

A financial instrument is recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Initial measurement

Financial instruments are initially recognised at fair value plus any directly attributable transaction costs except in the case of financial assets or financial liability measured at fair value through profit or loss (FVTPL) where, transaction costs are recognised in profit or loss.

The Group's receivables do not contain a significant financing component and therefore are measured at transaction price. Subsequent to initial recognition, financial instruments are measured as described below.

Financial assets are classified and measured on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group determines the business model at a level that reflects how categories of financial assets are managed together to achieve a particular business objective. The Group performs a continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. If the business model is no longer appropriate, a prospective change to the classification of those assets is considered. If the business model is no longer appropriate, a prospective change to the classification of those assets is considered.

Non-derivative financial instruments

Non-derivative financial instruments recognised in the statement of financial position include cash and cash equivalents, trade and other receivables, concession receivables, interest-bearing debt and trade and other payables.

Cash and cash equivalents

Cash and cash equivalents is comprised of cash on hand and amounts held on deposit at financial institutions. Cash and cash equivalents is measured at amortised cost based on the relevant exchange rates at reporting date.

The Group presents cash flows arising from its general banking facilities on a net basis within financing activities in the statement of cash flows. These short-term facilities are utilised to finance the Group's working capital, and the cash movements on these accounts consist of large cash receipts and payments that take place weekly.

Financial assets measured at fair value through profit or loss

The reinsurance contract issued in cell captive arrangements is classified as a current financial asset included within other receivables and prepayments on the statement of financial position. The financial asset is designated for measurement at fair value through profit or loss as it does not qualify for recognition at fair value through other comprehensive income.

The Hollard business arrangement in respect of the Jet insurance business is classified as a non-current financial asset included within investments on the statement of financial position. The financial asset is designated for measurement at fair value through profit or loss as it does not qualify for recognition at fair value through other comprehensive income.

Trade receivables – retail and concession receivables

Trade receivables – retail and concession receivables are held within a business model whose objective it is to collect the contractual cash flows and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial measurement, trade receivables – retail and concession receivables are measured at amortised cost using the effective interest method, less any accumulated impairment losses.

1. Accounting policies continued

1.9 Financial instruments continued

Write-off policy

The Group manages the ageing of its trade receivables book on both a contractual and recency basis, but uses the recency basis to calculate write-off. Recency refers to the number of payment cycles that elapsed since the last qualifying payment was received.

The Group writes off its trade receivables when it has no reasonable expectations of recovering the trade receivable in its entirety, or a portion thereof. A write-off constitutes a derecognition event.

Trade receivables – retail are written off where the trade receivables – retail account customer has not made a qualifying payment for 6 months. The Group utilises both an in-house collection department and external collection specialists in an effort to recover outstanding amounts.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income (FVTOCI). For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Reclassifications of financial assets

If the business model under which the Group holds financial assets changes, the financial assets affected may be reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets are described below.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms and resultant cash flows, to those applicable at initial recognition.

The terms and conditions contained in the credit agreement relating to trade receivables – retail accounts allow the Group the flexibility to extend the term of the facility or to adjust the instalment due. Such an adjustment therefore does not constitute a renegotiation of the terms of the trade receivables – retail account.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay in respect thereof. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received thereon.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in other comprehensive income (OCI) and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

1. Accounting policies continued

1.9 Financial instruments continued

Financial liabilities measured at amortised cost

Non-derivative financial liabilities including interest-bearing debt and trade and other payables are recognised at amortised cost, comprising original debt less principal payments and interest.

The carrying value of non-derivative financial liabilities determined for disclosure purposes is estimated based on the present value of future principal and interest cash flows discounted at the relevant market rate of interest for a similar instrument at the reporting date.

The Group performs active management of interest-bearing debt, usually on a daily frequency, whereby receipts and payments are netted off and interest-bearing debt is either settled or advanced by the net cash flow.

Gains and losses on subsequent measurement of hedged instruments

Hedged instruments are accounted for as described in the hedge accounting policy note (note 1.13).

Put option to acquire the TFG London Group equity

Where a minority shareholder has the right to put equity instruments of a subsidiary to another Group entity, the Group records a financial liability for its obligation to pay the put option exercise price and derecognises the related NCI. This recognition occurs when the put option contract is signed.

Where the put option is entered into as part of a business combination, the put option is accounted for as a financial liability and is recognised as a component of the consideration transferred. No NCI is recorded.

Subsequent to this recognition, the put option liability is remeasured as a financial liability at fair value through profit or loss, with changes in the carrying amount of the liability recorded directly in equity in the put option reserve. Changes in the carrying amount of the liability include translation differences arising from translating foreign currency put option liabilities into the presentation currency.

When the put option is exercised, the amount paid by the Group will be recognised as a reduction in the put option liability. If the put option is not exercised, the put option liability is reclassified as an NCI on the date when the option lapses.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are subsequently measured at fair value, with the gain or loss on measurement being recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any gain or loss depends on the nature of the hedge (note 1.13).

The fair value of forward exchange contracts is the present value of their forward price.

Fair value determination

The fair values of any quoted investments in the company are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models that make maximum use of market inputs and rely on entity-specific inputs as little as possible.

Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group have a legally enforceable right to offset the recognised amounts, and intend either to settle them on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

1.10 Share capital

Ordinary shares

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

Preference share capital

Preference share capital is classified as equity. Dividends thereon are recognised as distributions within equity.

Treasury shares

The Foschini Group Limited shares purchased and held by the company, or its subsidiaries are classified as treasury shares and are presented as a deduction from equity. Dividend income on treasury shares is eliminated on consolidation. Gains or losses on disposal of treasury shares are accounted for directly in equity. Issued and weighted average numbers of shares are reduced by treasury shares for EPS purposes.

1. Accounting policies continued

1.11 Foreign currencies

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which that entity operates.

Foreign currency transactions

Transactions in currencies other than the entity's functional currency are translated at the rates of exchange ruling on the transaction date.

Monetary assets and liabilities denominated in such currencies are translated at the rates of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in such currencies are measured based on historical cost and translated using the exchange rate at the date of the transaction.

Foreign currency gains and losses arising on translation are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective are recognised in OCI.

Foreign operations

As at the reporting date, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date. The statement of comprehensive income is translated at the exchange rates at the dates of the transactions or the average rates if they approximate the actual rates.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the transaction reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amount is reattributed to NCI.

1.12 Goodwill

For business combinations, goodwill is measured as the difference between the aggregate of the acquisition-date fair value of the consideration transferred, the amount of any NCI and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held interest in the acquiree, as well as the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed (measured in accordance with IFRS 3). If the difference between the above is negative, the resulting gain is recognised as a bargain purchase in profit or loss.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

1.13 Hedge accounting

In accordance with IFRS 9, the Group uses derivative financial instruments, such as forward exchange contracts designated as hedging instruments to hedge its foreign currency exposure utilising cash flow hedges. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The hedged item may comprise of a firm commitment or highly probable forecast transaction which results in the recognition of a non-financial asset or a liability.

1. Accounting policies continued

1.13 Hedge accounting continued

For each cash flow hedge which is entered into to mitigate the risk of exposure to variability in cash flows, the below is considered and documented:

- Identify the nature of the hedged risk
- Identify the hedged item
- Specify the hedging instrument
- Confirm the methodology of the hedging ratio used to determine effectiveness
- Detail the analysis of expected sources of ineffectiveness
- Detail how the effectiveness requirements will be met including:
  - Economic relationship
  - Whether credit risk dominates the economic relationship
  - Confirmation that the hedge ratio is in line with the risk management
- Detail the reason behind any rebalancing

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any material ineffective portion is recognised in the statement of comprehensive income.

The Group designates the change in fair value of the entire forward contracts in its cash flow hedge relationships as the hedging instrument.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged item. If the hedged item subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss and does not affect OCI.

1.14 Impairment of assets

Non-derivative financial assets

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can objectively be related to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, and the amortised cost is presented on the face of the statement of financial position.

Measurement of ECLs

Impairment in terms of IFRS 9 is determined based on an ECL model. The ECL model applies to all financial assets measured at amortised cost. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group at reporting date.

The Group measures ECL by projecting the probability of write-off, exposure at write-off, timing of when write-off is likely to occur and loss given write-off. The ECL is calculated by multiplying these components together. For variable rate financial instruments, the ECL is discounted using the current effective interest rate applicable to the portfolio of financial assets. For fixed rate financial instruments, the ECL is discounted using the original effective interest rate applicable to the portfolio of financial assets.

The Group has adopted the simplified approach to measure ECLs relating to 6-month credit plans as they do not contain an explicit financing component. 12-month credit plans do contain a significant financing component due to the difference between the total expected payments to be received from the account customer and the selling price of the goods or services. The Group has chosen to apply the simplified approach to measure ECLs on the 12-month plans.

The simplified approach recognises lifetime ECL regardless of stage classification. A financial asset can move in both directions through the stages of the impairment model.

1. Accounting policies continued

1.14 Impairment of assets continued

Measurement of ECLs continued

The Group classifies trade receivables – retail account customers as stage 1 accounts from inception until an event to change the stage classification occurs. The Group predominantly uses past due information to assess changes in credit risk since initial recognition. The Group considers that a change in credit risk has occurred when trade receivables – retail account customer is in arrears with one contractual payment and is classified as stage 2 as opposed to stage 1. Accounts that have been re-habilitated or belong to deceased estates, are classified as stage 2 regardless of past due status. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired and therefore classified as stage 3. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group's definition of credit-impaired is aligned to the Group's internal definition of default. IFRS 9 does not define default. The Group has adopted the rebuttable presumption that default is evident where trade receivables – retail account customer is in arrears for more than 90 days based on contractual payment requirements. Trade receivables – retail accounts which have been identified as belonging to customers who are sequestrated, placed under administration or debt review, are classified as being in default regardless of past due status.

When a financial asset is classified as stage 3 impaired, interest income is calculated on the amortised cost (i.e. the gross carrying amount less the allowance for impairment) based on the effective interest rate. The contractual interest income calculated on the gross carrying amount of the financial asset is suspended and only resumes to being recognised in interest income if and when the financial asset is reclassified out of stage 3. The difference between the contractual interest income and the interest income calculated on the amortised cost is recognised as an adjustment to the carrying value of the allowance for impairment.

Non-financial assets

The carrying values of the Group's non-financial assets, other than inventories and deferred taxation assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and to then reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.15 Intangible assets (excluding goodwill)

Intangible assets acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in profit or loss as incurred.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Currently, the Bash, Instinct, Fabiani, Granny Goose, G-Star RAW, Jet, Coricraft, Volpes, Dial-a-Bed, The Bed Store, Phase Eight, Whistles, Hobbs, Connor, Tarocash, yd and Johnny Bigg trademarks are considered to have indefinite useful lives.

1. Accounting policies continued

1.15 Intangible assets (excluding goodwill) continued

Computer software is classified as an intangible asset with a finite useful life. Purchased software and the direct costs associated with the customisation and installation thereof are capitalised. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss. Expenditure on research activities is recognised in profit or loss as incurred.

Customer lists acquired by the company, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses. Customer lists are amortised over its useful life.

Amortisation for intangible assets with finite useful lives is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date they are available for use, at the following rate per annum:

Computer software	7% – 33%
Customer lists	33%

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

1.16 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

The Group uses the Weighted Average Cost method to value inventory and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition net of discounts and rebates received. Costs may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

The cost of manufacturing inventory comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

1.17 Property, plant and equipment

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses. The cost of self-constructed assets, includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Cost is defined as any cost 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.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment are depreciated on a straight-line basis over the periods of their estimated useful lives, at the following rates per annum:

Shopfittings and furniture and fixtures	8% – 33%
Passenger vehicles	17% – 20%
Commercial vehicles	25%
Computer equipment	14% – 33%
Office equipment	5% – 20%
Buildings	3% – 10%
Leasehold improvements	Shorter of useful life or lease period

Land is not depreciated.

Depreciation of an item of property, plant and equipment commences when the item is ready for its intended use. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The day-to-day servicing costs of property, plant and equipment are recognised in profit or loss as incurred.

Gains or losses on the disposal of property, plant and equipment are recognised in profit or loss. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset. Impairment and impairment reversals of property, plant and equipment are recognised in profit or loss.

1. Accounting policies continued

1.18 Leases

The Group assesses whether a contract is, or contains, a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, the Group has elected to apply the practical expedient permitted by IFRS 16 and account for the lease and non-lease components as a single lease component. The practical expedients for short-term and low-value leases has been elected where payments for these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, together with assessing if the lessee is reasonably certain to exercise an option to extend or terminate the lease.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement to assess the likelihood of exercising, termination or extension of the option. The lease term will not include any renewal options where there is no certainty that the lease will be renewed until the renewal option is exercised.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the 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. In addition, the right-of-use asset is tested for impairment when there are indicators of impairment and periodically reduced by impairment losses, if required.

The lease liability is initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate taking into account the duration, country, currency and inception of the lease. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that are based on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the Group exercises the option to terminate. Variable lease payments, which do not depend on an index or a rate, are recognised as an expense in the period in which the event or condition that triggers the payment occurs. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

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

The lease liability is remeasured whenever:

> the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

> the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and

> a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The remeasurement results in a corresponding adjustment to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has opted for separate presentation of the right-of-use assets and lease liabilities from other assets in the consolidated statement of financial position.

1. Accounting policies continued

1.19 Revenue and other income

Revenue is defined as the sum of the items described in further detail below:

Retail turnover

Retail turnover represents sale of goods from ordinary group operating activities, comprising of clothing and apparel, furniture, appliances and electronics which is measured at the invoiced value of retail sales, excluding intra-group sales and value-added tax. The Group's TFG Rewards customers are offered promotional discounts which is recognised as a reduction in revenue on conclusion of the sale; this does not create a separate performance obligation providing a material right to a future discount. Retail turnover is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Customers pay for goods via cash, electronic payments or on store account.

Retail turnover is recognised based on the satisfaction of performance obligations, which occurs when, control of goods transfers to a customer. Retail turnover is recognised once the contract is concluded, and risks and rewards have been transferred to the customer. On conclusion, the full retail turnover will be recognised by the Group at the point of sale for store sales and the point of delivery for online sales when the merchandise is transferred to the customer. Lay-by retail turnover is only recognised when the control of the merchandise is transferred to the customer which occurs when full consideration is received.

Generally, goods purchased in store or online can be returned within a reasonable number of days as specified on the till slip. Based on past experience it is estimated that goods returned that cannot be resold is insignificant, therefore the Group does not recognise an asset and a corresponding adjustment to cost of turnover for its right to recover the product from the customer where the customer exercises their right of return. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Gift cards

Customer purchases of gift cards can be used to purchase goods in store or online. The Group recognises a gift card liability in respect of the performance obligation to transfer, or to stand ready to transfer goods in the future. Revenue is therefore recognised at redemption of the gift card or within 3 years of purchase as the gift card has a 3 year expiration date from purchase.

Interest income

Interest income for all financial instruments, except for those classified as held for trading or those measured or designated as FVTPL are recognised as 'interest income' in the consolidated statement of comprehensive income using the effective interest method. Interest on financial instruments measured at FVTPL are included within the fair value movement during the year.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees received between parties to the contract that are incremental and directly attributable to the specific credit agreement. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

Interest income in the Group's consolidated statement of comprehensive income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk interest income and expense, the effective portion of fair value changes of the designated derivatives as well as the fair value changes of the designated risk of the hedged item are also included in interest income and expense.

Value-added services

Publishing income

Publishing income is recognised on sale of publications and monthly in respect of advertising and subscriptions in the period in which the product is provided to the customer. The performance obligation is fulfilled once the publication is sold or posted to the customer.

1. Accounting policies continued

1.19 Revenue and other income continued

Value-added services continued

Mobile one2one airtime income

Mobile one2one airtime and data income is recognised in the period in which the services are provided by the Group. In the case of a 24-month contract, the income will be measured monthly on provision of the services as the performance obligation is met periodically in advance as the services are made available to consumers. Incentive commissions are recognised on fulfilment of the sales volume threshold in respect of which the incentive commission is paid. The performance obligation is considered met on achievement of the relevant volume target.

Income earned from the insurance cell captives

Commission based income is recognised based on concluded sales. Dividend income declared by cell captives is recognised on date of declaration thereof. The reinsurance contracts issued not in the scope of IFRS 17 are classified as financial assets and are designated for measurement at FVTPL.

There is no impairment of the income necessary as it is based on actual cash flows being affected or where payment on credit is fulfilled through a Trade receivables – retail account.

Collection cost recovery and service fees

Collection cost recovery arises when collection activities are performed to collect balances relating to trade receivables – retail account customers which are in arrears and is recognised in profit or loss when the activity has been performed.

Service fees are derived from the provision of debtor management services to store account customers. The Group identifies the performance obligations stipulated in the contractual agreements with store account customers. Service fees are charged on a monthly basis coinciding with the monthly rendering of the services to customers.

1.20 Insurance contracts classification

The Group issues in substance reinsurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, The Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Insurance contracts accounting treatment

The Group assesses its cell captive arrangements to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standard instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation. The Group has one portfolio of cell captive arrangements comprising of similar risks which are managed together. None of the contracts have identified as being onerous.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with services.

Measurement - Premium Allocation Approach

Premium Allocation Approach (PAA) Eligibility

The PAA will be applied where eligible. Majority of contracts have a coverage period of less than one year and are therefore automatically eligible for the adoption of the PAA. For contracts that are greater than one year in terms of coverage, a PAA eligibility assessment had been conducted and it has been concluded that the PAA can be used.

Insurance acquisition cash flows for insurance contracts issued

The Group will expense insurance acquisition cash flows where coverage is less than one year. Where coverage is greater than one year, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.

1. Accounting policies continued

1.20 Insurance contracts classification continued

Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money

The Group has elected not to make an adjustment for time value of money.

Liability for Incurred Claims, (LIC) adjusted for time value of money

All claims are paid within twelve months. Claims are not adjusted for the time value of money as permitted in terms of the standard.

Insurance finance income and expense

The Group elects not to disaggregate, however there are no insurance finance income and expenses in the current or prior financial year to disclose.

1.21 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has identified that the Chief Executive Officer in conjunction with the Operating Board fulfils the role of the CODM. The Operating Board is distinct from the Group's Supervisory Board and consists only of executive directors. All operating segments' operating results are reviewed regularly by the CODM to make decisions about the allocation of resources to the operating segment and to assess its performance.

Segment results reported to the CODM include items directly attributable to a segment and those that can be allocated on a reasonable basis. Inter-group transactions are eliminated as part of the consolidation process.

Amounts reported in the Group segmental analysis are measured in accordance with IFRS Accounting Standards.

1.22 Taxation

Income tax expense comprises current and deferred taxation.

Income tax expense is recognised in profit or loss, except to the extent that it relates to a transaction recognised directly in OCI or in equity, in which case it is recognised in OCI or equity as appropriate.

Current tax is the expected taxation payable that is calculated on the basis of taxable income for the year using the tax rates enacted or substantively enacted at the reporting date and any adjustment of taxation payable for previous years.

Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred taxation is recognised in respect of temporary differences between the tax base of an asset or liability and its carrying amount. Deferred taxation is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred taxation is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

1. Accounting policies continued

1.22 Taxation continued

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

The company withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised directly as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity. Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholding tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

1.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and when it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

The Group has recognised a provision for employee benefits, insurance claims and certain tax provisions within trade and other payables on the statement of financial position. Movements in the liability, including notional interest, are accounted for in the income statement.

1.24 Changes in accounting policies

The Group has implemented the following changes in accounting policies during the current year:

Inventory

The valuation method of certain inventories within TFG Africa changed from the retail inventory method (RIM) to weighted average cost (WAC). The change from RIM to WAC was implemented to ensure a more consistent stock valuation method across the Group, and to drive improved margin management. The Group inventory is measured at the lower of cost and net realisable value.

Inventory provisions are made for slow-moving, obsolete and damaged items and have been assessed for obsolescence using an inventory provision model.

The change in accounting policy has not resulted in a material change in the cost or net realisable value of inventory as the retail inventory method approximates the weighted average cost of inventory.

The change in accounting policy has had no material impact on the Group's statement of financial position, statement of comprehensive income, statement of changes in equity or statement of cash flows.

IFRS 17 Insurance Contracts

Refer to note 43 for details on the adoption of IFRS 17 and the impact on the financial results.

1.25 Non-IFRS performance measures

Non-IFRS performance measures are measures that:

(i) are not defined by IFRS;
(ii) are not uniformly defined or used by all entities; and
(iii) may not be comparable with similar labelled measures and disclosures provided by other entities.

The directors are responsible for compiling the non-IFRS performance measures.

TFG Africa retail turnover excluding Tapestry

Retail turnover growth excluding the acquisition of Tapestry is a non-IFRS measure defined by the Group and presented as additional information to the shareholders. Management considers it to be more reflective of the operating performance of the Group.

The measure provides an indicative retail turnover growth for TFG Africa excluding the acquired Tapestry business. Tapestry retail turnover for the period since acquisition on 1 August 2022 to 31 March 2023 and for the 12 month period ended 31 March 2024 was removed as if the acquisition did not take place.

	2024 Rm	2023 Rm	Growth %
TFG Africa			
TFG Africa retail turnover including Tapestry	**39 174,1**	35 480,5	10,4
Less: Tapestry retail turnover#	**(2 818,6)**	(1 800,0)	56,6
TFG Africa retail turnover excluding Tapestry	**36 355,5**	33 680,5	7,9

It is a performance measure used by the CODM per the above accounting policy.

1. Accounting policies continued

1.25 Non-IFRS performance measures continued

Group retail turnover excluding Tapestry

Retail turnover growth excluding the acquisition of Tapestry is a non-IFRS measure defined by the Group and presented as additional information to the shareholders. Management considers it to be more reflective of the operating performance of the Group.

The measure provides an indicative retail turnover growth for the Group excluding the acquired Tapestry business. Tapestry retail turnover for the period since acquisition on 1 August 2022 to 31 March 2023 and for the 12 month period ended 31 March 2024 was removed as if the acquisition did not take place.

	2024 Rm	2023 Rm	Growth %
Group retail turnover including Tapestry	**56 220,7**	51 778,1	8,6
Less: Tapestry retail turnover#	**(2 818,6)**	(1 800,0)	56,6
Group retail turnover excluding Tapestry	**53 402,1**	49 978,1	6,9

It is a performance measure used by the CODM per the above accounting policy.

Pre-IFRS 16 net debt

Pre-IFRS 16 net debt is a non-IFRS measure defined by the Group and presented as additional information to the shareholders. Pre-IFRS 16 net debt is the total interest-bearing debt, net of cash and cash equivalents and IFRS 16 lease liabilities. Management considers it to be a key measure within the Group's debt reporting. The following adjustments are made to total interest-bearing debt to determine Pre-IFRS 16 net debt:

	2024 Rm	2023 Rm	Growth %
Total interest-bearing debt	**20 808,6**	22 161,8	(6,1)
Less: Cash and cash equivalents	**(3 775,4)**	(4 095,2)	(7,8)
Net debt	**17 033,2**	18 066,6	(5,7)
Less: Lease liabilities	**(12 138,5)**	(10 941,5)	10,9
Net debt pre-IFRS 16#	**4 894,7**	7 125,1	(31,3)

It is a performance measure used by the CODM per the above accounting policy.

2. Property, plant and equipment

	2024			2023		
	Cost/ deemed cost Rm	**Accumulated depreciation and impairment Rm**	**Carrying value at the end of the year Rm**	Cost/ deemed cost Rm	Accumulated depreciation and impairment Rm	Carrying value at the end of the year Rm
Land and buildings	**901,4**	**(160,4)**	**741,0**	886,1	(147,3)	738,8
Shopfittings and furniture and fixtures	**9 423,2**	**(5 317,7)**	**4 105,5**	9 092,8	(5 696,7)	3 396,1
Motor vehicles	**167,2**	**(54,8)**	**112,4**	152,4	(53,7)	98,7
Office equipment	**543,0**	**(236,7)**	**306,3**	499,6	(198,1)	301,5
Computer equipment	**1 755,0**	**(1 099,9)**	**655,1**	1 621,0	(975,8)	645,2
Leasehold improvements	**26,2**	**(23,4)**	**2,8**	25,9	(21,6)	4,3
Total	**12 816,0**	**(6 892,9)**	**5 923,1**	12 277,8	(7 093,2)	5 184,6

2. Property, plant and equipment continued

Reconciliation of property, plant and equipment – 2024

	Opening balance Rm	Additions Rm	Additions through business combi-nations Rm	Disposals Rm	Reversal of impair-ment (impair-ment) Rm	Depre-ciation Rm	Foreign exchange move-ments Rm	Total Rm
Land and buildings	**738,8**	**–**	**–**	**–**	**–**	**(13,2)**	**15,4**	**741,0**
Shopfittings and furniture and fixtures^	**3 396,1**	**1 549,8**	**5,1**	**(47,6)**	**1,1**	**(831,6)**	**32,6**	**4 105,5**
Motor vehicles	**98,7**	**41,9**	**–**	**(11,5)**	**–**	**(16,6)**	**(0,1)**	**112,4**
Office equipment	**301,5**	**73,4**	**–**	**(4,4)**	**–**	**(64,2)**	**–**	**306,3**
Computer equipment	**645,2**	**208,2**	**–**	**(16,3)**	**0,8**	**(186,3)**	**3,5**	**655,1**
Leasehold improvements	**4,3**	**0,3**	**–**	**–**	**–**	**(1,8)**	**–**	**2,8**
Total	**5 184,6**	**1 873,6**	**5,1**	**(79,8)**	**1,9**	**(1 113,7)**	**51,4**	**5 923,1**

Reconciliation of property, plant and equipment – 2023

	Opening balance Rm	Additions Rm	Additions through business combi-nations Rm	Disposals Rm	Reversal of impair-ment (impair-ment) Rm	Depre-ciation Rm	Foreign exchange move-ments Rm	Total Rm
Land and buildings	288,5	451,3	–	–	–	(11,2)	10,2	738,8
Shopfittings and furniture and fixtures^	2 241,5	1 829,3	94,5	(68,8)	5,3	(766,9)	61,2	3 396,1
Motor vehicles	68,4	48,3	4,5	(10,9)	–	(11,4)	(0,2)	98,7
Office equipment	145,0	168,2	31,9	(0,7)	–	(42,9)	–	301,5
Computer equipment	464,4	323,6	4,7	–	(1,8)	(153,8)	8,1	645,2
Leasehold improvements	1,8	0,3	2,9	–	–	(0,7)	–	4,3
Total	3 209,6	2 821,0	138,5	(80,4)	3,5	(986,9)	79,3	5 184,6

^ *Assets under construction with a carrying value of R953,7 million (2023: R591,9 million) are included within Shopfittings and furniture and fixtures.*

None of the Group's assets is in any way encumbered. Property, plant and equipment and right-of-use assets are assessed at an individual store level for indicators of impairment. Stores with indicators of impairment are often marginally profitable and loss-making stores that the Group potentially seeks to close by no later than the next lease renewal date. These stores usually contribute negatively to the future projected cash flows or are not aligned with the Group's expansion strategy. The Group continually assesses the current store base and does not anticipate that these stores will return to profitability in the future until their respective closures. In the current year, certain stores became profitable resulting in a reversal of impairment. Refer to segmental reporting for the allocation of impairment per segment. Registers of the land and buildings are available for inspection at the registered office of the company at Parow East.

3. Goodwill and intangible assets

	2024			2023		
	Cost Rm	**Accumulated amortisation and impairment Rm**	**Carrying value Rm**	Cost Rm	Accumulated amortisation and impairment Rm	Carrying value Rm
Trademarks and brands	**5 876,3**	**(1 417,5)**	**4 458,8**	5 624,6	(1 308,9)	4 315,7
Customer lists	**10,5**	**(10,5)**	**–**	10,5	(7,7)	2,8
Goodwill	**7 269,0**	**(1 921,7)**	**5 347,3**	6 767,0	(1 759,3)	5 007,7
Computer software	**837,3**	**(384,9)**	**452,4**	844,4	(357,2)	487,2
Total	**13 993,1**	**(3 734,6)**	**10 258,5**	13 246,5	(3 433,1)	9 813,4

3. Goodwill and intangible assets continued

Reconciliation of goodwill and intangible assets – 2024

	Opening balance Rm	Additions Rm	Disposals Rm	Amortisation Rm	Impairment Rm	Foreign exchange movements Rm	Total Rm
Trademarks and brands	**4 315,7**	**–**	**–**	**–**	**–**	**143,1**	**4 458,8**
Customer lists	**2,8**	**–**	**–**	**(2,8)**	**–**	**–**	**–**
Goodwill	**5 007,7**	**185,5**	**–**	**–**	**(15,6)**	**169,7**	**5 347,3**
Computer software^	**487,2**	**131,5**	**(41,6)**	**(124,1)**	**(1,1)**	**0,5**	**452,4**
Total	**9 813,4**	**317,0**	**(41,6)**	**(126,9)**	**(16,7)**	**313,3**	**10 258,5**

Reconciliation of goodwill and intangible assets – 2023

	Opening balance Rm	Additions Rm	Additions through business combinations Rm	Amortisation Rm	Impairment Rm	Foreign exchange movements Rm	Total Rm
Trademarks and brands	3 491,5	13,5	530,6	–	–	280,1	4 315,7
Customer lists	6,1	–	–	(3,5)	–	0,2	2,8
Goodwill	2 975,5	–	1 729,4	–	–	302,8	5 007,7
Computer software^	450,6	166,1	4,2	(105,5)	(29,6)	1,4	487,2
Total	6 923,7	179,6	2 264,2	(109,0)	(29,6)	584,5	9 813,4

^ *Internally generated software with a carrying amount of R391,5 million (2023: R404,4 million) is included within computer software.*

Assessment of indefinite brands:

All brands are assessed with the below criteria when considering if the brand has an indefinite useful life:

> The brands can be managed effectively by another management team and are therefore not linked to the tenure of current management.

> Management does not intend to change the current brands identity or discontinue a product line.

> The brands are all well established within the areas of trading.

> The Group's ongoing investment ensures that the above brands remain up to date and fashionable.

Brands with an indefinite useful life

	2024 Rm	2023 Rm
Instinct*	**1,5**	1,5
Fabiani*	**49,3**	49,3
G-Star RAW*	**10,7**	10,7
Jet*	**743,6**	743,6
Granny Goose*	**11,7**	11,7
Bash*	**13,5**	13,5
Dial-a-Bed*	**175,1**	175,1
Coricraft*	**132,6**	132,6
The Bed Store*	**29,3**	29,3
Volpes*	**193,6**	193,6
Phase Eight**	**704,6**	650,4
Whistles**	**39,2**	36,2
Hobbs**	**228,8**	211,2
Connor***	**1 016,3**	983,3
Tarocash***	**541,2**	523,2
yd***	**499,5**	483,9
Johnny Bigg***	**68,3**	66,6
	4 458,8	4 315,7

* *Included in the cash-generating unit of TFG Africa.*
** *Included in the cash-generating unit of TFG London.*
*** *Included in the cash-generating unit of TFG Australia.*

3. Goodwill and intangible assets continued

Brands with an indefinite useful life continued

The TFG Africa brands (Instinct, Fabiani, G-Star RAW franchise rights, Jet, Granny Goose, and Bash) intangible assets represent registered rights to the exclusive use of the brand names. The useful lives of the brands are considered to be indefinite. These useful lives are assessed annually or whenever there is an indication of impairment.

TFG Africa acquired Tapestry Home Brands Proprietary Limited and recognised the following brands (Dial-a-Bed, Coricraft, The Bed Store and Volpes). These intangible assets represent registered rights to the exclusive use of the Tapestry brand names. The useful lives of the brands are considered to be indefinite. These useful lives are assessed annually or whenever there is an indication of impairment.

The TFG London brands (Phase Eight, Whistles and Hobbs) intangible asset represents registered rights to the exclusive use of the brand names. The useful lives of the brands are considered to be indefinite. These useful lives are assessed annually or whenever there is an indication of impairment.

The TFG Australia brands (Connor, Tarocash, yd and Johnny Bigg) intangible asset represents registered rights to the exclusive use of the RAG brand names. The useful lives of the brands are considered to be indefinite. These useful lives are assessed annually or whenever there is an indication of impairment.

Customer lists with a definite useful life

The customer lists intangible asset represents TFG's fair value of the customer lists. The useful life of the customer lists is considered to have a 3 year useful life. The intangible asset is amortised over its useful life. This useful life is assessed annually or whenever there is an indication of impairment.

Impairment testing of indefinite life intangible assets

Indefinite life intangible assets acquired through business combinations has been allocated to the individual cash-generating units as follows:

	2024 Rm	2023 Rm
TFG Africa	**1 360,9**	1 360,9
TFG London	**972,6**	897,8
TFG Australia	**2 125,3**	2 057,0
	4 458,8	4 315,7

All brands were tested for impairment to ensure the recoverable amount exceeded the carrying value. All brands recoverable amounts exceeded the carrying value.

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the individual cash-generating units as follows:

	2024 Rm	2023 Rm
TFG Africa	**2 105,0**	1 955,6
TFG London	**1 710,8**	1 569,7
TFG Australia	**1 531,5**	1 482,4
	5 347,3	5 007,7

Indefinite life intangible assets are tested annually for impairment or whenever there is an indication of impairment as part of the goodwill testing below.

Key assumptions used in recoverable amount calculation

The assumptions below have been applied to calculate the recoverable amount of the TFG Africa, TFG London and TFG Australia significant cash-generating units based on a value in use:

TFG Africa

Key assumptions used in the royalty relief method for the Jet indefinite intangible asset

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertake by TFG Africa. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in Africa market and cost saving initiatives.

3. Goodwill and intangible assets continued

TFG Africa continued

Key assumptions used in the royalty relief method for the Jet indefinite intangible asset continued

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for the Jet intangible asset for period 1-5 years is 4,3% – 12,8% (2023: 6,0%).

Pre-tax discount rate: Pre-tax discount rate of 18,7% (2023: 16,8%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Long-term growth rate: The rate is based on the longer-term inflation expectations being 4,3% (2023: 4,3%).

Royalty rate: A royalty rate of 2,0% (2023: 2,0%) was used in calculating the recoverable amount of the Jet brand using the royalty relief method.

Key assumptions used in the royalty relief method for the Tapestry indefinite intangible asset and value-in-use model

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertake by TFG Africa. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in Africa market and cost saving initiatives.

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for Tapestry CGU for period 1-5 is 6,3% – 10,7% (2023: 6,0% – 7,0%).

Pre-tax discount rate: Pre-tax discount rate of 16,2% (2023: 14,8%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The brand pre-tax discount rate of 18,6% (2023: 16,7%) was used.

Long-term growth rate: The rate is based on the longer-term inflation expectations being 4,3% (2023: 4,6%).

Royalty rate: A royalty rate of 2,5% – 5,0% (2023: 2,5% – 5,0%) was used in calculating the recoverable amount of the Tapestry brands using the royalty relief method.

No impairment loss was recognised as the recoverable amount exceeded the carrying amount.

Based on the sensitivity of the WACC rate, an increase of 0,5% would not result in an impairment.

The remaining value of goodwill and indefinite intangibles allocated to the TFG Africa CGU is insignificant.

TFG London

Key assumptions used in the value-in-use model

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates, expected changes to gross margin and EBITDA margins. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertaken by TFG London. Detailed forecasts with various scenarios were prepared and stress tested throughout the year. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in UK's market and cost saving initiatives.

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for TFG London CGU for years 1-5 is 0,0% – 3,5% (2023: 2,0% – 3,0%).

Gross margins: Gross margins are based on the approved forecast gross margin for the forecast period. The gross margin for the total TFG London CGU is 71,4% – 72,3% (2023: 68,0%).

Pre-tax discount rate: Pre-tax discount rate of 14,2% (2023: 14,9%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The brand pre-tax discount rate of 14,2% (2023: 16,8%) was used.

3. Goodwill and intangible assets continued

TFG London continued

Key assumptions used in the value-in-use model continued

Long-term growth rate: The rate is based on the longer-term inflation being 2,0% (2023: 2,0%).

Royalty rate: A royalty rate of 3,4% (2023: 3,4%) was used in calculating the recoverable amount of the TFG London's brands using the royalty relief method.

Based on the sensitivity of the WACC rate, an increase of 0,5% would not result in an impairment.

TFG Australia

Key assumptions used in the value-in-use model

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates, expected changes to gross margin and EBITDA margins. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertaken by TFG Australia. Detailed forecasts with various scenarios were prepared and stress tested throughout the year. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in Australia market and cost saving initiatives.

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The retail turnover growth rate for TFG Australia CGU for years 1-5 is 3,5% – 4,0% (2023: 4,0%).

Gross margins: Gross margins are based on the approved forecast gross margin for the forecast period of 71,1% (2023: 70,9%).

Pre-tax discount rate: Pre-tax discount rate of 15,5% (2023: 13,0%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The brand pre-tax discount rate of 15,4% (2023: 14,3%) was used.

Long-term growth rate: The rate is based on the longer-term inflation being 2,5% (2023: 2,5%).

Royalty rate: A royalty rate of 2,3% – 5,0% (2023: 3,0% – 9,0%) was used in calculating the recoverable amount of the TFG Australia's brands using the royalty relief method.

Based on the sensitivity of the WACC rate, an increase of 0,5% would not result in an impairment.

4. Right-of-use assets

The Group leases land and buildings for its office space and retail stores. The leases of office space and retail stores typically run for a period of 3 to 5 years (2023: 3 - 5 years). Some leases include an option to renew the lease for an additional period after the end of the contract term. Refer to note 21 for lease liabilities disclosure.

	2024			2023		
	Cost/ deemed cost Rm	**Accumulated depreciation and impairment Rm**	**Carrying value at the end of the year Rm**	Cost/ deemed cost Rm	Accumulated depreciation and impairment Rm	Carrying value at the end of the year Rm
Property leases	**26 599,2**	**(15 788,1)**	**10 811,1**	27 590,0	(17 838,6)	9 751,4
Total	**26 599,2**	**(15 788,1)**	**10 811,1**	27 590,0	(17 838,6)	9 751,4

Reconciliation of right-of-use assets – 2024

	Opening balance Rm	**Additions and modifications Rm**	**Additions through business combi-nations Rm**	**Termi-nations Rm**	**Impair-ment* Rm**	**Depre-ciation Rm**	**Foreign exchange move-ments Rm**	**Total Rm**
Property leases	**9 751,4**	**5 763,5**	**78,1**	**(200,2)**	**(44,8)**	**(4 432,3)**	**(104,6)**	**10 811,1**

4. Right-of-use assets continued

Reconciliation of right-of-use assets – 2023

	Opening balance Rm	Additions and modifications Rm	Additions through business combi-nations Rm	Terminations Rm	Impair-ment* Rm	Depre-ciation Rm	Foreign exchange move-ments Rm	Total Rm
Property leases	7 643,8	5 639,8	662,2	(404,3)	(48,6)	(3 968,2)	226,7	9 751,4

* *Right-of-use assets are assessed at an individual store level for indicators of impairment. Stores with indicators of impairment are often marginally profitable and loss-making stores that the Group potentially seek to close by no later than the next lease renewal date. These stores usually contribute negatively to the future projected cash flows or are not aligned with the Group's expansion strategy. The Group continually assesses the current store base and do not anticipate that these stores will return to profitability in the future until their respective closures. Refer to segmental reporting for the allocation of impairment per segment.*

5. Investments

TFG owns an 85% stake in Hollard Business Associates Proprietary Limited (HBA). The subscription price for the HBA shares was an amount equal to R127,0 million. The investment in HBA has been accounted for as a financial instrument measured at fair value through profit or loss. The fair value loss adjustment of R5,3 million (2023: R1,9 million loss) and dividends received of R57,3 million (2023: R93,4 million) were recognised in other income in the current year. The Hollard investment reflected in the statement of financial position is R131,4 million (2023: R134,8 million) at year-end. The Aurea investment reflected in the statement of financial position is R7,0 million (2023: R8,9 million).

6. Insurance contract assets

The value of the Group's insurance contracts issued that are in an asset position are as follows:

	2024 Rm	2023 Rm
Insurance contracts issued	**253,0**	230,6

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.

TFG disaggregates information on insurance contracts based on how they are managed by the Group.

Insurance contracts issued

	2024		
	Liability for Remaining Coverage	**Liability for Incurred Claims**	**Total**
	Estimates of the present value of future cash flows		
	Rm	**Rm**	**Rm**
Insurance contract issued assets	**258,4**	**(27,8)**	**230,6**
Net insurance contracts opening balance	**258,4**	**(27,8)**	**230,6**
Insurance revenue	**247,0**	**–**	**247,0**
Incurred claims and other expenses	**–**	**(110,7)**	**(110,7)**
Insurance service result	**247,0**	**(110,7)**	**136,3**
Cash flows			
Premiums received	**(261,5)**	**–**	**(261,5)**
Claims and other expenses paid	**–**	**113,3**	**113,3**
Cash flows retained in cell captive	**148,2**	**–**	**148,2**
Dividends paid	**(113,9)**	**–**	**(113,9)**
Total cash flows	**(227,2)**	**113,3**	**(113,9)**
Insurance contract issued assets	**278,2**	**(25,2)**	**253,0**
Net insurance contracts closing balance	**278,2**	**(25,2)**	**253,0**

6. Insurance contract assets continued

Insurance contracts issued continued

	2023		
	Liability for Remaining Coverage	Liability for Incurred Claims	Total
	Estimates of the present value of future cash flows		
	Rm	Rm	Rm
Insurance contract issued assets	307,0	(32,5)	274,5
Net insurance contracts opening balance	307,0	(32,5)	274,5
Insurance revenue	205,7	–	205,7
Incurred claims and other expenses	–	(91,1)	(91,1)
Insurance service result	205,7	(91,1)	114,6
Cash flows			
Premiums received	(205,3)	–	(205,3)
Claims and other expenses paid		95,8	95,8
Cash flows retained in cell captive	109,5	–	109,5
Dividends paid	(158,5)	–	(158,5)
Total cash flows	(254,3)	95,8	(158,5)
Insurance contract issued assets	258,4	(27,8)	230,6
Net insurance contracts closing balance	258,4	(27,8)	230,6

7. Deferred taxation

	2024 Rm	2023 Rm
Balance at 1 April	**272,0**	489,1
Additions through business combinations	**–**	(136,2)
Amounts recognised directly in other comprehensive income (loss)		
Foreign currency movements	**5,1**	(2,0)
Financial instrument reserves	**42,1**	(96,5)
Post-retirement defined benefit plan reserve	**(11,7)**	–
Current year movement in temporary differences recognised in profit or loss		
Prior year over provision	**(1,1)**	(3,1)
Right of use asset	**564,2**	1 112,2
Lease liability	**(458,7)**	(1 083,8)
Working capital allowances	**(129,4)**	(19,2)
Capital allowances	**105,6**	(43,6)
Restraint of trade	**(0,5)**	(0,6)
Assessed loss utilised*	**(45,0)**	55,7
At 31 March	**342,6**	272,0
Arising as a result of:		
Deferred taxation asset		
Financial instrument reserves	**10,2**	(31,9)
Right of use asset	**3 329,6**	2 765,4
Lease liability	**(2 964,8)**	(2 506,1)
Working capital allowances	**862,8**	970,4
Capital allowances	**107,9**	19,8
Restraint of trade	**(30,0)**	(29,5)
Assessed loss utilised*	**239,9**	284,9
Post-retirement defined benefit plan reserve	**(14,8)**	(3,1)
Intangible assets	**117,6**	76,2
Brand	**(200,8)**	(200,8)
Deferred taxation asset^	**1 457,6**	1 345,3
Arising as a result of:		
Deferred taxation liability		
Working capital allowances	**(68,1)**	(61,4)
Capital allowances	**(26,0)**	(27,0)
Tapestry	**(143,3)**	(143,3)
Intangible assets	**(877,6)**	(841,6)
Deferred taxation liability	**(1 115,0)**	(1 073,3)
Net deferred taxation^^	**342,6**	272,0

As result of the amendment to IAS 12, being Deferred Tax related to Assets and Liabilities arising from a Single Transaction, the group reviewed its presentation of the deferred tax impact on the IFRS 16 lease liability and right-of-use assets line items. As a result of this review, the net deferred tax asset of R364,8 million (2023: R259,3 million) relating to IFRS 16 is re-presented on a gross basis (deferred tax asset of R564,2 million relating to right-of-use assets and deferred tax liability of R458,7 million relating to lease liabilities).

^ *Sufficient future taxable income is anticipated to utilise the deferred taxation asset.*

^^ *Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.*

* *Companies with assessed losses:*

7. Deferred taxation continued

* *Companies with assessed losses:*

2024 Company	Assessed loss available	Assessed loss recognised	Reason for not recognising the loss
South African companies			
Prestige Clothing Proprietary Limited	**89,5**	**89,5**	
Quench Delivery Proprietary Limited	**21,4**	**–**	The company has not made a profit since its inception.
Cotton Traders Proprietary Limited	**10,9**	**–**	The company has not made a profit since its inception.
Coricraft Group (Namibia)	**4,1**	**–**	The company has not made a profit since its inception.
Coricraft Group (Botswana)	**0,4**	**–**	The company has not made a profit since its inception.
Non-South African companies			
Phase Eight (Germany) Ltd	**0,5**	**0,5**	
Phase (Eight Fashion & Design) Ltd	**74,7**	**74,7**	
Whistles (UK) Ltd	**22,8**	**22,8**	
Hobbs UK Ltd	**32,2**	**32,2**	
DressHold Co A	**20,2**	**20,2**	
Total	**276,7**	**239,9**	

2023 Company	Assessed loss available	Assessed loss recognised	Reason for not recognising the loss
South African companies			
Prestige Clothing Proprietary Limited	69,2	69,2	
Quench Delivery Proprietary Limited	18,2	–	The company has not made a profit since its inception.
Cotton Traders Proprietary Limited	5,8	5,8	
Non-South African companies			
Phase Eight (Germany) Ltd	2,0	2,0	
Phase (Eight Fashion & Design) Ltd	74,6	74,6	
Whistles (UK) Ltd	27,8	27,8	
Hobbs UK Ltd	85,3	85,3	
DressHold Co A	20,2	20,2	
Total	303,1	284,9	

8. Inventory

	2024 Rm	2023 Rm
Merchandise	**10 982,7**	12 072,2
Raw materials	**542,5**	800,9
Shopfitting stock	**–**	170,6
Consumables	**34,8**	30,3
	11 560,0	13 074,0
Inventory provision as a % of gross inventory	**11,3%**	11,1%
Inventory losses	**465,5**	754,4
Inventory losses as a % of gross inventory	**3,6%**	5,1%

Cost of turnover for merchandise sold

	2024 Rm	2023 Rm
Cost of goods sold	**(27 678,1)**	(24 915,6)
Costs of purchases, conversion and other costs	**(1 588,3)**	(2 044,0)
	(29 266,4)	(26 959,6)

9. Trade receivables – retail

	2024 Rm	2023 Rm
6-month credit plans	**857,2**	795,7
12-month credit plans	**7 468,0**	6 949,8
	8 325,2	7 745,5

The effective rate of interest earned on the above receivables during the year under review is 21,2% (2023: 18,3%). The Group's management of and exposure to credit and market risk is disclosed in note 24. The figures disclosed above is net of ECL provisions.

10. Other receivables and prepayments

	2024 Rm	2023 Rm
Financial assets		
Insurance cell captive receivables	**11,1**	8,4
Financial instrument asset (FEC)	**44,7**	144,2
Miscellaneous debtors^	**912,5**	706,3
	968,3	858,9
Non-financial assets		
Value Added Tax (VAT)^	**24,8**	139,2
Prepaid expenses	**394,8**	471,3
	419,6	610,5
	1 387,9	1 469,4

^ *Miscellaneous debtors consist of sundry debtors (rebates and recoveries).*

The Group's management of and exposure to credit and market risk is disclosed in note 24.

11. Concession receivables

	2024 Rm	2023 Rm
Gross Concession receivables	**311,6**	371,9
Allowance for impairment	**(70,9)**	(135,2)
Net Concession receivables	**240,7**	236,7

The Group's management of and exposure to credit and market risk is disclosed in note 24.

12. Cash and cash equivalents

	2024 Rm	2023 Rm
Cash and cash equivalents	**3 775,4**	4 095,2

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 24.

13. Share capital

	2024 Rm	2023 Rm
Authorised		
200 000 (2023: 200 000) 6,5% cumulative preference shares of R2 each	**0,4**	0,4
600 000 000 (2023: 600 000 000) ordinary shares of 1,25 cents each	**7,5**	7,5
	7,9	7,9
Issued		
Ordinary share capital		
Ordinary shares of 1,25 cents each		
Total in issue	**4,1**	4,1
Shares held by subsidiary	**–***	–*
Shares held in terms of the share incentive schemes	**(0,1)**	(0,1)
Total in issue at the end of the year – Company	**4,1**	4,1
Total in issue at the end of the year – Group	**4,0**	4,0
Preference share capital		
200 000 (2023: 200 000) 6,5% cumulative preference shares of R2 each	**0,4**	0,4
Total in issue at the end of the year – Company	**4,5**	4,5
Total net issued share capital – Group	**4,4**	4,4

* *Zero as a result of rounding.*

13. Share capital continued

	Number of shares	
	2024	2023
Reconciliation of number of shares issued:		
Opening balance	**331 027 300**	331 027 300
Total in issue	**331 027 300**	331 027 300
Shares held by subsidiary	**(1 080 599)**	(1 080 599)
Shares held in terms of share incentive schemes	**(5 019 271)**	(7 532 298)
Total in issue at the end of the year – Company	**331 027 300**	331 027 300
Total in issue at the end of the year – Group	**324 927 430**	322 414 403

Dividend and voting rights

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. Holders of the cumulative preference shares receive a cumulative dividend of 6,5 cents per share at interim (September) and year end (March) of each year.

Holders of ordinary shares received the following dividends during the year:

Interim: 150,0 cents per share paid on 8 January 2024.

Final: 200,0 cents per share payable on 22 July 2024.

Unissued ordinary shares

In terms of the provisions of the Companies Act of South Africa and limited to the issuing of shares in terms of the company's obligations under the staff share incentive schemes, the unissued ordinary shares are under the control of the directors only until the forthcoming annual general meeting.

Directors' interest

At 31 March 2024, the directors had the following interest in the company's issued shares:

	Shares '000	Year of delivery	**2024 Total '000**	2023 Total '000
Non-executive				
M Lewis (indirect non-beneficial)	–		**–**	1 818,8
M Lewis (indirect beneficial)	1 818,8		**1 818,8**	
Prof. F Abrahams	–		**–**	–
C Coleman	–		**–**	–
G H Davin	–		**–**	–
D Friedland (indirect beneficial)	30,0		**30,0**	30,0
B L M Makgabo-Fiskerstrand	–		**–**	–
A D Murray (direct beneficial)	647,0		**647,0**	647,0
A D Murray (indirect beneficial)	327,5		**327,5**	532,5
E Oblowitz (direct beneficial)	3,0		**3,0**	3,0
J N Potgieter	–		**–**	–
N V Simamane (direct beneficial)	2,3		**2,3**	2,3
N L Sowazi	–		**–**	–
R Stein (direct beneficial)	184,2		**184,2**	184,2
R Stein (indirect beneficial)	80,0		**80,0**	80,0
Total non-executive	3 092,8		**3 092,8**	3 297,8

13. Share capital continued

Directors' interest continued

	Shares '000	Year of delivery	**2024 Total '000**	2023 Total '000
Executive				
B Ntuli (direct beneficial)^	–		**–**	18,9
B Ntuli (performance-based restricted forfeitable shares)^	–		**–**	97,1
B Ntuli (restricted forfeitable shares)^	–		**–**	53,2
	–		**–**	169,2
A E Thunström (direct beneficial)	352,9		**352,9**	60,1
A E Thunström (performance-based restricted forfeitable shares)	–		**–**	189,2
A E Thunström (restricted forfeitable shares)	302,4	2025-2027	**302,4**	497,0
A E Thunström (MSR shares)	13,5	2025	**13,5**	13,5
A E Thunström (Deferred shares)	33,8	2025	**33,8**	33,8
	702,6		**702,6**	793,6
Executive				
Total executive shares	702,6		**702,6**	962,8
Non-executive and executive				
Total shares	3 795,4		**3 795,4**	4 260,6

* *Price per share equates to the strike price.*

^ *With effect from 30 November 2023, Ms Bongiwe Ntuli resigned as Chief Financial Officer as well as executive director of the company.*

Changes to directors' interests after year end

Acceptance of FSRs in June 2024	**FSRs accepted* Number of shares**	**Indicative value** Rm**
A E Thunström	**127 538**	**13 519,0**

* *The restricted forfeitable shares (FSRs) accepted is a result of the deferred incentive portion of the single incentive which will vest equally in June 2026 and June 2027.*

** *Indicative value based on the 30-day Volume Weighted Average Price (VWAP) of R106 on 31 March 2024.*

On 14 June 2024, SZL Investment Limited Partnership, which is ultimately owned by family trusts of which M Lewis and his family are beneficiaries, sold 363 766 shares pursuant to a portfolio rebalancing of the trust interests of a sibling of the director (refer SENS announcement published on 18 June 2024).

On 19 June 2024, 20 June 2024 and 21 June 2024, The Krisalex Trust, in which A D Murray is a trustee and discretionary beneficiary, sold 200 000 shares pursuant to a portfolio rebalancing (refer SENS announcement published on 24 June 2024).

On 27 June 2024, A E Thunström sold a portion (47 331 shares) and retained a portion (56 241 shares) of vested shares previously granted (with time based restricted conditions) on 1 July 2021 and 6 July 2022 in terms of and subject to the rules of the company's 2020 Forfeitable Share Plan in order to settle the resultant tax obligation (refer SENS announcement published on 2 July 2024).

14. Treasury shares

	Number of shares	
	2024	2023
Foschini Stores Proprietary Limited	**1 080 599**	1 080 599
The Foschini Share Incentive Trust	**1 134 647**	1 135 207
Employees of TFG in terms of share incentive schemes	**6 397 651**	6 286 342
Balance at the beginning of the year	**8 612 897**	8 502 148
Employees of TFG in terms of share incentive schemes	**–**	722,143
Shares purchased during the year in terms of share incentive schemes	**–**	722,143
The Foschini Share Incentive Trust	**–**	(560)
Employees of TFG in terms of share incentive schemes	**(2 513 027)**	(610 834)
Shares delivered during the year	**(2 513 027)**	(611 394)
Foschini Stores Proprietary Limited	**1 080 599**	1 080 599
The Foschini Share Incentive Trust	**1 134 647**	1 134 647
Employees of TFG in terms of share incentive schemes	**3 884 624**	6 397 651
Balance at the end of the year	**6 099 870**	8 612 897

As at 31 March 2024, a subsidiary, Foschini Stores Proprietary Limited, held 1 080 599 (2023: 1 080 599) shares, representing 0,3% (2023: 0,3%) of the company's share capital. The Foschini Share Incentive Trust held 1 134 647 (2023: 1 134 647) shares, representing 0,3% (2023: 0,3%) of the company's share capital, and employees of TFG held 3 884 624 (2023: 6 397 651) shares representing 1,2% (2023: 1,9%) of the company's share capital. The Foschini Share Incentive Trust and employees of TFG hold shares in terms of the share incentive schemes. No shares were purchased during the current year (2023: Average purchase price of shares purchased during the year was R120,2). The current cost of treasury shares amounts to R699,8 (2023: R1 070,2) million.

15. Dividend reserve

An amount equal to dividends declared subsequent to the reporting date is transferred to the dividend reserve.

A final dividend of 200,0 cents (2023: 150,0) cents per ordinary share was declared on 7 June 2024 and is payable on 22 July 2024.

	2024 Rm	2023 Rm
Balance at 1 April	**496,5**	1 092,4
Transfer from dividend reserve to distributable earnings	**(496,5)**	(1 092,4)
Transfer to dividend reserve from distributable earnings	**662,1**	496,5
Balance at 31 March	**662,1**	496,5

16. Hedging (deficit) surplus

The hedging deficit comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

	2024 Rm	2023 Rm
Balance at 1 April	**76,4**	(157,2)
Effective portion of changes in fair value of cash flow hedges	**(144,9)**	330,1
Deferred tax on movement in effective portion of cash flow hedges	**42,1**	(96,5)
Balance at 31 March	**(26,4)**	76,4
Comprised as follows:		
Forward exchange contracts – fair value	**(36,6)**	108,3
Total fair value of cash flow hedges	**(36,6)**	108,3
Deferred tax on forward exchange contracts	**10,2**	(31,9)
Total deferred tax on cash flow hedges	**10,2**	(31,9)
Balance at 31 March	**(26,4)**	76,4

The opening balance of R76,4 million was realised during the year and recycled to inventory then ultimately to profit or loss when sold. Refer to note 24 for the reconciliation of the cash flow hedge reserve. The forward exchange contracts are used to hedge the estimated foreign currency exposure to forecast purchases over the next six months.

17. Foreign currency translation reserve

The foreign currency translation reserve comprises gains and losses arising on translation of the assets, liabilities, income and expenses of foreign operations.

	2024 Rm	2023 Rm
Balance at 1 April	**1 405,1**	658,3
Foreign currency translation differences	**350,3**	746,8
Balance at 31 March	**1 755,4**	1 405,1

18. Post-retirement defined benefit plan

Defined benefit plan

At March 2024, the Group had an obligation to provide post-retirement health care to 614 (2023: 639) members. Employees who joined the company prior to 1 January 1999 and have met certain requirements are eligible for a post employment subsidy on their contributions. These members belong to the TFG Medical Aid Scheme, registered in terms of the Medical Schemes Act, No. 131 of 1998, as amended. An actuarial valuation was performed as at 31 March 2024.

	2024 Rm	2023 Rm
Movements for the year		
Balance at 1 April	**233,0**	221,1
Settlements	**(14,8)**	(14,0)
Service cost	**1,9**	1,7
Interest cost	**25,5**	24,2
Actuarial gain	**(43,3)**	–
Balance at 31 March	**202,3**	233,0
Net expense recognised in profit or loss		
Settlements	**(14,8)**	(14,0)
Service cost	**1,9**	1,7
Interest cost	**25,5**	24,2
	12,6	11,9
Post-retirement defined benefit plan reserve		
Balance at 1 April	**8,0**	8,0
Actuarial gain	**43,3**	–
Actuarial gain remeasurements due to:		
Demographic assumptions	**–**	–
Financial assumptions	**36,4**	–
Experience adjustments	**6,9**	–
Deferred tax on actuarial gain	**(11,7)**	–
	39,6	8,0
Key assumptions used		
Gross discount rates used	**14,5%**	11,3%
Implied allowances for medical scheme contribution inflation	**9,9%**	8,4%

Other assumptions

Mortality assumptions:

> Pre-retirement Male “SA85–90 (Light)”

> Pre-retirement Female ”SA85-90 (Light)”

> Post-retirement Male “PA90” males

> Post-retirement Female “PA90” females

“SA85-90 (Light)” and “PA90” are standard actuary mortality tables used as the basis for the assumptions regarding the life expectancy of employees and pensioners in the valuation.

Withdrawal and retirement assumptions:

> Employees are assumed to retire at their normal retirement age of 65 (2023: 65), dependent on the employee.

> Withdrawal assumptions: 0% – 2% (2023: 0% – 2,0% depending on age of employee).

The Group is exposed to the following risks through its post-retirement defined benefit plan:

> Inflation;

> Longevity;

> Open-ended, long-term liability;

> Future changes in legislation;

> Future changes in the tax environment;

> Perceived inequality by non-eligible employees;

> Administration; and

> Enforcement of eligibility criteria and rules.

18. Post-retirement defined benefit plan continued

Other assumptions continued

Withdrawal and retirement assumptions continued:

The duration of the post-retirement liability is expected to be 11 years (2023: 12 years).

Expected contributions for 2025 is R13,2 (2024: R13,0) million.

It was also assumed that no significant changes would occur in the structure of the medical arrangements or in the subsidy scales for members (except for the adjustments above).

Sensitivity analysis

Total actuarial liability 31 March 2024:

	Defined benefit obligation	
	Increase Rm	**Decrease Rm**
Health cost inflation (1% movement)	**222,8**	**184,6**
Expected retirement age (1 year movement)	**199,5**	**205,3**
Discount rate (1% movement)	**185,1**	**222,5**

Total actuarial liability 31 March 2023:

	Defined benefit obligation	
	Increase Rm	Decrease Rm
Health cost inflation (1% movement)	260,3	210,2
Expected retirement age (1 year movement)	229,5	236,8
Discount rate (1% movement)	210,6	260,2

19. Interest-bearing debt

	2024 Rm	*Restated 2023 Rm
Non-current liabilities	**5 953,1**	5 990,0
Unsecured fluctuating loans in terms of long-term bank facilities	**5 953,1**	5 990,0
Current liabilities		
At amortised cost	**2 716,9**	5 230,3
Balance at 31 March	**8 670,0**	11 220,3

Interest-bearing debt includes banking facilities amounting to R2 716,9 (2023: R5 230,3) million, which bears variable interest at a margin of 0,9% – 1,4% (2023: 1,10% – 1,68%) above the three-month Johannesburg Interbank Average Rate (JIBAR) payable within one year, R2 752,9 (2023: R490,0) million, which bears variable interest at a margin of 1,28% – 1,48% (2023: 1,17% – 1,20%) above three-month JIBAR payable between one and two years, and R2 779,1 (2023: R5 500,0) million, which bears variable interest at a margin of 1,48% (2023: 1,28% – 1,48%) above three-month JIBAR payable after two years. The effective rate (excluding TFG International) for 2024 was 9,60% Nominal Annual Compounded Monthly (NACM) (2023: 8,86% NACM). In addition to the above, a GBP 17,7 (2023: GBP 51,5) million loan, which bears variable interest at a margin of three-month Sterling Overnight Index Average (SONIA) plus a margin of 2,75% (2023: 2,50%). There is no AUD loan in the current year (2023: Nil).

In South Africa, most term debt funding is linked to JIBAR which is the reference rate to be recognised until such time that the South African Reserve Bank has confirmed that this has ceased to be the case and its official replacement has been decided on. TFG will then renegotiate the terms of the replacement with the funders.

The Group's borrowing powers in terms of its memorandum of incorporation are unlimited.

The Group's management of and exposure to liquidity and market risk is disclosed in note 24.

20. Put option liability

The Group had put/call arrangements with certain joint venture ("JV") partners which is payable on a basis of 7 times EBITDA^ less net debt^.

	2024 Rm	2023 Rm
Put option liability movement		
Balance at 1 April	**43,5**	32,6
(Decrease) increase in the fair value of the put option liability^^	**(4,9)**	5,7
Put call option exercised in the current financial year	**(41,7)**	–
Foreign exchange movements	**3,1**	5,2
Balance at 31 March	**–**	43,5

The Group, through its TFG London operations by virtue of 3 separate legal entities, held joint ventures in Hong Kong investments. The Group held a put/call option over all 3 Hong Kong investments (the "Option"). The option provided the Group with the contractual right to acquire all the equity instruments of the Hong Kong investments and the right to sell their shares to the Group. The option was exercised in the current financial year.

^ *Pre IFRS 16.*

^^ *The fair value movement is recognised in trading expenses in the statement of comprehensive income.*

21. Lease liabilities

	2024 Rm	2023 Rm
Amounts due for settlement within 12 months	**3 835,8**	3 675,0
Amounts due for settlement after 12 months	**8 302,8**	7 266,5
	12 138,6	10 941,5
Maturity analysis		
Up to 1 year	**4 457,2**	4 211,3
1 – 5 years	**8 824,0**	7 779,7
More than 5 years	**480,6**	150,7
	13 761,8	12 141,7
Less: unearned interest	**(1 623,2)**	(1 200,2)
	12 138,6	10 941,5

The Group does not face a significant liquidity risk with regard to its lease liabilities.

Amounts recognised in profit and loss	2024 Rm	2023 Rm
Depreciation on right-of-use assets	**4 432,3**	3 968,2
Impairment of right-of-use assets	**44,8**	48,6
Finance costs on lease liabilities	**784,7**	573,9
Expense relating to leases of low value assets	**41,7**	35,0
Expense relating to variable payments not included in the measurement of the lease liability	**973,8**	632,8

Some of the property leases in which the Group is the lessee contain variable lease payments that are linked to sales generated from the leased stores as well as variable lease payments that do not depend on an index or rate.

The breakdown of lease payments for these property leases is as follows:

	2024 Rm	2023 Rm
Fixed payments	**5 154,6**	4 640,7
Variable payments	**973,8**	632,8
Total payments	**6 128,4**	5 273,5

Overall the variable payments constitute up to 15,9% (2023: 12,0%) of the Group's entire lease payments for property leases.

The total payments for all leases amounted to R6 166,6 million (2023: R5 308,5 million) which includes fixed and variable payments and expenses relating to leases of low value assets.

22. Trade and other payables

	2024 Rm	2023 Rm
Financial liabilities		
Trade payables^	**4 247,5**	4 279,5
Financial instrument liability (FECs)	**40,3**	–
	4 287,8	4 279,5
Non-financial liabilities		
Other payables^^	**2 791,5**	2 815,2
Employee-related accruals	**374,9**	374,4
Gift card liability*	**–**	171,4
Lay-by liability*	**–**	158,7
	3 166,4	3 519,7
	7 454,2	7 799,2

^ *Trade payables are interest-free and have payment terms of up to 60 days.*

^^ *Other payables consist primarily of accruals raised in the normal course of business.*

* *Contract liabilities, consisting of gift card and lay-by customer obligations, have been disclosed separately in the statement of financial position for the first time due to it being material in the current year. Refer to note 23.*

The Group's management of and exposure to market and cash flow and liquidity risk is disclosed in note 24.

23. Contract liabilities

	2024 Rm	2023 Rm
Gift card liability	**190,1**	–
Lay-by liability	**175,7**	–
	365,8	–

Revenue recognised in the current year that was included in the lay-by liability balance in the prior year amounted to R69,4 million.

24. Risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

> Credit risk
> Liquidity risk
> Market risk
> Currency risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Supervisory Board has overall responsibility for the establishment and oversight of the Group's enterprise risk management framework. The Supervisory Board has delegated oversight over the related processes to the Risk and Audit Committees. The Committees report regularly on their activities to the Supervisory Board.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Committee reviews the enterprise risk management framework and the related policies and processes regularly.

The Risk and Audit Committees assist the Supervisory Board in the assessment of the adequacy of the risk management process.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises on trade receivables - retail, other receivables, concession receivables and cash and cash equivalents. The Group does not consider there to be any significant concentration of credit risk in respect of which adequate impairment has not been raised. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

24. Risk management continued

Credit risk continued

The table below shows the cash invested at the reporting date at financial institutions grouped per Moody's short term credit rating of the financial institutions.

	National Rating	2024	2023
FirstRand	P-1	**2 374,5**	2 100,4
Standard Bank	P-1	**122,7**	58,3
ABSA	P-1	**189,7**	171,7
Lloyds	P-1	**292,2**	1 096,2
Barclays	P-1	**343,1**	405,9
National Australia Bank	P-1	**203,3**	175,7
Other	P-1	**249,9**	87,0
		3 775,4	4 095,2

Trade receivables – retail

The Group does not have any balances past due date which have not been adequately provided for, as the provisioning methodology applied takes the entire trade receivables - retail population into consideration.

The formal governance structures within the Group include the Credit Executive Committee as well as the Financial Services Credit Committee (FSCC). The FSCC is responsible for approving all credit risk related policies and processes and will inform the credit risk appetite within the guidelines specified through the Operating Board mandate, under which the Credit Executive Committee operate. The FSCC is mandated by the Credit Executive Committee to review all credit risk related aspects.

The FSCC is responsible for managing the Group's credit risk by implementing the following measures:

Credit granting

The risk arising on trade receivables – retail is managed through a stringent Group policy on the granting, continual review and monitoring of credit facilities. The Group established a credit policy under which each application for a new credit facility is analysed individually for creditworthiness. This process applies information submitted by the applicant and external bureau data (where this is available) to statistical credit scoring models, and includes an assessment of affordability before terms and conditions are offered. A credit facility is established for each customer, which represents the maximum possible exposure to any account holder. The facility is made available to the account holder over time depending on the quality of credit behaviour displayed by the customer. These credit facilities are reviewed annually subject to the requirements of the applicable legislation in the jurisdictions where credit is provided, such as the National Credit Act. The scorecards are monitored regularly and redeveloped as appropriate.

Account holders who are more than one cycle delinquent are unable to spend. Depending on the duration of the delinquency, credit limits may be adjusted downwards. Where certain criteria are met, accounts in arrears are rehabilitated to maximise collections and profitability.

The Group does not typically require collateral for lending. However, certain categories of customers may be required to make a deposit with each purchase.

There is a large, diverse and widely distributed customer base. Therefore, the Group does not consider there to be any significant concentration of credit risk.

Allowance for impairment

The IFRS 9 technical committee, which consists of senior management of the Credit Division within the Group, is mandated by the FSCC to determine adequate allowances in accordance with the Group's stated policies and procedures, IFRS Accounting Standards and relevant supervisory guidance. The policies, procedures and impact of the allowance for impairment are reviewed and approved at the IFRS 9 technical committee. The IFRS 9 technical committee is responsible for developing and maintaining the Group's processes for measuring expected credit losses (ECL) including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL. In addition, the IFRS 9 technical committee must ensure that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed, implemented and adhered to.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its measurement of the ECL. Significant judgement and estimates are applied in the process of incorporating forward-looking information into the ECL calculation and increase the level of volatility in the impairment provision number.

24. Risk management continued

Trade receivables – retail **continued**

Incorporation of forward-looking information continued

The following approach is followed to assess forward-looking information via the IFRS 9 technical committee:

> Use of economic reports and forecasts from a reputable economics consultancy which reflect at least a three-year period from reporting date;

> The principal macro-economic indicators considered are Gross Domestic product (GDP) year-on-year growth, unemployment rates, repurchase interest rates, the inflation rate, fuel price year-on-year growth and the movement of the Transunion Consumer Credit Index.

> A "base case" economic scenario is generated from a forecast reflecting macro-economic conditions which remain consistent to the macro-economic environment at reporting date;

> An "upside" economic scenario is generated based on a forecast reflecting an improvement in macro-economic conditions;

> A "downside" economic scenario is generated based on a forecast reflecting a deterioration in macro-economic conditions;

> Applying credit judgement to the forward-looking model with respect to regulatory, significant economic and legislative changes; and

> Calculating a stress factor for each scenario to estimate the impact on the ECL. The following stress factors were calculated for each scenario:

- "Base case" economic scenario: The global economy continues to recover slowly from the impact of the COVID-19 pandemic, Russia's war in Ukraine and the cost-of-living crisis. The conflict between Israel and Hamas remains localised and doesn't escalate. The global economy experiences continued disinflation and steady global growth. The South African economic growth for 2024 is however the lowest amongst emerging market peers. This is due to weaker consumption expenditure, continued load-shedding, problems at Transnet, high interest rates and a global slowdown. Inflation remains within the South African Reserve bank's 3% to 6% target range in 2024, allowing the reserve bank to start reducing rates during the second half of the year. The "base case" economic scenario stress factor is an additional ECL requirement of 10,7% (2023: additional ECL requirement of 8,1%).
- "Upside" economic scenario: Global core inflation falls quicker, and central banks start to reduce interest rates sooner and at a faster pace. The SA economy expands at a much higher rate. South Africa receives ratings upgrades from rating agencies. The "Upside" economic scenario stress factor is a reduction of the ECL requirement of 2,7% (2023: reduction of the ECL requirement of 1,7%).
- "Downside" economic scenario: The war in Ukraine escalates significantly, resulting in significant global disruptions and further sharp increases in energy and food prices. The conflict between Israel and Hamas spreads, with other countries in the Middle East also getting involved. Global inflation remains high as a result of the disruptions in international trade and energy prices. The South African Rand depreciates further against its major trading partners, leading to further inflationary pressures and interest rates remaining higher for longer. The "Downside" economic scenario stress factor is an additional ECL requirement of 19,3% (2023: additional ECL requirement of 11,6%).

Probabilities are assigned to each macro-economic scenario to calculate the impact on the ECL. The "base case" economic scenario is considered to be the most plausible scenario and is in line with the assumptions used for the Group's strategic planning and budgeting purposes.

The probability weighting assigned to each scenario in the current and prior financial year were as follows: weightings of 77%, 5% and 18% were assigned to the "base case", "upside" and "downside" economic scenarios respectively.

Regulatory or legislative changes are also considered. The only significant regulatory or legislative change affecting the macro-economic scenarios as at the current and previous reporting date, remain the National Credit Amendment Act, commonly referred to as the "The Debt Intervention Act". The Act seeks to provide greater relief to over indebted consumers by providing a mechanism for, amongst other things, debt extinguishment. Customers earning a gross income of R7 500 or less per month where the unsecured debt accrued does not exceed R50 000, could qualify for relief under the Act.

The impact of the Act on the ECL was assessed at the current and previous financial year. The assessment is based on the most up to date information available regarding which customers would potentially qualify for debt intervention, the financial impact of the proposed intervention and the best estimate of the timing of the intervention.

The Act was signed into law in August 2019, but to date, has not been given an effective date. In the 2023 financial year, management reduced its assessment of the likelihood that the Act would be implemented in its current form. This was predominantly due to the significant time that had elapsed since the Act was signed into law. In the current financial year, as no further information is available regarding the implementation of the Act, management considers the impact on the ECL as immaterial.

24. Risk management continued

Trade receivables – retail continued

Credit quality

The Group monitors credit risk per class of financial instrument. The table below outlines the classes identified, as well as the financial statement line item and the note that provides an analysis of the items included in the financial statement line for each class of financial instrument.

Class of financial instrument	Financial statement caption	Note
Trade receivables – retail accounts	Trade receivables – retail	9

Geographical segments

Credit on trade receivables – retail accounts are offered only in the TFG Africa geographical segment. Credit is offered in South Africa, Namibia, Botswana, Eswatini and Lesotho. The exposures to credit in Namibia, Botswana, Eswatini and Lesotho are insignificant from a Group perspective.

Risk profile

The risk profile of the active trade receivables - retail book based on the TFG provision matrix is as follows at 31 March:

31 March 2024	Stage 1	Stage 2	Stage 3	Total
Gross trade receivables – retail	**5 464,6**	**2 929,7**	**1 848,3**	**10 242,6**
Allowance for expected credit loss	**(481,2)**	**(688,8)**	**(747,4)**	**(1 917,4)**
Net trade receivables – retail	**4 983,4**	**2 240,9**	**1 100,9**	**8 325,2**
Allowance for expected credit loss as a percentage of gross trade receivables – retail	**8,8%**	**23,5%**	**40,4%**	**18,7%**

31 March 2023	Stage 1	Stage 2	Stage 3	Total
Gross trade receivables – retail	5 052,5	2 860,8	1 767,7	9 681,0
Allowance for expected credit loss	(521,2)	(688,2)	(726,1)	(1 935,5)
Net Trade receivables – retail	4 531,3	2 172,6	1 041,6	7 745,5
Allowance for expected credit loss as a percentage of gross trade receivables – retail	10,3%	24,1%	41,1%	20,0%

Trade receivables – retail partially written off during the year included in gross trade receivables – retail amounted to R423,3 million (2023: R377,7 million) and is classified as Stage 3.

Reconciliation of net trade receivables – retail:

	2024 Rm	2023 Rm
Gross Trade receivables – retail	**10 242,6**	9 681,0
Allowance for expected credit loss	**(1 917,4)**	(1 935,5)
Net Trade receivables – retail	**8 325,2**	7 745,5

Movement in the trade receivables – retail allowance for impairment were as follows:

	2024 Rm	2023 Rm
Opening balance at 1 April	**(1 935,5)**	(1 658,4)
Movement in allowance for impairment	**18,1**	(277,1)
Provision raised	**(1 318,7)**	(1 390,0)
Provision utilised	**1 336,8**	1 112,9
Balance at 31 March	**(1 917,4)**	(1 935,5)
Net bad debt consists of :		
Expected credit losses raised	**(1 328,7)**	(1 404,0)
Other net bad debt and stage 3 interest adjustment	**(65,8)**	52,9
	(1 394,5)	(1 351,1)

24. Risk management continued

Trade receivables – retail continued

Reconciliation of allowance for impairment:

31 March 2024	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 April	**521,2**	**688,2**	**726,1**	**1 935,5**
Credit advanced, net of payments received	**192,2**	**96,7**	**35,5**	**324,4**
Accounts written-off	**–**	**(9,8)**	**(1 327,0)**	**(1 336,8)**
Change in credit risk parameters	**(232,2)**	**(86,3)**	**1 312,8**	**994,3**
ECL allowance as at 31 March	**481,2**	**688,8**	**747,4**	**1 917,4**

31 March 2023	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 April	476,1	553,1	629,2	1 658,4
Credit advanced, net of payments received	224,4	102,5	41,7	368,6
Accounts written-off	–	(8,4)	(1 104,5)	(1 112,9)
Change in credit risk parameters	(179,3)	41,0	1 159,7	1 021,4
ECL allowance as at 31 March	521,2	688,2	726,1	1 935,5

Active customers that have made a qualifying payment within the last 30 days make up 77,9% of the trade receivables – retail book (2023: 77,4%).

Trade receivables – retail with a contractual amount of R1 473,5 million (2023: R1 138,1 million) written-off during the year are still subject to enforcement activity.

Concession receivables

Class of financial instrument	Financial statement caption	Note
Concession receivables	Concession receivables	11

Concession receivables relates to balances due from stores located in the United Kingdom and internationally, where concessions are in place.

	2024 Rm	2023 Rm
Concentration by region		
United Kingdom	**175,4**	176,4
Australia	**4,5**	–
International	**60,8**	60,3
Total	**240,7**	236,7

Reconciliation of net concession receivables:

	2024 Rm	2023 Rm
Gross concession receivables	**311,6**	371,9
Allowance for expected credit loss	**(70,9)**	(135,2)
Net concession receivables	**240,7**	236,7

Movement in the concession receivables allowance for impairment were as follows:

	2024 Rm	2023 Rm
Opening balance at 1 April	**(135,2)**	(117,2)
Utilisation of provision	**81,5**	–
Increase in provision	**(10,0)**	(14,0)
Effect of exchange rate fluctuations	**(7,2)**	(4,0)
Balance at 31 March	**(70,9)**	(135,2)

24. Risk management continued

Other receivables

The Group actively manages collection of other receivables and provides adequate provision for any long outstanding balances. The Group is not exposed to significant credit risk as there is no significant other receivable by a single counterparty or any balances past due date that have not been adequately provided for.

Cash and cash equivalents

The Group limits its exposure to credit risk through dealing with well-established financial institutions with high credit standings, and thus management does not expect any counterparty to fail to meet its obligations.

Exposure

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

In determining the recoverability of trade receivables - retail, the Group considers any changes in credit quality of the receivables up to the reporting date. The concentration of credit risk is limited as the customer base is large and unrelated.

The maximum exposure to credit risk at the reporting date was:

	2024 Rm	Restated 2023 Rm
Trade receivables – retail	**8 325,2**	7 745,5
Other receivables	**923,6**	714,7
Concession receivables	**240,7**	236,7
Cash and cash equivalents	**3 775,4**	4 095,2
	13 264,9	12 792,1

Cash flow and liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure it will always have sufficient cash flow to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

This risk is managed through cash flow forecasts, the optimisation of daily cash management and by ensuring that adequate borrowing facilities are maintained. In terms of its memorandum of incorporation, the Group's borrowing powers are unlimited.

The Group has external borrowing facilities in each of its three segments. The borrowing facilities attract different covenant requirements all of which have been met during the financial year and which are calculated as follows;

TFG Africa:

> The leverage ratio (net interest-bearing debt to earnings before interest, income tax, depreciation and amortisation (EBITDA)) must not exceed 2.75 times.

> The interest cover ratio (EBITDA divided by gross interest expense) must not be less than 3.5 times.

The Group complied with these covenants as at March 2024. As at the reporting date, these ratios measured as follows:

	Required covenant	Covenant achieved
– Leverage	<2.75 times	1.2 times
– Interest cover	>3.5 times	5.1 times

TFG London:

The requirement covenant benchmarks were agreed with lenders following the conclusion of a debt refinancing syndication in 2024. The required covenant benchmarks agreed with lenders include (1) the leverage ratio (net interest-bearing debt to earnings before interest, income tax, depreciation and amortisation (EBITDA)) must not exceed 2.75 times, (2) the interest cover ratio (EBITDA divided by gross interest expense) must not be less than 5.0 times and (3) capital expenditure must not exceed the budget capital expenditure by more than 120%.

At March 2024, cash exceeded debt with the remaining covenants achieved, well within the required covenant benchmark.

24. Risk management continued

Cash flow and liquidity risk continued

TFG Australia:

The required covenant benchmarks agreed with lenders include (1) the leverage ratio (net interest-bearing debt to earnings before interest, income tax, depreciation and amortisation (EBITDA)) must not exceed 2.0 times, and (2) the fixed charged cover ratio (earnings before interest, income tax, depreciation, amortisation and rent expense (EBITDAR)) must not be less than 1.3 times.

The leverage ratio is not applicable as no debt was drawn down/utilised during the period.

At March 2024 the remaining covenants were achieved well within the required covenant benchmarks.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

	Carrying amount Rm	**Cash flows Rm**	**Less than 1 year Rm**	**1 – 2 years Rm**	**More than 2 years Rm**
31 March 2024					
Non-derivative financial liabilities					
Interest-bearing debt	**8 670,0**	**10 021,5**	**2 980,0**	**3 158,7**	**3 882,8**
Trade and other payables^	**7 039,0**	**7 039,0**	**7 039,0**	**–**	**–**
Lease liabilities	**12 138,6**	**13 761,8**	**4 457,2**	**3 551,0**	**5 753,6**
Contract liabilities	**365,8**	**175,7**	**175,7**	**–**	**–**
Derivative financial liabilities					
Forward exchange contracts used for hedging	**40,3**	**2 124,1**	**2 124,1**	**–**	**–**
	28 253,7	**33 122,1**	**16 776,0**	**6 709,7**	**9 636,4**

	Carrying amount Rm	Cash flows Rm	Less than 1 year Rm	1 – 2 years Rm	More than 2 years Rm
31 March 2023					
Non-derivative financial liabilities					
Interest-bearing debt#	11 220,3	12 894,6	5 621,6	555,1	6 717,9
Trade and other payables^	7 424,8	7 253,4	7 253,4	–	–
Lease liabilities	10 941,5	12 141,7	4 211,3	1 945,0	5 985,4
Derivative financial liabilities					
Put option liability	43,5	43,5	–	–	43,5
	29 630,1	32 333,2	17 086,3	2 500,1	12 746,8

^ *Cash flow figures for trade and other payables removes the impact of FECs and employee-related accruals for liquidity risk disclosure purposes.*

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and impact profit or loss:

	Carrying amount Rm	**Cash flows Rm**	**Less than 1 year Rm**	**1 – 2 years Rm**	**More than 2 years Rm**
31 March 2024					
Forward exchange contracts					
Asset	**44,7**	**1 594,1**	**1 594,1**	**–**	**–**
Liability	**(40,3)**	**2 124,1**	**2 124,1**	**–**	**–**
	4,4	**3 718,2**	**3 718,2**	**–**	**–**

	Carrying amount Rm	Cash flows Rm	Less than 1 year Rm	1 – 2 years Rm	More than 2 years Rm
31 March 2023					
Forward exchange contracts					
Asset	144,2	3 512,9	3 512,9	–	–
	144,2	3 512,9	3 512,9	–	–

24. Risk management continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Currency risk

The Group is exposed to foreign exchange risk. The financial risk activities are governed by appropriate policies and procedures to identify financial risks, measured and managed in accordance with the Group's treasury policy. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group is exposed to currency risk as operating subsidiaries undertake transactions that are denominated in foreign currencies. These currencies are primarily the Australian Dollar (AUD), British Pound (GBP), Chinese Yuan (CNY), Euro (EUR) and US Dollar (USD).

The hedging instrument used is forward exchange contracts (FECs). Cash flow hedge accounting is applied to all open FECs. FECs are designated as hedging instruments in cash flow hedges of forecasted transactions and firm commitments. These forecast transactions are used to mitigate the exposure of the variability in cash flows attributable to highly probable forecast transactions and firm commitments to purchase stock denominated in a foreign currency.

There is a direct economic relationship between the hedging instrument and the hedged item. The conclusion is that the changes in fair values of the hedging instrument and the hedged item are moving in opposing directions and the change in fair value of hedging instrument highly offsets the change in fair value of the hedged item. The Group has established a hedge ratio of 1:1 since the notional amount and currency of the hedged item is the same as the notional amount of the foreign currency leg of the hedging instrument. To test the hedge effectiveness, the Group uses a qualitative method.

The hedge ineffectiveness can arise from:

> Differences in the timing of the cash flows of the hedged instruments.
> The credit risk of the contracting parties differently impacting the fair value movements of the hedging instruments and hedged items.
> The variability of the forecasted amount of cash flows of hedged items and hedging instruments.

The risk of financial loss due to the volatility of the foreign currency transactions arises from:

> Translation exposure – the effect of exchange rate movements on the recorded results of a foreign entity.
> Transaction exposure – the effect of exchange rate movements on the price of goods and services imported/exported.

The Group manages its currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of highly probable forecasted purchases and firm commitments.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to align to the terms of the hedged exposure in order to ensure that the critical terms are matched. For hedges of highly probable forecast transactions and firm commitments, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the maturity date of the FEC. Any timing mismatches are addressed under the sources of ineffectiveness.

24. Risk management continued

Currency risk continued

The Group is holding the following forward exchange contracts that form part of a hedging relationship:

	Notional amount Rm	Carrying amount Rm	Average forward rate R	Line item in the statement of financial position
31 March 2024				
Forward exchange contracts CNY/ZAR	**969,4**	**(23,7)**	**2,62**	**Trade and other payables**
Forward exchange contracts USD/AUD	**1 594,1**	**44,7**	**1,53**	**Other receivables and prepayments**
Forward exchange contracts USD/ZAR	**1 154,7**	**(16,6)**	**18,76**	**Trade and other payables**

	Notional amount Rm	Carrying amount Rm	Average forward rate R	Line item in the statement of financial position
31 March 2023				
Forward exchange contracts CNY/ZAR	586,5	2,4	2,61	Other receivables and prepayments
Forward exchange contracts USD/AUD	2 108,1	142,1	0,72	Other receivables and prepayments
Forward exchange contracts USD/ZAR	818,3	(0,3)	17,95	Other receivables and prepayments

Reconciliation of cash flow hedge reserve:

	Gross Rm	Deferred tax Rm	Net Rm
31 March 2024			
Balance at 1 April	**108,3**	**(31,9)**	**76,4**
Transferred into reserve	**2 457,4**	**(725,7)**	**1 731,7**
Utilised	**(2 602,3)**	**767,8**	**(1 834,5)**
Balance at 31 March	**(36,6)**	**10,2**	**(26,4)**

	Gross Rm	Deferred tax Rm	Net Rm
31 March 2023			
Balance at 1 April	(221,8)	64,6	(157,2)
Transferred into reserve	1 138,6	(314,8)	823,8
Utilised	(808,5)	218,3	(590,2)
Balance at 31 March	108,3	(31,9)	76,4

24. Risk management continued

Exposure to currency risk

Exposure to currency risk is hedged through the use of forward exchange contracts. At 31 March, the Group had forward exchange contracts in various currencies to acquire inventory not yet recorded as assets on the statement of financial position.

	Foreign currency 000's	**Rand equivalent (at forward cover rate) R'000**
31 March 2024		
CNY	**361 269**	**969 391**
USD	**147 977**	**2 748 852**
		3 718 243

	Foreign currency 000's	Rand equivalent (at forward cover rate) R'000
31 March 2023		
CNY	225 022	586 504
USD	172 894	2 926 428
		3 512,932

The following significant exchange rates applied during the year:

	Average rate		**31 March spot rate**	
	2024	2023	**2024**	2023
AUD	**12,33**	11,60	**12,29**	11,89
BWP	**1,39**	1,33	**1,38**	1,37
CNY	**2,61**	2,48	**2,62**	2,59
Euro	**20,32**	17,69	**20,37**	19,29
GBP	**23,55**	20,43	**23,81**	21,98
USD	**18,74**	17,00	**18,88**	17,80

Sensitivity analysis

The Group is primarily exposed to the Chinese Yuan and US Dollar currencies. The following analysis indicates the Group's sensitivity at year end to the indicated movements in these currencies on financial instruments, assuming that all other variables, in particular interest rates, remain constant. The rates of sensitivity are the rates used when reporting the currency risk to the Supervisory Board and represent management's assessment of the potential change in foreign currency exchange rates at the reporting date.

A 10% strengthening of the Rand against the following currencies at 31 March would have increased equity and profit or loss by the amounts shown below.

	Profit or loss Rm	**Equity Rm**
31 March 2024		
CNY	**–**	**94,6**
USD	**–**	**277,7**

	Profit or loss Rm	Equity Rm
31 March 2023		
CNY	–	58,9
USD	–	97,9

A 10% weakening of the Rand against the above currencies at 31 March would have had the equal but opposite effect on equity and profit or loss to the amounts shown above on the basis that all other variables remain constant.

The methods and assumptions used to calculate the above sensitivity analysis are consistent with the prior year.

24. Risk management continued

Foreign cash

The Group has exposure to foreign currency translation risk through cash balances included in the net assets of foreign subsidiaries, in currencies other than the South African Rand. This risk is not hedged. The table below includes only the material foreign currency cash balances held in the Group other than the South African Rand.

	2024 Rm	2023 Rm
AUD	**290,3**	240,2
BWP	**21,5**	38,3
CHF	**22,7**	33,0
Euro	**107,3**	161,8
GBP	**436,0**	1,156,8
NZD	**40,6**	32,5
USD	**83,4**	150,2

A 10% strengthening of the Rand against the following currencies at 31 March would have increased equity and profit or loss by the amounts shown below.

	Profit or loss Rm	**Equity Rm**
31 March 2024		
AUD	**–**	**29,0**
BWP	**–**	**2,2**
CHF	**–**	**2,3**
Euro	**–**	**10,7**
GBP	**–**	**43,6**
NZD	**–**	**4,1**
USD	**–**	**8,3**

	Profit or loss Rm	Equity Rm
31 March 2023		
AUD	–	24,0
BWP	–	3,8
CHF	–	3,3
Euro	–	16,2
GBP	–	115,7
NZD	–	3,2
USD	–	15,0

A 10% weakening of the Rand against the above currencies at 31 March would have had the equal but opposite effect on equity and profit or loss to the amounts shown above on the basis that all other variables remain constant.

24. Risk management continued

Interest rate risk

The Group is exposed to interest rate risk as it both borrows, provides credit and invests funds. This risk is managed by maintaining an appropriate mix of fixed and floating rate instruments with reputable financial institutions.

There is no interest rate risk on trade payables.

Profile

At 31 March, the interest rate profile of the Group's interest-bearing financial instruments was:

	Interest rate at 31 March		Carrying amount	
	FY2024 %	FY2023 %	**2024 Rm**	2023 Rm
Financial assets				
Trade receivables – retail (6 months)	**–**	–	**680,7**	622,0
Trade receivables – retail (12 months)	**15,8 – 28,2**	14,5 – 27,1	**7 644,5**	7 123,5
Cash and cash equivalents	**9,9**	11,3	**3 775,4**	4 095,2
			12 100,6	11 840,7
Financial liabilities				
Interest-bearing debt	**5,9 – 9,8**	5,2 – 9,4	**8 670,0**	(11 220,3)
Lease liabilities	**6,5 – 23,3**	5,2 – 19,8	**12 138,6**	(10 941,5)
Put option liability	**–**	–	**–**	(43,5)
			20 808,6	(22 205,3)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at 31 March would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase (decrease) of 100 basis points in interest rates at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2023. Variable rate instruments below relate to interest-bearing debt.

	Profit or loss Rm	**Equity Rm**
31 March 2024		
Variable rate instruments	**106,4**	**–**
Cash flow sensitivity (net)	**106,4**	**–**

	Profit or loss Rm	Equity Rm
31 March 2023		
Variable rate instruments	111,5	–
Cash flow sensitivity (net)	111,5	–

24. Risk management continued

Capital risk management

The Supervisory Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence, to sustain future development of business and to ensure that the Group continues as a going concern. The Group primarily makes use of equity for capital management purposes.

Equity consists of ordinary share capital and retained earnings of the Group. The Supervisory Board monitors its use of equity, as measured by the return on equity, which the Group defines as profit for the year divided by total average equity. The Supervisory Board also monitors the level of dividends to shareholders.

The Supervisory Board seeks to maintain a balance between the higher returns that might be attained with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group is well positioned to take advantage of future growth opportunities and the intention is to increase the net debt to equity ratio to a level that supports this objective.

Insurance risk

The Group is exposed to insurance risk through its investment in insurance cell captive arrangements. The insurance risk relates to the risk that there will be insufficient capital available to honour the claims made by the policyholders in the insurance cell captive arrangements.

In-substance reinsurance arrangements

The Group is the cell owner in cell captive arrangements with an insurer. The short-term and long-term insurance business of the Group's customers are housed in the cell captives, which were purchased by the Group by subscribing for ordinary shares in the cell. The liabilities in the cell captives represent the insurance claims paid or payable to the Group's customers. The assets represent the assets allocated to the cell captives by the insurer. The underwriting management of the cell captives are performed by the insurer for a fee payable by the Group to the insurer.

The risk under any one insurance contract is the possibility that an insured event occurs as well as the uncertainty of the amount of the resulting claim. This risk is random and unpredictable. The frequency and severity of claims can be affected due to unforeseen factors such as patterns of crime, pandemic and employment trends. Insurance claim provisions will generally be settled within one year.

Through the use of a cell captive arrangement, the Group manages its insurance risk by reviewing the underwriting management performed by the insurer. This will include a review of the insurer's methodology for estimating claims and a review of the adequacy of the assets allocated to the cell captives by the insurer. Claims development in the cell captives are also reviewed by the Group.

The Group aims to ensure that sufficient reserves are held within their cells through their cell captive arrangements to cover the liabilities associated with the insurance contracts the cells issue so as to mitigate the risk of having to transfer additional capital into the cell to maintain cell liquidity or capital adequacy requirements. The Group will change the cell captive agreements or insurer if the underwriting of claims are not performed adequately. The Group does not only sell credit life insurance products, but funeral policies too which also adds diversification to the portfolio. No significant concentrations of insurance risk exist.

The cell captives are predominantly domiciled in South Africa. The only significant cells in which the Group subscribed for ordinary shares, are the cells managed by Guardrisk Insurance Company Limited and Guardrisk Life Limited.

In determining the value of insurance liabilities, assumptions need to be made regarding future rates of mortality and morbidity, termination rates, expenses and investment performance. The assumptions are assessed annually and are informed by past claims experience and the cell captive insurer's insight and experience. The uncertainty of these rates may result in actual experience being different from that assumed and hence actual cash flows being different from those projected. In the worst case scenario, actual claims and benefits may exceed liabilities. In estimating the provision for claims reported but not yet paid, the notified claims at balance sheet date are reviewed. The sensitivity analysis on net profit after tax should the insurance contract liabilities increase or decrease by 10% is immaterial to the Group's results.

24. Risk management continued

Fair value hierarchy of financial assets and liabilities at fair value through profit and loss

The table below analyses financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in an active market for identical assets or liabilities:

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices):

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2024 Rm	2023 Rm
Level 2		
Forward exchange contracts – asset	**44,7**	144,2
Forward exchange contracts – liability	**(40,3)**	–
Level 3		
Put option liability	**–**	(43,5)
Investments	**138,4**	143,7

There are no level 1 financial instruments held by the Group.

During the year the Group assessed all financial assets and classified investments as a level 3 financial instrument.

Measurement of fair values:

The following valuation techniques were used for measuring level 2 and level 3 fair values:

Forward exchange contracts

The fair values are based on authorised financial institution quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

The following valuation techniques were used for measuring level 3 fair values:

Investments

The investment in the insurance arrangement has been valued at its net asset value at the reporting date and approximates fair value.

Put option liability^

The Group had put/call arrangements with certain JV partners which is payable on a basis of 7 times EBITDA less net debt. The put/call liability will increase/(decrease) in line with the EBITDA increase/(decrease) times the multiple less net debt.

^ *Pre IFRS 16.*

Financial assets and liabilities not measured at fair value

The fair value is not disclosed as the carrying value is a reasonable approximation of the fair value. The amortised cost of trade receivables – retail and concession receivables, which is the carrying value less impairment provision, is based on future expected cash flows to be recovered that are discounted and accordingly a reasonable approximation of their fair value. Interest-bearing debt bears interest at market related rates which is therefore a reasonable approximation of fair value.

25. Going concern and subsequent events

25.1 Going concern

The going concern assumption is evaluated based on information available up to the date on which the results are approved for issuance by the Supervisory Board. The going concern assumption was considered to be appropriate for the preparation of the Group's results for the year ended 31 March 2024 and management is not aware of material uncertainties related to events or circumstances that may cast significant doubt upon the Group's ability to do so. The Group continues to adapt the business as effectively as possible to deal with the dynamic environment within which it operates through various cash and working capital initiatives, and continues to prioritise cost savings initiatives across all operations. In this regard, key considerations included:

The Group continues to demonstrate its operating and financial strengths and agility and is well positioned to navigate through tough economic conditions and stretched consumer wallets in all territories in which we operate. Trading conditions and consumer confidence are likely to remain under pressure, exacerbated by the sustained high interest rates and inflation across the three territories and ongoing load shedding in South Africa.

The Group continues to invest in its key strategic initiatives to further strengthen its differentiated business model. It has made progress on its key strategic objectives and its speciality brand business portfolio which remains very well positioned for further organic and inorganic growth. A specific focus will be on maximising the efficiency of our investments, such as the acquisitions of Tapestry and Street Fever, and enhancing working capital management.

Further, the Group continues to enhance and invest in initiatives such as Bash and local manufacturing which will ultimately contribute to improving the Group's return on capital employed in the longer term.

The outlook remains cautious, especially in the UK, with possible further softening in the coming months as many industries battle persistent inflation, higher energy costs and higher interest rates, which may have a negative impact on jobs and consumer confidence. It is expected that customers will continue to seek value, which could drive further promotional activity as the cost-of-living pressures continue throughout 2024.

We are cautiously optimistic that TFG Australia's consumer will remain resilient.

Management is confident that there is adequate short-term available funding to meet working capital requirements in the normal course of its operations. The Supervisory Board has assessed the solvency and liquidity of the Group and is satisfied with the Group's ability to continue as a going concern for the foreseeable future.

25.2 Subsequent events

No significant events took place between the year ended 31 March 2024 and date of issue of this report.

26. Commitments and contingent liabilities

	2024 Rm	2023 Rm
Capital expenditure		
Capital commitments	**4,2**	43,9

Capital commitments are for purchases of property, plant and equipment. There are no contingent liabilities.

27. Revenue

	Note	2024 Rm	2023 Rm
Retail turnover		**56 220,7**	51 778,1
Interest income	28	**2 075,4**	1 673,8
Insurance revenue		**247,0**	205,7
Other income	29	**1 579,0**	1 554,8
		60 122,1	55 212,4

Retail turnover consist of:	2024 Rm	2023 Rm
Cash sales	**46 255,3**	42 081,6
Credit sales	**9 965,4**	9 696,5
	56 220,7	51 778,1

Retail turnover for TFG Africa retail includes both cash and credit sales. TFG London and TFG Australia segments, includes cash sales only.

Online and stores retail turnover split included in the revenue disclosed under segmental reporting for TFG Africa, TFG London and TFG Australia.

Retail turnover per merchandise category consist of:	2024 Rm	2023 Rm
Clothing	**45 419,7**	42 166,4
Homeware	**5 337,5**	4 270,6
Cosmetics	**1 027,3**	981,3
Jewellery	**1 460,4**	1 449,5
Cellphones	**2 975,8**	2 910,3
	56 220,7	51 778,1

Refer to segmental reporting for segmental merchandise category splits.

28. Interest income

	2024 Rm	2023 Rm
Trade receivables – retail	**1 932,3**	1 528,4
Sundry	**143,1**	145,4
	2 075,4	1 673,8

Sundry primarily relates to bank interest income earned.

29. Other income

	2024 Rm	2023 Rm
Value-added services	**699,7**	702,3
Collection cost recovery and service fees	**822,8**	750,3
Sundry income	**56,5**	102,2
	1 579,0	1 554,8

30. Trading expenses

	2024 Rm	2023 Rm
Operating profit before acquisition costs, and finance costs has been arrived at after taking account of:		
Trading expenses*		
Net occupancy costs^	**(970,2)**	(859,5)
Occupancy costs	**(6 124,8)**	(5 420,1)
Occupancy costs lease reversal	**5 154,6**	4 560,6
Depreciation on right-of-use assets	**(4 432,3)**	(3 968,2)
Depreciation and amortisation	**(1 201,4)**	(1 058,4)
Employee costs	**(10 007,5)**	(9 019,6)
Other operating costs	**(6 782,2)**	(6 488,2)
	(23 393,6)	(21 393,9)

^ *Occupancy costs refers to the total costs associated with the rental of the property. Occupancy lease reversal refers to the costs associated with property leases that are accounted for under IFRS 16.*

* *Trading expenses is net of conversion cost included in cost of turnover.*

	2024 Rm	2023 Rm
The following disclosable amounts are included above:		
Auditors' remuneration		
Audit fees	**(37,1)**	(32,2)
Non-audit fees	**(6,3)**	(3,4)
Loss on disposal of property, plant and equipment and intangible assets	**(104,3)**	(63,1)
Reversal of impairment (impairment) of property, plant and equipment and intangible assets	**0,8**	(26,1)
Profit on disposal of property, plant and equipment and intangible assets	**1,2**	1,7
Impairment of right-of-use assets	**(44,8)**	(48,6)
Share-based payments	**(168,2)**	(217,9)
Fair value adjustment on investment	**(5,3)**	(1,9)
Fair value adjustment on put option liability	**(4,9)**	(5,7)
Retirement fund expenses (note 34)	**(640,7)**	(633,2)
Foreign exchange transactions	**60,4**	(33,2)

31. Finance costs

	2024 Rm	2023 Rm
Finance costs on lease liabilities	**(784,7)**	(573,9)
Interest-bearing debt	**(985,5)**	(793,9)
	(1 770,2)	(1 367,8)

Finance costs increased predominantly due to the increase in interest rates and higher levels of borrowings.

32. Taxation

	2024 Rm	2023 Rm
Income tax expense		
South African current taxation		
Current year	**676,7**	524,8
Prior year under (over) provision	**24,5**	(49,3)
Dividends withholding tax	**16,5**	10,2
South African deferred taxation		
Current year	**(37,1)**	18,1
Prior year under provision	**(15,0)**	30,9
Assessed loss recognised	**(12,4)**	(43,5)
Non-South African current taxation		
Current year	**478,0**	554,4
Prior year (over) provision	**(16,1)**	(4,9)
Non-South African deferred taxation		
Current year	**(44,2)**	16,8
Prior year over (under) provision	**16,1**	(27,8)
Assessed loss utilised (recognised)	**57,4**	(12,2)
	1 144,4	1 017,5

	%	%
Reconciliation of the tax expense		
Effective tax rate	**27,4**	25,2
Employee Tax Incentive	**0,3**	–
Learnership allowances	**0,3**	0,2
Other Exempt and non-taxable	**1,0**	1,1
Non-deductible expenditure	**(1,3)**	(0,4)
Impact of foreign tax rates	**(0,3)**	(0,1)
Withholding taxes	**(0,4)**	(0,3)
Prior year under (over) provision	**–**	1,3
South African statutory rate	**27,0**	27,0

33. Earnings per share

Basic and headline earnings per share

The calculation of basic and headline earnings per share for the year ended 31 March 2024 was based on profit for the year attributable to ordinary shareholders of The Foschini Group Limited of R3 031,2 (2023: R3 025,8) million and headline earnings of R3 148,1 (2023: R3 123,8) million divided by the weighted average number of ordinary shares as follows:

	2024		2023	
	Gross Rm	**Net of taxation Rm**	Gross Rm	Net of taxation Rm
Profit for the year attributable to equity holders of The Foschini Group Limited		**3 031,2**		3 025,8
Adjusted for:				
Loss on disposal of property, plant and equipment and intangible assets	**104,3**	**76,7**	63,1	46,6
(Reversal of impairment) impairment of property, plant and equipment and intangible assets	**(0,8)**	**(2,0)**	26,1	18,1
Profit on disposal of property, plant and equipment and intangible assets	**(1,2)**	**(0,9)**	(1,7)	(1,2)
Impairment of right-of-use assets	**44,8**	**32,0**	48,6	34,5
Gain on bargain purchase	**(4,5)**	**(4,5)**	–	–
Impairment of goodwill	**15,6**	**15,6**	–	–
Headline earnings	**158,2**	**3 148,1**	136,1	3 123,8

	2024 Number of shares		2023 Number of shares	
	Gross	**Weighted**	Gross	Weighted
Gross number of ordinary shares in issue	**331 027 300**	**331 027 300**	331 027 300	331 027 300
Treasury shares	**(6 099 870)**	**(6 729 540)**	(8 612 897)	(8 614 244)
Net number of ordinary shares in issue at end of the year	**324 927 430**	**324 297 760**	322 414 403	322 413 056

33. Earnings per share continued

Basic and headline earnings per share continued

	2024 Number of shares Gross	2023 Number of shares Gross
Gross number of ordinary shares in issue	**331 027 300**	331 027 300
Treasury shares	**(8 612 897)**	(8 502 148)
Net number of ordinary shares in issue at beginning of the year	**322 414 403**	322 525 152
Movements in treasury shares		
Purchased	**–**	(722 143)
Delivered	**2 513 027**	611 394
Gross number of ordinary shares in issue	**331 027 300**	331 027 300
Treasury shares	**(6 099 870)**	(8 612 897)
Net number of ordinary shares in issue at end of the year	**324 927 430**	322 414 403

	2024	2023
Weighted average number of ordinary shares in issue	**324 297 760**	322 413 056
Earnings per ordinary share (cents)		
Basic earnings per ordinary share	**934,7**	938,5
Headline earnings per ordinary share	**970,7**	968,9

Diluted earnings and diluted headline earnings per share

The calculation of diluted earnings and diluted headline earnings per share for the year ended 31 March 2024 is based on profit for the year attributable to ordinary shareholders of The Foschini Group Limited of R3 031,2 (2023: R3 025,8) million and headline earnings of R3 148,1 (2023: R3 123,8) million divided by the fully diluted weighted average number of ordinary shares as follows:

	2024	2023
Weighted average number of ordinary shares as above	**324 297 760**	322 413 056
Number of shares that would have been issued for no consideration – FS	**2 094 433**	2 884 226
Weighted average number of ordinary shares used for dilution	**326 392 193**	325 297 282

As at 31 March 2024, nil (2023: nil) shares are anti-dilutive and were therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

	2024	2023
Earnings per ordinary share (cents)		
Diluted earnings per ordinary share	**928,7**	930,2
Diluted headline earnings per ordinary share	**964,5**	960,3

34. Employee benefits

Share incentive schemes

Executive directors and key management personnel of the Group participate in its equity-settled share incentive schemes as documented below:

Share appreciation rights (2007 Share Incentive Scheme)

The scheme rules of the 2007 scheme provide that, upon fulfilment of certain performance conditions, the share appreciation rights (SARs) may upon request be converted from the third anniversary of the grant date. Participants are entitled to receive shares in equal value to the growth in the share price on a defined number of shares between the date of grant and the date of conversion. The entitlement to these shares is subject to Group performance criteria linked to inflation. All rights expire after six years.

Forfeitable shares (2010 Share Incentive Scheme)

Two forfeitable share (FS) instruments form part of this scheme, namely performance and restricted shares. Performance shares vest after a minimum of three years subject to inflation-linked Group performance criteria. Shares lapse after three years if the performance criteria have not been achieved. Restricted shares are issued with the specific objective of improving the retention of key senior talent, while still utilising an instrument that aligns the interests of recipients with that of shareholders. Restricted shares vest after three years, subject to continued employment.

Share instruments granted and accepted for the financial year ended 31 March	**2024**	2023
01 April 2023 – TFG 2010 Share Incentive Scheme^		
Consideration	**nil**	
Estimated value on grant date	**92,30**	
1 June 2023 – TFG 2010 Share Incentive Scheme^		
Consideration	**nil**	
Estimated value on grant date	**84,60**	
01 July 2023 – TFG 2010 Share Incentive Scheme^		
Consideration	**nil**	
Estimated value on grant date	**92,00**	
01 August 2023 – TFG 2010 Share Incentive Scheme^		
Consideration	**nil**	
Estimated value on grant date	**105,00**	
01 October 2023 – TFG 2010 Share Incentive Scheme^		
Consideration	**nil**	
Estimated value on grant date	**99,00**	
01 January 2024 – TFG 2010 Share Incentive Scheme^		
Consideration	**nil**	
Estimated value on grant date	**110,20**	
11 July 2022 – TFG 2010 Share Incentive Scheme^		
Consideration		nil
Estimated value on grant date		R117,95
12 July 2022 – TFG 2010 Share Incentive Scheme^		
Consideration		nil
Estimated value on grant date		R119,78
13 July 2022 – TFG 2010 Share Incentive Scheme^		
Consideration		nil
Estimated value on grant date		R119,70

* *Grant price equates to the strike price.*

^ *The fair value of the 2010 Share Incentive Scheme is the market price of the shares on grant date. Participants entitled to dividends, therefore the market price has not been adjusted when determining the fair value.*

The Group recognised total expenses of R168,2 (2023: R217,9) million relating to equity-settled share-based payment transactions.

34. Employee benefits continued

Share incentive schemes continued

Details of the share instruments outstanding at the end of the year are set out below:

2007 Share Incentive Scheme	Number of SARs 2024	2023
SARs granted, subject to fulfilment of conditions, at 1 April	**1 134 647**	1 135 207
SARs delivered during the year[#]	**–**	(560)
SARs granted, subject to fulfilment of conditions, at 31 March	**1 134 647**	1 134 647

[#] *No SARs delivered during the current year, the prior year weighted average share price was March 2023 was R102,41 on relevant dates of delivery.*

2010 Share Incentive Scheme	Number of FS 2024	2023
FS granted, subject to fulfilment of conditions, at 1 April	**6 397 652**	6 286 342
FS granted during the year subject to fulfilment of conditions	**1 248 830**	722 144
FS forfeited during the year	**(139 026)**	–
FS forfeited but not sold	**(641 237)**	–
FS delivered during the year[#]	**(2 513 028)**	(610 834)
FS granted, subject to fulfilment of conditions, at 31 March	**4 353 191**	6 397 652

[#] *For the FS delivered during the year, the share price is R95,29 (2023: R103,17) on date of delivery.*

Upon request, SARs in terms of the 2007 scheme may vest from the following financial years:

Grant date	Grant price*	Year of vesting	Number of SARs
10 June 2014	R111,10	N/A^	28 900
8 June 2015	R148,15	N/A^	167 569
2 June 2016	R142,72	N/A^	176 972
2 June 2017	R138,30	N/A^	226 057
1 June 2018	R183,89	N/A^	226 256
3 June 2019	R174,32	N/A^	308 893
			1 134 647

1 134 647 shares were available for conversion as at 31 March 2024.

* *Grant price equates to the strike price.*

^ *The 2014 – 2019 SARs have expired/forfeited, however the shares linked to the SARs have not been sold as at 31 March 2024.*

34. Employee benefits continued

Share incentive schemes continued

FS in terms of the 2010 scheme vest from the following financial years:

Grant date	Grant price	Year of vesting	Number of FS
30 June 2021	R159,04	2025	132 773
01 July 2021	R157,37	2025	1 050 724
01 July 2021	R157,37	2026	675 270
13 December 2021	R120,52	2025	86 775
01 February 2022	R129,65	2025	46 307
01 April 2022	R147,49	2026	21 001
01 July 2022	R118,60	2026	553 758
01 July 2022	R118,60	2027	525 623
01 September 2022	R128,72	2026	1 253
01 October 2022	R117,09	2026	8 758
01 December 2022	R100,72	2026	5 269
01 April 2023	R92,25	2026	28 083
01 June 2023	R84,58	2026	7 786
30 June 2023	R92.00	2026	8 109
01 July 2023	R92.00	2027	608 088
01 July 2023	R92.00	2028	588 097
01 August 2023	R105.00	2026	2 381
01 October 2023	R99.00	2026	1 000
01 January 2024	R110,15	2026	2 136
			4 353 191

These schemes are administered by The Foschini Share Incentive Trust, which holds shares in The Foschini Group Limited as follows:

	Number of shares	
	2024	2023
Shares held at the beginning of the year	**1 134 647**	1 135 207
Shares delivered during the year	**–**	(560)
Shares held at the end of the year	**1 134 647**	1 134 647

Retirement funds

TFG Retirement Fund: Defined contribution plan

TFG Retirement Fund, which is governed by the provisions of the Pension Funds Act No. 24 of 1956, is a defined contribution plan. It provides comprehensive retirement and other benefits for members and their dependants. There is a mandatory contribution of 12% of pensionable pay for employees on a TGP pay structure and this mandatory contribution is paid by the employer for employees on a Salary Plus pay structure. This mandatory contribution includes cover for death, disability and funeral benefits, administration and management costs. Members have the choice of a member contribution rate, from 3% to 18% (increasing in increments of 1,5%) of pensionable pay to the Fund.

A valuation of the fund was performed at 31 December 2022 in which the valuator reported that the fund was in a sound financial position. The last statutory valuation was performed as at 31 December 2022.

34. Employee benefits continued

Retirement funds continued

TFG Retirement Fund: Defined contribution plan continued

Summary per fund#:	Number of members 2024	Number of members 2023	Employer contributions 2024 Rm	Employer contributions 2023 Rm
TFG Retirement Fund	**19 190**	19 177	**386,0**	414,4
Metropolitan Rainmaker Provident Fund (Lesotho)	**65**	68	**0,9**	1,0
Namflex Pension Fund	**431**	461	**5,0**	5,0
Sibaya Provident Fund (Swaziland)	**99**	99	**1,7**	1,7
Alexander Forbes Retirement Fund (Botswana)	**261**	253	**3,5**	3,2
National Pensions Scheme Authority (NAPSA) of Zambia	**173**	162	**1,7**	1,3
Sygnia Umbrella Retirement Fund*	**–**	363	**–**	0,7
Broksure Group*	**–**	221	**–**	–^
	20 219	20 804	**398,8**	427,3

The information above is specific to TFG Africa, which refers to our activities on the African continent.
* *The group does not utilise these funds at year end.*
^ *Zero as a result of rounding.*

TFG London

All UK-based employees are automatically enrolled in the company's defined contribution pension scheme, underwritten by Scottish Widows, subject to certain limited criteria. As a condition of the company contributing to this scheme, employees are required to make additional personal contributions, but can also choose to opt out of the scheme. For certain employees, the company contributes to a separate personal pension scheme selected by the employee instead. GBP1,2 (R29,0) million was paid in the current year, GBP1,0 (R20,5) million was paid in the prior year.

TFG Australia

For employees, a government mandated 10% of all ordinary time earnings must be paid into a retirement fund nominated by the employee provided the employee meets certain requirements. AUD17,3 (R212,9) million was paid into superannuation fund in the current year, AUD16,0 (R85,4) million was paid into a superannuation fund in the prior year.

Medical aid

TFG Medical Aid Scheme: Defined contribution plan

The company and its wholly-owned subsidiaries operate a medical aid scheme for the benefit of their permanent South African employees. Membership of the scheme is voluntary, except for senior employees. Permanent employees in Lesotho can also apply to the scheme upon meeting certain criteria.

Total membership currently stands at 2 920 (2023: 3 069) principal members.

These costs are charged against income as incurred and amounted to R20,4 (2023: 31,7) million, with employees contributing a further R118,9 (2023: R111,5) million to the fund

In respect of the year ended 31 December 2023, the scheme earned risk contributions of R159,1 (2023: R175,1) million and reflected a deficit of R22,9 (2023: R9,8 surplus restated) million after the deduction of all expenses, and before investment income. The scheme had net assets at its year end date totalling R279,1 (2023: R280,7 restated) million. FY2023 comparative numbers have been restated as a result of IFRS 17.

Other defined contribution plans

Permanent employees are able to take up voluntary medical aid scheme membership in the country in which they operate.

Post-retirement defined medical aid

Qualifying retired employees are entitled to medical aid benefits, which have been fully provided for (note 18).

Other

Group employees and pensioners are entitled to a discount (on selling price) on purchases made at stores within the Group.

35. Directors' remuneration

2024	Fees^ R'000	Remuneration R'000	Pension fund R'000	Dividends R'000	Other benefits* R'000	Performance bonus*** R'000	Total R'000	LTI vested value R'000
Non-executive								
M Lewis	**1 614,4**	–	–	–	–	–	**1 614,4**	–
Prof. F Abrahams	**889,7**	–	–	–	–	–	**889,7**	–
E Oblowitz	**1 365,8**	–	–	–	–	–	**1 365,8**	–
N V Simamane	**830,1**	–	–	–	–	–	**830,1**	–
B L M Makgabo-Fiskerstrand	**830,1**	–	–	–	–	–	**830,1**	–
D Friedland	**849,3**	–	–	–	–	–	**849,3**	–
R Stein	**1 010,0**	–	–	–	–	–	**1 010,0**	–
G Davin	**965,8**	–	–	–	–	–	**965,8**	–
C Coleman	**751,8**	–	–	–	–	–	**751,8**	–
J N Potgieter	**744,2**	–	–	–	–	–	**744,2**	–
N L Sowazi	**118,5**	–	–	–	–	–	**118,5**	–
A D Murray	**2 198,9**	–	–	–	–	–	**2 198,9**	–
Total	**12 168,6**	–	–	–	–	–	**12 168,6**	–
Executive								
A E Thunström	–	**15 222,7**	**377,4**	**839,1**	**149,9**	**7 822,4**	**24 411,5**	**47 982,8**
B Ntuli**	–	**5 303,6**	**243,1**	**347,8**	**53,3**	–	**5 947,8**	**8 639,8**
Total	–	**20 526,3**	**620,5**	**1 186,9**	**203,2**	**7 822,4**	**30 359,3**	**56 622,6**
Total remuneration 2024	**12 168,6**	**20 526,3**	**620,5**	**1 186,9**	**203,2**	**7 822,4**	**42 527,9**	**56 622,6**

2023	Fees^ R'000	Remuneration R'000	Pension fund R'000	Dividends R'000	Other benefits* R'000	Performance bonus R'000	Total R'000	LTI vested value R'000
Non-executive								
M Lewis	1 537,5	–	–	–	–	–	1 537,5	–
Prof. F Abrahams	847,4	–	–	–	–	–	847,4	–
E Oblowitz	1 300,7	–	–	–	–	–	1 300,7	–
N Simamane	790,5	–	–	–	–	–	790,5	–
B L M Makgabo-Fiskerstrand	790,5	–	–	–	–	–	790,5	–
D Friedland	808,8	–	–	–	–	–	808,8	–
R Stein	961,9	–	–	–	–	–	961,9	–
G Davin	919,8	–	–	–	–	–	919,8	–
C Coleman	716,0	–	–	–	–	–	716,0	–
A D Murray	2 094,2	–		–	–	–	2 094,2	–
Total	10 767,3	–	–	–	–	–	10 767,3	–
Executive								
A E Thunström	–	14 128,4	685,4	2 934,0	186,2	14 500,8	32 434,8	25 539,2
B Ntuli	–	7 451,0	449,9	600,9	99,0	6 105,6	14 706,4	5 077,5
Total	–	21 579,4	1 135,3	3 534,9	285,2	20 606,4	47 141,2	30 616,7
Total remuneration 2023	10 767,3	21 579,4	1 135,3	3 534,9	285,2	20 606,4	57 908,5	30 616,7

Mr Ralph Buddle was appointed as Chief Financial Officer and executive director with effect from 1 April 2024.

In the current year 155 366 shares were granted to A E Thunstrom and 65 417 to B Ntuli based on the closing market price on 30 June 2023 of R94,02. 539 227 shares and 97 093 shares vested to A E Thunstrom and B Ntuli respectively.

^ *Fees only relate to services as directors.*

* *Other benefits include housing allowance and medical aid subsidy.*

** *With effect from 30 November 2023, Ms Bongiwe Ntuli resigned as Chief Financial Officer as well as executive director of the company.*

*** *Performance bonus included in 2024 remuneration to be paid in FY2025 and accrued in 2024 relate to the performance period ending 31 March 2024. This represents 40% of the Single Incentive with the remaining 60% allocated in Forfeitable Shares based on a 30-day VWAP of R106 to vest 50% in June 2026 and 50% in June 2027 subject to an employment condition. The full Single Incentive value is disclosed in the single total figure of remuneration as per page 57 of the Governance Report.*

36. Related parties

Shareholders

An analysis of the principal shareholders of the company is provided in appendix 2. For details of directors' interests, refer to note 13.

Subsidiaries

During the year, in the ordinary course of business, certain companies within the Group entered into transactions. These intra-group transactions were eliminated on consolidation.

Directors

Remuneration

Details relating to executive and non-executive directors' remuneration are disclosed in note 35.

Interest of directors in contracts

No directors have any interests in contracts that are in contravention of section 75 of the Companies Act of South Africa, No. 71 of 2008. Executive directors are bound by service contracts.

Loans to directors

No loans have been made to directors.

Employees

	2024 Rm	2023 Rm
Remuneration paid to key management personnel other than the executive directors is as follows:		
Short-term employee benefits		
Remuneration	**340,2**	305,7
Performance bonus	**79,1**	91,5
Travel allowance	**3,3**	3,3
Post-employment benefits		
Pension fund	**29,1**	45,0
Other long-term benefits		
Other benefits	**3,5**	10,8
Share-based payments		
Fair value of share instruments granted	**128,5**	86,0
Restraint of trade payments	**9,1**	9,0
Total remuneration	**592,8**	551,3

Refer to note 35 for further disclosure regarding remuneration paid to executive directors of the company.

37. Cash generated from operations

	2024 Rm	2023 Rm
Operating profit before finance costs	**5 945,8**	5 411,1
Adjustments for:		
Interest income – sundry	**(143,1)**	(145,4)
Dividends received	**(57,3)**	(93,4)
Non-cash items	**5 915,3**	5 459,3
Depreciation and amortisation	**1 240,6**	1 095,9
Depreciation on right-of-use assets	**4 432,3**	3 968,2
Share-based payments	**168,2**	217,9
Post-retirement defined benefit medical aid movement	**12,5**	11,9
Employee-related provisions	**(11,0)**	22,1
Foreign currency (gain) loss	**(60,4)**	33,2
Put option liability movement	**(4,9)**	5,7
Fair value adjustment	**5,3**	1,9
Loss on disposal of property, plant and equipment and intangible assets	**104,3**	63,1
(Reversal of impairment) impairment of property, plant and equipment and intangible assets	**(0,8)**	26,1
Profit on disposal of property, plant and equipment and intangible assets	**(1,2)**	(1,7)
Impairment of right-of-use assets	**44,8**	48,6
Impairment of goodwill	**15,6**	–
Profit on termination of leases	**(25,5)**	(33,6)
Gain on bargain purchase	**(4,5)**	–
	11 660,7	10 631,6
Changes in working capital		
Inventory	**1 722,8**	(2 938,6)
Trade and other receivables	**(626,7)**	(510,0)
Trade and other payables	**(218,3)**	(79,4)
	877,8	(3 528,0)
Cash generated from operations	**12 538,5**	7 103,6

38. Taxation paid

	2024 Rm	2023 Rm
Balance at beginning of the year	**(126,5)**	(275,6)
Current tax for the year recognised in profit or loss	**(1 178,9)**	(1 030,4)
Foreign exchange movements	**8,2**	(5,3)
Prior year adjustment	**(16,9)**	–
Additions through business combinations	**–**	(38,4)
Balance at end of the year	**43,6**	126,5
	(1 270,5)	(1 223,2)

39. Dividends paid

	2024 Rm	2023 Rm
Dividends paid during the year	**(984,4)**	(1 635,6)
	(984,4)	(1 635,6)

40. Changes in liability arising from financing activity

31 March 2024

	Opening balance Rm	Net cash flows^ Rm	Non-cash items: Additions and modifi-cations Rm	Non-cash items: Additions through business combinations Rm	Non-cash items: Termi-nations Rm	Non-cash items: Foreign exchange movements Rm	Closing balance Rm
Interest-bearing debt	**11 220,3**	**(2 636,0)**	**–**	**–**	**–**	**85,7**	**8 670,0**
Lease liabilities	**10 941,5**	**(4 369,9)**	**5 763,5**	**78,1**	**(225,7)**	**(48,9)**	**12 138,6**

31 March 2023

	Opening balance Rm	Net cash flows^ Rm	Non-cash items: Additions and modifi-cations Rm	Non-cash items: Additions through business combinations Rm	Non-cash items: Termi-nations Rm	Non-cash items: Foreign exchange movements Rm	Closing balance Rm
Interest-bearing debt	6 783,1	4 047,2	–	243,9	–	146,1	11 220,3
Lease liabilities	8 816,0	(4 006,6)	5 627,5	662,2	(437,5)	279,9	10 941,5

^ *Net cash flows represent the total payments less interest.*

41. Corporate transactions

Street Fever

The Group, through its value athletic and leisure footwear retail brand, Sneaker Factory, entered into an agreement to acquire Street Fever, an independent retailer of affordable branded footwear and apparel (the "Transaction"). As announced on SENS on 10 May 2023, all conditions precedent to the Transaction have either been fulfilled or waived as set out in the agreement, it being noted that the approval from the relevant competition authorities was obtained. Accordingly, the Transaction is now unconditional in accordance with the terms of the agreement and was implemented with an effective date of 26 April 2023. The integration has been completed and is reported as part of the TFG Africa retail division.

With effect from 26 April 2023, TFG acquired store locations, inventory and certain liabilities for a cash equivalent purchase consideration of R196,9 million, of which R46,9 million related to inventory. TFG measured the identifiable assets and liabilities of Street Fever at their acquisition-date fair values. Goodwill of R149,3 million has been recognised at acquisition. Goodwill represents the value paid in excess of the provisional fair value of the net assets. This consists largely of the value assigned to increase the Sneaker Factory footprint in a number of locations across South Africa.

Hong Kong Investments

The Group, through its TFG London operations by virtue of 3 separate legal entities, held joint ventures in Hong Kong investments. The Group held a put/call option over all 3 Hong Kong investments (the "Option"). The option provided the Group with the contractual right to acquire all the equity instruments of the Hong Kong investments and the right to sell their shares to the Group.

JD Sports Fashion Plc ("JD Sports")

To provide an elevated consumer experience, the Foschini Group Limited, through its wholly-owned subsidiary Foschini Retail Group Proprietary Limited, has signed a franchise agreement, with effect from 8 March 2024 with JD Sports Fashion Plc ("JD Sports"), the leading global sports fashion retailer, to be its exclusive retail partner in South Africa. JD Sports is a sports fashion retailer of branded sports and casual wear, combining globally recognised brands such as Nike, adidas, Puma and The North Face, with strong private labels, such as Pink Soda and Supply & Demand.

Saisha's Trading Close Corporation

The Foschini Group Limited, through its wholly-owned subsidiary Prestige Clothing Proprietary Limited acquired all of the design, manufacturing and assembly machinery, plant and equipment, employees and assumed employee-related liabilities of Saisha's Trading Close Corporation for a total purchase price of R12 million, with effect from 1 June 2024.

42. Accounting standards and interpretations to be adopted in future years

There are standards and interpretations in issue that are not yet effective. These include the following standards and interpretations that are applicable to the Group. These are not expected to have a material impact on future financial statements:

	Effective for periods starting on or after
Classification of Liabilities as Current or Non-current – Amendment to IAS 1	**1 January 2024**
Lease Liability in a Sale and Leaseback – Amendment to IFRS 16	**1 January 2024**
Non-current Liabilities with Covenants – Amendments to IAS 1	**1 January 2024**
Amendments to IAS 21	**1 January 2025**
Presentation and Disclosures in Financial Statements – IFRS 18	**1 January 2027**
Subsidiaries without Public Accountability: Disclosures – IFRS 19	**1 January 2027**

43. IFRS 17 – Insurance Contracts

IFRS 17 is effective for reporting periods starting on or after 1 January 2023. IFRS 17 was adopted by the Group for the first time for the 2024 financial year. The standard was applied retrospectively.

The Group has restated comparative information for 31 March 2023 applying the transitional provisions in Appendix C to IFRS 17. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification and measurement

The adoption of IFRS 17 has changed the classification of certain reinsurance contracts issued in cell captive arrangements, previously classified as financial assets and measured at FVTPL, being reclassified as insurance contracts recognised and measured in accordance with IFRS 17.

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued by the Group.

Under IFRS 17, the Group's insurance contracts issued are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The Group's classification and measurement of insurance contracts is explained in note 1.

Changes to presentation and disclosure

For presentation in the statement of financial position, the Group aggregates reinsurance contracts issued and presents separately:

> Portfolios of insurance contracts issued that are assets
> Portfolios of insurance contracts issued that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

IFRS 17 requires separate presentation of:

> Insurance revenue
> Insurance service expenses

The Group provides qualitative and quantitative information about:

> Amounts recognised in its financial statements from insurance contracts
> Significant judgements, and changes in those judgements, when applying the standard

On transition date, 1 April 2022, the Group:

> Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied
> Derecognised any existing balances that would not exist had IFRS 17 always applied
> Recognised any resulting net difference in equity

The adoption of IFRS 17 did not materially impact the retained earnings as at 1 April 2022 and the profit that is reported by the Group.

Consistent to the prior year, cell captive arrangements not within the scope of IFRS 17, are classified as current financial assets within "other receivables and prepayments" on the statement of financial position. These financial assets are designated for measurement at fair value through profit or loss and are reported within the "Value added services" line item, which is included in the "Other income" disclosure note 29.

43. IFRS 17 – Insurance Contracts continued

Changes to presentation and disclosure continued

The impact of the restatements on the Group's statement of financial position is detailed as follows:

	As at 31 March 2023		
Assets	**As previously reported Rm**	**Restatement Rm**	**Restated Rm**
Non-current assets			
Insurance contract assets	–	230,6	**230,6**
Current Assets			
Other receivables and prepayments	1 700,0	(230,6)	**1 469,4**
	1 700,0	–	**1 700,0**

The impact of the restatements on the Group's income statement is detailed as follows:

	As at 31 March 2023		
	As previously reported Rm	**Restatement* Rm**	**Restated Rm**
Revenue	55 121,3	91,1	55 212,4
Insurance revenue	–	205,7	**205,7**
Other income	1 669,4	(114,6)	**1 554,8**
Insurance service expense	–	(91,1)	**(91,1)**
	1 669,4	–	**1 669,4**

* *The insurance revenue and insurance service expense was updated to enhance the disclosure.*

Appendix 1: Subsidiary companies

As at 31 March 2024

Name of subsidiary	Country of registration	Ownership
Trading subsidiaries*		
Dress Holdco A Limited	**UK**	**100%**
Tapestry Home Brands Proprietary Limited	**South Africa**	**100%**
Cotton Traders Proprietary Limited	**South Africa**	**100%**
Fashion Retailers Proprietary Limited	**Namibia**	**100%**
Fashion Retailers (Zambia) Limited	**Zambia**	**100%**
Foschini (Lesotho) Proprietary Limited	**Lesotho**	**100%**
Foschini Retail Group Proprietary Limited	**South Africa**	**100%**
Foschini (Swaziland) Proprietary Limited	**Eswatini**	**100%**
Prestige Clothing Proprietary Limited	**South Africa**	**100%**
Quench Delivery Proprietary Limited	**South Africa**	**100%**
TFG Apparel Supply Company Proprietary Limited	**South Africa**	**100%**
TFG Retailers Proprietary Limited	**Australia**	**100%**

* *These companies are material direct subsidiaries of The Foschini Group Limited.*

Appendix 2: Shareholdings of The Foschini Group Limited

Analysis of shareholdings – ordinary shares

Compiled by JP Morgan Cazenove utilising the company's transfer secretaries' records as at 31 March 2024.

Spread analysis	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
1 – 1 000 shares	**10 372**	**72,1**	**2 475 717**	**0,7**
1 001 – 10 000 shares	**2 916**	**20,3**	**8 525 461**	**2,6**
10 001 – 100 000 shares	**779**	**5,4**	**26 093 812**	**7,9**
100 001 – 1 000 000 shares	**253**	**1,8**	**72 939 648**	**22,0**
1 000 001 shares and over	**58**	**0,4**	**220 992 662**	**66,8**
	14 378	**100**	**331 027 300**	**100**

Distribution of shareholdings

Category	Number of shares held	% of shares in issue
Pension funds	**95 919 074**	**29,0**
Unit trusts	**101 279 401**	**30,6**
Mutual fund	**43 764 289**	**13,2**
Sovereign wealth	**21 765 835**	**6,6**
Private investor	**15 816 087**	**4,8**
Insurance companies	**12 294 925**	**3,7**
Trading position	**13 026 049**	**3,9**
Exchange-traded fund	**5 796 214**	**1,8**
Corporate holding	**3 325 538**	**1,0**
Medical aid scheme	**1 565 680**	**0,5**
Hedge fund	**1 774 883**	**0,5**
Custodians	**697 615**	**0,2**
Local Authority	**958 859**	**0,3**
University	**597 136**	**0,2**
American Depository Receipts	**238 448**	**0,1**
Charity	**125 872**	**–**
Foreign Government	**107 161**	**–**
Other Managed Funds	**35 614**	**–**
Black Economic Empowerment	**15 000**	**–**
Other	**11 923 620**	**3,6**
Total	**331 027 300**	**100,0**

Beneficial shareholdings greater than 5%

Beneficial interests – direct and indirect, as per share register and information supplied by nominee companies as at 31 March 2024.

	Holding	% of shares in issue
Government Employees Pension Fund (PIC)	**58 901 642**	**17,8**

Fund managers' holdings greater than 5%

According to disclosures made, the following fund managers administered client portfolios which included more than 5% of the company's issued shares.

	Holding	% of shares in issue
Government Employees Pension Fund (PIC)	**43 278 628**	**13,1**
M&G Investment Managers (Pty) Ltd	**32 734 027**	**9,9**
Total	**76 012 655**	**23,0**

Shareholding spread

Category	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
Public shareholders	**14 094**	**98,0**	**262 413 605**	**79,3**
Non-public shareholders	**284**	**2,0**	**68 613 695**	**20,6**
Government Employees Pension Fund (PIC)	**13**	**0,1**	**58 901 642**	**17,8**
Foschini Stores (Pty) Ltd	**1**	**–**	**1 080 599**	**0,3**
Foschini Share Incentive Trust	**1**	**–**	**1 134 647**	**0,3**
Employees of TFG	**258**	**1,8**	**3 884 625**	**1,2**
Directors	**11**	**0,1**	**3 612 182**	**1,0**
Total	**14 378**	**100,0**	**331 027 300**	**100,0**

Geographical split of investment managers and company related holdings

Region	Total shareholding	% of shares in issue
South Africa	**238 622 474**	**72,1**
United States of America and Canada	**59 887 340**	**18,1**
United Kingdom	**23 002 390**	**6,9**
Rest of Europe	**9 399 862**	**2,8**
Rest of world*	**115 234**	**–**
Total	**331 027 300**	**100,0**

Geographical split of beneficial shareholders

Region	Total shareholding	% of shares in issue
South Africa	**217 182 828**	**65,6**
United States of America and Canada	**65 945 589**	**19,9**
United Kingdom	**6 956 790**	**2,1**
Rest of Europe	**29 722 827**	**9,0**
Rest of world*	**11 219 266**	**3,4**
Total	**331 027 300**	**100,0**

* *Represents all shareholdings except those in the above regions*

Analysis of shareholders – preference shares

Beneficial shareholding greater than 5%

Beneficial interests – direct and indirect, as per share register as at 31 March 2024.

Category	Number of shares held	% of shares in issue
Linda Lombard	57 044	28,5
Old Sillery (Pty) Ltd	47 100	23,6
Michael Goulding	35 280	17,6
Angus Macdonald	32 335	16,2
Antoinio de Magahaes	14 200	7,1
	185 959	93,0

Shareholding spread

Category	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
Public	15	78,9	28 241	14,1
Linda Lombard	1	5,3	57 044	28,5
Old Sillery (Pty) Ltd	1	5,3	47 100	23,6
Michael Goulding	1	5,3	35 280	17,6
Angus Macdonald	1	5,3	32 335	16,2
	19	100	200 000	100,0

Glossary and key definitions

Capex	Capital expenditure
Companies Act of South Africa	Companies Act of South Africa, No. 71 of 2008, as amended
Concessions	In addition to their own stand-alone stores, TFG London have concession arrangements with key department store partners from whom they occupy an agreed floor space area (referred to as “mat”) dedicated to their product
Current ratio	Current assets divided by current liabilities
COSO	Committee of Sponsoring Organisations
Debt-to-equity ratio	Net borrowings expressed as a percentage of total equity
Dividend cover	Basic earnings per share divided by dividend declared
Doubtful debt provision as a % of debtors' book	Provision for doubtful debts expressed as a percentage of gross receivables
EBIT	Earnings, excluding acquisition costs, before finance costs and tax
EBITDA	Earnings before finance costs, tax, depreciation and amortisation
EBITDA finance charge cover	EBITDA divided by finance costs
EBITDA margin	EBITDA expressed as a percentage of retail turnover
Finance charge cover	Operating profit before finance charges divided by finance costs
Gross square metres	Comprises the total leased store area including stock rooms
Headline earnings	Net income attributable to ordinary shareholders adjusted for the effect, after tax, of exceptional items
Headline earnings – adjusted	Headline earnings adjusted for the impact of once-off acquisition costs incurred
Headline earnings per ordinary share	Headline earnings divided by the weighted average number of shares in issue for the year
LSM	Refer to the SAARF Universal Living Standards Measure which is a unique means of segmenting the South African market by dividing the population into 10 LSM groups,1 (lowest) to 10 (highest)
Market capitalisation	The market price per share at year-end multiplied by the number of ordinary shares in issue at year-end

Net bad debt and provision movement	VAT-exclusive bad debts including provision movement, net of recoveries
Net bad debt write-off – retail	VAT-inclusive bad debts, net of recoveries and excluding movement in provision
Net bad debt write-off as a % of credit transactions	Net bad debt write-off expressed as a percentage of credit transactions
Net bad debt write-off as a % of debtors' book	Net bad debt write-off expressed as a percentage of gross receivables
Net borrowings	Interest-bearing debt and non-controlling interest loans reduced by preference share investment (where relevant) and cash
Operating margin	Operating profit before finance charges expressed as a percentage of retail turnover
Omnichannel	Describes the integrated multi-channel retailing (e-commerce, online sales, mobile app sales)
Operating profit	Profit earned from normal business operations
Outlets	TFG London trades through a combination of stand-alone stores and concession arrangements resulting in their presence being referred to as outlets rather than the traditional stores
Recourse debt	Recourse debt is amounts owing to TFG companies in Africa (excluding our international subsidiaries), where the lenders have the ability to claim for damages from the borrower's parent, sponsor or guarantor
Recourse debt-to-equity ratio	Recourse debt reduced by preference share investment (where relevant) and cash, expressed as a percentage of total equity
Return on capital employed (ROCE)	Earnings before interest and tax (EBIT)/capital employed
Same store	Stores that traded out of the same trading area for the full current and previous financial years
Tangible net asset value per ordinary share	Total net asset value excluding goodwill and intangible assets, divided by the net number of ordinary shares in issue at year-end
Trading expenses	Trading expenses are costs incurred in the normal course of business and includes, among others, depreciation, amortisation, employee costs, occupancy costs, net bad debt and other operating costs
VWAP	Volume weighted average price

Company information and shareholders' calendar

Executive directors:	A E Thunström, R R Buddle
Non-executive directors:	M Lewis (Chairman), Prof. F Abrahams, C Coleman, G H Davin, D Friedland, B L M Makgabo-Fiskerstrand, A D Murray, E Oblowitz, J N Potgieter, N V Simamane, N L Sowazi, R Stein
Company Secretary:	D van Rooyen
Registered office:	Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, South Africa
Registration number:	1937/009504/06
Tax reference number:	9925/133/71/3P
Share codes:	TFG – TFGP
ISIN:	ZAE000148466 – ZAE000148516
Transfer secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa Telephone: +27(0) 11 370 5000
Sponsor:	RAND MERCHANT BANK (a division of FirstRand Bank Limited)
Auditors:	Deloitte & Touche
Website:	www.tfglimited.co.za

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