2020

PRELIMINARY REPORT ON THE AUDITED GROUP ANNUAL RESULTS

FOR THE 52 WEEKS ENDED 28 JUNE 2020

COMMENTARY

KEY FEATURES

Sale of merchandise	down 9.5% to R16.4 billion
Retail sales	down 9.2% to R16.9 billion
Gross margin	50.8%
Doubtful debt allowance	30.2%
Operating margin	(0.7%)
Adjusted operating margin*	15.0%
Headline earnings per share	down 28.2%
Office intangible assets impairment (excluding deferred tax)	£118 million
Cash generated from operations	R4.5 billion
Net cash to equity	0.7%
Cash realisation rate	136%
Annual dividend per share	down 27% to 280 cents

* Adjusted to exclude goodwill and intangible asset impairments. Refer to note 22 for further information.

GROUP PROFILE

Truworths International Ltd (the company) is an investment holding and management company listed on the JSE and the Namibian Stock Exchange. Its principal trading entities, Truworths Ltd and Office Holdings Ltd, are engaged either directly or indirectly through subsidiaries, concessions, agencies or wholesale partners, in the cash and account retailing of fashion clothing, footwear, homeware and related merchandise. The company and its subsidiaries (the Group) operate primarily in South Africa and the United Kingdom (UK), and have a presence in Germany, the Republic of Ireland and other sub-Saharan African countries.

PRO FORMA INFORMATION

The Group's results for the 52-week period ended 28 June 2020 (the current period) are not directly comparable to those of the prior 52-week period ended 30 June 2019 (the prior period), mainly as a result of the impact of the COVID-19 pandemic on the current period's results. Additionally, the recognition of impairment losses in respect of goodwill and intangible assets (refer to notes 10 and 11) in both the current and prior periods further mitigates against a direct comparison. The Group is therefore reporting pro forma information, which excludes the impact of goodwill and intangible asset impairments, to facilitate comparisons against the prior period. Throughout this preliminary report, any pro forma information is referred to as "adjusted". Refer to note 22 for further information.

IMPACT OF COVID-19

The World Health Organisation declared the outbreak of COVID-19 a global pandemic during March 2020. The pandemic has had a significant impact on the global economy in terms of growth and unemployment. As COVID-19 started to spread around the world governments implemented various measures to contain the spread of the virus. In many countries this resulted in the temporary closure of businesses and restrictions on the movement of people and goods. The Group's main countries of trading, South Africa and the UK, have been hit hard by lockdowns and the introduction of various regulations requiring the swift implementation of additional processes to deal with the pandemic.

The South African government declared a nationwide lockdown with effect from 26 March 2020, requiring all non-essential businesses to close temporarily. Accordingly, the Group was unable to trade from stores or online in South Africa for five weeks during the current period. During this period no revenue was earned from the sale of merchandise and account collections in respect of the debtors book were significantly reduced due to the adverse impact of the lockdown on consumers' income as well as the fact that most customers pay their accounts in store. South African lockdown regulations have since been relaxed and many parts of the economy were allowed to reopen from 1 May 2020, including the Group's stores.

The UK went into lockdown from 24 March 2020 until 14 June 2020, during which period all of the Group's stores across the UK were closed. The Group was however permitted to continue trading online and benefited from its strong e-commerce presence. Certain of the Group's UK stores resumed trading on 15 June 2020 by following a phased approach to reopening.

The Group acted swiftly and decisively with strict protocols being implemented across all areas of operation to ensure the safety of employees and customers. Operationally steps have been taken to reduce expenditure and conserve cash, access available government support schemes, manage inventory levels and its order book, and to minimise the disruption of account collections. Notwithstanding these measures, the pandemic has had a severe impact on the Group's performance for the current period, most notably on revenue generation, debtors' provisioning levels and the recoverable value of goodwill, intangible and right-of-use assets. These impacts are covered in more detail throughout the preliminary report.

All directors, divisional directors and some senior management of the company and its subsidiaries offered to sacrifice up to a third of their remuneration over three months to an internal fund to assist those staff in critical need during the pandemic.

While the uncertainty around COVID-19 is expected to continue for many months ahead, the Group's strong balance sheet and ability to manage margins and costs effectively positions it to succeed in these challenging times.

TRADING AND FINANCIAL PERFORMANCE

Sales and gross margin performance

Group retail sales for the current period decreased by 9.2% to R16.9 billion (2019: R18.6 billion).

Account sales comprised 51% (2019: 51%) of Group retail sales for the current period, with account and cash sales decreasing by 8.4% and 9.9%, respectively, relative to the prior period.

Retail sales for the Truworths Africa segment (being the Group, excluding the UK-based Office segment and comprising mainly the Truworths businesses in South Africa) decreased by 8.7% to R12.3 billion (2019: R13.5 billion), with account and cash sales decreasing by 8.4% and 9.5%, respectively. Account sales comprised 70% of retail sales (2019: 70%). Truworths Africa's like-for-like store retail sales decreased by 10.3%. Price deflation averaged 1.2% for the current period (2019: 0.2%).

Truworths Africa's retail sales for the second half of the current period decreased by 23.5% to R4.5 billion (H2 2019: R5.9 billion). Furthermore, retail sales for the portion of the second half of the current period prior to the nationwide lockdown in South Africa (i.e. 30 December 2019 to 26 March 2020), were R2.5 billion, an increase of 3.5% over the comparable prior period. Truworths in South Africa was prohibited from trading for five weeks under lockdown level 5. Retail sales for the current period since the lockdown was lowered to level 4 and subsequently level 3 (i.e. 1 May 2020 to 28 June 2020) were R2.0 billion, a decrease of 8.3% relative to the comparable prior period.

Retail sales for the current period for the Group's UK-based Office segment decreased in Sterling terms by 16.4% to £233 million relative to the prior period's £279 million.

Office's retail sales for the second half of the current period decreased by 33.8% to £81 million (H2 2019: £122 million). Furthermore, retail sales for the second half of the current period prior to the lockdown in the UK (i.e. 30 December 2019 to 23 March 2020), were £41 million, a decrease of 14.9% compared to the comparable prior period. During the UK lockdown period from 24 March 2020 to 14 June 2020 (during which all Office stores across the UK were closed), retail sales were £34 million, representing a decrease of 45.6% compared to the comparable prior period. For the period 15 June 2020 to 28 June 2020, when retail businesses in the UK were allowed to reopen but only certain Office stores were opened, retail sales were £6 million, a decrease of 49.6% relative to the comparable prior period. By the end of the current period, Office had reopened 52 of its stand-alone stores and 16 concession stores across the UK, Ireland and Germany, thereby trading from 68 of its total portfolio of 129 stores. An additional 47 stores have been reopened post the period-end.

The Office segment continued to show good online performance, particularly during the UK lockdown period. For the current period online retail sales grew by 8.8% relative to the prior period and comprised approximately 44% of retail sales. For the portion of the current period prior to the UK lockdown, which commenced on 24 March 2020, Office's online sales comprised approximately 35% of retail sales.

Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less accounting adjustments (refer to note 4 for further information), decreased 9.5% to R16.4 billion.

COMMENTARY (CONTINUED)

The Group's gross margin reduced to 50.8% (2019: 51.6%). Truworths Africa's gross margin increased slightly to 55.6% (2019: 55.5%), while the gross margin in Office declined from 42.3% in the prior period to 38.7%, mainly as a result of a decline in the full price versus markdown price sales mix.

Trading space

Since the prior period-end a net 22 stores were closed across all brands. Truworths Africa opened 14 stores and closed 26, while Office opened 1 store and closed 11 stores (of which 8 were concession outlets), resulting in an increase in trading space of 0.3% (Truworths increase of 0.5% and Office decrease of 4.8%). At the end of the current period, the Group had 923 stores (including 16 concession outlets) (2019: 945 stores, including 24 concession outlets).

Impairment of intangible and other assets

The continuing tough trading environment in the UK, fuelled by the COVID-19 pandemic in the second half of the current period, has impacted the profitability of the Office segment, necessitating a reassessment by management of the carrying value of the Office segment's assets. This has resulted in a non-cash impairment charge of £118 million (2019: £102 million) (the Office impairment) being raised against the Office intangible assets. In addition, right-of-use assets and property, plant and equipment in respect of leased retail premises were impaired by £14 million (2019: £21 million).

In Truworths Africa the YDE goodwill balance was impaired in full by R52 million (2019: Rnil), while right-of-use assets in respect of leased retail premises were impaired by R95 million (2019: R12 million).

Trading and operating profit

The Group continued to exercise rigorous expense control. On an adjusted basis (refer to note 22 for further information), trading expenses for the current period increased by 0.9% and constituted 45.5% (2019: 40.8%) of sale of merchandise. Refer to Account Management below for further details on trade receivable costs.

Adjusted Group trading profit decreased 43.1% to R1.3 billion (refer to note 22 for further information), mainly due to the adverse impact of COVID-19 on the Group's second-half results. After taking into account goodwill and intangible asset impairments, the Group incurred a trading loss of R1.3 billion in the current period (2019: trading profit of R459 million).

Interest received was unchanged at R1.2 billion, notwithstanding material reductions in the repo rate in South Africa.

Adjusted Group operating profit decreased by 28.5% to R2.5 billion and the adjusted operating margin decreased from 19.0% in the prior period to 15.0% (refer to note 22 for further information). The operating margin of Truworths Africa decreased to 22.4% (2019: 28.2%). Including goodwill and intangible asset impairments, the Group recorded an operating loss of R110 million in the current period.

Finance costs decreased by 10.4% from R394 million in the prior period to R353 million, mainly as a consequence of the reduction in finance costs in respect of lease liabilities.

Earnings

Earnings per share (EPS) and headline earnings per share (HEPS) for the current period are as follows:

		EPS Jun 2020	Restated* EPS Jun 2019	% change	**HEPS Jun 2020**	Restated* HEPS Jun 2019	% change
Group	(cents)	**(133.0)**	144.7	(191.9)	**410.4**	571.7	(28.2)
Truworths Africa	(cents)	**399.4**	554.8	(28.0)	**428.4**	556.7	(23.0)
Office	(pence)	**(25.1)**	(22.2)	(13.1)	**(1.0)**	1.6	(162.5)

* Restated as a result of the adoption of IFRS 16. Refer to notes 21 and 7 for further information.

The Group's earnings are in line with the guidance provided to the market in the trading statement released on SENS on 19 August 2020.

A final cash dividend of 31 cents per share has been declared (2019: 135 cents per share), maintaining the dividend cover at 1.5 times and bringing the annual dividend per share to 280 cents per share (2019: 384 cents per share).

FINANCIAL POSITION

The Group's financial position remains strong, despite the net asset value per share decreasing by 26.4% to 1 450 cents. On an adjusted basis, net asset value per share decreased by 0.2% to 2 371 cents.

Goodwill and intangible assets decreased by R2.1 billion, principally due to the Office trademark and YDE goodwill impairments.

Inventories decreased by 4.6% to R2.0 billion at the end of the current period. Inventory turn decreased to 4.0 times (2019: 4.2 times). In Truworths Africa gross inventory increased by 3.1% to R1.4 billion and the inventory turn decreased to 4.2 times (2019: 4.8 times). In Office gross inventory decreased by 26.0% to £46.0 million and the inventory turn increased from 3.2 times to 4.0 times (in Sterling).

Group net debt (excluding IFRS 16 lease liabilities) decreased from R663 million at the prior period-end to a net cash position of R44 million, assisted by the timing of month-end creditor payments (see below), despite the repurchase of 11.9 million shares for R583 million during the current period.

Trade and other payables increased to R1.8 billion at the end of the current period (2019: R1.6 billion), because calendar month-end payments fell after the current period-end, whereas they coincided with the prior period-end.

CAPITAL MANAGEMENT

During the current period the Group generated R4.5 billion in cash from operations and this funded dividend payments (R1.6 billion), lease liability payments in terms of IFRS 16 (R1.0 billion), capital expenditure (R435 million) and share buy-backs (R583 million).

Notwithstanding the impact of COVID on sales and collections, the cash realisation rate, which is a measure of how profits are converted into cash, was 136% for the current period (2019: 93%). The Group's average cash realisation rate for the last five financial years is 104%.

During March 2020, the Truworths Africa segment successfully extended the term of its borrowing facilities. The Group's net cash to equity ratio at the end of the current period was 0.7% (2019: net debt to equity at 7.9%) and net cash to EBITDA was 0.0 times (2019: net debt to EBITDA at 0.2 times).

ACCOUNT MANAGEMENT

The economic circumstances resulting from the severe negative impact of the ongoing COVID-19 pandemic have resulted in lower revenue, reduced collections and a significant increase in the doubtful debt provision in respect of the Truworths Africa debtors book. Gross trade receivables (relating to the Truworths, Identity and YDE businesses) were at R5.5 billion (2019: R5.9 billion) and the number of active accounts decreased by 2.3% to 2.6 million at the current period-end. Active account holders able to purchase were at 77% (2019: 83%) and overdue balances as a percentage of gross trade receivables were 20% (2019: 13%).

At the current period-end the doubtful debts allowance in respect of the Truworths Africa debtors book increased significantly from 19.2% to 30.1% of gross trade receivables. The increase in the allowance results from an increase in expected credit losses due to the impact of the COVID-19 pandemic. Refer to note 12 for further information.

Trade receivable costs increased 54.7% for the current period to R1.6 billion (2019: R1.0 billion) due to the increase in the doubtful debt allowance. Net bad debt and related costs increased 8.3% to R1.2 billion (2019: R1.1 billion).

The Group uses accounts as an enabler of sales to customers in the mainstream middle-income market in the Truworths segment, as opposed to operating a financial services business. No fees were charged to customers, such as initiation fees, club fees, or magazine fees, except for an annual account service fee of R35. Financial services income only constitutes 0.5% of sale of merchandise (refer to note 4 for further information).

RESTRUCTURING OF OFFICE

As announced on 25 May 2020, the Truworths International board has considered various options for the Office business. The Group further announced on 15 July 2020 that it was in the process of negotiating further funding for the Office business as well as implementing various restructuring initiatives, including a staff redundancy process and store lease negotiations, to secure the long-term viability of Office.

Following a comprehensive process, the Truworths International board has decided to advance funding of £6.5 million to Office from existing Group cash reserves in a phased manner over the next 15 months. The funding takes the form of a secured revolving credit facility to Office Holdings Ltd, the main operating entity of the Office segment, on terms that are commensurate with a loan of this nature.

While the trading environment in the UK remains uncertain in light of the COVID-19 pandemic, the Brexit transition and the migration to digital retail, the Group is committed to the turnaround and success of Office and is working closely with Office management and other stakeholders on the ongoing restructuring process.

ADOPTION OF IFRS 16: LEASES

During the current period the Group adopted the newly effective accounting standard IFRS 16: Leases. The Group adopted this standard retrospectively, subject to transitional provisions. Accordingly, the comparative information in respect of the prior period has been restated. Refer to note 21 of the summarised Group annual financial statements for further information.

The most significant impact of IFRS 16 at transition date (2 July 2018, being the start of the prior period) relates to the recognition of right-of-use assets of R4.2 billion and lease liabilities of R4.9 billion in relation to capitalised store leases. The net transition impact of R490 million has been debited to opening retained earnings on the transition date.

SUCCESSION

Michael Mark has been CEO and at the helm of the company for over 30 years, successfully leading the business to world class levels of performance. The company will now be entering a phase of a planned succession process approved and motivated by the nomination committee and then hand over to a highly accomplished team after which he will retire as CEO.

COMMENTARY (CONTINUED)

In light of his impending retirement, the board has agreed a succession plan which will be implemented over the next two years in a structured and phased approach to ensure a smooth transition between Michael Mark and the successor structure. This phased approach will ensure that the business is appropriately structured to successfully emerge from the COVID era and to launch the business into a post COVID growth phase to take advantage of the exciting long-term opportunities and also challenges which the company faces.

Further detail on the agreed timelines and performance goals relating to the succession process will be published in the Integrated Report.

DIRECTORATE

As announced on SENS, Ms Tshidi Mokgabudi was appointed as an independent non-executive director of the company on 19 February 2020.

OUTLOOK

South Africa: Truworths

Consumer spending is expected to remain under pressure in the medium term owing to the effects of South Africa's prolonged economic downturn, fuelled by the negative impact of the COVID-19 pandemic. The fragile labour market has come under increased pressure as many employers implement workforce reductions or face closure, with rising unemployment a further threat to consumer spending. Electricity load shedding also remains a risk to trading in the months ahead. Lower consumer inflation, low interest rates and government aid packages may, however, provide some relief for struggling households.

In the months ahead Truworths will focus on the health of the account portfolio to manage the impact of higher credit losses arising from the economic downturn in the wake of COVID-19. Lower interest rates will result in a reduction in interest earned on the book.

Truworths' medium-term prospects will be supported by extending its merchandise ranges, its expanding e-commerce offering, the success of the lay-by payment option offered to non-account customers, continued investment for growth, robust cash flows and strong balance sheet.

Truworths' retail sales for the first nine weeks of the 2021 reporting period decreased 11% compared to the first nine weeks of the prior period.

United Kingdom: Office

Trading conditions and consumer confidence remain under intense pressure and it is expected that the retail sector will remain constrained in the medium term owing to the adverse impact of COVID-19 and the uncertainty caused by the January 2021 Brexit deadline.

Progress on the turnaround plan implemented by management in 2019 has been hampered by the outbreak of COVID-19 and the trading restrictions imposed on the retail sector during the national lockdown. Following the refinancing of the business, turnaround efforts are being intensified to ensure the long-term viability of the business. These include the restructuring of the business, implementation of a staff redundancy programme, as well as initiatives in relation to trading (buying and planning), cost control, capital expenditure, brands and marketing. The store portfolio remains a key focus point and management continues to engage with landlords on lease negotiations. Loss-making and marginal stores will be closed as leases come to an end. Office's turnaround will be supported by its growing e-commerce business which is well positioned to capitalise on the increasing shift to online shopping that has accelerated as a result of the COVID-19 pandemic.

Despite the challenges, Office remains a strong brand and a key strategic partner to the world's leading fashion footwear brands. Office's retail sales for the first nine weeks of the 2021 reporting period decreased 30% in Sterling compared to the first nine weeks of the prior period. During this period Office traded from 115 stores compared to 139 in the prior period.

Capital expenditure of R415 million (Truworths R372 million and Office £2 million) has been committed for the 2021 reporting period. Group trading space is expected to be largely unchanged (Truworths unchanged and Office decrease 20%).

Conclusion

Trading conditions in the Group's two main markets in South Africa and the UK will continue to be depressed owing to the impact of COVID-19. The possible imposition of further lockdown restrictions that may result in store closures could have an adverse impact on Group revenue and earnings.

H Saven	**MS Mark**
Chairman	Chief Executive Officer

FINAL DIVIDEND

The directors of the company have resolved to declare a final gross cash dividend from retained earnings in respect of the 52-week period ended 28 June 2020 in the amount of 31 South African cents (2019: 135 South African cents) per ordinary share to shareholders reflected in the company's register on the record date, being Friday, 25 September 2020.

The last day to trade in the company's shares *cum* dividend is Monday, 21 September 2020. Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Tuesday, 22 September 2020 to Friday, 25 September 2020, both days inclusive. Trading in the company's shares *ex* dividend will commence on Tuesday, 22 September 2020. The dividend is scheduled to be paid in South African Rand (ZAR) on Monday, 28 September 2020.

Dividends will be paid net of dividends tax (currently 20%), to be withheld and paid to the South African Revenue Service. Such tax must be withheld unless beneficial owners of the dividend have provided the necessary documentary proof to the relevant regulated intermediary (being a broker, CSD participant, nominee company or the company's transfer secretaries Computershare Investor Services (Pty) Ltd, Private Bag X9000, Saxonwold, 2132, South Africa) that they are exempt therefrom, or entitled to a reduced rate, as a result of a double taxation agreement between South Africa and the country of tax domicile of such owner.

The withholding tax, if applicable at the rate of 20%, will result in a net cash dividend per share of 24.8 South African cents. The company has 442 963 993 ordinary shares in issue on 3 September 2020. In accordance with the company's memorandum of incorporation the dividend will only be paid by electronic funds transfer, and no cheque payments will be made. Accordingly, shareholders who have not yet provided their bank account details should do so to the company's transfer secretaries.

The directors of the company have determined that gross dividends amounting to less than 2 000 South African cents, due to any one shareholder of the company's shares held in certificated form, will not be paid, unless otherwise requested in writing, but the net amount thereof will be aggregated with other such net amounts and donated to a charity to be nominated by the directors of the company.

By order of the board

C Durham
Company Secretary

Cape Town
3 September 2020

One Capital
JSE Sponsor

Merchantec Capital
NSX Sponsor

SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

	Note	**at 28 Jun 2020 Audited Rm**	Restated* at 30 Jun 2019 Audited Rm	Restated* at 1 Jul 2018 Audited Rm
ASSETS				
Non-current assets		**5 856**	8 645	11 218
Property, plant and equipment		**1 788**	1 767	1 726
Right-of-use assets	9	**2 651**	3 361	4 209
Intangible assets	10	**569**	2 616	3 227
Goodwill	11	**294**	346	1 629
Loans and receivables		**53**	99	109
Assets held at fair value		**32**	31	30
Derivative financial assets		**2**	12	10
Deferred tax		**467**	413	278
Current assets		**8 425**	7 994	8 402
Inventories		**2 010**	2 108	2 072
Trade and other receivables	12	**4 091**	4 934	5 110
Derivative financial assets		**65**	–	73
Loans and receivables		**51**	–	–
Prepayments		**26**	171	165
Cash and cash equivalents		**2 150**	777	982
Tax receivable		**32**	4	–
Total assets		**14 281**	16 639	19 620
EQUITY AND LIABILITIES				
Total equity		**6 008**	8 379	9 854
Share capital and premium	13, 14	**743**	739	729
Treasury shares	15	**(1 815)**	(1 291)	(1 083)
Retained earnings		**6 906**	9 076	10 442
Non-distributable reserves		**174**	(145)	(234)
Non-current liabilities		**2 698**	4 638	5 727
Lease liabilities		**2 562**	3 023	3 487
Interest-bearing borrowings	16	**–**	1 130	1 268
Provisions		**95**	78	79
Post-retirement medical benefit obligation		**39**	51	55
Leave pay obligation		**2**	4	4
Put option liability		**–**	74	389
Cash-settled compensation liability		**–**	–	15
Deferred tax		**–**	278	430
Current liabilities		**5 575**	3 622	4 039
Interest-bearing borrowings	16	**2 106**	130	419
Trade and other payables		**1 801**	1 582	1 736
Lease liabilities		**1 557**	1 366	1 406
Provisions		**111**	117	78
Bank overdraft		**–**	180	263
Put option liability		**–**	47	–
Derivative financial liabilities		**–**	16	–
Tax payable		**–**	184	137
Total liabilities		**8 273**	8 260	9 766
Total equity and liabilities		**14 281**	16 639	19 620
Number of shares in issue (net of treasury shares)	(millions)	**414.4**	425.5	428.3
Net asset value per share	(cents)	**1 450**	1 969	2 301

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

	Note	52 weeks to 28 Jun 2020 Audited Rm	% change	Restated* 52 weeks to 30 Jun 2019 Audited Rm
Revenue	4	**17 982**	(8.1)	19 577
Sale of merchandise	4	**16 379**	(9.5)	18 094
Cost of sales		**(8 065)**		(8 749)
Gross profit		**8 314**	(11.0)	9 345
Other income	4	**439**		322
Trading expenses		**(10 027)**	8.9	(9 208)
Depreciation and amortisation	5	**(1 452)**		(1 608)
Employment costs		**(2 015)**		(2 212)
Occupancy costs		**(675)**		(825)
Trade receivable costs		**(1 621)**		(1 048)
Other operating costs		**(4 264)**		(3 515)
Trading (loss)/profit		**(1 274)**	(377.6)	459
Interest received	4	**1 155**		1 153
Dividends received	4	**9**		8
Operating (loss)/profit		**(110)**	(106.8)	1 620
Finance costs	6	**(353)**	(10.4)	(394)
(Loss)/profit before tax		**(463)**	(137.8)	1 226
Tax expense		**(213)**		(817)
(Loss)/profit for the period		**(676)**	(265.3)	409
Attributable to:				
Equity holders of the company		**(556)**		619
Holders of the non-controlling interest		**(120)**		(210)
(Loss)/profit for the period		**(676)**		409
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**335**		(56)
Movement in foreign currency translation reserve		**335**		(56)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**11**		7
Re-measurement gains on defined benefit plans		**14**		6
Fair value adjustment on assets held at fair value through other comprehensive income		**(3)**		1
Other comprehensive income/(loss) for the period, net of tax		**346**		(49)
Attributable to:				
Equity holders of the company		**308**		(43)
Holders of the non-controlling interest		**38**		(6)
Other comprehensive income/(loss) for the period, net of tax		**346**		(49)
Total comprehensive (loss)/income for the period		**(330)**		360
Attributable to:				
Equity holders of the company		**(248)**		576
Holders of the non-controlling interest		**(82)**		(216)
Total comprehensive (loss)/income for the period		**(330)**		360
Basic (loss)/earnings per share	(cents)	**(133.0)**	(191.9)	144.7
Diluted basic (loss)/earnings per share	(cents)	**(132.5)**	(191.9)	144.2

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY

	Share capital and premium Rm	Treasury shares Rm	Retained earnings Rm	Non-distributable reserves Rm	Equity holders of the company Rm	Holders of the non-controlling interest Rm	Total equity Rm
2020							
Balance at the beginning of the period	**739**	**(1 291)**	**9 076**	**(145)**	**8 379**	**–**	**8 379**
Total comprehensive (loss)/income for the period	**–**	**–**	**(542)**	**294**	**(248)**	**(82)**	**(330)**
Loss for the period	**–**	**–**	**(556)**	**–**	**(556)**	**(120)**	**(676)**
Other comprehensive income for the period	**–**	**–**	**14**	**294**	**308**	**38**	**346**
Dividends declared	**–**	**–**	**(1 628)**	**–**	**(1 628)**	**–**	**(1 628)**
Shares repurchased	**–**	**(583)**	**–**	**–**	**(583)**	**–**	**(583)**
Premium on shares issued in terms of the 1998 share option scheme	**4**	**–**	**–**	**–**	**4**	**–**	**4**
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	**–**	**59**	**–**	**(59)**	**–**	**–**	**–**
Share-based payments	**–**	**–**	**–**	**102**	**102**	**–**	**102**
Acquisition of non-controlling interest	**–**	**–**	**–**	**16**	**16**	**(73)**	**(57)**
Movement in put option liability	**–**	**–**	**–**	**(34)**	**(34)**	**155**	**121**
Balance at 28 June 2020	**743**	**(1 815)**	**6 906**	**174**	**6 008**	**–**	**6 008**
2019							
Balance at the beginning of the period	729	(1 083)	10 709	(209)	10 146	–	10 146
Adjustment on adoption of IFRS 16*	–	–	(490)	(25)	(515)	–	(515)
Restated balance at the beginning of the period	729	(1 083)	10 219	(234)	9 631	–	9 631
Total comprehensive income for the period – restated*	–	–	625	(49)	576	(216)	360
Profit for the period – restated*	–	–	619	–	619	(210)	409
Other comprehensive income for the period – restated*	–	–	6	(49)	(43)	(6)	(49)
Dividends declared	–	–	(1 768)	–	(1 768)	–	(1 768)
Shares repurchased	–	(266)	–	–	(266)	–	(266)
Premium on shares issued in terms of the 1998 share option scheme	10	–	–	–	10	–	10
Cost of shares vested and transferred to participants in terms of the 2012 restricted share scheme	–	58	–	(58)	–	–	–
Share-based payments	–	–	–	90	90	–	90
Release of cash flow hedging reserve on impairment of Office intangible assets	–	–	–	54	54	–	54
Movement in put option liability – restated*	–	–	–	52	52	216	268
Balance at 30 June 2019 – restated*	739	(1 291)	9 076	(145)	8 379	–	8 379

* Refer to note 21 for further information on the adoption of IFRS 16: Leases.

SUMMARISED GROUP STATEMENTS OF CASH FLOWS

	Note	**52 weeks to 28 Jun 2020 Audited Rm**	Restated* 52 weeks to 30 Jun 2019 Audited Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from trading		**3 091**	4 526
Working capital movements		**1 411**	(329)
Cash generated from operations		**4 502**	4 197
Interest received		**1 155**	1 152
Dividends received		**9**	8
Finance costs		**(332)**	(387)
Tax paid		**(817)**	(968)
Cash inflow from operations		**4 517**	4 002
Dividends paid		**(1 628)**	(1 766)
Net cash from operating activities		**2 889**	2 236
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment to expand operations		**(280)**	(328)
Acquisition of plant and equipment to maintain operations		**(87)**	(92)
Acquisition of computer software		**(68)**	(45)
Proceeds on disposal of property, plant and equipment		**–**	10
Premiums paid to insurance cell		**(12)**	(10)
Amounts received from insurance cell		**6**	6
Loans and receivables repaid		**–**	13
Loans advanced		**(2)**	–
Disposal of mutual fund units		**1**	1
Net cash used in investing activities		**(442)**	(445)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on shares issued	13, 14	**4**	10
Shares repurchased by subsidiaries	15	**(583)**	(266)
Borrowings repaid	16	**(914)**	(422)
Borrowings incurred	16	**1 592**	–
Lease liability payments		**(1 028)**	(1 223)
Acquisition of non-controlling interest		**(57)**	–
Contributions to post-retirement medical benefit plan asset		**(5)**	(6)
Net cash used in financing activities		**(991)**	(1 907)
Net increase/(decrease) in cash and cash equivalents		**1 456**	(116)
Cash and cash equivalents at the beginning of the period		**597**	719
Net foreign exchange difference		**97**	(6)
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE		**2 150**	597
Key ratios			
Cash flow per share	(cents)	**1 080**	936
Cash equivalent earnings per share	(cents)	**795**	1 006
Cash realisation rate	(%)	**136**	93

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

INDEPENDENT AUDITOR'S REPORT

ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF TRUWORTHS INTERNATIONAL LTD

INTRODUCTION

The summary consolidated financial statements of Truworths International Ltd, contained in the accompanying preliminary report and comprising the summary consolidated statement of financial position as at 28 June 2020, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the 52-week period then ended, and related notes, set out on pages 6 to 26, are derived from the audited consolidated and separate annual financial statements of Truworths International Ltd for the said period.

OPINION

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the said audited consolidated and separate annual financial statements, in accordance with the requirements of the JSE Listings Requirements for preliminary reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate annual financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated annual financial statements for the period ended 28 June 2020 in our report dated 3 September 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual financial statements for the period. The consolidated and separate audited annual financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the consolidated and separate audited annual financial statements.

OTHER INFORMATION

The directors are responsible for other information. The other information comprises information included in this 31-page document titled 'Truworths International Ltd Preliminary Report on the Audited Group Annual Results for the 52 weeks ended 28 June 2020', which includes key features, group profile, pro forma information, impact of COVID-19, trading and financial performance, financial position, capital management, account management, restructuring of Office, adoption of IFRS 16: Leases, succession, directorate, outlook and final dividend. The other information does not include the audited consolidated and separate annual financial statements and our auditor's report thereon.

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

In connection with our audit of the summary 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 summary 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, 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.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The company's directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Listings Requirements for preliminary reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated and separate annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

Ernst & Young Inc.

Ernst & Young Inc.
Director: Pierre Gustav du Plessis
Registered Auditor
Chartered Accountant (SA)

Cape Town
3 September 2020

SELECTED EXPLANATORY NOTES

1 STATEMENT OF COMPLIANCE

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for preliminary reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, unless otherwise stated. Any forward-looking statement in this announcement has neither been reviewed nor reported on by the company's external auditor, Ernst & Young Inc.

The preliminary report and these summarised consolidated financial statements have been prepared under the supervision of Mr DB Pfaff CA(SA), the Chief Financial Officer of the Group.

These summarised consolidated financial statements for the year ended 28 June 2020 have been audited by Ernst & Young Inc, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these summarised consolidated financial statements were derived.

The auditor's report on the summarised consolidated financial statements appears on page 10 of this preliminary report. The consolidated annual financial statements, including the auditor's report in relation thereto, is available on the company's website at www.truworthsinternational.com or at the company's registered office.

The auditor's report on the summarised consolidated annual financial statements does not necessarily report on all of the information contained in this preliminary report. Investors are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should review the auditor's report on the summarised consolidated financial statements on page 10.

2 BASIS OF PREPARATION

The Group's annual financial statements for the period ended 28 June 2020 have been prepared in accordance with the going concern and historical cost bases except where otherwise indicated. The accounting policies are applied consistently throughout the Group. The presentation and functional currency used in the preparation of the Group and company financial statements is the South African Rand (ZAR or Rand) and all amounts are rounded to the nearest million, except where otherwise indicated.

3 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

3.1 The accounting policies and methods of computation applied in the preparation of the consolidated annual financial statements comply with IFRS and are consistent with those applied in the preparation of the consolidated annual financial statements for the prior period ended 30 June 2019, except for the adoption of IFRS 16: Leases and IFRIC Interpretation 23: Uncertainty Over Income Tax Treatment. The Group elected to adopt IFRS 16 on a fully retrospective basis with effect from the commencement date of the earliest comparative period presented, being 2 July 2018 and, accordingly, comparative amounts for the 2019 reporting period have been restated. Refer to note 21 of the summarised consolidated financial statements and note 2 of the consolidated annual financial statements for further information. The adoption of IFRIC 23 did not have a material impact on the Group's financial performance or financial position.

Other IFRS, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations not applicable to Group activities

Various other new and amended IFRS and IFRIC interpretations that have been issued are effective in the reporting period but are not applicable to the Group's activities.

3.2 **IFRS, amendments and IFRIC interpretations issued but not yet effective**

The following IFRS and amendments, that are relevant to the Group, have been issued but are not yet effective for the period under review. The Group will adopt these no later than their effective dates, to the extent that they are applicable to its activities:

IFRS 17: Insurance Contracts

Effective for annual periods beginning on or after 1 January 2021

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued to ensure that entities provide relevant information in a way that faithfully represents those contracts. Management is in the process of assessing the potential impact of the implementation of this standard.

3.3 **Basis of consolidation of financial results**

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

SELECTED EXPLANATORY NOTES (CONTINUED)

	52 weeks to 28 Jun 2020 Audited Rm	% change	52 weeks to 30 Jun 2019 Audited Rm
4 REVENUE			
Sale of merchandise	**16 379**	(9.5)	18 094
Retail sales	**16 917**		18 623
Accounting adjustments*	**(646)**		(676)
Wholesale sales	**37**		86
Delivery fee income	**71**		61
Interest received	**1 155**	0.2	1 153
Trade receivables interest	**1 072**		1 109
Investment and other interest	**83**		44
Other income	**439**	36.3	322
Commission	**149**		145
Foreign exchange gains	**146**		–
Financial services income	**75**		72
Display fees	**35**		53
Lease rental income	**9**		13
Variable lease rental income	**10**		11
Other	**9**		15
Insurance recoveries	**6**		7
Profit on disposal of property, plant and equipment	**–**		6
Dividends received from insurance business arrangements	**9**		8
Total revenue	**17 982**	(8.1)	19 577

* Accounting adjustments made in terms of IFRS and generally accepted accounting practice relating to promotional vouchers, staff discounts on merchandise purchased, cellular retail sales, notional interest on non-interest-bearing trade receivables and the sales returns provision.

	Note	52 weeks to 28 Jun 2020 Audited Rm	Restated* 52 weeks to 30 Jun 2019 Audited Rm
5 DEPRECIATION AND AMORTISATION			
Right-of-use assets	9	**1 050**	1 198
Property, plant and equipment and intangible assets		**416**	417
Total depreciation and amortisation for the period		**1 466**	1 615
Depreciation and amortisation reclassified to cost of sales		**(14)**	(7)
Total depreciation and amortisation		**1 452**	1 608
6 FINANCE COSTS			
Lease liabilities		**267**	310
Interest-bearing borrowings		**78**	75
Other		**8**	9
Total finance costs		**353**	394

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

7 RECONCILIATION OF PROFIT FOR THE PERIOD TO HEADLINE EARNINGS

		52 weeks to 28 Jun 2020 Audited Rm	% change	Restated* 52 weeks to 30 Jun 2019 Audited Rm
(Loss)/profit for the period, attributable to equity holders of the company		**(556)**		619
Adjusted for:				
Impairment of trademarks		**2 379**		494
Deferred tax in relation to impairment of trademarks		**(452)**		(84)
Net impairment of right-of-use assets		**363**		340
Deferred tax in relation to net impairment of right-of-use assets		**(78)**		(59)
Impairment of goodwill		**52**		1 126
Impairment of property, plant and equipment		**7**		12
Deferred tax in relation to impairment of property, plant and equipment		**(1)**		(2)
Profit on disposal of property, plant and equipment		**–**		(6)
Income tax on profit on disposal of property, plant and equipment		**–**		1
Loss on write-off of plant and equipment		**3**		2
Income tax on write-off of plant and equipment		**(1)**		(1)
Fair value adjustment of financial assets		**–**		3
Headline earnings		**1 716**		2 445
Headline earnings per share	(cents)	**410.4**	(28.2)	571.7
Diluted headline earnings per share	(cents)	**409.0**	(28.2)	569.5
Weighted average number of shares	(millions)	**418.1**		427.7
Diluted weighted average number of shares	(millions)	**419.6**		429.3

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

Restatement of previously restated 2019 headline earnings

During the 2020 reporting period the Group adopted IFRS 16: Leases on a fully retrospective basis, requiring the 2019 financial results previously reported to be restated. In restating the 2019 headline earnings for the Group when reporting interim results for the 26 weeks ended 29 December 2019, the additional impairment charges arising from the adoption of IFRS 16 were added back in full to profit for the 2019 period, as opposed to adding back only the portion relating to equity holders of the parent (being 89% at June 2019).

SELECTED EXPLANATORY NOTES (CONTINUED)

	2020 Cents	2019 Cents
8 DIVIDENDS		
Dividends per share		
Cash final – payable/paid September	**31**	135
Cash interim – paid March	**249**	249
	280	384

	Note	52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm
9 RIGHT-OF-USE ASSETS			
Balance at the beginning of the reporting period, net of accumulated depreciation and impairment		**3 361**	4 209
Additions for new or renewed leases		**181**	265
Modifications and re-measurements		**415**	495
Disposals		**(50)**	(20)
Cost		**(559)**	(225)
Accumulated depreciation		**509**	205
Depreciation	5	**(1 050)**	(1 198)
Impairment of right-of-use assets of the Truworths cash-generating unit		**(107)**	(17)
Right-of-use asset impairment reversal of the Truworths cash-generating unit		**12**	5
Impairment of right-of-use assets of the Office cash-generating unit		**(284)**	(368)
Movement in exchange rates through other comprehensive income		**173**	(10)
Balance at the reporting date, net of accumulated depreciation and impairment		**2 651**	3 361

Impairment testing of right-of-use assets
Right-of-use assets are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (such as a store becoming loss-making).

The ongoing difficult economic conditions in the UK due to negative consumer sentiment, Brexit-related uncertainty, as well as ongoing cost and margin pressure from the consumer shift from store-based retailing to online shopping has been identified as specific indicators that the lease portfolio of the Office segment should be tested comprehensively for impairment. Other general indicators affecting the Truworths segment (such as loss-making stores) further required management to test certain right-of-use assets belonging to this segment. The resulting impairments were recognised in other operating costs.

The recoverable amount of the right-of-use assets' cash-generating unit has been determined based on its value in use using the discounted cash flow approach. Key assumptions applied in this calculation relate to the sales growth rate, gross profit margin, working capital requirements and capital expenditure. Cash flow projections, covering a five-year (2019: five-year) period, were based on historical information and financial budgets approved by senior management. The valuation assumptions have been set based on the historic growth of each brand and projected as such to the forecasted periods.

The total recoverable amounts of impaired right-of-use assets allocated to the Truworths and Office cash-generating units were R350 million and R452 million respectively at the reporting date.

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

The calculation of value-in-use of the right-of-use assets' cash-generating unit is most sensitive to the following assumptions:
- sales growth rate;
- gross profit margin;
- head office cost allocation;
- working capital requirements; and
- the discount rate applied in determining the present value of future cash flows.

		52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm
9 RIGHT-OF-USE ASSETS (CONTINUED)			
Truworths			
Assumptions applied			
Discount rate applied to projected cash flows	(%)	**12.1**	11.0
Discount rate calculated using the following variables:			
Risk-free rate, based on the annualised yield of a South African government issued bond with a maturity of 20 years	(%)	**7.6**	6.3
Market risk premium	(% points)	**5**	5
Beta value	(:1)	**1.2**	1.1
Office			
Assumptions applied			
Discount rate applied to projected cash flows	(%)	**10.9**	7.7
Discount rate calculated using the following variables:			
Risk-free rate, based on the annualised yield of a UK government issued bond with a maturity of 20 years	(%)	**0.9**	1.3
Market risk premium	(% points)	**6**	5
Beta value	(:1)	**0.9**	0.8

		52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm

10 INTANGIBLE ASSETS

		2020 Rm	2019 Rm
Balance at the beginning of the reporting period, net of accumulated amortisation and impairment		**2 616**	3 227
Additions		**68**	45
Disposals		**–**	–
Cost		**–**	(34)
Accumulated amortisation		**–**	34
Amortisation		**(64)**	(58)
Impairment of trademarks allocated to the Office Retail Group Ltd cash-generating unit		**(2 518)**	(555)
Movement in exchange rates through other comprehensive income		**467**	(43)
Balance at the reporting date, net of accumulated amortisation and impairment		**569**	2 616

Impairment testing of trademarks
The trademarks have been allocated to the Truworths Ltd and Office Retail Group Ltd cash-generating units, are considered to have indefinite useful lives and are tested for impairment biannually at each reporting date.

		2020	2019
Office Retail Group Ltd			
Assumptions applied			
Discount rate applied to projected cash flows	(%)	**10.9**	9.4
Discount rate calculated using the following variables:			
Risk-free rate, based on the annualised yield of a UK government issued bond with a maturity of 20 years	(%)	**0.9**	1.3
Market risk premium	(% points)	**6.0**	5.0
Beta value	(:1)	**0.9**	0.8

The above variables are consistent with external sources of information. The valuation assumptions applied in the 2020 reporting period are on an IFRS 16 basis.

The recoverable amount of the Office Retail Group Ltd cash-generating unit has been determined based on its value in use using the discounted cash flow approach. Key assumptions applied in this calculation relate to the sales growth rate, gross profit margin, reinvestment of profits, working capital requirements and capital expenditure. Cash flow projections, covering a five-year (2019: five-year) period, were based on historical information and financial budgets approved by senior management. A terminal value growth rate of 2.0% (2019: 1.5%) was used to extrapolate cash flow projections beyond this five-year (2019: five-year) period. The valuation assumptions have been adjusted to reflect the tough trading environment in the UK which has impacted the profitability of the Office Retail Group Ltd cash-generating unit. The Group recognised a non-cash impairment charge of R1.8 billion in the prior reporting period against the Office Retail Group Ltd cash-generating unit's goodwill and intangible assets, which resulted in the carrying value of goodwill being impaired in full, while the carrying value of trademarks was reduced to R2.4 billion. In the current reporting period the carrying value of the remaining trademarks was further reduced to R302 million. The impairment charge is recorded within other operating costs in the statement of comprehensive income.

		52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm
11 GOODWILL			
Balance at the beginning of the reporting period, net of impairment		**346**	1 629
Impairment of goodwill allocated to the YDE cash-generating unit		**(52)**	–
Impairment of goodwill allocated to the Office Retail Group Ltd cash-generating unit		**–**	(1 265)
Movement in exchange rates through other comprehensive income		**–**	(18)
Balance at the reporting date, net of impairment		**294**	346
Impairment testing of goodwill			
Goodwill acquired through business combinations has been allocated to the individual cash-generating units and is tested for impairment biannually at each reporting date.			
Young Designers Emporium (Pty) Ltd (YDE)			
Balance at the beginning of the reporting period		**52**	52
Impairment of goodwill allocated to the YDE cash-generating unit		**(52)**	–
Balance at the reporting date, net of impairment		**–**	52
Assumptions applied			
Discount rate applied to projected cash flows	(%)	**13.3**	14.3
Discount rate calculated using the following variables:			
Risk-free rate*	(%)	**9.2**	8.1
Market risk premium	(% points)	**5.5**	5.0
Beta value	(:1)	**1.2**	1.1

* Risk-free rate for the 2020 reporting period based on the annualised yield of a South African government issued bond with a maturity of 10 years. Risk-free rate for the 2019 reporting period based on the long-term South African R186 bond.

The above variables are consistent with external sources of information. The valuation assumptions applied in the 2020 reporting period are on an IFRS 16 basis.

The recoverable amount of the YDE cash-generating unit has been determined based on its value in use using the discounted cash flow approach. Key assumptions applied in this calculation relate to the sales growth rate, reinvestment of profits, working capital requirements and capital expenditure. Cash flow projections, covering a five-year period, were based on historical information and financial budgets approved by senior management. A terminal value growth rate of 0% (2019: 1%) was used to extrapolate cash flow projections beyond this five-year period. In the current reporting period the carrying value of the goodwill was impaired in full due to the tough trading environment, coupled with COVID-19 impacting the profitability of the YDE cash-generating unit. The impairment charge is recorded within other operating costs in the statement of comprehensive income.

SELECTED EXPLANATORY NOTES (CONTINUED)

		52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm
12 TRADE AND OTHER RECEIVABLES			
Gross trade receivables		**5 504**	5 898
Expected credit losses allowance		**(1 660)**	(1 135)
Net trade receivables		**3 844**	4 763
Other receivables		**247**	171
Trade and other receivables at reporting date		**4 091**	4 934
Interest-bearing debtors as a % of trade receivables	(%)	**83**	77
Net bad debt as a % of trade receivables*	(%)	**16.2**	13.3
Expected credit losses allowance as a % of trade receivables	(%)	**30.2**	19.2
Expected credit losses allowance			
Balance at the beginning of the reporting period		**1 135**	1 090
Movement for the period		**525**	45
Allowance utilised		**(794)**	(730)
Allowance raised		**1 319**	775
Balance at the reporting date		**1 660**	1 135

* The net of gross bad debts, bad debt recovered and debt sold as a percentage of gross trade receivables.

At the reporting date the expected credit losses (ECL) allowance increased significantly from 19.2% to 30.2% of gross trade receivables. The increase in the allowance results mostly from the increase in ECLs arising from the COVID-19 pandemic. Although the primary impact of the lockdown on the debtors book could be observed over the last three months of the current period, the three-month period was insufficient to capture the potential longer-term impact of the pandemic. Management analysed the output of the ECL model in order to understand the extent to which the ECL model has captured the impact of COVID-19, as well as to evaluate the effectiveness of management's mitigating actions on the portfolio. Given that the disposable incomes of consumers are likely to come under pressure in the months ahead as COVID-19 relief measures implemented by government and credit providers come to an end, it was prudent for the Group to consider various forward-looking scenarios with an expectation of lower future recoveries in respect of the debtors book.

Management adopted the following approach in defining these scenarios:

- The probability of write-off (PWO) and exposure at write-off (EAW) were both increased by applying various stress factors, using the observed performance of the last three months as the basis for each scenario.
- The loss given write-off (LGW) was increased by placing a higher weighting on more recent tranches of observed recoveries. Expected recoveries through the sale of debt were also reduced in these scenarios.
- The various scenarios constructed were probability weighted to determine the final debtors book impairment overlay.

Since the announcement of the lockdown in March 2020, several mitigating actions have been implemented by management to reduce the negative impact of COVID-19 and the related legislative restrictions preventing consumers from being able to pay their accounts in store. These actions included the suspension of the ageing of accounts that were in good standing at the start of the lockdown period, the delay during the lockdown window in writing off accounts of customers with a high probability of recovery, as well as the introduction of supplementary payment channels to facilitate collections outside the Group's stores. Management is closely monitoring all aspects of the portfolio and making the necessary adjustments to the Group's credit strategies to mitigate the impact of the pandemic.

The directors consider the carrying amounts of trade and other receivables to approximate their fair values and that no further allowance in excess of the ECL allowance is required.

	52 weeks to 28 Jun 2020 Audited R'000	52 weeks to 30 Jun 2019 Audited R'000
13 SHARE CAPITAL		
Ordinary share capital		
Authorised		
650 000 000 (2019: 650 000 000) ordinary shares of 0.015 cent each	**98**	98
Issued and fully paid		
442 963 993 (2019: 442 876 470) ordinary shares of 0.015 cent each	**66**	66

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

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

	Number of shares 000's	Number of shares 000's
Reconciliation of movement in issued shares		
Balance at the beginning of the reporting period	**442 876**	442 589
Shares issued during the period	**88**	287
Balance at the reporting date	**442 964**	442 876
Treasury shares held by subsidiaries	**(28 537)**	(17 370)
Number of shares in issue (net of treasury shares)	**414 427**	425 506
Treasury shares as a % of the issued shares at the reporting date	**6.4**	3.9

Shares issued during the period were allotted for an aggregate nominal value of R13.13 (2019: R43.02) with an aggregate premium of R3 913 629 (2019: R10 245 554).

	52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm
14 SHARE PREMIUM		
Balance at the beginning of the reporting period	**739**	729
Premium on shares issued in terms of the 1998 share option scheme	**4**	10
Balance at the reporting date	**743**	739
15 TREASURY SHARES		
Balance at the beginning of the reporting period	**1 291**	1 083
Shares repurchased by Truworths Trading (Pty) Ltd	**500**	215
Shares in terms of share scheme:		
Repurchased by Truworths Ltd	**83**	51
Vested and transferred to participants in terms of the 2012 restricted share scheme	**(59)**	(58)
Balance at the reporting date	**1 815**	1 291

	52 weeks to 28 Jun 2020 Audited Rm	52 weeks to 30 Jun 2019 Audited Rm
16 INTEREST-BEARING BORROWINGS		
Balance at the beginning of the reporting period, comprising:	**1 260**	1 687
Non-current portion of interest-bearing borrowings	**1 130**	1 268
Current portion of interest-bearing borrowings	**130**	419
Borrowings repaid	**(914)**	(422)
Borrowings incurred	**1 592**	–
Movement in exchange rates through other comprehensive income	**147**	(12)
Amortisation of arrangement fees	**10**	7
Finance costs incurred	**78**	75
Finance costs paid	**(67)**	(75)
Balance at the reporting date, comprising:	**2 106**	1 260
Non-current portion of interest-bearing borrowings	**–**	1 130
Current portion of interest-bearing borrowings	**2 106**	130
SA Rand-based interest-bearing borrowings	**1 400**	500
Unsecured, variable-rate term loan	**500**	500
Unsecured, variable-rate revolving credit facility	**900**	–
UK Pound Sterling-based interest-bearing borrowings	**692**	757
Unsecured, variable-rate revolving credit facility	**692**	–
Secured, variable-rate term loan	**–**	757
Accrued interest on interest-bearing borrowings	**14**	3
Balance at the reporting date	**2 106**	1 260

The SA Rand-based interest-bearing borrowings comprise an unsecured variable-rate term loan of R500 million repayable in June 2021 and an unsecured variable-rate revolving credit facility of R1.2 billion (of which R900 million has been drawn down) advanced to the Group's main operating subsidiary Truworths Ltd. These facilities bear variable interest at margins of 1.35 and 1.79 percentage points respectively above the three-month Johannesburg Interbank Agreed Rate (JIBAR). The three-month JIBAR at the reporting date was 3.98% p.a. (2019: 7.11%) and 4.6% p.a. for the term loan and revolving credit facility, respectively.

In the current period, the UK Pound Sterling-based interest-bearing borrowings comprises a single unsecured variable-rate revolving credit facility of £32.5 million (R692 million) advanced to the Group's UK resident and managed subsidiary, Truworths UK Holdco 2 Ltd and is drawn down in full. It is repayable in full within one year and has been guaranteed by the company. It requires interest to be paid at the end of each calendar quarter and bears variable interest at a margin of 1.57 percentage points above the London Interbank Offered Rate (LIBOR). The three-month LIBOR at the reporting date was 0.59% p.a.

In the prior period, the UK Pound Sterling-based interest-bearing borrowings comprised a secured variable-rate long-term bank loan of £43 million (R757 million) advanced to the Group's UK resident and managed subsidiary, Truworths UK Holdco 3 Ltd. This facility, which was secured by a notarial bond over the assets of that company and its subsidiaries (constituting the Office business), was repaid in full during the current period. Prior to repayment the loan bore interest at a margin of 2.15 percentage points above the three-month LIBOR.

17 CAPITAL MANAGEMENT

		52 weeks to 28 Jun 2020 Audited Rm	Restated* 52 weeks to 30 Jun 2019 Audited Rm
Ratios			
Return on equity	(%)	**(8)**	7
Return on capital	(%)	**–**	20
Return on assets	(%)	**(1)**	10
Inventory turn	(times)	**4.0**	4.2
Asset turnover	(times)	**1.1**	1.1
Net (cash)/debt to equity	(%)	**(0.7)**	7.9
Net (cash)/debt to EBITDA	(times)	**–**	0.2

* Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

18 SEGMENT REPORTING

The Group's reportable segments have been identified as the Truworths and Office business units. The Truworths business unit comprises all the retailing activities conducted by the Group in Africa through which the Group retails fashion apparel comprising clothing, footwear and other fashion products as well as homeware. Included in the Truworths business unit is the YDE business which comprises the agency activities through which the Group retails clothing, footwear and related products on behalf of emerging South African designers, as well as the Loads of Living business, which retails homeware. The Office business unit comprises the footwear retail activities conducted by the Group through stores, concession outlets, wholesale arrangements and an e-commerce channel in the UK, Germany and the Republic of Ireland.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is reported on an IFRS basis and evaluated based on revenue, EBITDA and profit before tax.

		Truworths Rm	Office Rm	Consolidation entries Rm	Group Rm
2020					
Total revenue		13 290	4 700	(8)	17 982
Third party		13 284	4 698	–	17 982
Inter-segment		6	2	(8)	–
Trading expenses		5 466	4 569	(8)	10 027
Depreciation and amortisation		1 108	344	–	1 452
Employment costs		1 467	552	(4)	2 015
Occupancy costs		345	330	–	675
Trade receivable costs		1 613	8	–	1 621
Other operating costs		933	3 335	(4)	4 264
Interest received		1 153	2	–	1 155
Finance costs		278	75	–	353
Profit/(loss) for the period		1 670	(2 346)	–	(676)
Profit/(loss) before tax		2 345	(2 808)	–	(463)
Tax (expense)/credit		(675)	462	–	(213)
EBITDA		3 731	(2 389)	–	1 342
Segment assets		11 561	3 202	(482)*	14 281
Segment liabilities		5 250	3 500	(477)*	8 273
Capital expenditure		374	61	–	435
Other segmental information					
Gross margin	(%)	55.6	38.7	–	50.8
Trading margin	(%)	12.5	(58.5)	–	(7.8)
Operating margin	(%)	22.4	(58.5)	–	(0.7)
Inventory turn	(times)	4.2	3.7	–	4.0
Account:cash sales mix	(%)	70:30	0:100	–	51:49

* Elimination of investment in Office as well as inter-segment assets and liabilities.
^ Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

18 SEGMENT REPORTING (CONTINUED)

		Restated^ Truworths Rm	Restated^ Office Rm	Consolidation entries Rm	Restated^ Group Rm
2019					
Total revenue		14 341	5 245	(9)	19 577
Third party		14 336	5 241	–	19 577
Inter-segment		5	4	(9)	–
Trading expenses		4 986	4 175	47	9 208
Depreciation and amortisation		1 150	458	–	1 608
Employment costs		1 569	647	(4)	2 212
Occupancy costs		422	403	–	825
Trade receivable costs		1 037	11	–	1 048
Other operating costs		808	2 656	51	3 515
Interest received		1 150	3	–	1 153
Finance costs		312	82	–	394
Profit/(loss) for the period		2 373	(1 910)	(54)	409
Profit/(loss) before tax		3 313	(2 033)	(54)	1 226
Tax (expense)/credit		(940)	123	–	(817)
EBITDA		4 775	(1 493)	(54)	3 228
Segment assets		13 406	5 037	(1 804)*	16 639
Segment liabilities		4 869	3 393	(2)*	8 260
Capital expenditure		420	45	–	465
Other segmental information					
Gross margin	(%)	55.5	42.3	–	51.6
Trading margin	(%)	19.2	(37.3)	–	2.5
Operating margin	(%)	28.2	(37.3)	–	9.0
Inventory turn	(times)	4.8	3.3	–	4.2
Account:cash sales mix	(%)	70:30	0:100	–	51:49

* Elimination of investment in Office as well as inter-segment assets and liabilities.
^ Restated as a result of the adoption of IFRS 16: Leases. Refer to note 21 for further information.

18 SEGMENT REPORTING (CONTINUED)

	2020 Rm	2020 Contribution to revenue %	2019 Rm	2019 Contribution to revenue %
Third-party revenue				
South Africa	**12 861**	**71.5**	13 861	70.8
United Kingdom	**4 178**	**23.3**	4 648	23.7
Germany	**240**	**1.3**	286	1.5
Republic of Ireland	**222**	**1.3**	248	1.3
Namibia	**159**	**0.9**	189	1.0
Botswana	**112**	**0.6**	110	0.6
Eswatini	**94**	**0.5**	102	0.5
Lesotho	**23**	**0.1**	23	0.1
Mauritius	**17**	**0.1**	23	0.1
Zambia	**12**	**0.1**	19	0.1
Kenya	**6**	**–***	9	–*
United States	**16**	**0.1**	17	0.1
Rest of Europe	**37**	**0.2**	35	0.2
Middle East and Asia	**4**	**–***	4	–*
Australia	**1**	**–***	3	–*
Total third-party revenue	**17 982**	**100**	19 577	100

* Zero due to rounding.

19 CAPITAL COMMITMENTS

	at 28 Jun 2020 Audited Rm	at 30 Jun 2019 Audited Rm
Store renovation and development	**272**	309
Distribution facilities	**2**	4
Computer software and infrastructure	**89**	89
Buildings	**–**	93
Head office refurbishment	**4**	6
Motor vehicles	**3**	4
Capital expenditure authorised but not contracted	**370**	505
Buildings	**19**	46
Computer software and infrastructure	**22**	24
Head office refurbishments	**4**	6
Capital expenditure authorised and contracted	**45**	76
Total capital commitments	**415**	581

The capital commitments will be financed from cash generated from operations and available cash resources and are expected to be incurred in the 2021 reporting period.

20 EVENTS AFTER THE REPORTING DATE

No event, material to the understanding of these summarised consolidated annual financial statements, has occurred between the reporting date and the date of approval.

21 ADOPTION OF IFRS 16: LEASES

Introduction

The Group adopted IFRS 16 on a retrospective basis with effect from the commencement date of the earliest comparative period presented, being 2 July 2018, to all its store, office and distribution centre leases that meet the definition of a lease. Accordingly, the comparative information presented in these financial statements has been restated. The Group elected to apply the practical expedient provided in IFRS 16, which allows it to apply IFRS 16 only to those contracts that were previously identified as leases under IAS 17: Leases and IFRIC 4: Determining Whether an Arrangement Contains a Lease.

IFRS 16 replaced IAS 17 and requires lessees to recognise assets and liabilities for most leases, as the distinction between finance and operating leases has been removed. Lessees recognise a 'right-of-use asset', representing the right to use the underlying asset, and a liability to make lease payments during the lease term, with the exception of short-term leases and leases of low-value assets.

Impact on financial position and performance

Refer to the information below for a summary of the impact of the adoption of IFRS 16 on the Group's financial position and performance.

STATEMENTS OF FINANCIAL POSITION		30 Jun 2019 Audited Rm	IFRS 16 adjustments Rm	Restated 30 Jun 2019 Audited Rm	1 Jul 2018 Audited Rm	IFRS 16 adjustments Rm	Restated 1 Jul 2018 Audited Rm
Non-current assets							
Property, plant and equipment		1 780	(13)**	1 767	1 726	–	1 726
Right-of-use assets		–	3 361	3 361	–	4 209	4 209
Deferred tax^*		301	112	413	173	105	278
Current assets							
Prepayments		348	(177)	171	350	(185)	165
Equity							
Retained earnings^		9 819	(743)	9 076	10 932	(490)	10 442
Non-distributable reserves		(92)	(53)	(145)	(209)	(25)	(234)
Non-current liabilities							
Lease liabilities		–	3 023	3 023	–	3 487	3 487
Provisions		–	78	78	–	79	79
Deferred tax^*		378	(100)	278	477	(47)	430
Straight-line operating lease obligation		126	(126)	–	155	(155)	–
Current liabilities							
Trade and other payables		1 640	(58)	1 582	1 800	(64)	1 736
Lease liabilities		–	1 366	1 366	–	1 406	1 406
Provisions		221	(104)	117	140	(62)	78
Number of shares in issue (net of treasury shares)	**(millions)**	425.5	–	425.5	428.3	–	428.3
Net asset value per share^	**(cents)**	2 156	(187)	1 969	2 421	(120)	2 301

^ On adoption of IFRS 16 during the December 2019 interim period, the closing balances at 1 July 2018 reflected the impact of the adoption of IFRS 9 on 2 July 2018. These closing balances at 1 July 2018 disclosed here excludes the impact of the adoption of IFRS 9.

* On adoption of IFRS 16 during the December 2019 interim period, the impact of IFRS 16 on deferred tax was reported against deferred tax assets. A portion of this adjustment relates to deferred tax liabilities and has been reclassified as such.

** Additional impairment recognised when performing right-of-use asset impairment testing for Office segment.

SELECTED EXPLANATORY NOTES (CONTINUED)

21 ADOPTION OF IFRS 16: LEASES (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME		52 weeks to 30 Jun 2019 Audited Rm	IFRS 16 adjustment Rm	Restated 52 weeks to 30 Jun 2019 Audited Rm
Trading expenses		(9 175)	(33)	(9 208)
Depreciation and amortisation		(410)	(1 198)	(1 608)
Employment costs		(2 212)	–	(2 212)
Occupancy costs		(2 378)	1 553	(825)
Trade receivable costs		(1 048)	–	(1 048)
Other operating costs*		(3 127)	(388)	(3 515)
Trading profit		492	(33)	459
Operating profit		1 653	(33)	1 620
Finance costs		(84)	(310)	(394)
Tax expense		(878)	61	(817)
Profit for the period		691	(282)	409
Other comprehensive loss to be reclassified to profit or loss in subsequent periods				
Movement in foreign currency translation reserve		(57)	1	(56)
Basic earnings per share	(cents)	203.9	(59.2)	144.7
Headline earnings per share	(cents)	562.8	8.9	571.7
Diluted basic earnings per share	(cents)	203.1	(58.9)	144.2
Diluted headline earnings per share	(cents)	560.7	8.8	569.5
Trading expenses to sale of merchandise	(%)	50.7	0.2	50.9
Trading margin	(%)	2.7	(0.2)	2.5
Operating margin	(%)	9.1	(0.1)	9.0

* Impairments, including that of goodwill, intangible assets, property, plant and equipment as well as right-of-use assets, are included in other operating costs.

STATEMENTS OF CASH FLOWS	52 weeks to 30 Jun 2019 Audited Rm	IFRS 16 adjustment Rm	Restated 52 weeks to 30 Jun 2019 Audited Rm
Cash flow from trading and cash EBITDA	2 930	1 596	4 526
Working capital movements	(266)	(63)	(329)
Finance costs	(77)	(310)	(387)
Lease liability payments	–	(1 223)	(1 223)

22 PRO FORMA INFORMATION

The Group's results for the current period are not directly comparable to those of the prior period, in part due to the impairment of the Office segment's goodwill and intangible assets and the impairment of the YDE goodwill (refer to notes 10 and 11) in the current and prior periods. Therefore it is useful to report pro forma comparable information (non-IFRS financial information) showing the results excluding these non-comparable events and transactions, so as to facilitate comparisons of the Group's underlying performance.

The non-IFRS financial information of the Group has been prepared for illustrative purposes only and because of its nature may not fairly present the Group's financial position and results of operations. The non-IFRS financial information is based on the audited results of the Group for the 52-week periods ended 28 June 2020 and restated comparatives for 30 June 2019 and 1 July 2018.

The preparation of the non-IFRS financial information is the responsibility of the directors. The non-IFRS financial information is presented in accordance with the JSE Listings Requirements and the SAICA Guide on Pro forma Financial Information.

Ernst & Young Inc's independent reporting accountant's report on the non-IFRS financial information for the 52-week period ended 28 June 2020 is available for inspection at the Group's registered office.

The tables below illustrate the pro forma summarised statements of comprehensive income and extracts from the pro forma summarised statements of financial position for the current and prior periods, and these illustrate the impact of the specified non-comparable events and transactions.

SELECTED EXPLANATORY NOTES (CONTINUED)

22 PRO FORMA INFORMATION (CONTINUED)

PRO FORMA SUMMARISED STATEMENTS OF COMPREHENSIVE INCOME		52 weeks to 28 Jun 2020 Audited[1] Rm	Pro forma adjustments 2020[2] Rm	52 weeks to 28 Jun 2020 Pro forma[3] Rm
Sale of merchandise		16 379		16 379
Cost of sales		(8 065)		(8 065)
Gross profit		8 314		8 314
Other income		439		439
Trading expenses		(10 027)	2 570	(7 457)
Depreciation and amortisation		(1 452)		(1 452)
Employment costs		(2 015)		(2 015)
Occupancy costs		(675)		(675)
Trade receivable costs		(1 621)		(1 621)
Other operating costs		(4 264)	2 570	(1 694)
Trading (loss)/profit		(1 274)	2 570	1 296
Interest received		1 155		1 155
Dividends received		9		9
Operating (loss)/profit		(110)	2 570	2 460
Finance costs		(353)		(353)
(Loss)/profit before tax		(463)	2 570	2 107
Tax expense		(213)	(478)	(691)
(Loss)/profit for the period		(676)	2 092	1 416
Attributable to:			2 518	1 927
Equity holders of the company		(556)	1 979	1 423
Holders of the non-controlling interest		(120)	113	(7)
(Loss)/profit for the period		(676)	2 092	1 416
Basic (loss)/earnings per share	(cents)	(133.0)	473.3	340.3
Headline earnings per share	(cents)	410.4	–	410.4
Diluted basic (loss)/earnings per share	(cents)	(132.5)	471.6	339.1
Diluted headline earnings per share	(cents)	409.0	–	409.0
Weighted average number of shares	(millions)	418.1		418.1
Diluted weighted average number of shares	(millions)	419.6		419.6
Key ratios				
Gross margin	(%)	50.8		50.8
Trading expenses to sale of merchandise	(%)	61.2		45.5
Trading margin	(%)	(7.8)		7.9
Operating margin	(%)	(0.7)		15.0

* Restated as a result of the adoption of IFRS 16. Refer to note 21 for further information.

Notes:

1. The '52 weeks to 28 Jun 2020 Audited' and 'Restated 52 weeks to 30 Jun 2019' columns set out the audited results for the 52-week period ended 28 June 2020 and the audited restated results for the 52-week period ended 30 June 2019 respectively, which have been extracted, without adjustment, from the 2020 Truworths International Ltd Group and Company Audited Annual Financial Statements.
2. The amounts in the 'Pro forma adjustments 2020' column relate to the impairment of goodwill allocated to the YDE cash-generating unit amounting to R52 million (refer to note 11), the impairment of trademarks allocated to the Office cash-generating unit amounting to R2 518 million (refer to note 10) and the related deferred tax in relation to trademarks amounting to R478 million.
3. The amounts in the '28 Jun 2020 Pro forma' and 'Restated 30 Jun 2019 Pro forma' columns sets out the non-IFRS financial information after adjusting for the pro forma adjustments.
4. The amounts in the 'Pro forma adjustments 2019' column relate to the impairment of goodwill and trademarks allocated to the Office cash-generating unit amounting to R1 820 million (refer to note 10) and the related deferred tax in relation to trademarks amounting to R94 million.
5. The relevant adjustments have been extracted from the Group's accounting records.
6. The amounts in the 'Pro forma adjustments 2020' and 'Pro forma adjustments 2019' columns are not expected to have a continuing effect on the Group's Statement of Comprehensive Income.
7. The 'Pro forma adjustments' columns and the resultant non-IFRS financial information, in the opinion of the directors, fairly reflect the impact of the specified pro forma adjustments.

Restated* 52 weeks to 30 Jun 2019 Audited[1] Rm	Pro forma adjustments 2019[4] Rm	Restated* 52 weeks to 30 Jun 2019 Pro forma[3] Rm	Reported results Change on prior period %	Pro forma results Change on pro forma prior period %
18 094		18 094	(9.5)	(9.5)
(8 749)		(8 749)		
9 345		9 345	(11.0)	(11.0)
322		322		
(9 208)	1 820	(7 388)	8.9	0.9
(1 608)		(1 608)	(9.7)	(9.7)
(2 212)		(2 212)		
(825)		(825)		
(1 048)		(1 048)		
(3 515)	1 820	(1 695)	21.3	0.1
459	1 820	2 279	(377.6)	(43.1)
1 153		1 153	0.2	0.2
8		8		
1 620	1 820	3 440	(106.8)	(28.5)
(394)		(394)	(10.4)	(10.4)
1 226	1 820	3 046	(137.8)	(30.8)
(817)	(94)	(911)		
409	1 726	2 135	(265.3)	(33.7)
52				
619	1 536	2 155	(189.8)	(34.0)
(210)	190	(20)	(42.9)	(65.0)
409	1 726	2 135	(265.3)	(33.7)
144.7	359.1	503.8	(191.9)	(32.5)
571.7	–	571.7	(28.2)	(28.2)
144.2	357.8	502.0	(191.9)	(32.5)
569.5	–	569.5	(28.2)	(28.2)
427.7		427.7		
429.3		429.3		
51.6		51.6		
50.9		40.8		
2.5		12.6		
9.0		19.0		

SELECTED EXPLANATORY NOTES (CONTINUED)

22 PRO FORMA INFORMATION (CONTINUED)

PRO FORMA SUMMARISED STATEMENTS OF FINANCIAL POSITION		28 Jun 2020 Audited[1] Rm	Pro forma adjustments 2020[2] Rm	28 Jun 2020 Pro forma[3] Rm
Total assets		**14 281**	**4 390**	**18 671**
Total equity		**6 008**	**3 818**	**9 826**
Total liabilities		**8 273**	**572**	**8 845**
Number of shares in issue (net of treasury shares)	(millions)	**414.4**		**414.4**
Net asset value per share	(cents)	**1 450**	**921**	**2 371**
Key ratios				
Return on equity	(%)	**(8)**		**14**
Return on capital	(%)	**–**		**25**
Return on assets	(%)	**(1)**		**13**
Inventory turn	(times)	**4.0**		**4.0**
Asset turnover	(times)	**1.1**		**0.9**
Net (cash)/debt to equity	(%)	**(0.7)**		**(0.4)**
Net (cash)/debt to EBITDA	(times)	**–**		**–**

* Restated as a result of the adoption of IFRS 16. Refer to note 21 for further information.

Notes:

1. The '52 weeks to 28 Jun 2020 Audited' and 'Restated 52 weeks to 30 Jun 2019' columns set out the audited results for the 52-week period ended 28 June 2020 and the audited restated results for the 52-week period ended 30 June 2019 respectively, which have been extracted, without adjustment, from the 2020 Truworths International Ltd Group and Company Audited Annual Financial Statements.
2. The amounts in the 'Pro forma adjustments 2020' column relate to the impairment of goodwill allocated to the YDE cash-generating unit amounting to R52 million (refer to note 11), the impairment of trademarks allocated to the Office cash-generating unit amounting to R2 518 million (refer to note 10) and the related deferred tax in relation to trademarks amounting to R478 million.
3. The amounts in the '28 Jun 2020 Pro forma' and 'Restated 30 Jun 2019 Pro forma' columns sets out the non-IFRS financial information after adjusting for the pro forma adjustments.
4. The amounts in the 'Pro forma adjustments 2019' column relate to the impairment of goodwill and trademarks allocated to the Office cash-generating unit amounting to R1 820 million (refer to note 10) and the related deferred tax in relation to trademarks amounting to R94 million.
5. The relevant adjustments have been extracted from the Group's accounting records.
6. The amounts in the 'Pro forma adjustments 2020' and 'Pro forma adjustments 2019' columns are not expected to have a continuing effect on the Group's Statement of Comprehensive Income.
7. The 'Pro forma adjustments' columns and the resultant non-IFRS financial information, in the opinion of the directors, fairly reflect the impact of the specified pro forma adjustments.

Restated* 30 Jun 2019 Audited[1] Rm	Pro forma adjustments 2019[4] Rm	Restated* 30 Jun 2019 Pro forma[3] Rm	Reported results Change on prior period %	Pro forma results Change on pro forma prior period %
16 639	1 820	18 459	(14.2)	1.1
8 379	1 726	10 105	(28.3)	(2.8)
8 260	94	8 354	0.2	5.9
425.5		425.5		
1 969	406	2 375	(26.4)	(0.2)
7		22		
20		35		
10		19		
4.2		4.2		
1.1		1.0		
7.9		6.6		
0.2		0.1		

ADMINISTRATION

Truworths International Ltd
Registration number 1944/017491/06

Tax reference number 9875/145/71/7
JSE code: TRU
NSX code: TRW
ISIN: ZAE000028296

Company secretary
Chris Durham, FCIS, PG Dip. Adv. Co Law (UCT)

Registered office
No. 1 Mostert Street, Cape Town, 8001, South Africa

Postal address
PO Box 600, Cape Town, 8000, South Africa

Contact details
Tel: +27 (21) 460 7911 Telefax: +27 (21) 460 7132

www.truworthsinternational.com
www.truworths.co.za
www.office.co.uk

Principal bankers
The Standard Bank of South Africa Ltd
Lloyds Bank plc

Auditors
Ernst & Young Inc.

Attorneys
Bernadt Vukic Potash and Getz
Edward Nathan Sonnenbergs
Spoor & Fisher
Webber Wentzel
Bowman Gilfillan
Shoosmiths

Sponsor in South Africa
One Capital

Sponsor in Namibia
Merchantec Capital Namibia

Transfer secretaries
In South Africa
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa
Private Bag X9000, Saxonwold, 2132, South Africa

Tel: +27 (11) 370 5000 Telefax: +27 (11) 688 5248

www.computershare.com

In Namibia
Transfer Secretaries (Pty) Ltd
Robert Mugabe Avenue No. 4
Windhoek, Namibia
PO Box 2401, Windhoek, Namibia

Tel: +264 (61) 22 7647 Telefax: +264 (61) 24 8531

Investor relations
David Pfaff (CFO/COO)
Tel: +27 (21) 460 7956

Graeme Lillie (Tier 1 Investor Relations)
Tel: +27 (21) 702 3102

Directors
H Saven (Chairman)§‡, MS Mark (CEO)*, DB Pfaff (CFO/COO)*, DN Dare*, SJ Proudfoot*, RG Dow§‡, JHW Hawinkels§‡, C Hess§‡, M Makanjee§‡, AMSS Mokgabudi§‡, RJA Sparks§‡, AJ Taylor§‡ and MA Thompson§‡
* Executive § Non-executive ‡ Independent