REX TRUEFORM

GROUP LIMITED

Consolidated and Separate Annual Financial Statements

for the year ended 30 June 2024

Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared under the supervision of: D Franklin

Professional designation: CA(SA)

Title: Chief Financial Officer

Rex Trueform Group Limited

(Registration Number 1937/009839/06)

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2024

Index

The supplementary information presented does not form part of the Consolidated and Separate Financial Statements and is unaudited.

These financial statements were authorised by the board of directors on 27 September 2024 and published on 27 September 2024.

Companies Act notice

These financial statements of Rex Trueform Group Limited (registration number: 1937/009839/06) have been audited in terms of the Companies Act 71 of 2008 (as amended) ("the Companies Act") and have been prepared under the supervision of the Chief Financial Officer, D Franklin CA(SA).

Directors' Responsibility Statement

The directors are responsible for the preparation and fair presentation of the group and company annual financial statements of Rex Trueform Group Limited, which comprises the statements of financial position as at 30 June 2024 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, a summary of significant accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®), Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practises Committee, the JSE Listings Requirements and the requirements of the Companies Act of South Africa and the directors are furthermore responsible for the preparation of the Directors' Report, which forms part of the annual financial statements.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of 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 preparation of the supplementary schedules included in the annual financial statements. Furthermore, the directors are responsible for implementing controls and security to maintain the integrity of the company's website.

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 year ahead.

The auditor is responsible for reporting on whether the group and company financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of group and company annual financial statements

The group and company annual financial statements of Rex Trueform Group Limited, as identified in the first paragraph, were approved by the board of directors on 27 September 2024 and signed by:

PM Naylor
Chairman
Authorised director

MA Golding
Chief executive officer
Authorised director

Rex Trueform Group Limited

(Registration Number 1937/009839/06)
Consolidated and Separate Annual Financial Statements for the year ended 30 June 2024

CEO and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

The annual financial statements set out on pages 23 to 130 fairly present in all material respects the financial position, financial performance and cash flows of Rex Trueform Group Limited in terms of IFRS. To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to the Rex Trueform Group Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements of Rex Trueform Group Limited. The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls. 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. We are not aware of any fraud that involves directors.

MA Golding
Chief executive officer
Authorised director

D Franklin
Chief financial officer
Authorised director

Company secretary's certificate

I certify that Rex Trueform Group Limited has filed all returns and notices as required by a public company in terms of the Companies Act and that all such returns and notices appear to be true, correct and up to date.

A Gihwala
Company secretary

General information

Country of Incorporation and Domicile	South Africa
Registration Number	1937/009839/06
JSE Share Codes	RTO - RTN - RTOP
ISIN	ZAE000250395 - ZAE000250403
	Listed on the JSE Limited under the sector Consumer Services - Retail - General Retailers - Apparel Retailers
Nature of Business and Principal Activities	The group is an investment holding company. The company has investments in fashion retail, property, water infrastructure and media and broadcasting.
Directors	MA Golding (CEO) D Franklin (CFO) CL Lloyd PM Naylor (Chairman) MR Molosiwa HB Roberts B Ntshingwa (Appointed 1 April 2024) LK Sebatane (Resigned 28 March 2024)
Registered Office	Unit 1, Rex Trueform Office Park 263 Victoria Road Salt River Cape Town 7925 Tel: 021 460 9400 Fax: 021 460 9575
Bankers	Standard Bank Group Limited Investec Bank Limited Nedbank Limited
Auditor	PricewaterhouseCoopers Inc 5 Silo Square V&A Waterfront Cape Town 8002
Company Secretary	A Gihwala Unit 1, Rex Trueform Office Park 263 Victoria Road Salt River Cape Town 7925

General information

Transfer secretaries	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Bierman Avenue Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonworld, 2132) Tel: 011 370 50000 Fax: 011 688 5248
Sponsors	Java Capital 6th Floor, 1 Park Lane, Wierda Valley Sandton, Johannesburg, 2196 (PO Box 522606, Saxonworld, 2132)
Website addresses	https://www.rextrueform.com https://www.queenspark.com https://www.telemedia.co.za https://www.saww.co.za https://www.programbuyer.com https://www.aisport.africa

Directors' report

Nature of business

Rex Trueform Group Limited is an investment holding company incorporated in South Africa and listed on the Johannesburg Stock Exchange Limited ("JSE") in the "apparel retailers" sector. The company has investments in fashion retail, property, water infrastructure and media and broadcasting. The company and its subsidiaries are collectively referred to as “the group”. Subsidiaries held directly are presented in note 8 of the financial statements.

The retail segment consists of the retail sales of ladies’ and men’s clothing, shoes, costume jewellery, related fashion accessories and cosmetics through Queenspark branded outlets located in South Africa.

The group's property portfolio consists of developed and undeveloped properties, held directly and indirectly through the company and its subsidiaries, Queenspark Distribution Centre Proprietary Limited, Belper Investments Proprietary Limited and Telemedia Proprietary Limited.

Water infrastructure investments are held via the group's investments in Ombrecorp Trading (RF) Proprietary Limited and SA Water Works Holding Company (RF) Proprietary Limited and its subsidiaries. Operations consist of two water concession businesses operating in Mpumalanga and KwaZulu-Natal, which provide water and water services to residential, industrial and commercial consumers pursuant to concession agreements executed with municipalities in the respective areas.

The media and broadcasting segment comprises of the group's investments in Telemedia Proprietary Limited ("Telemedia"), Program Buyer Limited ("Program Buyer") and AI Sport Africa Proprietary Limited ("AI Sport Africa"). Telemedia is a broad-based media broadcast facility, manufacturer and supplier. Services include the installation of satellite transmission and radio and television signal distribution and the supply of microwave and satellite news gathering services including broadcasting, studio recording and services ancillary thereto. Program Buyer is an online screening portal that showcases TV content from around the world. The group acquired 35% of the share capital of AI Sport Africa during February 2024 via Telemedia. AI Sport Africa is an automated sports coverage company that uses and distributes products, software and hardware technologies underpinned by artificial intelligence for sports broadcasts and streaming services.

Financial results

The financial results of the company and the group for the year are set out in the financial statements.

Authorised and issued share capital

The share capital of the company, both authorised and issued, is set out in note 17 to the financial statements.

No changes were approved or made to the authorised share capital of the company during the year under review.

Dividend

Details of dividends paid during the year are as follows:

	2024 R'000	2023 R'000
Dividends on 6% cumulative preference shares		
Half-year ended 31 December 2023 (2023: 31 December 2022)	8	8
Half-year ended 30 June 2024 (2023: 30 June 2023)	9	9
	17	**17**

The directors have not proposed nor paid a dividend (2023: R nil) in respect of the ordinary and "N" ordinary shares.

Directors' report

Solvency and liquidity test

The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa.

Holding company

The company's holding company is African and Overseas Enterprises Limited ("African and Overseas") who holds a 55.92% (2023: 55.97%) voting interest and a 50.57% (2023: 52.20%) economic interest in the company. The company's ultimate holding company is Geomer Investments Proprietary Limited.

Investments

Full details of the company's investments are set out in notes 8, 9 and 14 to the financial statements.

Special resolutions

At the annual general meeting of Rex Trueform Group Limited held on 11 December 2023 the shareholders approved the following special resolutions as tabled in the notice to the annual general meeting:

– Special resolution 1: Financial assistance
– Special resolution 2: General authority to acquire shares
– Special resolution 3: Approval of non-executive directors' fees
– Special resolution 4: Allotment and issue of shares to directors and prescribed officers

Corporate governance

During the financial year under review, the directors subscribed to the principles of corporate governance as set out in King IV. Specific applicable disclosure requirements are dealt with in the integrated annual report. Please note the corporate governance report in the integrated annual report in particular in this regard.

Board committees

The reports of the various board committees are included in the Integrated Annual Report.

Auditors

Subject to shareholders approval, PricewaterhouseCoopers Incorporated will continue in office for the 2025 financial year, in accordance with Section 90(1) of the Companies Act of South Africa.

Directors and Company Secretary

The names of and detail of emoluments paid to the executive and non-executive directors of the company are reflected in note 35 of the financial statements. The group's company secretary is A Gihwala.

The following changes in the composition of the board of directors occurred during the year:

Director	Event	Date
MR Molosiwa	Retired by rotation	11 December 2023
	Re-elected	11 December 2023
HB Roberts	Retired by rotation	11 December 2023
	Re-elected	11 December 2023
LK Sebetane	Resigned	28 March 2024
B Ntshingwa	Appointed	1 April 2024

There were no other changes to the composition of the board of directors during the year.

Directors' report

HB Roberts and PM Naylor will retire at the 2024 annual general meeting in accordance with the company's Memorandum of Incorporation but, being eligible, will offer themselves for re-election.

Directors' interests in shares

The interest of directors in the ordinary shares of the company at 30 June was as follows:

Director	Direct Holding	Indirect Holding	Effective interest held indirectly via African and Overseas	Total
2024				
MA Golding [1]	-	1,032,156	862,179	**1,894,335**
HB Roberts [2]	-	328,806	1,053,268	**1,382,074**
CL Lloyd	-	-	11,292	**11,292**
Total	**-**	**1,360,962**	**1,926,739**	**3,287,701**
2023				
MA Golding [1]	-	1,032,156	849,138	**1,881,294**
HB Roberts [2]	-	328,806	1,053,268	**1,382,074**
CL Lloyd	-	-	11,292	**11,292**
Total	**-**	**1,360,962**	**1,913,698**	**3,274,660**

The interest of directors in the "N" ordinary shares of the company at 30 June was as follows:

Director	Direct Holding	Indirect Holding	Effective interest held indirectly via African and Overseas	Total
2024				
MA Golding [1]	-	3,877,050	3,764,098	**7,641,148**
HB Roberts [2]	-	3,936,511	4,598,350	**8,534,861**
CL Lloyd	35,848	-	49,297	**85,145**
D Franklin	102,686	-	-	**102,686**
Total	**138,534**	**7,813,561**	**8,411,745**	**16,363,840**
2023				
MA Golding [1]	-	3,230,290	3,707,165	**6,937,455**
HB Roberts [2]	-	3,936,511	4,598,350	**8,534,861**
CL Lloyd	110,848	-	49,297	**160,145**
D Franklin	77,686	-	-	**77,686**
Total	**188,534**	**7,166,801**	**8,354,812**	**15,710,147**

Directors' report

The interest of directors in the preference shares of the company at 30 June was as follows:

Director	Direct Holding	Indirect Holding	Effective interest held indirectly via African and Overseas	Total
2024				
HB Roberts [2]	-	-	499	**499**
Total	**-**	**-**	**499**	**499**
2023				
HB Roberts [2]	-	-	499	**499**
Total	**-**	**-**	**499**	**499**

[1] Shares held via Geomer Investments Proprietary Limited and Geomer Employees Investments Proprietary Limited
[2] Shares held via Ceejay Trust, Gingko Investments 2 Proprietary Limited and Gingko Trading Proprietary Limited

There have been no changes in the directors’ interests in shares between 30 June 2024 and the date of approval of the annual financial statements of the company.

Employee share incentive scheme
Full details of share awards and options granted and exercised are reflected in note 34 to the financial statements.

Litigation statement
Other than the matters referred to in note 39 of the financial statements, there are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of the group. Also refer to notes 8 and 9 with regards to significant judgements and key assumptions.

Events after reporting date
On 10 July 2024, the company concluded seven separate agreements with the minority shareholders of Telemedia Proprietary Limited ("Telemedia"), in terms of which the company will increase its stake in Telemedia to 88.71% by acquiring a further 25% interest from the minority shareholders of Telemedia (excluding African and Overseas Enterprises Limited), being SM Bretherick, RD Bretherick, AV Louis, DD Maharaj, HB Silwalivhathu, QG Barkhuizen and JP Meeser for a total purchase price of R14,145,572.

On 26 July 2024, Telemedia entered into an agreement with Emerge Media Limited (United Kingdom) ("Emerge Media") in terms of which, inter alia, Telemedia shall subscribe for, and Emerge Media shall allot and issue to Telemedia, so many shares as constitute 25.1% of the entire issued share capital of Emerge Media for a cash consideration of USD450,000. The consideration is payable in three tranches of which USD225,000 is payable upon signature of the agreements, USD112,500 by 30 September 2024 and USD112,500 by 31 October 2024. The shareholding shall increase after each tranche payment i.e. 12.55% upon signature of the agreements, 18.825% on 30 September 2024 and 25.1% 31 October 2024. The first tranche payment was completed on 5 September 2024.

On 26 July 2024, Belper Investments Proprietary Limited ("Belper") reached an agreement with Rex Trueform Group Limited ("Rex Trueform Group"), whereby Rex Trueform Group will convert the debt owing by Belper to equity. Rex Trueform Group will convert debt amounting to R27,368,016 to share capital in Belper, increasing the total shareholding held by Rex Trueform Group from 53.68% to 72.03%.

Directors' report

During 2015, Siza Water raised a tariff dispute against Umgeni Water and the Minister of Water and Sanitation, when they increased our bulk water tariff with 37.9%. Umgeni Water and the Minister of Water and Sanitation lost their case in the Kwazulu-Natal High Court and their appeal in The Supreme Court of Appeal. Both parties approached the Constitutional Court of South Africa for leave to appeal. On 5 February 2020, the Constitutional Court of South Africa dismissed Umgeni Water's application for leave to appeal, with costs. Thereafter the company and Umgeni Water signed a full and final settlement agreement based on the lower bulk water tariff covering the period 1 July 2015 to 31 May 2020 and it was agreed to release the funds held in escrow.

The Constitutional Court allowed Umgeni Water to present their case with the Minister's application, which was heard on 10 November 2020. On 23 July 2021 the Constitutional Court overturned the decisions of the High Court as well as Supreme Court of Appeal to rule that Umgeni Water's tariff was enforceable. We have reflected the higher tariff in our financial statements. The Constitutional Court made no reference to the full and final settlement that was concluded based on the lower bulk water tariff covering the period 1 July 2015 to 31 May 2020. The amount in dispute is R127.7 million excluding VAT and income taxes. Legal advice obtained by the company indicates that the full and final settlement agreement is probably valid and enforceable. The directors are of the view that no material losses will arise in respect of the full and final settlement agreement at the date of these financial statements.

In 2019, Buhle Waste Proprietary Limited instituted proceedings out of the Mpumalanga High Court, in terms of which it sought an order setting aside (i) the decision taken by the City of Mbombela Municipality to consent to the Change in Control request presented by Silulumanzi (RF) (Pty) Ltd to the Municipality, and (ii) the agreement concluded by the Municipality and Silulumanzi (RF) (Pty) Ltd on 14 November 2018, in terms of which the consent decision was given effect to and be formally recorded. Silulumanzi (RF) (Pty) Ltd, SA Water Works (RF) (Pty) Ltd and SA Water Works Holdings (RF) (Pty) Ltd have opposed the Application. This Mpumalanga Divisional High Court matter which included six other respondents (including Silulumanzi (RF) (Pty) Ltd) under case number 2640/2019, was heard on 26 May 2022. On 17 August 2022 judgement was handed down which had the effect of setting aside the transfer of Silulumanzi (RF) (Pty) Ltd and SA Water Works Utilities (Pty) Ltd shares to SA Water Works (RF) (Pty) Ltd and Brain Gear Investments (RF) (Pty) Ltd. An application for leave to appeal was heard by the same High Court on 8 September 2022 which was consequently dismissed with costs. The Buhle Waste (Pty) Ltd versus the City of Mbombela and other respondents (inlcuding SA Water Works (RF) (Pty) Ltd) court case is still ongoing. The Supreme Court of Appeal ("SCA") has granted leave to appeal. In addition to leave being granted the costs order of the Court a quo in dismissing the application for leave to appeal has been set aside and the costs of the application for leave to appeal to the SCA and the Court a quo costs will be costs in the SCA appeal. The Notice of Appeal has been lodged and the record of the proceeding was submitted on 30 June 2023. The Heads of Argument, amongst other ancillary compliance, was filed on 16 August 2023. A hearing was held on 20 August 2024 and judgement was reserved. We are still awaiting the final judgement.

Management has considered the impact of the legal case as noted above on going concern. The appeal to the Supreme Court is to effect settlement of this case and to have the company operate under the concession agreement for the remaining period and whilst this appeal is ongoing the company is operating as normal and the case is expected to take more than 12 months to conclude. The lawyers are of the view that there are reasonable prospects of success for the notice of appeal to succeed.

Silulumanzi registered an Employee Share Trust on 1 March 2024. SAWW will issue 5% of its ordinary shares to the Trust. The Trust shall hold and administer the company's shares for the benefit of the employees. The transaction is expected to be finalised within the following 12 months.

All events subsequent to the date of the consolidated and separate annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

Directors' report

Going concern

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

The company's current assets exceeds its current liabilities by R25.1m. In the prior year, current liabilities exceeded its current assets by R38.1m. The company has a bank facility available of R44.9 million secured by one of the company's properties, which can be utilised to address any short term cash shortfalls. There are no restrictions on the use of the facility.

The group is sufficiently capitalised and has sufficient cash resources to settle debts as they fall due. Cash and cash equivalents held by the group as at 30 June 2024 amounted to R48,295,697 (2023: R50,447,974).

PM Naylor
Chairman
Authorised director

MA Golding
Chief executive officer
Authorised director

Audit committee report

The Audit Committee ("the committee") is pleased to present its report to the shareholders of Rex Trueform Group Limited for the financial year ended 30 June 2024.

Introduction
This report is issued in compliance with the requirements of the Companies Act and King IV.

Audit committee mandate
The audit committee also performs the audit committee functions for its subsidiary companies, Belper Investments Proprietary Limited, Ombrecorp Trading (RF) Proprietary Limited, Queenspark Proprietary Limited, Queenspark Distribution Centre Proprietary Limited and Telemedia Proprietary Limited (the company and its subsidiaries, collectively hereinafter referred to as "the group").

The committee is governed by formal terms of reference that is reviewed regularly, delegated to it by the board of directors, which regulates the committee's functioning, processes and procedures. The committee fulfilled its responsibilities in accordance with its terms of reference during the 2024 financial year.

Members of the audit committee and attendance at meetings
The committee met twice during the year under review, specifically prior to the publication of (and to review) the company's and the group's interim and final results (in addition to reviewing the reports of the external auditors and the group's risk committees).

The committee meetings were attended by the internal auditor, external auditors, the chairman of the board and the executive directors. Each committee meeting is preceded by meeting dates and topics agreed well in advance each year and by the distribution of an Audit Committee pack to each attendee, comprising the distribution of a comprehensive committee pack containing all information required in order to assist the committee in fulfilling its duties.

Role and responsibilities of the committee
The committee's role and responsibilities include the following:
- ensuring that appropriate financial procedures have been established and are operating;
- overseeing integrated reporting;
- ensuring a combined assurance model is applied to provide a co-ordinated approach to all assurance activities;
- reviewing the effectiveness of the company's finance function and considering, on an annual basis, and satisfying itself of the appropriateness of the expertise and experience of the financial director;
- overseeing the internal audit process;
- acting as an integral part of the risk management process;
- nominating the external auditor and overseeing the external audit process;
- complying with any further responsibilities included in the committee's terms of reference and / or the Companies Act and the regulations thereto, to the extent not specifically addressed above; and
- external auditor's appointment, independence and oversight of the external audit process.

The committee nominated PwC as the group's external registered auditor for the year under review and further approved the terms of engagement and fees to be paid. PwC was duly appointed as the group's external auditor in respect of the year under review with the designated registered auditor being Richard Jacobs.

Audit committee report

External auditor's appointment, independence and oversight of the external audit process

The committee has nominated PricewaterhouseCoopers Inc. ("PwC") for appointment by shareholders as the company's external auditor, at the 2024 annual general meeting with Richard Jacobs as the designated registered auditor for the 2024 financial year, the committee having satisfied itself pursuant to the provisions of paragraph 3.84(g)(iii) of the JSE Listing Requirements) that the:

- audit firm is accredited by the JSE; and
- quality of the external audit is satisfactory (after referencing the most recent inspection reports issued by the Independent Regulatory Board for Auditors (IRBA) in respect of both the audit firm and the designated audit partner).

The committee also gave due consideration to the independence of the external auditor and is satisfied that PwC is independent of the group and executive and senior management and therefore able to express an independent opinion of the group's financial statements.

The external auditor is afforded unrestricted access to the group's records and to management. Any significant issues arising from the annual audit (if any) are brought to the committee's attention. In this regard, it is noted that the audit adjustments identified by the external auditor were considered by the committee, applicable adjustments to the financial statements were made (having regard to applicable materiality levels) and an unmodified external auditor's report was issued.

The nature and extent of the non-audit services that the external auditor provides to the company and group have been agreed by the committee, and the external auditor (via separate departments and utilising personnel who are not involved in the external audit process in respect of the group) is only permitted to provide such pre-agreed non-audit services to the group. Any proposed agreement with the external auditor for the provision of non-audit services is pre-approved by the committee.

Internal audit

A formal internal audit charter governs the internal auditing of the group. The committee has unlimited access to the internal auditor employed within the group. The formal process of reporting to the committee is managed according to the internal audit charter. The committee reviews and approves the internal audit charter and internal audit plans. During the year under review the committee considered and evaluated the independence, effectiveness and performance of the internal auditor and the arrangements for internal audit (including after meeting with management without the internal auditor being present) and confirmed that it was satisfied with same.

Expertise and experience of financial director and evaluation of the finance function

As required by the JSE Listings Requirements, read with King IV, the committee has considered the appropriateness of the expertise and experience of the chief financial officer, and the effectiveness of the finance function (including after meeting with the external auditor without the chief financial officer and any representatives of the finance function being present).

In this regard, the committee is of the view that Damien Franklin, the chief financial officer, possesses the appropriate expertise and experience to fulfil his responsibilities in that position. The committee, after having furthermore considered the expertise, resources and experience of the finance function, has confirmed that such function is effective, including having regard to the nature, complexity and size of the group's operations.

Combined assurance

The group subscribes to a combined assurance model that attempts to limit or control risk in its businesses by making use of both internal and third-party assurance providers (including the group's own internal line functions, risk committees, internal auditor and external auditor). During the year under review the committee evaluated the processes in place for combined assurance and considers this process to be effective.

Audit committee report

Internal financial controls

The committee noted that there were weaknesses in the design, implementation or execution of internal financial controls. The weaknesses have been disclosed to the committee and external auditors and steps are being taken to remedy the deficiencies. None of the control weaknesses resulted in a material financial loss through fraud, corruption or error.

The audit committee is therefore of the opinion that:

- notwithstanding the weaknesses identified, the internal financial controls are effective (including in their implementation) and accounting practices are appropriate, which both form the basis for the preparation of reliable financial statements in respect of the year under review; and
- the company has established appropriate financial reporting procedures and that these procedures are operating effectively.

Financial statements and accounting practices

Following the review by the committee of the annual financial statements for the year ended 30 June 2024, the committee is of the view that in all material respects they comply with the relevant provisions of the Companies Act as well as International Financial Reporting Standards and fairly present the group and the company's financial position at that date and the results of operations and cash flows for the year then ended.

Integrated annual report

The committee will satisfy itself as to the integrity of the remainder of the integrated annual report due to be published on or before 31 October 2024.

Conclusions

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. Having achieved its objectives, the committee has recommended the annual financial statements and will recommend the integrated annual report for the year ended 30 June 2024 for approval by the board.

The board has subsequently approved the annual financial statements, and will approve the integrated annual report, which will be open for discussion at the forthcoming annual general meeting.

On behalf of the committee

HB Roberts

Audit Committee Chairman

27 September 2024

Independent auditor's report

To the Shareholders of Rex Trueform Group Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Rex Trueform Group Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Rex Trueform Group Limited's consolidated and separate financial statements set out on pages 23 to 130 comprise:

- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated and separate statements of profit or loss and comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

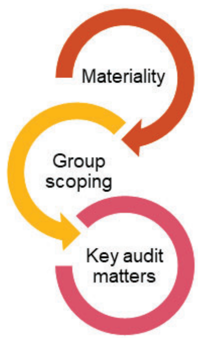
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R8m which represents 0.9% of consolidated revenue

Group audit scope

- The group consists of eight components. We performed full scope audits on the Company and three additional components and an audit of specific balances on one component.
- On the three remaining components, which were not significant individually or in aggregate, we performed analytical procedures at a group level.

Key audit matters

- Assessment of recoverability of loans to associate and subsidiary companies (SA Water Works Holding Company Proprietary Limited and Ombrecorp Trading (RF) Proprietary Limited)
- Net realisable value of inventory assessment.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R 8 million
How we determined it	0.9% of consolidated revenue
Rationale for the materiality benchmark applied	We chose consolidated revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is commonly measured when profit before taxation is volatile. We chose 0.9% based on our professional judgement, after consideration of the range of qualitative materiality thresholds that are typically applied when using revenue as a benchmark.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of the Company and 7 components. We conducted full scope audits on the Company and an additional 1 component that was considered to be financially significant, based on its contribution to consolidated revenue. In addition, we conducted full scope audits on 2 components and an audit of specific balances on 1 component that were not considered to be financially significant to provide us with sufficient coverage over the consolidated financial statements. We performed analytical review procedures over the remaining 3 components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team and by component auditors operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of our involvement necessary in the audit work at those components in order to be able to conclude whether sufficient appropriate audit evidence has been obtained to support our opinion on the consolidated financial statements as a whole.

Further audit procedures were performed by us as the group engagement team on the consolidation process. The work performed by component auditors, together with these additional procedures performed at the group level, provided us with sufficient evidence to express an opinion on the Group's consolidated financial statements as a whole.

Key audit matters

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

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Key audit matter	How our audit addressed the key audit matter

Assessment of recoverability of loans to associate and subsidiary companies (SA Water Works Holding Company Proprietary Limited and Ombrecorp Trading (RF) Proprietary Limited)
 	
This relates to the loan receivable in the consolidated financial statements per note 9.5.1 (Interest in associate - SA Water Works Holding Company Proprietary Limited) and Loans receivable from subsidiary companies per note 8.2.3 (Ombrecorp Trading (RF) Proprietary Limited) in the separate financial statements of Rex Trueform Group Limited.
 	
Refer to note 39 (Events after the reporting date) and note 2.6 of the accounting policies to the consolidated and separate financial statements.
 	
The group has a loan to associate amounting to R212 million (before impairments).
 	
The company has a non-current loan receivable to its subsidiary (note 8) amounting to R81,6 million (before impairments).
 	
There have been updates regarding the ongoing legal matters which exist in the two operating entities within the associate. A hearing was held on 20 August 2024 for Buhle Waste's case in relation to Silulumanzi and judgement was reserved, with the final judgement still pending. As it relates to Umgeni Water's case against Siza Water, the updated claim of R127.7 million has been received.
 	
We have considered the valuation of the loan to be a matter of most significance to our current year audit due to the following:
 	
● *The outcome of each legal case is uncertain and gives rise to various potential scenarios and outcomes,*
	We obtained the dividend discount valuation models prepared by management and relating to the operating entities of the investment in associate and the loan to Ombrecorp and performed the following:
	
	- *We assessed the reasonableness of management's inputs and assumptions applied in the dividend distribution cash flow forecasts with reference to actual historical growth rates, and the cost of equity;*
	- *We performed an independent calculation to take into account any preferential obligations which would impact the dividend distributions value calculated over the period of the remaining concession agreement in the determination of the fair value;*
	- *Utilising our valuations expertise, based on market related information and adjusted for specific credit risks present in the investment entities, we independently calculated the discount rate to be used to calculate the present value of the future dividend cash flows;*
	- *In determining the probability of default, we evaluated the completeness of the scenarios applied by management and the range of possible outcomes used to determine the probability-weighted expected credit loss amount, with reference to the underlying supporting agreements and legal representations obtained from management's legal counsel representing the investment entities in each of the cases . We assessed the logic applied by management in determining:*
	    - *The range of probabilities, being probable; possible and remote, and*
	    - *The probability weighting percentage per scenario.*

which may impact the valuation of the loan as at 30 June 2024. • *The level of judgement in determining the estimated future cash flows and the applicable weighted average cost of capital used to discount these dividend cash flows.* • *The level of judgement in assessing the probability factors of the possible legal outcomes (being probable, possible or remote), on a probability weighted scenario analysis. is considered to be sensitive and an area of significant judgement.*	*Using the inputs as described above, we performed an independent calculation of the fair value of the investment and the recoverable amount of the loan receivable and compared this result with that of management. No material exceptions were noted.*
Net realisable value of inventory assessment *Refer to note 10 (Inventories) and note 2.7 of the accounting policies to the consolidated financial statements.* *Inventory on hand at year end is one of the Group's most significant assets amounting to R127 million.* *The Group measures inventory at the lower of cost or net realisable value. The net realisable value provision is R13.9 million.* *Management exercises significant judgement when estimating the future selling prices of inventory where the group has ownership of such inventory. The estimation takes into account historic sales information, seasonality of inventory, customer preferences, gross profit margins and represents the expected mark down between the original cost and the estimated net realisable value.* *The valuation of inventory was determined to be a matter of most significance to the current years audit as a result of:*	*We obtained an understanding of the Group's processes and policies relating to the net realisable value provision.Based on our understanding of the entity, we have accepted management's process and policy.* *Utilising our information technology expertise, we performed the following procedures on the net realisable value provision:* • *We agreed managements' calculation to the accounting records. No exception was noted.* • *We assessed the accuracy and completeness of the recorded cost of inventory in the system through the testing of relevant automated and manual controls in the procurement process and we agreed the total cost of inventory per the calculation to the trial balance with no material exceptions noted;* • *We tested the costing of inventory by tracing a sample of items to underlying third party purchase documents. We found no material exceptions;*

• *The complex nature of the calculations;* • *The level of judgement applied by management in determining the valuation; and* • *The magnitude of the inventory balance.*	• *We inspected historical sales information per product per season as per the audited sales reports (including markdown trends);* • *Using the inputs as described above we calculated the net realisable value provision based on management's policy; and compared the results of our independent calculation to that of management. No material exceptions were noted.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Rex Trueform Group Limited Consolidated and Separate Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Rex Trueform Integrated Annual Report 2024", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of African and Overseas Enterprises Limited for four years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: RJ Jacobs
Registered Auditor
Cape Town, South Africa
27 September 2024

Statements of Financial Position as at 30 June 2024

Figures in R `000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Assets					
Non-current assets					
Property, plant and equipment	5	199,242	151,626	336	332
Right-of-use assets	24	139,193	189,880	2,096	2,044
Investment property	6	287,984	253,434	207,751	208,991
Intangible assets	7	30,059	28,707	-	-
Investment in associates	9	227,636	202,133	-	-
Net interest in subsidiary companies	8	-	-	135,890	127,065
Deferred tax asset	12	11,594	8,772	-	-
Other investments	14	25,093	11,830	25,093	11,830
Loans receivable	15	8,247	6,473	8,247	6,473
Loan to group company	26	-	-	8,028	-
Total non-current assets		**929,048**	**852,855**	**387,441**	**356,735**
Current assets					
Inventories	10	127,209	152,023	-	-
Trade and other receivables	11	25,625	37,592	7,449	8,818
Income tax receivable	13	7,882	1,032	912	-
Loans receivable	15	-	88	-	-
Forward exchange contracts		-	712	-	-
Accrued operating lease asset		5,076	2,407	4,073	1,469
Loan to group company	8	-	-	27,122	-
Cash and cash equivalents	16	48,296	50,448	3,924	2,002
Total current assets		**214,088**	**244,302**	**43,480**	**12,289**
Total assets		**1,143,136**	**1,097,157**	**430,921**	**369,024**
Equity and liabilities					
Equity					
Ordinary share capital	17	30,622	19,912	30,622	19,912
Preference share capital	17	280	280	280	280
Share premium	18	25,836	25,836	25,836	25,836
Treasury shares	17	(8,568)	-	-	-
Retained income		371,334	372,371	179,874	166,264
Share-based payment reserves	19	8,003	5,254	3,311	568
Other reserves	20	4,773	(567)	4,773	(567)
Total equity attributable to owners of the parent		**432,280**	**423,086**	**244,696**	**212,293**
Non-controlling interests		29,366	27,699	-	-
Total equity		**461,646**	**450,785**	**244,696**	**212,293**

Statements of Financial Position as at 30 June 2024

Figures in R `000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Liabilities					
Non-current liabilities					
Provisions	22	4,321	4,961	-	-
Deferred tax liability	12	11,601	10,709	11,334	10,709
Lease liability	24	130,189	169,158	1,967	1,907
Interest-bearing borrowings	25	381,494	276,196	154,451	93,585
Post-retirement liability	27	98	81	98	81
Total non-current liabilities		**527,703**	**461,105**	**167,850**	**106,282**
Current liabilities					
Provisions	22	4,562	16,728	818	10,071
Trade and other payables	23	90,829	94,137	12,129	24,484
Income tax payable	13	-	2,068	-	337
Foreign exchange contracts		962	-	-	-
Lease liability	24	44,110	53,307	418	272
Interest-bearing borrowings	25	13,324	19,027	5,010	14,735
Loan from group company	26	-	-	-	550
Total current liabilities		**153,787**	**185,267**	**18,375**	**50,449**
Total liabilities		**681,490**	**646,372**	**186,225**	**156,731**
Total equity and liabilities		**1,143,136**	**1,097,157**	**430,921**	**369,024**

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Revenue	28	890,578	899,284	62,930	54,969
Retail Sales	28	703,470	719,621	-	-
Cost of sales		(381,897)	(365,199)	-	-
Gross profit		**321,573**	**354,422**	**-**	**-**
Other revenue	28	187,108	179,663	62,930	54,969
Other expenses	29	(476,176)	(407,508)	(44,979)	(40,175)
Net foreign exchange gain		609	8,385	-	-
Profit from operating activities		**33,114**	**134,962**	**17,951**	**14,794**
Impairment reversals / (losses) on financial assets		4,872	(2,883)	-	-
Share of loss from equity accounted investments	9	(1,721)	(4,256)	-	-
Impairment loss on equity accounted investments	9	(4,879)	-	-	-
Fair value (losses) / gains on contingent consideration	22	(2,915)	4,628	(2,915)	4,628
Finance income	30	37,823	33,368	15,818	12,659
Finance costs	31	(57,288)	(47,329)	(13,161)	(7,179)
Profit before tax		**9,006**	**118,490**	**17,693**	**24,902**
Income tax expense	32	(8,359)	(32,656)	(4,066)	(5,768)
Profit for the year		**647**	**85,834**	**13,627**	**19,134**
Profit for the year attributable to:					
Owners of Parent		(835)	85,656	13,627	19,134
Non-controlling interest		1,482	178	-	-
		647	**85,834**	**13,627**	**19,134**
Earnings per share from continuing operations attributable to owners of the parent during the year					
Basic earnings per share					
Basic (loss) / earnings per share	33	(3.91)	394.82	-	-
Diluted earnings per share					
Diluted (loss) / earnings per share	33	(3.81)	394.74	-	-
Other comprehensive income net of tax					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans		(108)	(146)	(108)	(146)
Assets held at fair value through other comprehensive income		5,448	(4,140)	5,448	(4,140)
Total other comprehensive income that will not be reclassified to profit or loss		**5,340**	**(4,286)**	**5,340**	**(4,286)**
Total other comprehensive income net of tax		**5,340**	**(4,286)**	**5,340**	**(4,286)**

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Total comprehensive income		**5,987**	**81,548**	**18,967**	**14,848**
Total comprehensive income attributable to:					
Total comprehensive income, attributable to owners of parent		4,505	81,370	18,967	14,848
Total comprehensive income, attributable to non-controlling interests		1,482	178	-	-
		5,987	**81,548**	**18,967**	**14,848**

Statements of Changes in Equity - Group

Figures in R `000	Ordinary share capital	Preference share capital	Share premium	Treasury shares	Other reserves	Share-based payments reserve	Retained income	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 July 2022	19,912	280	25,836	-	(9,052)	5,254	286,732	328,962	28,287	357,249
Changes in equity										
Profit for the year	-	-	-	-	-	-	85,656	85,656	178	85,834
Other comprehensive income	-	-	-	-	(4,286)	-	-	(4,286)	-	(4,286)
Total comprehensive income for the year	-	-	-	-	(4,286)	-	85,656	81,370	178	81,548
Dividend recognised as distributions to shareholder	-		-	-	-	-	(17)	(17)	-	(17)
Put option liability	-	-	-	-	12,771	-	-	12,771	-	12,771
Asset acquisition	-	-	-	-	-	-	-	-	(766)	(766)
Balance at 30 June 2023	**19,912**	**280**	**25,836**	**-**	**(567)**	**5,254**	**372,371**	**423,086**	**27,699**	**450,785**
Balance at 1 July 2023	19,912	280	25,836	-	(567)	5,254	372,371	423,086	27,699	450,785
Changes in equity										
Profit for the year	-	-	-	-	-	-	(835)	(835)	1,482	647
Other comprehensive income	-	-	-	-	5,340	-	-	5,340	-	5,340
Total comprehensive income for the year	-	-	-	-	5,340	-	(835)	4,505	1,482	5,987
Issue of equity	10,710	-	-	-	-	-	-	10,710	-	10,710
Dividend recognised as distributions to shareholder	-	-	-	-	-	-	(17)	(17)	-	(17)
Treasury shares issued	-	-	-	(10,710)	-	-	-	(10,710)	-	(10,710)
Delivery of treasury shares	-	-	-	2,142	-	(2,142)	-	-	-	-
Equity-settled share based payment	-	-	-	-	-	4,891	-	4,891	-	4,891
Change in degree of control	-	-	-	-	-	-	(185)	(185)	185	-
Balance at 30 June 2024	**30,622**	**280**	**25,836**	**(8,568)**	**4,773**	**8,003**	**371,334**	**432,280**	**29,366**	**461,646**
Notes	**17**	**17**	**18**	**17**	**20**	**19**				

Statements of Changes in Equity - Company

Figures in R `000	Ordinary share capital	Preference share capital	Share premium	Other reserves	Share-based payments reserve	Retained income	Total
Balance at 1 July 2022	19,912	280	25,836	(9,052)	568	147,147	184,690
Changes in equity							
Profit for the year	-	-	-	-	-	19,134	19,134
Other comprehensive income	-	-	-	(4,286)	-	-	(4,286)
Total comprehensive income	-	-	-	(4,286)	-	19,134	14,848
Dividend recognised as distributions to shareholder	-		-	-	-	(17)	(17)
Put option liability	-	-	-	12,771	-	-	12,771
Balance at 30 June 2023	**19,912**	**280**	**25,836**	**(567)**	**568**	**166,264**	**212,292**
Balance at 1 July 2023	19,912	280	25,836	(567)	568	166,264	212,292
Changes in equity							
Profit for the year	-	-	-	-	-	13,627	13,627
Other comprehensive income	-	-	-	5,340	-	-	5,340
Total comprehensive income	-	-	-	5,340	-	13,627	18,967
Issue of equity	10,710	-	-	-	-	-	10,710
Dividend recognised as distributions to shareholder	-	-	-	-	-	(17)	(17)
Equity-settled share-based payment	-	-	-	-	4,891	-	4,891
Delivery of treasury shares	-	-	-	-	(2,148)	-	(2,148)
Balance at 30 June 2024	**30,622**	**280**	**25,836**	**4,773**	**3,311**	**179,874**	**244,695**
Note	**17**	**17**	**18**	**20**	**19**		

Statements of Cash Flows

Figures in R `000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Operating profit before working capital changes		137,979	201,557	23,969	9,738
Working capital changes		23,180	(37,020)	(21,877)	7,517
Cash generated from operating activities	35	**161,159**	**164,537**	**2,092**	**17,255**
Dividends paid	35	(17)	(17)	(17)	(17)
Dividends received	35	878	382	878	8,845
Interest paid	35	(51,073)	(35,361)	(12,632)	(6,312)
Interest received	35	22,847	4,776	7,042	1,020
Income tax paid	35	(19,785)	(14,346)	(6,173)	(4,801)
Net cash flows from / (used in) operating activities		**114,009**	**119,971**	**(8,810)**	**15,990**
Cash flows used in investing activities					
Asset acquisition, net of cash acquired		-	221	-	-
Acquisition of interests in associates	9	(18,000)	(5,924)	-	-
Purchase of other investments	14	(6,411)	-	(6,411)	-
Proceeds from sale of other investments		79	-	79	-
Proceeds from disposal of property, plant and equipment		77	66	-	27
Purchase of property, plant and equipment	5	(75,716)	(113,468)	(122)	(152)
Purchase of investment property	6	(40,479)	(89,109)	(3,614)	(154,005)
Purchase of intangible assets	7	(9,760)	(2,500)	-	-
Loan advanced	35	(923)	(982)	(29,074)	(995)
Loan repaid		15	-	119	-
Cash flows used in investing activities		**(151,118)**	**(211,696)**	**(39,023)**	**(155,125)**
Cash flows from financing activities					
Loans received	35	103,897	109,500	58,896	109,500
Loan repaid	35	(9,657)	(952)	(7,789)	(952)
Repurchase of shares in subsidiary	8	(1,000)	-	(1,000)	-
Repayments of lease liabilities	24	(58,283)	(57,036)	(352)	(162)
Cash flows from financing activities		**34,957**	**51,512**	**49,755**	**108,386**
Net (decrease) / increase in cash and cash equivalents		**(2,152)**	**(40,213)**	**1,922**	**(30,750)**
Cash and cash equivalents at beginning of the year		50,448	90,661	2,002	32,752
Cash and cash equivalents at end of the year	16	**48,296**	**50,448**	**3,924**	**2,002**

Accounting Policies

1. Corporate information

Reporting entity

Rex Trueform Group Limited (the “company”) is a company domiciled in South Africa (company registration number: 1937/009839/06). The financial statements for the year ended 30 June 2024 comprise the company and its subsidiaries (together referred to as the “group”).

Where reference is made to the “group” in the accounting policies, it should be interpreted as referring to the company where the context requires, and unless otherwise noted.

The company’s registered office is at Unit 1, Rex Trueform Office Park, 263 Victoria Road, Salt River, Cape Town, 7925.

The financial statements were authorised for issue by the directors on 27 September 2024.

2. Basis of preparation and material accounting policy information

2.1 Basis of preparation

The group financial statements are presented in South African Rand, which is the company’s functional currency, rounded to the nearest thousand, unless otherwise stated. They are prepared on the going concern and historical cost basis, unless otherwise stated.

These financial statements comprise the financial statements of the company ("separate financial statements") and the group financial statements of the company and its subsidiaries ("consolidated financial statements") and have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act No. 71 of 2008.

The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise stated.

2.2 Basis of consolidation

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

Indebtedness to or from subsidiaries is presented as part of net interest in subsidiaries, but accounted for as financial instruments.

2. Basis of preparation and material accounting policy information (continued)

Interests in consolidated structured entities

Rex Trueform Share Trust

The Rex Trueform Share Trust is a consolidated structured entity of the group. The financial statements of the trust are included in the consolidated financial statements from the date of registration of the trust. The Rex Trueform Share Trust purchases or subscribes for "N" ordinary shares in Rex Trueform and awards these shares to the share trust participants. When the trust transfers these shares to the participants, it is considered to be in substance, two transactions, a distribution of shares from the trust back to the company as treasury shares, followed by a distribution of those shares to the share trust participants.

The company measures its investments in subsidiaries in its separate financial statements at cost less accumulated impairment losses.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Equity accounted investments

Investments accounted for using the equity method consist of associates (entities in which the group has significant influence, but not control - normally accompanying a shareholding of between 20% and 50% of voting rights in the investment).

Equity method of accounting

Under the equity method of accounting, investments are initially recognised at cost, including transaction costs. Subsequent to initial recognition, the carrying value of the investment is adjusted to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income, with the corresponding entry accounted for in the statement of comprehensive income. The carrying value of the investment is also adjusted to recognise the group's share of other equity movements, which is accounted for directly in equity. Dividends received are accounted for against the carrying value of the investment.

The group determines whether there is any objective evidence that its investments are impaired at each reporting date. An impairment is the difference between the recoverable amount of the equity accounted investment and its carrying value and is recognised in the income statement.

If the ownership interest in an equity accounted investment is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss. Equity transactions by these entities that cause a dilution in the group's ownership interest are likewise treated as part disposals.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value.

When the company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Acquisition-related costs are expensed as incurred.

2. Basis of preparation and material accounting policy information (continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognised in profit or loss.

2.3 Property, plant and equipment

Owned assets

Items of property, plant and equipment are measured at cost or deemed cost, less accumulated depreciation (see below) and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs 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.

When there is a change in intended use the group transfers assets to or from property, plant and equipment to or from investment property. Where investment property is carried at cost, transfers do not change the carrying amount of the asset transferred and they do not change the cost of that asset for measurement and disclosure purposes.

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.

Where significant components of an item of property, plant and equipment have different useful lives they are accounted for as separate items of property, plant and equipment.

Subsequent costs

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

All other costs are recognised in profit or loss as an expense as incurred.

Recognition

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

2. *Basis of preparation and material accounting policy information (continued)*

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each significant component of an item of property, plant and equipment. Land is not depreciated and carried at cost less impairment. The estimated useful lives are as follows for the current and comparative periods:

• Buildings	20 to 50 years
• Plant	5 to 10 years
• Equipment and shop fittings	3 to 20 years
• Vehicles	3 to 5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Accounting Policies

2. Basis of preparation and material accounting policy information (continued)

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

2.4 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. Buildings are depreciated to their residual values on a straight-line basis over their expected useful lives. The estimated useful lives of buildings are 20 to 50 years for the current and comparative periods.

When there is a change in intended use the group transfers assets to or from property, plant and equipment to or from investment property. Where investment property is carried at cost, transfers do not change the carrying amount of the asset transferred and they do not change the cost of that asset for measurement and disclosure purposes.

For disclosure purposes an external, independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio regularly. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Rental income from investment property is accounted for as described in the rental income accounting policy. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognised in profit or loss.

Recognition

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Initial measurement

Investment property is initially measured at cost, with transaction costs and other directly attributable expenditure being included in the initial measurement.

The initial cost of investment property interest held under a lease is recognised at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

Subsequent measurement - Cost model

After initial recognition, investment property is measured at cost less any accumulated depreciation and any accumulated impairment.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

2. Basis of preparation and material accounting policy information (continued)

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

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

Investment property is measured at cost, and is depreciated using the straight-line method over a useful life of each item.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of investment property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of investment property that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Disposals

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

2.5 Intangible assets

Computer Software

Computer software that is acquired or developed by the group and have finite useful lives are measured at cost, less accumulated amortisation and accumulated impairment losses.

The cost of computer software includes work-in-progress accounts where they exist. Work-in-progress accounts are often used to record the cost until such time as an asset is separately identifiable and ready for use at which point it will be recorded as such on the fixed asset register and cleared from the work-in-progress account and amortisation commences.

2. Basis of preparation and material accounting policy information (continued)

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Market Knowledge and Customer Relationships

Market knowledge and customer relationships were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis on the timing of projected cash flows of the market knowledge and customer relationships over their estimated useful lives.

Subsequent expenditure

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 internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the useful life of the asset as based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

- Computer Software — 3 to 10 years
- Customer Relationships — 10 years
- Market Knowledge — 7 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. In the absence of an active market the residual value is presumed to be nil.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset in which case the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

2. Basis of preparation and material accounting policy information (continued)

Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

2.6 Financial instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables / payables, loans receivable / payable, amounts receivable from / payable to subsidiary companies, loan to associate, other investments and forward exchange contracts.

Recognition and de-recognition of financial instruments

Financial instruments are recognised when, and only when, the group becomes a party to the contractual provisions of the particular instrument.

The group de-recognises a financial asset when and only when:

- The contractual rights to the cash flows arising from the financial asset have expired; or
- It transfers the financial asset including substantially all the risks and rewards of ownership of the asset; or
- It transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.

All purchases and sales of financial assets measured at fair value through profit or loss that require delivery within the time frame established by regulation or market convention (‘regular way’ purchases and sales) are recognised at trade date, which is the date that the group commits to purchase or sell the asset.

A financial liability is de-recognised when, and only when, the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Initial measurement

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A trade receivable without a significant financing component is initially measured at the transaction price.

Fair value measurement considerations

The fair values of quoted financial assets are based on quoted prices. If the market for a financial asset is not active, the group establishes fair value 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.

Classification and measurement

Financial assets

IFRS 9 contains three principal classification categories for financial assets that are debt instruments: measured at amortised cost, fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

2. Basis of preparation and material accounting policy information (continued)

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

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

A financial asset is classified as a financial asset at FVOCI if it meets both of the following conditions (and is not designated as at FVTPL):

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets that are debt instruments not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise derivative financial instruments such as forward exchange contracts which the group uses to economically hedge its exposure to foreign exchange arising from operational activities. In accordance with its treasury policy the group does not hold or issue derivative financial instruments for trading purposes. After initial recognition financial assets at fair value through profit or loss are measured at fair value with resulting fair value gains or losses being recognised directly in profit or loss.

Foreign exchange gains or losses between the bill of lading date and settlement of the supplier is recognised in operating expenses. Interest earned whilst holding financial assets at fair value through profit or loss is included in finance income.

Financial assets carried at fair value through profit or loss also comprise of shareholder funding provided to associate. The shareholder funding provided to associate are classified as an equity instrument in terms of IFRS 9. The equity instrument is measured at fair value at initial recognition and each subsequent period.

Financial assets at amortised cost

Loans receivable and trade and other receivables

Loans receivable and trade and other receivables, including those made to fellow group undertakings, are subsequently measured at amortised cost using the effective interest method less any impairment losses. Interest received is recognised as part of finance income. Finance income, foreign exchange gains and losses and impairment are recognised in profit or loss. All loans receivable and trade and other receivables are recognised when cash is advanced or expected from borrowers. Any gain or loss on derecognition is recognised in profit or loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition including cash on hand and deposits held at call with financial institutions.

2. Basis of preparation and material accounting policy information (continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading and which the group has irrevocably elected at initial recognition to recognise in this category. After initial recognition financial assets at fair value through other comprehensive income are measured at fair value with resulting fair value gains or losses being recognised in other comprehensive income and presented within equity in other reserves. This category comprises of other investments.

Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss comprise derivative financial instruments such as forward exchange contracts which the group uses to economically hedge its exposure to foreign exchange arising from operational activities. In accordance with its treasury policy the group does not hold or issue derivative financial instruments for trading purposes. After initial recognition financial assets at fair value through profit or loss are measured at fair value with resulting fair value gains or losses being recognised directly in profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of rental deposits, loan payable and amounts payable to subsidiary companies and are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss as finance costs. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment of financial assets

The impairment model per IFRS 9 applies to financial assets measured at amortised cost and FVOCI (for example loans receivable, trade and other receivables and cash and cash equivalents), but not to investments in equity instruments.

The group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost and is included in the carrying value of the financial assets.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). 12-month ECLs are applicable to loans receivable and loans receivable from subsidiary companies. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Refer to note 37.

The group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

Measurement of ECLs

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

Accounting Policies

2. Basis of preparation and material accounting policy information (continued)

Impairment of non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax 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.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value, less costs of disposal. 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. For the purpose of impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. Value-in-use is based on the estimated future cash flows, 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 or CGU.

In respect of assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has 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.

Segment 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 revenue and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the executive members of the board, identified as the chief operating decision-maker, to make decisions about resources to be allocated to the segment and assess its performance and for which internal financial information is available.

Segment results that are reported to the board include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Earnings per share

The group presents basic and diluted earnings per share ("EPS") data for its ordinary shares, which includes ordinary and "N" ordinary share. Preference shares are excluded from the calculation of EPS. Basic EPS are 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 adjusted for own shares held. Diluted EPS is determined 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 options granted to employees.

Headline earnings per share ("HEPS") are calculated per the requirements of Circular 1/2023, issued by SAICA as required by the JSE Listings Requirements, using the same number of shares as the EPS and diluted EPS calculations.

2. *Basis of preparation and material accounting policy information (continued)*

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

2.7 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

2.8 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 the estimated costs of completion and selling expenses.

2. *Basis of preparation and material accounting policy information (continued)*

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

2.9 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income,
in which case it is recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes tax arising on dividends.

Deferred tax

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related 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.

The measurement of deferred tax reflects the consequences that would follow the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets are reviewed at each reporting date.

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

Deferred tax related to IFRS 16 Leases, is accounted for on a gross basis which refers to the right-of-use asset and lease liability within the deferred tax note. Refer to note 12.

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

Dividends withholding tax

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The company withholds dividends tax on behalf of its shareholders at prevailing statutory rates on dividends declared. Amounts withheld are not recognised as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity.

2. Basis of preparation and material accounting policy information (continued)

Where 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.

Current tax assets and liabilities

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

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

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

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities

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

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. Basis of preparation and material accounting policy information (continued)

Tax expense (income)

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

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

2.10 Leases

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

As a lessor

The group leases out its investment property. Where a significant portion the property is considered owner occupied, the property will be reclassified to Property, Plant and Equipment. The group has classified these leases as operating leases.

As a lessee

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

Right-of-use asset

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group’s incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate. Refer to note 24 for the lease period used.

2. Basis of preparation and material accounting policy information (continued)

The group determines its incremental borrowing rate by obtaining the published prime interest rate, which is then adjusted to reflect the specific underlying risk pertaining to a lease. Refer to note 24 for the interest rates used.

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee, and
- Lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option.

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 5% to 12% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Recognition

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item.

Measurement

Right-of-use assets are initially measured at cost, comprising the following:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated 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.

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right- of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

2. Basis of preparation and material accounting policy information (continued)

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the relevant group entity's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

Lease modifications

The lease liability is measured at amortised cost using the effective interest method and is remeasured when there is a change in future lease payments. Changes in future lease payments can arise by way of mutual agreement between the lessee and lessor, if there is a change in monthly rental payments, an index or rate or of the group’s estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made 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.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (12 months and less) and low-value assets (consisting of information technology equipment) in line with the standard. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.11 Leases as lessor

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

2. Basis of preparation and material accounting policy information (continued)

Where a contract contains a lease component as well as a non-lease components, the consideration is allocated between the components in accordance with the requirements of revenue from contracts with customers.

Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised by the lessee, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised by the lessee.

The assessment of the reasonable certainty of the exercising of options to extend the lease by the lessee, or not exercising of options to terminate the lease by the lessee, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Classification

Leases are classified as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis. Another systematic basis is applied if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Costs, including depreciation, incurred in earning the lease income is recognised as an expense.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and those costs are recognised as an expense over the lease term on the same basis as the lease income.

Depreciation and impairment is calculated and recognised on the underlying asset in accordance with the relevant policy for the class of underlying asset.

Lease modifications

Modifications to an operating lease are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.12 Provisions

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

2. Basis of preparation and material accounting policy information (continued)

A contingent liability is:

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognised when:

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the business or part of a business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and
- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

2. Basis of preparation and material accounting policy information (continued)

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The group recognises as an asset the incremental costs of obtaining a contract with a customer if the group expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the group can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

When either party to a contract has performed, the group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the group's performance and the customer's payment. The group presents any unconditional rights to consideration separately as a receivable.

2.13 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. Short-term employee benefits are expensed as the related service is provided. The accruals for employee entitlements to wages and salaries represent the amount which the group has a present obligation to pay as a result of employees' services provided to the reporting date. The accruals for short-term employee benefits have been calculated at undiscounted amounts based on current wage and salary rates.

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 the defined contribution retirement fund is recognised as an employee benefit expense in profit or loss when it is due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Post-employment benefits

The group contributes to a defined benefit plan and has defined benefit post-retirement medical aid and related obligations.

2. Basis of preparation and material accounting policy information (continued)

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The group's net obligation in respect of a defined benefit plan is calculated separately for each plan 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 and pension obligations and the related current service cost and, where applicable, past service cost. This calculation is performed by a qualified actuary as and when it is deemed appropriate by management. When the calculation results in a benefit to the group the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. 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.

Current service cost and interest cost in respect of defined benefit plans are recognised immediately in profit or loss. Actuarial gains and losses are recognised in the year in which they arise in other comprehensive income.

Share-based payment transactions

The group granted equity share instruments to certain employees under an employee share plan. The grant date fair value of forfeitable shares granted to employees is recognised as an expense with a corresponding increase in equity in a separate reserve over the period that the employees become unconditionally entitled to the instruments. The fair value is measured using the quoted share price as at grant date and is spread over the vesting period. 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 met. The actual issue of share instruments to employees results in an increase in share capital at the fair value on the date of the share issue and a reduction of the share-based payment reserve at the grant date fair value, the resulting difference is recognised in retained earnings. Costs incurred in administering the schemes are expensed as incurred.

2.14 Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to South African Rands at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

2.15 Share capital

Ordinary share capital

Ordinary and "N" ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect. On a poll, ordinary shares have 200 votes per share and "N" ordinary shares have 1 vote per share.

Preference share capital

Preference share capital is classified as equity as it is non-redeemable with no earnings per share allocated. Dividends on preference share capital is payable in cash on a bi-annual basis and recognised as distributions within equity.

Treasury shares

Shares in the company held by group entities are classified as treasury shares. These shares are treated as a deduction from the weighted average number of shares in issue and the cost price of the shares is deducted from equity in the statement of changes in equity. The company's shares held by the Rex Trueform Share Trust have been treated as treasury shares. Dividends received on treasury shares are eliminated on consolidation.

2. Basis of preparation and material accounting policy information (continued)

Dividends

Dividends are recognised as a liability in the period in which they are declared to the extent it remains unpaid at the end of the reporting period.

2.16 Borrowing costs

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds, calculated using the effective interest method.

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it occurred.

Capitalised borrowing costs are limited to actual borrowing costs incurred during any period.

The capitalising of borrowing costs as part of the cost of a qualifying asset will begin on the commencement date. The commencement date for capitalisation is the date when all of the following conditions are met:

- expenditures for the asset are incurred;
- borrowing costs are incurred; and
- activities that are necessary to prepare the asset for its intended use or sale have commenced.

Capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended.

2.17 Revenue

Revenue from contracts with customers

Revenue is recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

The main categories of revenue and the basis of recognition are as follows:

Retail sales

Retail sales comprises of net income from the sale of merchandise recognised at a point in time, upon delivery of products and customer acceptance. It is the group’s policy to sell its products to the retail customer with a right to return within a specified period. Accumulated experience is used to estimate and provide for such returns. Under IFRS 15, the group has recorded a right to return asset included in inventories and a customer returns provision included in provisions in the statement of financial position.

Revenue is measured based on the standalone selling price of the merchandise. If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probably that a significant revenue reversal will not occur. Contracts for the sale of merchandise provide customers with a right of return. The rights of return give rise to variable consideration.

Revenue arising from the consignment model is only recognised at the point where the end user pays for the goods.

2. Basis of preparation and material accounting policy information (continued)

Lay-by revenue is only recognised when the full purchase price of the goods have been paid.

Customer purchases of gift vouchers, to be used in our stores or on our online platforms, are not recognised as revenue until the voucher is redeemed and the customer purchases merchandise using the gift voucher. Gift vouchers, in line with the 3-year prescription period, are deemed to only expire after 3 years. A certain number of vouchers will not be fully redeemed and is considered to be immaterial.

Lay-by revenue and the proceeds from gift vouchers are recognised as deferred income until recognised as revenue.

Tenant recoveries

Tenant recoveries are recognised as they are earned in line with the contractual rights included in the lease agreements and represents the recovery of costs by the group for the provision of services. The group acts as a principal on its own account when delivering services to tenants over a period of time.

Media and broadcasting income

Media and broadcasting income is derived from the provision and installation of satellite transmission and radio and television signal distribution equipment as well as the provision of microwave and satellite news gathering ("SNG") services including broadcasting, studio recording and services ancillary thereto. Revenue from the sale of equipment is recognised at a point in time. All other revenue streams within the media and broadcasting segment are recognised over time.

Management fee income

Management fee income is derived from the provision of management and administration services. Revenue is recognised in the month in which the service is performed.

Revenue from lease agreements – IFRS 16

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease taking into account fixed escalation clauses.

Revenue other than contracts with customers

Dividend income

Dividend income is recognised in profit or loss on the date the entity’s right to receive payments is established.

Finance income

Finance income is recognised in profit or loss as it accrues, using the effective interest method and is not classified as revenue.

Accrued dividends on loan to associate

Accrued dividends on loan to associate is calculated in terms of the shareholder agreement with associate and is recognised in profit or loss as it accrues.

2.18 Expenses

Cost of sales

Cost of sales comprises the direct cost of merchandise sold and includes stock losses and allowances for mark downs. Cost of sales also includes direct cost of media and broadcasting equipment sold.

2. Basis of preparation and material accounting policy information (continued)

Finance cost

Finance cost comprise interest payable on borrowings calculated using the effective interest method.

3. Judgements and estimates

The preparation of financial statements in conformity with IFRS requires management 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 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 have the most significant effect on the amounts recognised in the financial statements are as follows:

Leases

Lease terms applicable to lease agreements, relating to the group's lease liabilities, are negotiated on an individual basis and contain a wide range of different terms and conditions. The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management exercises judgement in determining the likelihood of exercising termination or extension options in determining the lease term including considerations of the age of the lease, the nature of the leased asset and the expected return on the underlying cash-generating unit to which the leased asset belongs.

Subsequent to the commencement date of lease agreements, lease terms are reassessed when there is objective evidence that new lease terms have been agreed between the parties. Management exercises judgement in the determining the effective date of such lease modifications including referencing signature dates, correspondence and actual billings.

Incremental borrowing rates applied in the measurement of lease liabilities are based on a series of inputs including the prime lending rate, the lessee's credit risk and an adjustment for whether a lease is located in an urban, town or township area.

Inventory valuation

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Management exercises significant judgement when estimating the future selling prices of inventory where the group has ownership of such inventory. The estimation takes into account historic sales information, seasonality of inventory, customer preferences, gross profit margins and represents the expected mark down between the original cost and the estimated net realisable value. Refer to note 10.

Measurement of fair values

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

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

3. Judgements and estimates (continued)

Impairment of right-of-use asset

Right-of-use assets, being leasehold rights in respect of retail store premises, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (such as a store becoming loss making). The determination of the value in use of the cash generating units to which the right-of-use assets belong is a significant judgement area. The smallest cash generating units are our walk-in stores. The biggest uncertainties affecting stores are future footfall and consumer spending which are particularly relevant to our super regional stores. Management has used their judgement and estimation techniques to determine discount rates and future cash flows. Further information about the assumptions made in measuring value-in-use is included in note 24.

Loan to associate and subsidiary

The group provided a loan to an associate, which has been classified as an equity instrument at fair value through profit or loss in terms of IFRS 9. The loan has been included as part of the net investment in associate. Management exercises judgement when assessing whether the loan meets the criteria for measurement at fair value through profit or loss at initial recognition; as well as in determining the fair value at each subsequent reporting date using the valuation approach set out in note 9.

Business combinations

The group has exercised significant judgement in applying the definition of the acquirer in business combinations in terms of IFRS 3 and IFRS 10. An acquirer is identified for all business combinations. The acquirer is the combining entity that obtains control of the acquiree, being the other combining business or businesses. The group considers that, as a combined group, it is also the acquirer (in addition to its holding company African and Overseas Enterprises Limited) as the combined group is obtaining control over the acquiree. This is based on the fact that the Sales Agreement was structured as single agreement, setting out the terms of the transaction as a whole, consideration and parties to the agreement in one structured agreement with the terms of the agreement supporting that economically it is considered a single acquisition.

4. Changes in accounting policies and disclosures

4.1 Standards and Interpretations effective and adopted in the current year

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2023.

At the date of authorisation of these financial statements for the year ended 30 June 2024, the following IFRSs were adopted:

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

4. *Changes in accounting policies and disclosures (continued)*

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level
- Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives
- Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts
- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Application of the above standards did not materially impact these consolidated and separate financial statements.

4. Changes in accounting policies and disclosures (continued)

4.2 New standards and interpretations not yet adopted

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2024 or later periods. The directors anticipate that the adoption of the below mentioned standards in future periods will have no material financial impact on the financial statements of the group.

Standard/Interpretation	Effective date Years beginning on or after	Expected impact
Amendments to IFRS 16 - Leases on sale and leaseback	1 January 2024	Low
Amendments to IAS 1 – Non-current liabilities with covenants	1 January 2024	Low
Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	1 January 2024	Low
Amendments to IAS 21 - Lack of Exchangeability	1 January 2025	Low
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Liabilities	1 January 2026	Low
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Moderate
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Low

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

5. Property, plant and equipment

5.1 Balances at year end and movements for the year

	Land and Buildings	Plant and equipment	Motor vehicles	Equipment and shop fittings	Total
Reconciliation for the year ended 30 June 2024 - Group					
Balance at 1 July 2023					
At cost	67,855	400	3,063	250,986	**322,304**
Accumulated depreciation	(2,240)	(224)	(1,191)	(167,023)	**(170,678)**
Carrying amount	**65,615**	**176**	**1,872**	**83,963**	**151,626**
Movements for the year ended 30 June 2024					
Additions*	47,306	-	-	28,410	**75,716**
Depreciation	(1,172)	(118)	(614)	(23,774)	**(25,678)**
Impairment loss recognised in profit or loss	-	-	-	(2,358)	**(2,358)**
Increase through transfers from investment property	-	-	-	14	**14**
Cost of disposals	-	-	(461)	(8,264)	**(8,725)**
Accumulated depreciation on disposals	-	-	461	8,186	**8,647**
Property, plant and equipment at the end of the year	**111,749**	**58**	**1,258**	**86,177**	**199,242**
Closing balance at 30 June 2024					
At cost	115,161	400	2,602	271,146	**389,309**
Accumulated depreciation and impairment	(3,412)	(342)	(1,344)	(184,969)	**(190,067)**
Carrying amount	**111,749**	**58**	**1,258**	**86,177**	**199,242**

* Additions to equipment and shopfittings includes assets to the value of R2,575,882 not ready for use as at 30 June 2024.

The group acquired 8 properties situated at the following locations:

1 Erf 57 Richmond Township, 27 Laundau Terrace, Melville, Johannesburg
2 Erf 1189 Ferndale Township, 232 Oak Avenue, Rivonia, Johannesburg
3 Erf 281 Edenburg Township, 18 Wessels Road, Rivonia, Johannesburg
4 Remainder of Erf 80 Edenburg Township, 16 Wessels Road, Rivonia, Johannesburg
5 Portion 3 of Erf 80 Edenburg Township, 16 Wessels Road, Rivonia, Johannesburg
6 Portion 2 of Erf 80 Edenburg Township, 16 Wessels Road, Rivonia, Johannesburg
7 Remainder of Erf 79 Edenburg Township, 19 9th Avenue, Rivonia, Johannesburg
8 Portion 1 of Erf 79 Edenburg Township, 17 9th Avenue, Rivonia, Johannesburg

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

5. *Property, plant and equipment (continued)*

The acquisition consideration for these 8 properties, and the property classified as investment property in note 6, amounted to R51,500,000, excluding transactions costs. The acquisition consideration was paid on the effective date and was funded by a cash consideration of R7,000,000 and a R44,500,000 loan from a bank against security of the registration of a first mortgage bond over the properties (refer to note 25). The effective date and date of transfer for all properties was 24 May 2024.

The remaining acquisitions relate to the normal operations of the group.

Reconciliation for the year ended 30 June 2023 - Group	Land and Buildings	Plant and equipment	Motor vehicles	Equipment and shop fittings	Total
Balance at 1 July 2022					
At cost	7,044	364	1,853	217,751	**227,012**
Accumulated depreciation	(1,880)	(200)	(556)	(159,385)	**(162,021)**
Carrying amount	**5,164**	**164**	**1,297**	**58,366**	**64,991**
Movements for the year ended 30 June 2023					
Additions*	65,718	35	1,210	46,505	**113,468**
Depreciation	(360)	(23)	(635)	(19,213)	**(20,231)**
Decrease through transfers to investment property	(4,907)	-	-	-	**(4,907)**
Cost of disposals	-	-	-	(13,270)	**(13,270)**
Accumulated depreciation on disposals	-	-	-	11,575	**11,575**
Property, plant and equipment at the end of the year	**65,615**	**176**	**1,872**	**83,963**	**151,626**
Closing balance at 30 June 2023					
At cost	67,855	400	3,063	250,986	**322,304**
Accumulated depreciation	(2,240)	(224)	(1,191)	(167,023)	**(170,678)**
Carrying amount	**65,615**	**176**	**1,872**	**83,963**	**151,626**

* Additions to equipment and shopfittings includes assets to the value of R20,534,934 not ready for use as at 30 June 2023.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

5. *Property, plant and equipment (continued)*

Reconciliation for the year ended 30 June 2024 - Company	Land and Buildings	Plant and equipment	Motor vehicles	Equipment and shop fittings	Total
Balance at 1 July 2023					
At cost	-	375	-	257	**632**
Accumulated depreciation	-	(223)	-	(77)	**(300)**
Carrying amount	**-**	**152**	**-**	**180**	**332**
Movements for the year ended 30 June 2024					
Additions from acquisitions	-	7	-	115	**122**
Depreciation	-	(28)	-	(90)	**(118)**
Property, plant and equipment at the end of the year	**-**	**131**	**-**	**205**	**336**
Closing balance at 30 June 2024					
At cost	-	382	-	372	**754**
Accumulated depreciation	-	(251)	-	(167)	**(418)**
Carrying amount	**-**	**131**	**-**	**205**	**336**

Reconciliation for the year ended 30 June 2023 - Company	Land and Buildings	Plant and equipment	Motor vehicles	Equipment and shop fittings	Total
Balance at 1 July 2022					
At cost	-	364	(46)	82	**400**
Accumulated depreciation	-	(200)	46	(24)	**(178)**
Carrying amount	**-**	**164**	**-**	**58**	**222**
Movements for the year ended 30 June 2023					
Additions from acquisitions	-	36	-	117	**153**
Other additions	-	-	-	58	**58**
Depreciation	-	(23)	-	(51)	**(74)**
Disposals	-	(25)	-	(2)	**(27)**
Property, plant and equipment at the end of the year	**-**	**152**	**-**	**180**	**332**
Closing balance at 30 June 2023					
At cost	-	375	-	257	**632**
Accumulated depreciation	-	(223)	-	(77)	**(300)**
Carrying amount	**-**	**152**	**-**	**180**	**332**

5.2 Impairment tests for plant and equipment

The group reviews the carrying value of assets when events or changes in circumstances suggest that the carrying value may not be recoverable. Carrying values of assets were assessed for impairment as part of the impairment test for right-of-use assets. Refer to note 24 for assumptions used. Impairment charges on equipment and shopfittings in the retail segment of R2,358,378 were recognised in the current year (2023: Rnil).

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

6. Investment property

6.1 Balances at year end and movements for the year

Reconciliation for the year				
Balance at the beginning of the year				
At cost	284,086	84,054	238,039	84,033
Accumulated depreciation	(30,652)	(25,371)	(29,048)	(25,350)
Carrying amount	**253,434**	**58,683**	**208,991**	**58,683**
Movements for the year				
Additions	40,479	89,109	3,614	154,005
Additions through asset acquisition	-	106,016	-	-
Depreciation	(5,915)	(5,281)	(4,854)	(3,697)
Transfer from property, plant and equipment	(14)	4,907	-	-
Investment property at the end of the year	**287,984**	**253,434**	**207,751**	**208,991**
Closing balance at the end of the year				
At cost	324,551	284,086	241,653	238,038
Accumulated depreciation	(36,567)	(30,652)	(33,902)	(29,047)
Carrying amount	**287,984**	**253,434**	**207,751**	**208,991**

The group acquired a property situated at portion 1 of ERF 84, Edenburg Township, 18 Wessels Road, Rivonia, Johannesburg for an acquisition consideration amounting to R6,500,000, excluding transactions costs. The acquisition consideration was paid on the effective date. Refer to note 5 on details on the funding of the property.

The remaining acquisitions relate to the normal operations of the group. Refer to note 36 for details on the group's capital commitments to further develop our investment properties.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

6. Investment property (continued)

6.2 Fair values of investment property

The fair value of investment property has been determined using the discounted cash flow method, income capitalisation method or applicable bulk rate as at 30 June 2024 by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. In applying this method, the professional associated values has given consideration to the rental-producing capacity of the properties taking into account their location, structure and the rental producing capacity of similar buildings. The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs of the valuation technique.

For properties valued using the applicable bulk rate, the basis of the fair value is the market value, determined using the comparable sales method, which employs the direct comparison of properties that have been recently sold. The method entails the identification of properties sold which have similar characteristics to the subject property. Aspects of similarity to consider include the sales price, in relation to the zoning, physical attributes, functional use and location characteristics of each of the properties compared to the subject property.

Significant unobservable inputs:		
Capitalisation rate:	10.5% - 11.5%	(2023: 9.50% - 11.50%)
Discount rate:	15.50%	(2023: 15.50%)
Vacancy factor:	1.5% - 30%	(2023: 1.00% - 7.66%)

Fair values of investment property are as follows:	Group 2024	Group 2023	Company 2024	Company 2023
Rex Trueform Office Park	148,100	139,400	148,100	139,400
344 Victoria Road, Salt River	23,000	27,300	23,000	27,300
14 Brickfield Road, Salt River	29,600	29,600	29,600	29,600
16 Perth Road, Wynberg	62,700	20,000	-	-
27 Losack Avenue, Epping	-	-	71,000	65,000
5 Fitzmaurice Avenue, Epping	87,000	86,000	87,000	86,000
14 Moody Avenue, Epping	8,600	7,900	-	-
17-21 Moody Avenue, Epping	36,700	31,100	-	-
18-20 Moody Avenue, Epping	11,600	10,200	-	-
9 Moody Avenue, Epping	7,600	6,800	-	-
12 Moorsom Avenue, Epping	86,800	70,400	-	-
Portion 1 of ERF 84, 18 Wessels Road, Rivonia	10,180	-	-	-
	511,880	**428,700**	**358,700**	**347,300**

Included in profit and loss are the following items:	Group 2024	Group 2023	Company 2024	Company 2023
Rental income and tenant recoveries from investment property	70,198	59,681	55,147	39,698
Direct operating expenses (including repairs and maintenance) relating to rental generating investment properties	55,922	33,351	44,657	16,367
Direct operating expenses (including repairs and maintenance) relating to investment properties which did not generate income	1,082	961	-	961

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

6. *Investment property (continued)*

The group leases out certain of its investment properties. The future minimum lease payments under non-cancellable leases are as follows:

Less than one year	36,067	46,147	34,964	33,270
Between one and two years*	21,575	32,404	21,017	28,854
Between two and three years*	5,536	17,385	10,264	14,552
Between three and four years*	4,396	1,427	7,002	3,720
Between four and five years*	3,998	-	7,160	-
After five years	-	-	32,515	-
	71,572	**97,363**	**112,922**	**80,396**

*The comparative for the group and company has been further disaggregated to separately reflect the expected maturity profile for future minimum lease payments for the periods, between one and two years, between two and three years, between three and four years and between four and five years. These maturity categories were previously aggregated in error and disclosed as the total minimum lease payments for a period of between two and five years. The group and company are required to disclose the maturity analysis of the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.

The comparative for the group has furthermore been adjusted to exclude the future minimum lease payments for the 27 Losack Avenue, Epping property of R12,798,813, which was erroneously included in error in the prior year. This property is classified as property, plant and equipment at a group level.

Group level

The company owns property included in investment property of the company that is partly leased to, and occupied by, its subsidiary, Queenspark Proprietary Limited.

The portion relating to the office space which is occupied by the group was considered insignificant and as a result the entire building and equipment integral to the building is classified as investment property.

Management has considered the following when assessing the owner occupied portion as insignificant:

- Queenspark Proprietary Limited occupies approximately 10% (2023: 10%) of the Rex Trueform Office Park ("RTOP") building and in relation to gross lettable area, this is regarded as insignificant.

The portion relating to the distribution and warehouse facilities which is occupied by the group is considered significant and as a result the entire building and equipment integral to the building is classified as property, plant and equipment for the group.

Management has considered the following when assessing the owner occupied portion as significant:

- Queenspark Proprietary Limited occupies approximately 62% (2023: 62%) of the building at 27 Losack Avenue, Epping and in relation to gross lettable area, this is regarded as significant.

The group's investment properties include commercial properties that are leased out to third parties. Rental increases vary between 6.5% and 8% (2023: 7.5% and 9%). Subsequent renewals may be negotiated with the lessee and the average renewal periods are from two to five years. No contingent rentals are charged.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

7. Intangible assets

7.1 Reconciliation of changes in intangible assets

	Computer software	Market knowledge	Customer relationships	Total
Reconciliation for the year ended 30 June 2024 - Group				
Balance at 1 July 2023				
At cost	38,535	4,214	18,215	**60,964**
Accumulated amortisation	(29,025)	(803)	(2,429)	**(32,257)**
Carrying amount	**9,510**	**3,411**	**15,786**	**28,707**
Movements for the year ended 30 June 2024				
Additions*	9,760	-	-	**9,760**
Amortisation	(5,984)	(602)	(1,822)	**(8,408)**
Intangible assets at the end of the year	**13,286**	**2,809**	**13,964**	**30,059**
Closing balance at 30 June 2024				
At cost	48,207	4,214	18,215	**70,636**
Accumulated amortisation	(34,921)	(1,405)	(4,251)	**(40,577)**
Carrying amount	**13,286**	**2,809**	**13,964**	**30,059**

* Additions to computer software includes assets to the value of R9,323,966 not ready for use as at 30 June 2024.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

7. *Intangible assets (continued)*

Reconciliation for the year ended 30 June 2023 - Group	Computer software	Market knowledge	Customer relationships	Total
Balance at 1 July 2022				
At cost	36,035	4,214	18,215	**58,464**
Accumulated amortisation	(25,996)	(201)	(607)	**(26,804)**
Carrying amount	**10,039**	**4,013**	**17,608**	**31,660**
Movements for the year ended 30 June 2023				
Additions*	2,500	-	-	**2,500**
Amortisation	(3,029)	(602)	(1,822)	**(5,453)**
Intangible assets at the end of the year	**9,510**	**3,411**	**15,786**	**28,707**
Closing balance at 30 June 2023				
At cost	38,535	4,214	18,215	**60,964**
Accumulated amortisation	(29,025)	(803)	(2,429)	**(32,257)**
Carrying amount	**9,510**	**3,411**	**15,786**	**28,707**

* Additions to computer software includes assets to the value of R2,133,692 not ready for use as at 30 June 2023.

7.2 Impairment tests for intangible assets

The group reviews the carrying value of assets when events or changes in circumstances suggest that the carrying value may not be recoverable. Carrying values of assets were assessed for impairment as part of the impairment test for right-of-use assets. Refer to note 24. No impairment charges on intangible assets were recognised in the current or prior year.

8. Net interest in subsidiary companies

8.1 The amounts included on the statements of financial position comprise the following:

	Group 2024	Group 2023	Company 2024	Company 2023
Investments in subsidiaries	**-**	**-**	**135,890**	**127,065**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

8. *Net interest in subsidiary companies (continued)*

8.2 Investments in subsidiaries

8.2.1 Details of the group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and business
Queenspark Proprietary Limited	Retailer of ladies and men's clothing, shoes, costume jewellery, related fashion accessories and cosmetics	South Africa
Queenspark Distribution Centre Proprietary Limited	Holds commercial investment property	South Africa
Belper Investments Proprietary Limited	Holds commercial investment property	South Africa
Ombrecorp Trading (RF) Proprietary Limited	Ring fenced entity with interests in a private water and waste water utility group operating via controlled subsidiaries	South Africa
Telemedia Proprietary Limited	Provider of communication services and connectivity solutions in the broadcasting and telecommunications industry	South Africa
Rex Trueform Share Trust	Facilitates the employee share incentive scheme	South Africa
Anglo-American Export and Import Company Limited	Dormant	South Africa

8.2.2 Voting rights and interest held for these subsidiaries are as follows:

	Interest 2024	Voting rights 2024	Interest 2023	Voting rights 2023
Anglo-American Export and Import Company Limited	100.00%	100.00%	100.00%	100.00%
Belper Investments Proprietary Limited	53.68%	53.68%	51.00%	51.00%
Ombrecorp Trading (RF) Proprietary Limited	52.00%	52.00%	52.00%	52.00%
Queenspark Distribution Centre Proprietary Limited	100.00%	100.00%	100.00%	100.00%
Queenspark Distribution Centre Proprietary Limited	100.00%	100.00%	100.00%	100.00%
Rex Trueform Share Trust	100.00%	100.00%	100.00%	100.00%
Telemedia Proprietary Limited	63.71%	63.71%	63.71%	63.71%
Queenspark Distribution Centre Proprietary Limited	100.00%	100.00%	100.00%	100.00%

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

8. *Net interest in subsidiary companies (continued)*

Investment in unlisted shares - at cost

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Operating				
Queenspark Proprietary Limited			1,166	1,166
Belper Investments Proprietary Limited			-	-
Ombrecorp Trading (RF) Proprietary Limited			2,516	2,516
Telemedia Proprietary Limited			30,407	30,407
Share Trust				
Rex Trueform Share Trust			-	-
Dormant				
Anglo-American Export and Import Company Limited			-	-
Investment in unlisted shares - at cost			**34,089**	**34,089**

8.2.3 Loans receivable from subsidiary companies

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Non-current loans receivable from subsidiary companies				
Ombrecorp Trading (RF) Proprietary Limited			74,471	70,037
Belper Investments Proprietary Limited			-	22,939
Queenspark Distribution Centre Proprietary Limited			27,330	-
			101,801	**92,976**
Current loans receivable from subsidiary companies				
Belper Investments Proprietary Limited			27,122	-
			27,122	**-**

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Reconciliation of loan with Ombrecorp Trading (RF) Proprietary Limited - Non-current				
Opening Balance			**70,037**	**61,428**
- Capital			53,000	53,000
- Accumulated impairment			(7,100)	(7,100)
- Accrued interest			24,137	15,528
Finance income accrued during the year			10,414	8,609
Finance income repaid during the year			(5,980)	-
Closing balance			**74,471**	**70,037**
- Capital			53,000	53,000
- Accumulated impairment			(7,100)	(7,100)
- Accrued interest			28,571	24,137

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Reconciliation of loan with Belper Investments Proprietary Limited - Non-current				
Opening Balance			22,939	-
Loan arising through asset acquisition			-	20,683
Loan received during the year			1,100	-
Loan repaid during the year			(100)	-
Interest accrued during the year			3,183	2,256
Closing balance			**27,122**	**22,939**

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

8. Net interest in subsidiary companies (continued)

Reconciliation of loan with Queenspark Distribution Centre Proprietary Limited - Non-current

Opening Balance			-	-
Loan received during the year			27,043	-
Interest accrued during the year			692	-
Interest repaid during the year			(405)	-
Closing balance			**27,330**	**-**

Terms of the loans to subsidiary companies

Ombrecorp Trading (RF) Proprietary Limited

The group's investment in this subsidiary is directly linked and its activities are restricted to the group's investment in associate referred to in note 9.

Ombrecorp received loan funding from its holding company for the sole purpose of acquiring the group's 30% interest in SAWW. The loan is unsecured, bears interest at the 6 month Jibar interest rate plus 5% and is repayable on or before 28 February 2029. The loan is not repayable within the 12 months and is therefore considered to be non-current. Contractually, accrued interest on the loan is not repayable within the 12 months and therefore the accrued interest is also considered to be non-current. Management have received discretionary payments of accrued interest of R2,813,735 on 29 July 2024, and R7,659,750 on 20 September 2024, which has been treated as non-adjusting events after period end.

Belper Investments Proprietary Limited

Rex Trueform Group Limited became the holder of 51.00% of the entire share capital of Belper Investments Proprietary Limited ("Belper") on 3 August 2022. On 14 December 2023, Belper entered into a sale of shares agreement, in terms of which Belper acquired 15 ordinary shares in its ordinary share capital which constituted 5% of the entire issued share capital of the company, for a purchase price of R1,000,000, paid in cash to the previous shareholder. As a result of the share repurchase, the issued share capital of the company was reduced to 285 shares and the shares were restored to the authorised unissued share capital of the company. This resulted in the group's interest and voting rights in Belper increasing to 53.68% in the current year.

The loan facility bears interest at prime plus 1% and is repayable on the second and third anniversaries of the loan. The capital shall be repaid by the third anniversary of the loan, being 16 May 2025 and is therefore considered to be current.

Rex Trueform Group shall offer financial support to Belper in order to assist Belper in meeting its obligations as they fall due for at least 12 months after the date of the annual financial statements. The financial support shall be subject to the same terms and conditions as the existing loan facility between Rex Trueform and Belper.

Queenspark Distribution Centre Proprietary Limited

The loan bears interest at prime and is repayable before the fifth anniversary of the effective date of the loan, being 28 November 2028. The loan is not expected to be repaid within 12 months and is therefore considered to be non-current.

Impairment assessment and significant judgements

Ombrecorp Trading (RF) Proprietary Limited

Management’s assessment of the future expected cash flows of the underlying operating subsidiaries (Siza Water and Silulumanzi), in the form of dividend distributions was used to assess the recoverability of the investment, including the shareholder funding provided. The impairment assessment was done for the remaining concession term for each of the operating subsidiaries.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

8. *Net interest in subsidiary companies (continued)*

During the year and subsequent to year end, there were developments in existing legal matters in these underlying operating entities. Refer to note 39 for further details. The outcome of each legal case is uncertain, resulting in various potential scenarios and outcomes.

Based on management's assessment of expected cash flows of the operating subsidiaries, as well as the probability factors of these possible legal outcome (being probable, possible or remote), on a probability weighted scenario analysis, management concluded that no additional impairment is required in the current year (2023: Nil).

Significant unobservable inputs in relation to the investment in associate

Accrued dividend rate:	16.75% (2023: 12.00% - 13.25%)
Term:	5.75 - 6.33 years (2023: 6.75 - 7.33 years)

8.2.4 Net interest in, and loans receivable, from subsidiary companies

	Group 2024	Group 2023	Company 2024	Company 2023
Shown as:				
Non-current assets				
Net interest in subsidiary companies			135,890	127,065

9. Investment in associates

9.1 Details of the group's material associates at the end of the reporting period are as follows:

Name of associate	Nature of the relationship	Measurement base	Place of incorporation and business
SA Water Works Holding Company (RF) Proprietary Limited	Associate of Ombrecorp Trading (RF) Proprietary Limited	Equity	South Africa
Program Buyer Limited	Associate of Telemedia Proprietary Limited	Equity	United Kingdom
AI Sport Africa Proprietary Limited*	Associate of Telemedia Proprietary Limited	Equity	South Africa

*On 6 June 2024, Interactive Television Africa Proprietary Limited changed the company name to AI Sport Africa Proprietary Limited.

9.2 Interest in associate

	Group 2024	Group 2023	Company 2024	Company 2023
SA Water Works Holding Company Proprietary Limited	208,890	196,274	-	-
Program Buyer Limited	-	5,859	-	-
AI Sport Africa Proprietary Limited	18,746	-	-	-
	227,636	**202,133**	**-**	**-**

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

9. *Investment in associates (continued)*

9.3 Proportion of interest and voting rights held in the associate

	Interest 2024	Voting rights 2024	Interest 2023	Voting rights 2023
SA Water Works Holding Company Proprietary Limited	30.79%	30.79%	30.79%	30.79%
Program Buyer Limited	20.83%	20.83%	20.83%	20.83%
AI Sport Africa Proprietary Limited	35.00%	35.00%	0.00%	0.00%

9.4 Summarised financial information for material associates

SA Water Works Holding Company (RF) Proprietary Limited

The group acquired 30% of the issued share capital of SA Water Works Holding Company (RF) Proprietary Limited ("SAWW") for a nominal consideration via a controlled subsidiary, Ombrecorp Trading (RF) Proprietary Limited ("Ombrecorp"). In August 2020, the effective interest was increased to 30.79%.

	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets	823,052	890,130	-	-
Current assets	524,242	430,503	-	-
Non-current liabilities	(846,567)	(874,062)	-	-
Current liabilities	(255,299)	(204,639)	-	-
Non-controlling interest	(228,821)	(217,935)	-	-
Net assets (100%)	**16,607**	**23,996**	**-**	**-**
Group's share of net assets 30.79% (2023: 30.79%)	5,901	7,389		
Investment at cost	2,516	2,516	-	-
Loan to associate	200,473	186,370	-	-
Total investment in associate	**208,890**	**196,272**	-	-
Revenue	834,098	761,617	-	-
Profit or loss from operations	47,942	25,921	-	-
Total comprehensive income for the year attributable to non-controlling shareholders	50,986	(42,618)	-	-
Total comprehensive income for the year attributable to owners of parent	(3,045)	(19,233)	-	-
Group's share of total comprehensive income	(1,487)	(4,191)	-	-
Accrued dividend received from associate	19,742	-	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

9. *Investment in associates (continued)*

Program Buyer Limited

The group acquired 20.83% of the share capital of Program Buyer Limited ("Program Buyer") during June 2023 for R5,923,914 via a controlled subsidiary, Telemedia Proprietary Limited ("Telemedia"). Rex Trueform Group Limited owns 63.71% of the issued share capital of Telemedia.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets	30	40	-	-
Current assets	297	5,824	-	-
Non-current liabilities	(2,470)	(1,594)	-	-
Current liabilities	(983)	(2,877)	-	-
Net (liabilities)/ assets (100%)	**(3,126)**	**1,394**	**-**	**-**
Group's investment in associate	5,859	5,924	-	-
Group's share of total comprehensive income	(980)	(65)	-	-
Impairment recognised during the year	(4,879)	-	-	-
Total investment in associate	**-**	**5,859**	**-**	**-**
Group's share in %	20.83%	20.83%	-	-
Group's share in R'000	-	5,859	-	-
Revenue	336	6	-	-
Profit or loss from operations	(4,706)	(312)	-	-
Total comprehensive income for the year attributable to owners of parent	(4,706)	(312)	-	-
Group's share of total comprehensive income	(980)	(65)	-	-

The group reviews the carrying value of investments in associates when events or changes in circumstances suggest that the carrying value may not be recoverable. The carrying value of the investment in Program Buyer was assessed for impairment by comparing it to the recoverable amount. Program Buyer is loss-making since inception and is not expected to reach projected forecasts. In the current year an impairment charge of R4,878,666 (2023: Nil) was recognised.

AI Sport Africa Proprietary Limited

The group acquired 35% of the share capital of AI Sport Africa Proprietary Limited ("AI Sport") during February 2024 for R18,000,000 via a controlled subsidiary, Telemedia Proprietary Limited ("Telemedia"). Rex Trueform Group Limited owns 63.71% of the issued share capital of Telemedia.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets	2,122	-	-	-
Current assets	21,717	-	-	-
Current liabilities	(9,010)	-	-	-
Net assets (100%)	**14,829**	**-**	**-**	**-**
Group's investment in associate	18,000	-	-	-
Group's share of total comprehensive income	746	-	-	-
Total investment in associate	**18,746**	**-**	**-**	**-**
Group's share in %	35.00%	-	-	-
Group's share in R'000	18,746	-	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

9. *Investment in associates (continued)*

Revenue	32,756	-	-	-
Profit or loss from operations	2,130	-	-	-
Total comprehensive income for the year attributable to owners of parent	2,130	-	-	-
Group's share of total comprehensive income	746	**-**	**-**	**-**

9.5 Interest in associate

9.5.1 Interest in associate - SA Water Works Holding Company (RF) Proprietary Limited

Reconciliation of carrying value at the beginning and end of the year

	Group 2024	Group 2023	Company 2024	Company 2023
Carrying value at the beginning of the year	9,904	14,095	-	-
Share of net attributable losses of associates	(1,487)	(4,191)	-	-
Carrying value at the end of the year	**8,417**	**9,904**	**-**	**-**
Loan to associate at the beginning of the year	**186,369**	**158,580**	**-**	**-**
- Capital	125,000	125,000	-	-
- Fair value movement on loan receivable	(11,100)	(11,100)		
- Accrued dividends	72,469	44,680	-	-
Accrued dividends repaid during the year	(19,742)	-	-	-
Accrued dividends recognised during the year	33,846	27,790	-	-
Loan to associate at the end of the year	**200,473**	**186,369**		
- Capital	125,000	125,000	-	-
- Fair value movement on loan receivable	(11,100)	(11,100)	-	-
- Accrued dividends	86,573	72,469	-	-

A cession over Rex Trueform Group Limited's ("Rex Trueform Group") shares in Ombrecorp, Ombrecorp's shares in SAWW and Ombrecorp's bank account has been provided to 27four Life as security over the loan. It is the intention of the parties that the agreement should operate as a security cession and not as an outright cession. Rex Trueform Group and Ombrecorp therefore maintain their full rights as shareholders and Ombrecorp maintains full control of its bank accounts until such time as the debt has been extinguished or in the event of default. Refer to note 26.

Ombrecorp provided shareholder funding to SAWW in order to invest in the underlying subsidiaries which conducts business in the water utility sector in accordance with water concession agreements concluded with the relevant municipalities. The shareholder funding is unsecured, bears interest at prime plus 5% and is repayable out of profits and cash available for distribution. All shareholder loan repayments are subject to 75% shareholder approval. The loan to associate has accordingly been classified as an equity instrument.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

9. Investment in associates (continued)

Fair value assessment and significant judgements

Management's assessment of the future expected cash flows of the underlying operating subsidiaries (Siza Water and Silulumanzi), in the form of dividend distributions was used to assess the recoverability of the investment, including the shareholder funding provided. The fair value assessment was done for the remaining concession term for each of the operating subsidiaries.

Based on management's assessment of expected cash flows of the operating subsidiaries, as well as the probability factors of the possible legal outcome (being probable, possible or remote) (refer to note 39), on a probability weighted scenario analysis, management concluded that no additional fair value adjustment is required in the current year (2023: Nil).

Significant unobservable inputs in relation to the investment in associate:
Accrued dividend rate: 16.25% (2023: 13.25% – 16.25%)
Term: 5.75 – 6.33 years (2023: 6.75 – 7.33 years)

9.5.2 Interest in Associate - Program Buyer Limited

Reconciliation of carrying value at the beginning and end of the year

Carrying value at the beginning of the period	5,859	-	-	-
Increase in investment at cost	-	5,924	-	-
Share of loss of associate	(980)	(65)	-	-
Impairment during the year	(4,879)	-	-	-
Carrying value at the end of the period	**-**	**5,859**	**-**	**-**

9.5.3 Interest in Associate - AI Sport Africa Proprietary Limited

Reconciliation of carrying value at the beginning and end of the year

Carrying value at the beginning of the period	-	-	-	-
Increase in investment at cost	18,000	-	-	-
Share of profit of associate	746	-	-	-
Carrying value at the end of the period	**18,746**	**-**	**-**	**-**

9.5.4 Interest in Associate

Shown as:				
Non-current assets	**227,636**	**202,133**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

10. Inventories

Inventories comprise:

Merchandise on hand	97,260	123,317	-	-
Merchandise at sea	43,900	40,930	-	-
Right to return asset	-	801	-	-
Impairment of stock	(13,951)	(13,025)	-	-
	127,209	**152,023**	**-**	**-**
Net realisable value provision beginning of year	13,025	10,176	-	-
Inventory provision included in profit or loss	926	2,849	-	-
Net realisable value provision end of year	**13,951**	**13,025**	**-**	**-**
Inventories carried at below cost	**84**	**2**	**-**	**-**

Merchandise at sea is inventory in transit from the free on board port of shipment.

As at 30 June 2024 the net realisable value provision was 9.9% of gross cost of inventory compared to 7.9% at the end of the previous financial year. The increase takes into account historic sales information, seasonality of inventory, customer preferences and gross profit margins. Management continues to monitor the impact of seasonality on the net realisable value provision and future buying plans of inventory will be adjusted as necessary.

Notes to the Consolidated and Separate Financial Statements

11. Trade and other receivables

Trade and other receivables comprise:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Trade receivables - gross	14,094	29,377	264	358
Trade receivables impairment	(1,959)	(8,383)	-	-
Trade receivables - net	12,135	20,994	264	358
Other receivables	3,299	3,081	6,932	7,544
Prepayments	10,191	13,517	222	192
VAT receivable	-	-	31	724
Total trade and other receivables	**25,625**	**37,592**	**7,449**	**8,818**

Impairment on trade receivables

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Provision for impairment at beginning of year	(8,383)	(5,643)	-	-
Provision utilised during the current year	1,458	-	-	-
Movement in provision for impairment	4,966	(2,740)	-	-
Provision for impairment at end of year	**(1,959)**	**(8,383)**	**-**	**-**

Reconciliation

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Financial instruments				
Trade receivables	12,135	20,994	264	358
Other receivables	3,299	3,081	6,932	7,544
Non-financial instruments				
VAT receivable	-	-	31	724
Prepayments	10,191	13,517	222	192
	25,625	**37,592**	**7,449**	**8,818**

Prepayments mainly comprises amounts relating to inventory.

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
At amortised cost	15,434	24,075	7,196	7,902
Non-financial instruments	10,191	13,517	253	916
	25,625	**37,592**	**7,449**	**8,818**

12. Deferred tax asset/(liability)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year	**(1,937)**	**(3,478)**	**(10,709)**	**(11,340)**
- Deferred tax assets	8,772	7,862	-	-
- Deferred tax liabilities	(10,709)	(11,340)	(10,709)	(11,340)
Charge to profit or loss	**2,508**	**401**	**(857)**	**(510)**
- Current year	2,968	(1,038)	(413)	(510)
- Prior year under provision	(460)	1,439	(444)	-
Recognised in statement of comprehensive income	**1,482**	**1,140**	**1,482**	**1,141**
- Investments	1,482	1,140	1,482	1,141
Current year movement in temporary differences recognised in profit or loss	**2,508**	**401**	**(857)**	**(510)**
- Accruals, provisions and contingent liability	(1,178)	2,656	(898)	(480)
- Income received in advance	-	(219)	-	-
- Property, plant and equipment, intangible assets and investment property	4,377	2,523	(1,136)	214
- Right-of-use asset	23,556	(11,691)	566	-
- Lease liability	(25,349)	6,450	(92)	-
- Forward exchange contracts	452	20	-	(244)
- Lease asset	(703)	(244)	703	-
- Prepaid expense	23	-	-	-
- Investments, loans and receivables	(905)	905	-	-
- Assessed loss	2,235	-	-	-
Current year movement in temporary differences recognised in statement of comprehensive income	**1,482**	**1,140**	**1,482**	**1,141**
- Investments	1,482	1,140	1,482	1,141
Balance at the end of the year	**(7)**	**(1,937)**	**(11,334)**	**(10,709)**
- Deferred tax assets	11,594	8,772	-	-
- Deferred tax liabilities	(11,601)	(10,709)	(11,334)	(10,709)
Balance at the end of the year comprising of:				
Deferred tax assets	**58,979**	**83,053**	**1,542**	**1,246**
- Lease liability	47,061	72,410	644	552
- Accruals, provisions and contingent liability	8,771	9,949	898	-
- Investments, loans and receivables	-	694	-	694
- Property, plant and equipment, intangible assets and investment property	653	-	-	-
- Forward exchange contracts	260	-	-	-
- Assessed loss	2,234	-	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

12. *Deferred tax asset/(liability) (continued)*

Deferred tax liabilities	**(58,986)**	**(84,990)**	**(12,876)**	**(11,955)**
- Property, plant and equipment, intangible assets and investment Property	(18,520)	(22,244)	(10,422)	(11,558)
- Right-of-use asset	(37,582)	(61,138)	(566)	(397)
- Lease asset	(1,100)	(397)	(1,100)	-
- Investments	(788)	-	(788)	-
- Forward exchange contracts	-	(192)	-	-
- Prepaid expense	(996)	(1,019)	-	-

The directors have considered the future profitability and on the basis that taxable income are probable in the foreseeable future, deferred tax assets have been recognised.

Deferred tax assets and liabilities are recognised on the assumption that the assets and liabilities will either be recovered through use in the future or will be realised through sale. A capital gains tax rate of 21.6% (2023: 21.6%) was used to compute deferred tax for assets and liabilities which will be realised through sale, and a rate of 27% (2023: 27%) was used for deferred tax balances to be recovered through use.

Management considers that there will be future taxable profits against which the deferred tax assets will be utilised. The deferred tax assets arise mainly in the retail and media and broadcasting segments of the group. The assessment was based on a number of factors including past profitability, approved budgets and profits into the foreseeable future for the retail segment which were presented to the board of directors. The following will positively impact profits in the future:

- The Queenspark brand is an established, trusted and well known retail brand in South Africa supported by a loyal customer base.
- The Telemedia brand is established, trusted and well known in the industry.

The deferred tax assets recognised include an amount of R2,001,020 which relates to carried-forward tax losses of Queenspark Proprietary Limited ("Queenspark") and an amount of R234,521 which relates to carried-forward tax losses of Queenspark Distribution Center Proprietary Limited ("Queenspark Distribution Center"). Both subsidiaries incurred losses during the current year. The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for each subsidiary. Both subsidiaries are expected to generate taxable income from 2025 onwards. The losses can be carried forward indefinitely and have no expiry date.

13. Income tax receivable assets and liabilities

Income tax receivable/(payable)

Current tax assets that cannot be set off	7,882	1,032	912	-
Total current tax asset per the statements of financial position	**7,882**	**1,032**	**912**	**-**
Current tax liabilities that cannot be set off	-	(2,068)	-	(337)
Total current tax liability per the statements of financial position	**-**	**(2,068)**	**-**	**(337)**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

14. Other investments

Other investments comprise the following balances

Unlisted shares				
Business Partners Limited				
- 104,800 shares at fair value	786	734	786	734
Listed shares				
Texton Property Fund Limited				
- 7,321,292 (2023: 4,406,989) shares at fair value	24,307	11,017	24,307	11,017
Sanlam Limited				
- Nil (2023: 1,356) shares at fair value	-	79	-	79
Total at fair value through other comprehensive income	**25,093**	**11,830**	**25,093**	**11,830**

On 6 December 2023 Texton Property Fund advised its shareholders of its intention to raise R 85 million by launching a fully underwritten, non-renounceable rights offer of a total of 38,636,364 ordinary no par value shares in Texton Property Fund at a price of R2.20 each. The company followed its rights and acquired 655,969 shares on 5 January 2024 for a consideration of R1,443,132. The company underwrote the rights offer and further acquired 2,258,334 shares on 12 January 2024 for a consideration of R4,968,335. The shares were revalued during the year and a fair value adjustment of R6,877,750 before tax, was recognised in other comprehensive income.

Information about the methods and assumptions used in determining fair value as provided in note 37.

15. Loans receivable

Loans receivable comprise the following balances

Loans to African and Overseas Enterprises Limited	8,247	6,473	8,247	6,473
Loan to Telemedia DRC	-	88	-	-
	8,247	**6,561**	**8,247**	**6,473**
Non-current assets	8,247	6,473	8,247	6,473
Current assets	-	88	-	-
	8,247	**6,561**	**8,247**	**6,473**

Loan to African and Overseas Enterprises Limited

At the beginning of the year	6,473	4,984	6,473	4,984
Advances during the year	917	894	917	894
Repayments during the year	(15)	-	(15)	-
Interest accrued during the year	872	595	872	595
Balance at the end of the year	**8,247**	**6,473**	**8,247**	**6,473**

The group provided financial assistance to its holding company in the form of loan facility of R14,000,000. The loan is unsecured and bears interest at the prime rate of interest. The loan is repayable by June 2028, being the tenth anniversary of the signature date of the loan, and is therefore considered to be non-current.

Notes to the Consolidated and Separate Financial Statements

15. Loans receivable (continued)

Loan to Belper Investments Proprietary Limited

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year	-	-	-	20,280
Advances during the year	-	-	-	78
Interest accrued during the year	-	-	-	325
Recognition as net interest in subsidiary	-	-	-	(20,683)
Balances at the end of the year	**-**	**-**	**-**	**-**

The company advanced an amount to Belper Investments Proprietary Limited ("Belper Investments") to acquire a portfolio of properties in Epping, Cape Town. As at 30 June 2023, the existing shareholders of Belper Investments ceded their shareholding to Rex Trueform Group Limited ("Rex Trueform") as security for the loan. The cession subsequently ceased on 3 August 2022, being the effective date on which Rex Trueform became the holder of 51% of the entire issued share capital of Belper Investments. The loan facility bears interest at prime plus 1% and is repayable on the second and third anniversaries of the loan. The capital shall be repaid by the third anniversary of the loan, being 16 May 2025 and is therefore considered to be non-current. Refer to notes 8 and 16.

Loan to Telemedia DRC

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year	88	-	-	-
Advances during the year	6	88	-	-
Impairment during the year	(94)	-	-	-
Balances at the end of the year	**-**	**88**	**-**	**-**

The loan is interest free with no fixed terms of repayment. The loan was fully impaired during the current year.

16. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Cash				
Cash on hand	1,508	-	1	-
Balances with banks	39,245	48,182	3,850	1,977
	40,753	**48,182**	**3,851**	**1,977**
Cash equivalents				
Call deposits	7,543	2,266	73	25
At the end of the year	**48,296**	**50,448**	**3,924**	**2,002**

Call deposits includes an amount of R577,500 (2023: R577,500) pledged to the City of Cape Town. Call deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

17. Ordinary share capital

17.1 Ordinary share capital

Issued and fully paid share capital				
Ordinary shares				
3,763,017 ordinary shares of no par value (2023: 3,763,017)	16,026	16,026	16,026	16,026
18,627,644 "N" ordinary shares of no par value (2023: 17,927,644)	14,596	3,886	14,596	3,886
	30,622	**19,912**	**30,622**	**19,912**
Reconciliation of movement in issued and fully paid shares				
At the beginning of the year	19,912	19,912	19,912	19,912
"N" ordinary shares issued during the period	10,710	-	10,710	-
At the end of the year	**30,622**	**19,912**	**30,622**	**19,912**

The company has 2 classes of ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to 200 votes per share at meetings of the company's shareholders. The holders of "N" 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. "N" ordinary shares have identical dividend rights to ordinary shares.

The company issued 700,000 "N" ordinary shares during the period pursuant to the share awards granted under the group's limited share incentive scheme. Refer to notes 20 and 34 for further details on the share incentive scheme.

No dividends were declared or paid by the company on ordinary and "N" ordinary shares during the year (2023: R nil).

The directors have not proposed a dividend per share in respect of the 2024 year on ordinary and "N" ordinary shares.

The unissued shares are under the control of the directors until the annual general meeting.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

17. *Ordinary share capital (continued)*

	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Ordinary shares - Authorised				
Balance of shares at end of year	**26,000,000**	**26,000,000**	**26,000,000**	**26,000,000**
Ordinary shares - Issued and fully paid				
Reconciliation of movement in issued and fully paid shares				
At the beginning of the year	3,763,017	3,763,017	3,763,017	3,763,017
Balance of shares at end of year	**3,763,017**	**3,763,017**	**3,763,017**	**3,763,017**
"N" Ordinary shares - Authorised				
Balance of shares at end of year	**120,000,000**	**120,000,000**	**120,000,000**	**120,000,000**
"N" Ordinary shares - Issued and fully paid				
Reconciliation of movement in issued and fully paid shares				
At the beginning of the year	17,927,644	17,927,644	17,927,644	17,927,644
Issued during the year	700,000	-	700,000	-
At the end of the year	18,627,644	17,927,644	18,627,644	17,927,644
Treasury shares held by subsidiaries	(560,000)	-	-	-
Number of shares in issue (net of treasury shares)	**18,067,644**	**17,927,644**	**18,627,644**	**17,927,644**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

17. Ordinary share capital (continued)

17.2 Treasury shares

"N" ordinary shares held by the Rex Trueform Share Trust as treasury shares	560,000	-	-	-
Reconciliation of movement in treasury shares				
At the beginning of the year	-	-	-	-
Shares issued in terms of the share scheme participants	10,710	-	-	-
Shares vested in terms of the share scheme participants	(2,142)		-	
At the end of the year	**8,568**	**-**	**-**	**-**

	Number of Shares	Number of Shares	Number of Shares	Number of Shares
"N" Ordinary shares - Held as treasury shares				
Reconciliation of movement in treasury shares				
At the beginning of the year	-	-	-	-
Shares issued in terms of the share scheme participants	700,000	-	-	-
Shares vested in terms of the share scheme participants	(140,000)		-	
At the end of the year	**560,000**	**-**	**-**	**-**

140,000 "N" ordinary shares were awarded to executive directors and senior executives in the current year. Refer to note 34.

17.3 Preference share capital

Authorised share capital				
Preference shares				
140,000 6% cumulative preference shares of R2 each	280	280	280	280
Issued and fully paid share capital				
Preference shares				
140,000 6% cumulative preference shares of R2 each	280	280	280	280

	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Preference share				
Balance of shares at end of year	**140,000**	**140,000**	**140,000**	**140,000**

The preference shares are unlisted non-redeemable and are entitled to receive annual dividends equal to 6% (6.00 cents per preference share). The dividends are payable in cash on a bi-annual basis. Preference shareholders are not entitled to vote at the meetings of the company’s shareholders.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

18. Share Premium

Share premium balance at the end of the year	25,836	25,836	25,836	25,836

There were no changes in the share premium balance in the current or prior period.

19. Share-based payments reserve

Non-distributable	5,468	5,468	-	-
Distributable	2,535	(214)	3,311	568
At the end of the year	**8,003**	**5,254**	**3,311**	**568**

Non-distributable reserve - an equity-settled share-based payment expense that arose as a result of the issuance of shares in Ombrecorp Trading (RF) Proprietary Limited to the non-controlling shareholders for below fair value, which resulted in an IFRS 2 expense at the time of the transaction.

Distributable reserve - an equity-settled share-based payment expense arose as a result of share options granted to executive directors and senior executives. Refer to note 34.

20. Other reserves

Revaluation of assets held at fair value through other comprehensive income*	3,363	(2,085)	3,363	(2,085)
Actuarial gain on post-retirement defined benefit plan**	1,410	1,518	1,410	1,518
	4,773	**(567)**	**4,773**	**(567)**

Movement in other reserves

Opening balance	(567)	(9,052)	(567)	(9,052)
Movements for the year:				
Revaluation of assets held at fair value through other comprehensive income*	5,448	(4,140)	5,448	(4,140)
Actuarial loss on post-retirement defined benefit plan**	(108)	(146)	(108)	(146)
Put option liability (refer to note 22)	-	12,771	-	12,771
Closing Balance	**4,773**	**(567)**	**4,773**	**(567)**

* Relates to other investments as per note 14.
** Relates to the post-retirement liability as per note 27.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

21. Non-controlling interest

The following table summarises the information relating to the group's subsidiary, Telemedia Proprietary Limited, that has material non-controlling interest, before any inter-group eliminations.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Non-controlling interest percentage	**36.29%**	**36.29%**	**-**	**-**
Non-current assets	86,273	42,313	-	-
Current assets	30,244	42,988	-	-
Non-current liabilities	(42,167)	(25,676)	-	-
Current liabilities	(15,371)	(9,622)	-	-
Net assets	**58,979**	**50,003**	**-**	**-**
Net assets attributable to non-controlling interest	21,403	18,146		
Revenue	114,250	126,715	-	-
Profit for the year	8,976	19,358	-	-
Total comprehensive income for the year	**8,976**	**19,358**	**-**	**-**
Profit for the year allocated to non-controlling interest	3,257	7,025	-	-
Net cash flows from operating activities	31,157	16,341	-	-
Net cash flows from investing activities	(79,815)	(9,541)	-	-
Net cash flows from financing activities	42,257	(2,232)	-	-
Effect of exchange rate changes on cash and cash equivalents	(75)	1,539	-	-
Net increase/ (decrease) in cash and cash equivalents	**(6,476)**	**6,107**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

22. Provisions

22.1 Provisions comprise:

Employment costs	818	4,337	818	550
Customer returns	1,896	1,706	-	-
Provision for occupancy commitments	6,169	6,125	-	-
Contingent consideration	-	9,521	-	9,521
	8,883	**21,688**	**818**	**10,071**
Included in non-current liabilities	4,321	4,961	-	-
Included in current liabilities	4,562	16,728	818	10,071
	8,883	**21,689**	**818**	**10,071**

Employment costs

The provision relates to discretionary employee bonuses.

Customer returns

It is the group's policy to accept merchandise returns 30 days after a sale has occurred or in the case of defective goods six months after sale, provided that the customer has retained proof of purchase. The amount of the provision is based on the history of sales returns.

Provision for occupancy commitments

The provision relates to obligations as a result of whiteboxing clauses contained in store leases if stores are vacated at the termination date of the leases and is based on the estimated future cost discounted at 11.75% p.a. (2023: 11.75%)

Contingent consideration

Cumulative profit undertakings given by the sellers of the shares in Telemedia for the period 1 March 2020 to 30 June 2023, amounted to R78,750,000. As at 1 March 2022, it was managements view that Telemedia will achieve R48,407,754 in profits for the warranty period. As a result the fair value of the contingent consideration payable was estimated to be R10,423,362. The contingent consideration in respect of the share price underpin was unwound and the profit warranty was determined by calculating the present value of future cash flows using a discount rate of 7.5%. The contingent consideration amounting to R12,436,716 was settled in cash during the current financial year.

Put option liability

The put option liability relates to the purchase of shares in Telemedia Proprietary Limited by the company and its holding company. The company and its holding company undertook to guarantee the repurchase of the shares in the event that a buyer of the ordinary shares cannot be found or the company and its subsidiary fail to provide the necessary consent for the sale. The guarantee gave rise to a put option liability of R12,772,459 in the company. On 1 July 2022 the company was relinquished from its undertaking to underpin the share price and its option to purchase the ordinary shares. The financial liability was therefore reversed on 1 July 2022.

Figures in R `000

22. Provisions (continued)

22.2 Movement in provisions

	Employment Costs	Customer returns	Provision for occupancy commitments	Contingent consideration	Put option liability	Total
Balance at 1 July 2023 - Group	4,338	1,705	6,125	9,521	-	**21,689**
Additions against right-of-use asset	-	-	184	-	-	**184**
Movements through profit and loss	(3,520)	191	(140)	-	-	**(3,469)**
Change in fair value of contingent consideration	-	-	-	2,915	-	**2,915**
Settlement of contingent consideration	-	-	-	(12,436)	-	**(12,436)**
Balance at 30 June 2024	**818**	**1,896**	**6,169**	**-**	**-**	**8,883**
Balance at 1 July 2022 - Group	4,493	2,131	4,712	13,337	12,772	**37,445**
Additions against right-of-use asset	-	-	1,442	-	-	**1,442**
Movement through profit and loss	(156)	(425)	-	-	-	**(581)**
Amounts utilised during the year	-	-	(29)	-	-	**(29)**
Additions through business combination	-	-	-	(4,628)	-	**(4,628)**
Finance cost on contingent consideration	-	-	-	813	-	**813**
Movement in other reserves	-	-	-	-	(12,772)	**(12,772)**
Balance at 30 June 2023	**4,337**	**1,706**	**6,125**	**9,521**	**-**	**21,689**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

22. *Provisions (continued)*

	Employment Costs	Customer returns	Provision for occupancy commitments	Contingent consideration	Put option liability	Total
Balance at 1 July 2023 - Company	**550**	**-**	**-**	**9,521**	**-**	**10,071**
Movement through profit and loss	268	-	-	-	-	**268**
Change in fair value of contingent consideration	-	-	-	2,915	-	**2,915**
Settlement of contingent consideration	-	-	-	(12,436)	-	**(12,436)**
Balance at 30 June 2024	**818**	**-**	**-**	**-**	**0**	**818**
Balance at 1 July 2022 - Company	**551**	**-**	**-**	**13,337**	**12,772**	**26,660**
Additions through business combination	-	-	-	-	-	**-**
Movement through profit and loss	(1)	-	-	-	-	**(1)**
Change in fair value of contingent consideration	-	-	-	(4,628)	-	**(4,628)**
Finance cost of contingent consideration	-	-	-	813	-	**813**
Movement in other reserves	-	-	-	-	(12,772)	**(12,772)**
Balance at 30 June 2023	**550**	**-**	**-**	**9,522**	**-**	**10,071**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

23. Trade and other payables

Trade and other payables comprise:

Trade payables	20,312	27,097	802	2,702
Deferred income	6,790	6,452	-	-
Customer Deposits	241	276	-	-
Employee benefit accruals	10,185	8,758	1,274	418
Other payables and accruals	45,464	43,727	4,374	16,056
Rental Deposits	6,895	6,424	5,679	5,308
VAT payable	942	1,403	-	-
Total trade and other payables	**90,829**	**94,137**	**12,129**	**24,484**

Deferred income from the retail segment comprises unredeemed gift vouchers and lay-by's. A corresponding amount will be recognised as revenue when the customer accepts delivery of the goods. An amount of R1,156,447 included in deferred income at 30 June 2023 has been recognised as revenue in 2024 (2023: R1,251,795).

Deferred income from the media and broadcasting segment represents advance payments received from customers for services to be provided under a yearly contracts. The advanced payments are deferred and recognised as revenue monthly over the term of the contract as the services are supplied. The deferred income of R1,784,557 at 30 June 2023 has been recognised as revenue in 2024 (2023: R3,751,686).

Other payables and accruals for the group comprises largely of merchandise at sea for which a commercial invoice has not yet been received and inventory received not invoiced.

Reconciliation

Financial instruments				
Trade payables	20,312	27,093	802	2,702
Rental deposits	6,895	6,424	5,679	5,308
Customer deposits	241	276	-	-
Other payables and accruals	45,464	43,727	4,374	16,056
Non-financial instruments				
Deferred income	6,790	6,452	-	-
VAT payable	942	1,403	-	-
Employee benefit accruals	10,185	8,758	1,274	418
	90,829	**94,133**	**12,129**	**24,484**

Categorisation of trade and other payables

Trade and other payables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	72,912	77,520	10,855	24,066
Non-financial instruments	17,917	16,613	1,274	418
	90,829	**94,133**	**12,129**	**24,484**

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

24. Lease liability

24.1 Leases as lessee (IFRS 16)

The group leases the premises of all of its stores. The leases typically run for a period of 1 to 10 years (2023: 3 to 7 years), with some leases having the option to renew the lease after that date. Where the rental payments are fixed per the lease agreements, the group recognises right-of-use assets and corresponding lease liabilities.

A small number of store rental payments are based on store turnover for which the company has not recognised a right-of-use asset and a corresponding lease liability due to the uncertainty of the amount of future lease payments. Furthermore, Queenspark Proprietary Limited also leases its head office premises and distribution facility. These leases were month to month leases for the full financial year and regarded as short term. The company has therefore elected not to recognise right-of-use assets and corresponding lease liabilities for these leases.

In the prior year, Queenspark Proprietary Limited entered into a fixed term lease with the company for its new distribution facility and has accordingly recognised a right-of-use asset and corresponding lease liability on 30 June 2023. The lease term is 9 years and 11 months with a renewal option of 3 years. The discount rate used was 11.75% p.a.

The group further leased the premises for its media and broadcasting facilities as well as parking and storage for its property facilities until May 2024. The group entered into an agreement with Telelet Proprietary Limited and The Bretherick Family trust where Telemedia Proprietary Limited purchased the nine (9) properties, previously leased, for a purchase consideration R51,500,000. Refer to notes 5 and 6 for details of the properties purchased. This resulted in the derecognition of the right of use asset of R22,523,640, the derecognition of the lease liability of R26,014,431 and a gain on termination of the lease of R3,599,914.

Information about leases for which the group is a lessee is presented below:

24.2 Lease Liability

Amounts recognised in the statement of financial position

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Capital repayments on lease liabilities	(58,283)	(57,035)	(352)	(162)
At the beginning of the year	222,465	242,326	2,179	-
New leases	50,843	66,006	-	2,341
Lease modifications	(14,733)	(28,943)	538	-
Finance cost	20,485	20,647	254	146
Finance cost paid	(20,464)	(20,536)	(234)	(146)
Capital repaid	(58,283)	(57,035)	(352)	(162)
Termination of lease	(26,014)	-	-	-
At the end of the year	**174,299**	**222,465**	**2,385**	**2,179**
Included in non-current liabilities	130,189	169,158	1,967	1,907
Included in current liabilities	44,110	53,307	418	272
	174,299	**222,465**	**2,385**	**2,179**

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

24. *Lease liability (continued)*

Fixed-term store leases	171,914	191,687	-	-
Media and broadcasting facilities	-	28,599	-	-
Property facilities	2,385	2,179	2,385	2,179
	174,299	**222,465**	**2,385**	**2,179**

Lease liabilities bear interest varying from 7.00% to 11.25% and are repayable from July 2024 to 2032 including renewable periods where applicable.

Extension options

A few property leases contain extension options exercisable by the company. These are excercisable up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the company and not by the lessors. The company assesses all extension options at lease commencement and, where reasonably certain of exercise, includes this in the IFRS 16 measurement of both the right-of-use asset and the lease liability. Where extension options are not reasonably certain to be exercised, they are appropriately excluded from IFRS measurement as per the requirements of IFRS 16.

24.3 Right-of-use asset

Amounts recognised in the statements of financial position

Buildings	139,193	189,880	2,096	2,044
	139,193	**189,880**	**2,096**	**2,044**
Carrying value at the beginning of the year	189,880	182,092	2,044	-
Additions	50,596	67,448	-	2,341
Landlord contributions	(1,264)	(491)	-	-
Lease modifications	(11,130)	945	537	-
Depreciation charge for the year	(61,242)	(60,114)	(485)	(297)
Impairment charge for the year	(5,125)	-	-	-
Termination of lease	(22,522)	-	-	-
Carrying value at the end of the year	**139,193**	**189,880**	**2,096**	**2,044**

The right of use asset comprises of the following:

Retail segment - fixed term store leases and is depreciated over 1-10 years	137,097	161,650	-	-
Media and broadcasting segment - facilities depreciated over 7-8 years	-	26,186	-	-
Property segment - facilities depreciated over 6 years	2,096	2,044	2,096	2,044
	139,193	**189,880**	**2,096**	**2,044**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

24. *Lease liability (continued)*

Impairment tests for right-of-use assets

Retail Segment

The group reviews the carrying value of right-of-use assets when events or changes in circumstances suggest that the carrying value may not be recoverable. The group assesses loss-making stores for impairment at each reporting date. The carrying values of right-of use assets were assessed for impairment by comparing it to the recoverable amount. This estimation has been done on a store level being the smallest cash generating unit to which the asset belongs. The recoverable amount of the right-of-use asset related to store leases has been determined to approximate its carrying value in the prior year, however in the current year an impairment charge of R5,125,197 (2023: Nil) was recognised.

The following significant unobservable input(s) were used in calculating the value-in-use of the cash generating units:

- Pre-tax discount rate: 17.18% (2023: 17.18%)
- Store revenue growth: store specific revenue budgets used for the year ended 30 June 2025, thereafter 5% p.a. (2023: 5% p.a.)
- Store rentals: as per leases
- General cost inflation: 5-6% p.a. (2023: 5% p.a.)

Property Segment

There has been no indication of impairment of the right-of-use assets in the property segment, therefore no impairment has been recognised.

24.4 Amounts recognised in the statements of profit or loss and other comprehensive income

	Group 2024	Group 2023	Company 2024	Company 2023
Interest on lease liabilities	20,485	20,647	254	146
Lease expenses	21,110	22,786	-	-
Short term lease expense	3,571	2,533	-	-
Variable lease payments	783	2,364	-	-
Operating, marketing and variable costs	16,756	17,889	-	-
Rent concessions received	(237)	(1,035)	-	-

24.5 Amounts recognised in the statements of cash flows

	Group 2024	Group 2023	Company 2024	Company 2023
Capital repayment on lease liabilities	58,283	57,035	352	162
Finance cost paid	20,464	20,536	234	146
Lease expenses (refer to note 29)	21,110	22,786	-	-
Rent concessions received (refer to note 29)	(237)	(1,035)	-	-

24.6 Amounts recognised in the statement of financial position

	Group 2024	Group 2023	Company 2024	Company 2023
Capital repayment on lease liabilities	(58,283)	(57,035)	(352)	(162)

Notes to the Consolidated and Separate Financial Statements

25. Interest-bearing borrowings

25.1 Interest-bearing borrowings comprise:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Secured loans to finance purchase of properties	288,245	194,199	159,461	108,320
Secured loan to finance investment in associate	106,573	101,024	-	-
	394,818	**295,223**	**159,461**	**108,320**
Non-current portion of interest-bearing borrowings	381,494	276,196	154,451	93,585
Current portion of interest-bearing borrowings	13,324	19,027	5,010	14,735
	394,818	**295,223**	**159,461**	**108,320**

25.2 Secured loans raised to finance purchase of properties

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the period	194,198	-	108,319	-
Loan received during the year	100,075	195,150	55,075	109,500
Interest accrued during the year	21,785	14,202	12,022	5,937
Interest repaid during the year	(21,977)	(14,202)	(11,987)	(6,166)
Loan repaid during the year	(5,836)	(952)	(3,968)	(952)
Balance at the end of the period	**288,245**	**194,198**	**159,461**	**108,319**

The secured loans bears interest at the 3 month JIBAR interest rate plus 2.3% to 2.8% (between 8.713% and 10.015%) and are repayable over 5 years.

A cession over Telemedia Proprietary Limited's property income has been provided to First Rand Bank as security over the loan, in the event of default.

25.3 Secured loan raised to finance investment in associate

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the period	101,023	89,792	-	-
Interest accrued during the year	13,673	11,231	-	-
Interest payments during the year	(8,123)	-	-	-
Balance at the end of the period	**106,573**	**101,023**	**-**	**-**

Ombrecorp Trading (RF) Proprietary Limited ("Ombrecorp") received loan funding from 27four Life for the sole purpose of acquiring the 30% of the group's interest in SA Water Works Holding Company (RF) Proprietary Limited ("SAWW"), refer to note 9. The loan bears interest at the 6 month JIBAR interest rate plus 5% and is repayable on or before 28 February 2029. As at 30 June 2024, the loan is not repayable within 12 months and is therefore long-term in nature. Contractually, accrued interest on the loan is not repayable within 12 months and therefore the accrued interest is also considered to be non-current. Management have made discretionary payments of accrued interest of R3,822,433 on 29 July 2024, and R10,405,699 on 20 September 2024, which has been treated as non-adjusting events after period end.

A cession over Rex Trueform Group Limited's ("Rex Trueform Group") shares in Ombrecorp, Ombrecorp's shares in SAWW and Ombrecorp's bank account has been provided to 27four Life as security over the loan. It is the intention of the parties that the agreement should operate as a security cession and not as an outright cession. Rex Trueform Group and Ombrecorp therefore maintain their full rights as shareholders and Ombrecorp maintains full control of its bank accounts until such time as the debt has been extinguished or in the event of default.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

25. Interest-bearing borrowings (continued)

25.4 Unsecured loan raised to finance insurance premiums

Balance at the beginning of the period	-	-	-	-
Loan received during the year	3,821	-	3,821	-
Interest accrued during the year	157	-	157	-
Interest repaid during the year	(157)	-	(157)	-
Loan repaid during the year	(3,821)	-	(3,821)	-
Balance at the end of the period	**-**	**-**	**-**	**-**

The unsecured loan bears interest at 4.1% and was repaid by 1 April 2024.

25.5 JIBAR Reform

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

26. Loan to / (from) group company

Loan to / (from) group company comprises:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Loan from group companies			8,028	(550)
Shown as:				
Non-current assets			8,028	-
Current liabilities			-	(550)
			8,028	**(550)**
Reconciliation of loan				
Opening Balance			(550)	(573)
- Capital			(550)	(573)
Advances during the year			14	23
Repayments during the year			(4)	-
Loan - issued for shares			10,710	-
Loan - repaid via shares			(2,142)	-
Closing balance			**8,028**	**(550)**
- Capital			8,028	(550)

The company provided financial assistance to the share trust in order to purchase the shares, which resulted in the loan becoming receivable in the current year. Refer to notes 19 and 34 for additional information on the share awards scheme. The loan receivable is interest free and is repayable before the tenth anniversary of the effective date of the loan, 26 June 2029. The loan is not expected to be repaid within 12 months and is therefore considered to be non-current.

27. Post-retirement liability

Defined benefit plan - Retirement benefit obligation

At 30 June 2024, the group had an obligation to provide limited post-retirement benefits to two members (2023: two). The benefits largely relate to medical aid contributions. The obligation is unfunded and any benefits paid are through the group's cash resources.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Reconciliation of liability				
At the beginning of the year	81	9	81	9
Loss included in other comprehensive income	108	146	108	146
Benefits paid	(91)	(74)	(91)	(74)
Amount included in statement of financial position	**98**	**81**	**98**	**81**
Amount included in other comprehensive income				
Actuarial loss	108	146	108	146

Notes to the Consolidated and Separate Financial Statements

28. Revenue

28.1 Revenue comprises:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Retail sales	703,470	719,621	-	-
Media and broadcasting income	108,192	115,109	-	-
Dividends received	878	382	878	8,845
Tenant recoveries	22,567	17,631	11,594	7,349
Management Fee Income	3,468	3,038	6,905	6,424
Profit on sale of property	45	200	-	-
Rental income	51,958	43,303	43,553	32,351
Total revenue	**890,578**	**899,284**	**62,930**	**54,969**

28.2 Sources of revenue:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Revenue from contracts with customers				
Retail sales	703,470	719,621	-	-
Management fee income	3,468	3,038	6,905	6,424
Media and broadcasting income	108,192	115,109	-	-
Tenant recoveries	22,567	17,631	11,594	7,349
Profit on sale of property	45	200	-	-
	837,742	**855,599**	**18,499**	**13,773**
Revenue from lease agreements - IFRS 16				
Rental income	**51,958**	**43,303**	**43,553**	**32,351**
Revenue other than from contracts with customers				
Dividends received				
Dividends received from subsidiary companies	-	-	-	8,500
Dividends received other	878	382	878	345
	878	**382**	**878**	**8,845**
Total revenue	**890,578**	**899,284**	**62,930**	**54,969**
Shown as:				
Retail sales	703,470	719,621	-	**-**
Other revenue	187,108	179,663	62,930	54,969
	890,578	**899,284**	**62,930**	**54,969**

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

28. Revenue (continued)

28.3 Disaggregation of revenue from contracts with customers

28.3.1 Revenue per geographical region

South Africa	812,974	825,426	18,499	13,773
Rest of Africa	13,404	19,286	-	-
Asia	4,124	5,127	-	-
Europe	3,476	3,684	-	-
North America	2,961	1,871	-	-
Australia	803	205	-	-
	837,742	**855,599**	**18,499**	**13,773**

28.3.2 Revenue per timing of transfer of goods or services

Products transferred at a point in time	703,515	719,821	-	-
Recognised over the period services are rendered	134,227	135,778	18,499	13,773
	837,742	**855,599**	**18,499**	**13,773**

Management have assessed the significance of its major customers in terms of the threshold for the current and comparative period, and have assessed that no single customer in fact meets the required disclosure threshold of contributing more than 10% of the Group's revenue.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

29. Other operating costs

29.1 Other operating costs comprise:

Amortisation	8,408	5,453	-	-
Bank charges and card commission	11,794	12,949	65	70
Communication costs	6,121	7,399	159	116
Cost of providing services	44,955	44,393	-	-
Depreciation	92,834	85,625	5,457	4,068
Employee Costs*	153,438	134,652	14,078	7,597
Gain on lease modifications	(6,791)	(29,889)	-	-
Impairment - property, plant and equipment	2,358	-	-	-
Impairment - right-of-use asset	5,125	-	-	-
Insurance	5,077	4,040	1,270	682
Lease expenses	21,110	22,786	-	-
Loss on acquisition of interest in subsidiary	-	812	-	-
Loss on disposals of property, plant and equipment	2	1,396	-	-
Managerial, technical, administrative and secretarial fees	15,887	11,964	8,470	5,540
Marketing	11,690	10,202	-	-
Other expenses	45,034	40,973	2,971	4,114
Rent concessions	(237)	(1,035)	-	-
Repairs and maintenance	6,123	6,169	2,126	2,226
Security	8,779	7,009	2,665	1,807
Transaction and acquisition costs	(3,804)	6,125	(3,804)	6,125
Utilities	48,273	36,485	11,522	7,830
Total other expenses	**476,176**	**407,508**	**44,979**	**40,175**

* Included in employee costs is a share-based payment expense of R4,890,900 relating to the employee incentive scheme. Refer to note 34 for additional information on the scheme.

29.2 Auditors Remuneration

PricewaterhouseCoopers Inc.				
Audit Fee - included in other operating costs	4,076	3,702	1,695	1,380
Fees for other services - capitalised to fixed assets	245	7	-	7
	4,321	**3,709**	**1,695**	**1,387**

Audit fees were for professional services rendered by the company's auditors for the audit of the company and group consolidated and separate financial statements.

Fees for other services were in connection with regulatory filings and compliance.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

30. Finance Income

Finance income comprises:

Accrued dividends on loan to associate	33,846	27,831	-	-
Cash and cash equivalents	3,105	4,774	657	1,020
Interest received from subsidiaries	-	-	15,161	11,639
Loan receivable from holding company	872	595	-	-
Loan receivable from investments*	-	168	-	-
Total finance income	**37,823**	**33,368**	**15,818**	**12,659**

*This interest accrued prior to acquisition of the shareholding in Belper Investments Proprietary Limited.

31. Finance costs

Finance costs included in profit or loss:

Other finance cost	352	625	160	-
Loan to finance investment in associate (Refer to note 25)	13,673	11,231	-	-
Interest on contingent consideration	-	813	-	813
Lease obligations	20,582	20,647	254	146
Interest-bearing borrowings	22,681	14,013	12,747	6,220
Total finance costs	**57,288**	**47,329**	**13,161**	**7,179**

32. Income tax expense

32.1 Income tax recognised in profit or loss:

Current tax				
Current year	10,787	32,651	4,898	5,258
Prior year adjustment	81	406	26	-
Total current tax	**10,868**	**33,057**	**4,924**	**5,258**
Deferred tax				
Originating and reversing temporary differences	(2,969)	1,038	(413)	510
Arising from prior period adjustments	460	(1,439)	(445)	-
Total deferred tax	**(2,509)**	**(401)**	**(858)**	**510**
Total income tax expense	**8,359**	**32,656**	**4,066**	**5,768**

Notes to the Consolidated and Separate Financial Statements

32. Income tax expense (continued)

32.2 The income tax for the year can be reconciled to the accounting profit as follows:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Profit before tax from operations	9,006	118,490	17,693	24,902
Income tax calculated at 27.0%	2,432	31,992	4,777	6,724
Tax effect of				
- Share of loss of associate (net of taxation)	465	1,149	-	-
- Equity-settled share-based payment	887	-	887	-
- Other non-deductible expenses	2,097	1,227	84	1,677
- Tax exempt income	(1,264)	(357)	(1,264)	(2,633)
- Impairment loss on investment in associate	1,317	-	-	-
- Tax incentives from learnerships	-	(321)	-	-
- Current-year (profit) / losses for which no deferred tax asset was recognised	1,884	-	-	-
- Prior year adjustments	541	(1,034)	(418)	-
Tax charge	**8,359**	**32,656**	**4,066**	**5,768**

Other non-deductible expenses mainly relate to the at acquisition, fair value adjustments in the subsidiary.

Tax exempt income mainly relates to dividends received during the year and the transactional fee relating to the acquisition of the subsidiary in the prior year.

32.3 The income tax for the year can be reconciled to accounting profit as follows:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Profit before tax from operations	9,006	118,490	17,693	24,902
Income tax calculated at 27.0%	27.00%	27.00%	27.00%	27.00%
Tax effect of				
- Share of loss of associate (net of taxation)	5.16%	0.97%	0.00%	0.00%
- Equity-settled share-based payment	9.85%	0.00%	5.01%	0.00%
- Other non-deductible expenses	23.28%	1.04%	0.48%	6.73%
- Tax exempt income	(14.04%)	(0.30%)	(7.14%)	(10.57%)
- Impairment loss on investment in associate	14.62%	0.00%	0.00%	0.00%
- Tax incentives from learnerships	0.00%	(0.27%)	0.00%	0.00%
- Current-year (profit) / losses for which no deferred tax asset was recognised	20.92%	0.00%	0.00%	0.00%
- Prior year adjustments	6.01%	(0.87%)	(2.36%)	0.00%
Effective tax rate	**92.81%**	**27.56%**	**22.98%**	**23.16%**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

32. Income tax expense (continued)

32.4 Amounts recognised directly in equity:

Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity through other comprehensive income:

Deferred tax

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Originating and reversing temporary differences on fair value adjustments on investments	**1,482**	**1,141**	**1,482**	**1,141**

33. Earnings per share

Basic earnings per share is derived by dividing profit for the year attributable to ordinary and "N" ordinary shareholders of the parent by the weighted average number of ordinary shares.

33.1 Basic earnings per share

	Group 2024	Group 2023
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the company	(835)	85,656
Adjusted for		
- Preference dividends attributable to preference shareholders	(17)	(17)
Earnings used in the calculation of basic earnings per share	**(852)**	**85,639**
Issued shares net of treasury shares at beginning of year	21,691	21,047
Weighted average number of shares issued and repurchased during the reporting period	86	643
Weighted average number of ordinary and “N” ordinary shares in issue	21,777	21,691

Figures in R `000

33. *Earnings per share (continued)*

33.2 Diluted earnings per share

	Group 2024	Group 2023
The earnings used in the calculation of diluted earnings per share are as follows:		
Earnings used in the calculation of basic earnings per share	(852)	85,639
Adjusted for		
- Preference dividends attributable to preference shareholders	-	(17)
Earnings used in the calculation of diluted earnings per share	**(852)**	**85,622**

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Weighted average number of ordinary shares used in the calculation of basic earnings per share	21,777	21,691
Adjusted for		
- Dilutive effect of share options	560	-
Weighted average number of diluted ordinary and “N” ordinary shares	**22,337**	**21,691**

33.3 Headline earnings per share

	Group 2024	Group 2023
The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:		
Profit for the year attributable to owners of the company	(835)	85,656
- Preference dividends attributable to preference shareholders	(17)	(17)
Profit attributable to ordinary and “N” ordinary shareholders	(852)	85,639
- Net Loss from disposal of property, plant and equipment	(43)	1,196
- Impairment on property, plant and equipment	2,358	-
- Impairment on right-of-use asset	5,125	-
- Impairment on investment in associate	4,879	
Non-headline earnings from associate		
- (Profit) / Loss from disposal of property, plant and equipment	-	168
- Total tax effects of adjustments	(3,326)	(368)
Earnings used in the calculation of headline earnings per share	**8,141**	**86,634**

Weighted average number of ordinary shares used in the calculation of headline earnings per share	21,777	21,691

33.4

Basic earnings per ordinary share (cents)	(3.91)	394.82
Headline earnings per ordinary share (cents)	37.38	399.41
Diluted earnings per ordinary share (cents)	(3.81)	394.74
Diluted headline earnings per ordinary share (cents)	36.45	399.41

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

34. Related parties and directors' emoluments

34.1 Related parties

The group has disclosed all significant related party transactions in terms of IAS 24 Related Party Disclosure.

Shareholders

The group's holding company is African and Overseas Enterprises Limited, registered in South Africa. An analysis of the principal shareholders of the company is provided in the shareholders' information section on page 131 to 132. Directors' shareholding is disclosed in the directors' report and in note 34.2.

Subsidiaries

Intragroup transactions and balances with subsidiaries, listed in note 8, have been eliminated on consolidation.

Associate

The associate companies are SA Water Works Holding Company (RF) Proprietary Limited, Program Buyer Limited and AI Sport Africa Proprietary Limited, as listed in note 9. Transactions with these companies are disclosed below.

Other related parties

Media Cloud Proprietary Limited, Media Host Proprietary Limited, Red Pepper Pictures Proprietary Limited, Texton Property Fund Limited and Geomer Managerial Services Proprietary Limited are all entities related to the groups ultimate holding company, Geomer Investments Proprietary Limited.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

34. Related parties and directors' emoluments (continued)

Entity name and nature of relationship	Nature of service
African and Overseas Enterprises Limited, parent company	Provision of interest bearing loan funding to holding company for working capital requirements
AI Sport Africa Proprietary Limited	Customer of Telemedia. Provision of media and broadcasting services.
Augusta Road Management Proprietary Limited, associate of a director and minority shareholder of Belper Investments Proprietary Limited	Provides property management services
Belper Investments Proprietary Limited	Funds advanced for the purchase of properties
BSF Breeding Proprietary Limited, associate of MA Golding	Tenant to Belper Investments
Dropcast Proprietary Limited, associate of key management of Telemedia	Supplier of goods to Telemedia
Geomer Managerial Services Proprietary Limited, wholly subsidiary of Geomer Investments Proprietary Limited	Monthly management fees for strategic, financial and legal advice as well as day to day activities. Transactional advisory fees for mergers and acquisitions.
Media Cloud Proprietary Limited, subsidiary of Geomer Investments Proprietary Limited	Customer of Telemedia. Provision of media and broadcasting services.
Media Host Proprietary Limited, subsidiary of Geomer Investments Proprietary Limited	Customer of Telemedia. Provision of media and broadcasting services.
Ombrecorp Trading (RF) Proprietary Limited	Funds advanced by Rex Trueform to Ombrecorp Trading for the acquisition of an interest in and advancement of funds to SA Water Works Holding Company for its acquisition of Silulumanzi and Siza Water. Management fees received by Ombrecorp from SA Water Works Holding Company for the management of its investments. Payment of management fees to Rex Trueform for the management of its investments in SAWW and its subsidiaries as well as for financial administration and company secretarial services.
Queenspark Distribution Centre Proprietary Limited	Monthly management fees for day to day activities and funds advanced for development of properties
Queenspark Proprietary Limited	Queenspark leases premises from Rex Trueform for its head office administration and from Queenspark Distribution Centre for its warehousing and distribution centre. Queenspark pays management fees to Rex Trueform for day to day management activities.
Quoin Online Proprietary Limited, associate of a director and minority shareholder of Belper Investments Proprietary Limited	Provides property management services

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

34. Related parties and directors' emoluments (continued)

Entity name and nature of relationship	Nature of service
Red Pepper Pictures Proprietary Limited, subsidiary of Geomer Investments Proprietary Limited	Customer of Telemedia. Provision of media and broadcasting services.
Rentals and Workflows Proprietary Limited, subsidiary of Geomer Investments Proprietary Limited	Customer of Telemedia. Provision of media and broadcasting services.
SA Water Works Holding Company (RF) Proprietary Limited	Funds advanced for the purchase of investments. Fees are paid by SA Water Works Holding Company to Rex Trueform for financial administration and company secretarial services.
Telemedia Proprietary Limited	Fees are paid by Telemedia to Rex Trueform for financial, company secretarial and management services
Telelet Proprietary Limited, associate of minority shareholder of Telemedia	Telemedia leases premises from Telelet, until such time that the premises were purchased by Telemedia
Texton Property Fund Limited, associate of MA Golding	Dividends received from investment in shares, and shares purchased under rights offer. Refer to note 14.
The Bretherick Family Trust, associate of minority shareholder of Telemedia	Telemedia leased premises from The Bretherick Family Trust, until such time that the premises were purchased by Telemedia
The Horse Racing Channel Proprietary Limited, associate of key management of Telemedia	Customer of Telemedia. Provision of media and broadcasting services.
Tru-Fi Electronics S A Proprietary Limited, associate of minority shareholder of Telemedia.	Supplier of goods to Telemedia

Notes to the Consolidated and Separate Financial Statements

34. *Related parties and directors' emoluments (continued)*

Related party transactions during the period were as follows:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Goods purchased				
– Queenspark Proprietary Limited	-	-	211	237
– Tru-Fi Electronics S A Proprietary Limited	29	56	-	-
– Media Cloud Proprietary Limited	26	-	-	-
– Dropcast Proprietary Limited	45	-	-	-
Media and broadcasting income				
– AI Sport Africa Proprietary Limited	607	-	-	-
– Media Cloud Proprietary Limited	948	534	-	-
– Media Host Proprietary Limited	752	663	-	-
– Red Pepper Pictures Proprietary Limited	-	-	-	-
– Rentals and Workflows Proprietary Limited	69	218	-	-
– The Horse Racing Channel Proprietary Limited	-	112	-	-
– Tru-Fi Electronics S A Proprietary Limited	-	91	-	-
– Telelet Proprietary Limited	-	185	-	-
Rental income received				
– Queenspark Proprietary Limited	-	-	7,797	2,643
– BSF Breeding Proprietary Limited	726	59	-	-
Tenant recoveries				
– Queenspark Proprietary Limited	-	-	3,059	876
– BSF Breeding Proprietary Limited	848	123	-	-
Rental expense paid				
– The Bretherick Family Trust	225	244	-	-
– Telelet Proprietary Limited	5,712	5,566	-	-
Operational Cost				
– Queenspark Proprietary Limited	-	-	-	200
ICT Fee				
– Queenspark Proprietary Limited	-	-	120	59
Management and administration fees received				
– Ombrecorp Trading (RF) Proprietary Limited	-	-	2,519	2,410
– Queenspark Proprietary Limited	-	-	2,100	1,781
– Queenspark Distribution Centre Proprietary Limited	-	-	-	312
– SA Water Works Holding Company (RF) Proprietary Limited	3,203	2,959	728	634
– Telemedia Proprietary Limited	-	-	1,292	1,207
– Augusta Road Management Proprietary Limited	73	-	-	-
– Quoin Online Proprietary Limited	192	-	-	-
Management and administration fees paid			-	-
– Geomer Managerial Services Proprietary Limited	2,898	7,965	2,898	7,965
– Queenspark Proprietary Limited	-	-	-	7,512
– Quoin Online Proprietary Limited	3,050	-	2,450	-
– Augusta Road Management Proprietary Limited	1,750	-	1,750	-
Transaction fees paid				
– Geomer Managerial Services Proprietary Limited	-	2,760	-	2,760
– Quoin Online Proprietary Limited	-	3,533	-	1,333

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
34. Related parties and directors' emoluments (continued)				
Finance income				
– African and Overseas Enterprises Limited	872	595	872	595
– Ombrecorp Trading (RF) Proprietary Limited	-	-	10,414	8,605
– Belper Investments Proprietary Limited	-	-	3,183	2,267
Accrued dividends on loan to associate	-	-		
– SA Water Works Holding Company (RF) Proprietary Limited	33,846	27,790	-	-
Dividend income				
– Queenspark Proprietary Limited	-	-	-	4,500
– Queenspark Distribution Centre Proprietary Limited	-	-	-	4,000
– Texton Property Fund Limited	849	308	849	-
Loans receivable				
– African and Overseas Enterprises Limited	8,247	6,473	8,247	6,473
– Ombrecorp Trading (RF) Proprietary Limited	-	-	81,571	77,137
– Rex Trueform Share Trust	-	-	8,028	-
– SA Water Works Holding Company (RF) Proprietary Limited	211,573	197,469	-	-
– Belper Investments Proprietary Limited	-	-	27,122	22,939
– Queenspark Distribution Centre Proprietary Limited	-	-	27,330	-
Loans payable				
– Rex Trueform Share Trust	-	550	-	550
Current accounts receivable				
– Queenspark Proprietary Limited	-	-	-	8,664
– Media Cloud Proprietary Limited	-	68	-	-
– Ombrecorp Trading (RF) Proprietary Limited	-	-	-	98
Current accounts payable				
– Queenspark Proprietary Limited		-	146	-
– Ombrecorp Trading (RF) Proprietary Limited		-	51	-
– Telemedia Proprietary Limited		-	7	-
Amounts capitalised to fixed assets				
– Geomer Managerial Services Proprietary Limited	4,780	-	3,500	-
– Quoin Online Proprietary Limited	840	-	-	-
Right-of-use assets				
– Telelet Proprietary Limited	Refer to note 24	Refer to note 24	-	-
Lease liability				
– Telelet Proprietary Limited	Refer to note 24	Refer to note 24	-	-
Contingent consideration paid				
– The Bretherick Family Trust	8,425	-	8,425	-
– P Bretherick	2,139	-	2,139	-
– S Bretherick	936	-	936	-
– R Bretherick	936	-	936	-

34. Related parties and directors' emoluments (continued)

34.2 Directors' emoluments

Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling activities of the group, directly or indirectly.

No key management personnel other than already disclosed had a material interest in any contract of significance with any group company during the year under review or in the prior year.

Figures in R `000

34. Related parties and directors' emoluments (continued)

34.2.1 Directors' remuneration

Details relating to executive and non-executive directors’ remuneration is disclosed below:

2024

	Directors' Fees	Fees for other services ^	Basic Salary	Performance related payments	Share-based payment	Value of other benefits *	Retirement fund contributions	Total 2024
Executive Directors								
MA Golding	-	-	490	-	574	-	-	1,064
D Franklin	-	-	1,659	410	287	64	77	2,497
CL Lloyd	-	-	-	-	287	-	-	287
	-	**-**	**2,149**	**410**	**1,148**	**64**	**77**	**3,848**
Non- Executive Directors								
PM Naylor	404	85	-	-	-	-	-	489
HB Roberts	162	97	-	-	-	-	-	259
LK Sebatane ~	121	28	-	-	-	-	-	149
MR Molosiwa	162	37	-	-	-	-	-	199
B Ntshingwa #	40	9	-	-	-	-	-	49
	889	**256**	**-**	**-**	**-**	**-**	**-**	**1,145**
Key Management								
WD Nel	**-**	**-**	**-**	**-**	**287**	**-**	**-**	**287**
Total	**889**	**256**	**2,149**	**410**	**1,435**	**64**	**77**	**5,280**
Paid by company	889	256	2,149	410	1,435	64	77	5,280
Paid by subsidiary	-	-	-	-	-	-	-	-
	889	**256**	**2,149**	**410**	**1,435**	**64**	**77**	**5,280**

Figures in R `000

34. *Related parties and directors' emoluments (continued)*

^ These are fees for services rendered in respect of the audit, risk, social and ethics, and retirement fund committees
* These are benefits relating to fringe benefits on interest free loans, life insurance, disability insurance and funeral insurance
# B Ntshingwa appointed as a board member of the company with effect from 1 April 2024
~ LK Sebatane resigned as a board member of the company with effect from 28 March 2024

2023

	Directors' Fees	Fees for other services^	Basic Salary	Performance related payments	Share-based payment	Value of other benefits*	Retirement fund contributions	Total 2023
Executive Directors								
MA Golding ~	-	-	489	-	-	-	-	489
D Franklin	-	-	1,510	260	-	60	68	1,898
CL Lloyd	-	-	-	-	-	-	-	-
	-	**-**	**1,999**	**260**	**-**	**60**	**68**	**2,387**
Non- Executive Directors								
PM Naylor >	185	134	-	-	-	-	-	319
HB Roberts	162	85	-	-	-	-	-	247
LK Sebatane	162	37	-	-	-	-	-	199
MR Molosiwa	162	-	-	-	-	-	-	162
	671	**256**	**-**	**-**	**-**	**-**	**-**	**927**
Key Management								
WD Nel	-	-	-	-	-	-	-	-
Total	**671**	**256**	**1,999**	**260**	**-**	**60**	**68**	**3,314**
Paid by company	671	256	1,244	260	-	30	34	2,495
Paid by subsidiary	-	-	755	-	-	30	34	819
	671	**256**	**1,999**	**260**	**-**	**60**	**68**	**3,314**

34. Related parties and directors' emoluments (continued)

^ These are fees for services rendered in respect of the audit, risk, social and ethics, and retirement fund committees

* These are benefits relating to fringe benefits on interest free loans, life insurance, disability insurance and funeral insurance

~ MA Golding appointed as the Chief Executive Officer of the company with effect from 1 August 2022

> PM Naylor assumed the role of Independent Non-Executive Chairman of the Board of Directors with effect from 1 August 2022

Figures in R `000

34. Related parties and directors' emoluments (continued)

34.2.2 Directors' interests in shares

The interest of directors in the ordinary shares of the company at 30 June was as follows:

	NUMBER OF SHARES			
Director	**Held directly**	**Held indirectly in the company**	**Effective interest held indirectly via the holding company**	**Total**
2024				
MA Golding [1]	-	1,032,156	862,179	**1,894,335**
HB Roberts [2]	-	328,806	1,053,268	**1,382,074**
CL Lloyd	-	-	11,292	**11,292**
Total	**-**	**1,360,962**	**1,926,739**	**3,287,701**
2023				
MA Golding [1]	-	1,032,156	849,138	**1,881,294**
HB Roberts [2]	-	328,806	1,053,268	**1,382,074**
CL Lloyd	-	-	11,292	**11,292**
Total	**-**	**1,360,962**	**1,913,698**	**3,274,660**

The interest of directors in the "N" ordinary shares of the company at 30 June was as follows:

	NUMBER OF SHARES			
Director	**Held directly**	**Held indirectly in the company**	**Effective interest held indirectly via the holding company**	**Total**
2024				
MA Golding [1]	-	3,877,050	3,764,098	**7,641,148**
HB Roberts [2]	-	3,936,511	4,598,350	**8,534,861**
CL Lloyd	35,848	-	49,297	**85,145**
D Franklin	102,686	-	-	**102,686**
Total	**138,534**	**7,813,561**	**8,411,745**	**16,363,840**
2023				
MA Golding [1]	-	3,230,290	3,707,165	**6,937,455**
HB Roberts [2]	-	3,936,511	4,598,350	**8,534,861**
CL Lloyd	110,848	-	49,297	**160,145**
D Franklin	77,686	-	-	**77,686**
Total	**188,534**	**7,166,801**	**8,354,812**	**15,710,147**

The interest of directors in the preference shares of the company at 30 June was as follows:

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

34. Related parties and directors' emoluments (continued)

	NUMBER OF SHARES			
Director	**Held directly**	**Held indirectly in the company**	**Effective interest held indirectly via the holding company**	**Total**
2024				
HB Roberts [2]	-	-	499	**499**
Total	**-**	**-**	**499**	**499**
2023				
HB Roberts [2]	-	-	499	**499**
Total	**-**	**-**	**499**	**499**

[1] Shares held via Geomer Investments Proprietary Limited and Geomer Employees Investments Proprietary Limited

[2] Shares held via Ceejay Trust, Gingko Investments 2 Proprietary Limited and Gingko Trading Proprietary Limited

Geomer Investments Proprietary Limited has 1,032,156 ordinary shares and 3,862,050 "N" ordinary shares pledged as security until 20 November 2024 in respect of a rolling facility with a financial institution, in the amount of R70.6m as at 30 June 2024. Marcel Golding, the director and Chief Executive Officer of Rex Trueform Group Limited, is the ultimate shareholder of Geomer Investments Proprietary Limited.

The Ceejay Trust, Gingko Investments No2 Proprietary Limited and Gingko Trading Proprietary Limited have 328,806 ordinary shares and 3,936,511 “N” ordinary shares pledged as security related to borrowings in the amount of R19.5m as at 30 June 2024. These borrowings are repayable in the amounts of R2.8m on 30 November 2024 and R4.1m on 30 June 2025 with the balance having no fixed repayment date. Gingko Investments No2 Proprietary Limited and Gingko Trading Proprietary Limited are wholly-owned by The Ceejay Trust and Hugh Roberts, a non-executive director, is a beneficiary of The Ceejay Trust.

Figures in R `000

34. *Related parties and directors' emoluments (continued)*

34.2.3 Employee incentive scheme

The Rex Trueform Share Trust was created to facilitate an employee share incentive scheme. The employee incentive scheme was approved by shareholders at the annual general meeting held on 30 November 2018. The purpose of this scheme is to ensure that employees, including directors holding permanent salaried employment or office in the company or any of its subsidiaries, are encouraged and motivated to pursue continued employment within the company (or its subsidiaries), and to accordingly afford them with the opportunity to acquire an interest in the “N” ordinary share capital of the company. The salient features of the employee incentive scheme are contained in the notice of annual general meeting dated 26 October 2018.

The Rex Trueform Share Trust currently holds 560,000 (2023: Nil) “N” ordinary shares in reserve for future utilisation.

As at the beginning of the financial year under review, being 1 July 2023, there were 11,807,862 "N" ordinary shares that could be utilised for purposes of the Employee Incentive Scheme. As at 1 July 2023, there were no options in respect of the Rex Trueform "N"ordinary shares that were in issue and no options in respect of the Rex Trueform "N" ordinary shares had been cancelled by or issued to employees during the financial year under review. During the financial year under review, share awards in respect of 700,000 "N" ordinary shares in aggregate were granted to certain group employees as announced on SENS on 17 May 2024, of which 700,000 "N" ordinary shares were issued to the Rex Trueform Share Trust. The Awards will vest in five equal tranches over five years commencing in June 2024, with the final vesting date being on or before 30 June 2028, and are subject to the respective director, prescribed officer or company secretary still being in the employ of the Company as at the date of each vesting. Pursuant to the share awards granted, 140,000 "N" ordinary shares were transferred to employees on 11 June 2024. As at the end of the financial year under review, being 30 June 2024, there were 11,107,862 "N" ordinary shares that could be utilised for purposes of the Employee Incentive Scheme.

	No. of share options as at 1 July 2023	Share awards granted / (forfeited) during the year (number)	Award price	Subscription price of shares	Acceptance date	Shares transferred to grantee during the year	No. of share awards as at 30 June 2024	Realised gains for the year ended 30 June 2024	Unrealised gains as at 30 June 2024
Executive Directors									
MA Golding	-	250,000	nil	nil	11-Jun-24	50,000	200,000	574	2,202
CL Lloyd	-	125,000	nil	nil	11-Jun-24	25,000	100,000	287	1,101
D Franklin	-	125,000	nil	nil	11-Jun-24	25,000	100,000	287	1,101
	-	**500,000**				**100,000**	**400,000**	**1,148**	**4,404**
Senior Executives									
WD Nel	-	125,000	nil	nil	11-Jun-24	25,000	100,000	287	1,101
A Gihwala	-	75,000	nil	nil	11-Jun-24	15,000	60,000	172	661
	-	**200,000**				**40,000**	**160,000**	**459**	**1,762**
Total	**-**	**700,000**				**140,000**	**560,000**	**1,607**	**6,166**
Average option price (Rand)							**nil**		

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

35. Notes to the statements of cash flows

35.1 Cash flows from operating activities

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Profit for the year	647	85,834	13,627	19,134
Adjustments for:				
Income tax expense	8,359	32,656	4,066	5,768
Finance income	(37,823)	(33,369)	(15,818)	(12,659)
Finance costs	57,288	47,329	13,161	7,179
Depreciation, amortisation and impairment expense	108,725	91,078	5,457	4,068
Movement in provision for impairment on trade receivables	(4,966)	2,883	-	-
Impairment loss on loan	94	-	-	-
Unrealised foreign exchange gains and losses	1,674	76	-	-
Dividends received	(878)	(382)	(878)	(8,845)
Gain on lease modification	(6,791)	(29,889)	-	-
Share of loss from associate	1,721	4,256	-	-
Impairment loss on investment in associate	4,879	-	-	-
Reversal of success fee accrual	(3,500)	-	(3,500)	-
Equity-settled share based payment	4,891	-	4,891	-
Flooring allowances received	-	541	-	-
Gains and losses on disposal of non-current assets	43	1,396	-	-
Movement in post-retirement liability	17	(75)	17	(75)
Change in fair value of contingent consideration	2,915	(4,628)	2,915	(4,628)
Movement in inventory provision	925	2,849	-	-
Other non-cash movement	(241)	190	31	(205)
Loss on acquisition of interest in subsidiary	-	812	-	-
Working capital changes:				
Adjustments for decrease / (increase) in inventories	23,889	(29,912)	-	-
Adjustments for (increase) / decrease in trade and other receivables	15,528	(7,425)	(1,235)	(1,948)
Adjustments for increase in trade and other payables and provisions	(16,237)	317	(20,642)	9,465
Net cash flows from operations	**161,159**	**164,537**	**2,092**	**17,255**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

35. Notes to the statements of cash flows (continued)

35.2 Income tax paid

Amounts (payable)/ receivable at the beginning of the year	(1,036)	17,676	(337)	121
Amounts (receivable)/ payable at the end of the year	(7,882)	1,036	(912)	337
Taxation expense	(8,359)	(32,656)	(4,066)	(5,768)
Deferred taxation included in taxation expense	(2,508)	(402)	(858)	509
	(19,785)	**(14,346)**	**(6,173)**	**(4,801)**

35.3 Dividends paid

Dividend on 6% cumulative preference shares	17	17	17	17
	17	**17**	**17**	**17**

35.4 Dividends received

Dividends received from subsidiary companies	-	-	-	8,500
Dividends received other	878	382	878	345
	878	**382**	**878**	**8,845**

35.5 Interest received

Finance income - Cash and cash equivalents (Refer note 30)	3,105	4,776	657	1,020
Finance income - Loan receivable (Refer note 8)	-	-	6,385	-
Accrued dividends - Loan to associate (Refer note 8)	19,742	-	-	-
	22,847	**4,776**	**7,042**	**1,020**

35.6 Interest paid

Lease Liability (Refer note 24)	(20,464)	(20,536)	(234)	(146)
Interest-bearing borrowings	(30,257)	(14,202)	(12,144)	(6,166)
Other	(352)	(624)	(254)	-
	(51,073)	**(35,361)**	**(12,632)**	**(6,312)**

Other interest mainly relates to interest charged to creditors.

35.7 Loan repaid

Interest-bearing borrowings	(9,657)	(952)	(7,789)	(952)
	(9,657)	**(952)**	**(7,789)**	**(952)**

Notes to the Consolidated and Separate Financial Statements

35. Notes to the statements of cash flows (continued)

35.8 Loan received

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Interest-bearing borrowings	103,897	109,500	58,896	109,500

35.9 Loan advanced

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Loan to subsidiary company	-	-	(14)	(23)
Loan to holding company	(917)	(894)	(917)	(894)
Loan to Queenspark Distribution Centre	-	-	(27,043)	-
Loan to Belper Investments	-	-	(1,100)	(78)
Loan to Telemedia Africa	(6)	(88)	-	-
	(923)	**(982)**	**(29,074)**	**(995)**

36. Capital Commitments

Capital commitments include all projects for which specific board approval has been obtained.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Authorised but not yet contracted for				
Investment property	5,680	6,749	180	6,749
Store development	7,042	14,100	-	-
Head office refurbishment	25	68	-	-
Plant and machinery	19,141	27	9,628	-
Computer infrastructure and software	691	450	435	30
Total	**32,579**	**21,394**	**10,243**	**6,779**
Authorised and contracted for (less amounts already incurred)				
Investment property	1,396	-	-	-
Store development	-	1,317	-	-
Plant and machinery	-	1,821	-	-
Computer infrastructure and software	6,110	11,925	-	-
Total	**7,506**	**15,062**	**-**	**-**

The capital commitments will be financed by cash resources and cash generated from operations and are expected to be incurred in the following year.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. Financial Instruments

37.1 Carrying value

Financial instruments at amortised cost				
Lease liabilities***	(174,299)	(222,465)	(2,385)	(2,179)
Trade and other receivables**	15,434	24,075	7,196	7,902
Loans receivable from subsidiary companies***	-	-	136,951	92,976
Cash and cash equivalents**	48,296	50,448	3,924	2,002
Loans receivable***	8,247	6,561	8,247	6,473
Trade and other payables**	(66,017)	(71,100)	(5,176)	(18,758)
Rent deposits***	(6,895)	(6,424)	(5,679)	(5,308)
Interest-bearing borrowings***	(394,818)	(295,223)	(159,461)	(108,320)
Loan payable from group company***	-	-	-	(550)
	(570,052)	**(514,128)**	**(16,383)**	**(25,761)**

** Approximates the fair value of the financial instruments as all short term in nature (no time value of money applicable).
*** Approximates the fair value of the financial instrument as it is linked to market related interest rates.

Financial instruments at fair value through other comprehensive income				
Other investments - Listed shares (Level 1)	24,307	11,097	24,307	11,097
Other investments - Unlisted shares (Level 2)	786	734	786	734
	25,093	**11,830**	**25,093**	**11,830**

Financial instruments at fair value through profit or loss				
Forward exchange contracts (Level 2)	(962)	712	-	-
Loan to associate (Level 3)	200,473	186,369	-	-
Contingent consideration (Level 3)	-	(9,522)	-	(9,522)
	199,511	**177,559**	**-**	**(9,522)**

Valuation of financial instruments

The group measures fair values using the following fair value hierarchy that reflects the significance of each input used in making these measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices) This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between not based on observable data and the observable inputs have a significant effect on the instruments' valuation.

The fair value of held at fair value through other comprehensive income assets was based on the latest market price of the invested shares.

37. Financial Instruments (continued)

Fair values of forward exchange contracts was determined by comparing the contracted forward rate to the present value of the current forward rate of an equivalent contract with the same maturity date.

The fair value of the loan to associate was calculated by using the income approach. This approach used the estimated future cash flows and present value these cash flows using the applicable weighted average cost of capital. A probability weighted scenario analysis is then performed on these discounted forecasted future cash flows. Refer to note 37.6 for the market risk sensitivity analysis.

37.2 Credit risk

Credit risk is the risk of financial loss to the group or company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises on trade and other receivables, cash and cash equivalents, loan receivables and intercompany receivables.

The risk arising on accounts receivables is managed through a group policy on the granting of credit, continual review and monitoring of all receivables balances and includes applying payment terms and monitoring of any overdue amounts.

Credit risk is minimised through an initial new client acceptance procedure whereby potential customers are individually assessed.

Listings of overdue customer balances are reviewed monthly. Any customer exceeding their credit terms must settle their overdue balances before any further credit is extended. Appropriate action is taken to recover long overdue debts. Normal credit terms are 30 days from invoice date.

The material recurring trade debtors comprises of amounts receivable from media and broadcasting segment customers.

Tenants are required to provide deposits or guarantees and other security where necessary. The tenant credit rating process includes obtaining references, obtaining copies of tax compliance certificates (or other related documents), assessment of financial results to establish its financial standing, and reviewing credit reports.

Accounts receivable from subsidiary companies are monitored by reviewing daily cash balances and cash flow forecasts.

The credit risk on cash and cash equivalents is managed through dealing with well-established financial institutions with high credit standings.

Credit loss allowances for expected credit losses ("ECLs") are recognised for all financial assets, but excluding those measured at fair value through profit or loss.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus, the basis of the loss allowance for a specific financial asset could change year on year.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. *Financial Instruments (continued)*

When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. Trade receivables which do not contain a significant financing component are the exceptions and are discussed below.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counter party default rates. The credit rating currently applicable is BB- (2023: BB-) based on the long term issuer default rating obtained from reputable publicly available sources.

Impairment under IFRS 9 will apply to cash and cash equivalents being measured at amortised cost. These are held with reputable bank institutions. Accordingly, there is no significant ECL on such asset as the ECL was immaterial for recognition.

<u>Exposure to credit risk</u>

The carrying amount of financial assets represents the maximum credit exposure.
The maximum exposure to credit risk at the reporting date was:

Trade receivables (refer to note 11)	12,135	20,994	264	358
Other receivables - not past due (refer to note 11)*	3,299	3,081	6,932	7,544
Loans receivable - not past due (refer to note 15)*	8,247	6,561	8,247	6,473
Loans receivable from subsidiary companies - not past due (refer to note 8 and 9)	-	-	136,951	92,976
Cash and cash equivalents (refer to note 16)	48,296	50,448	3,924	2,002
	71,977	**81,084**	**156,318**	**109,353**

*Further disclosure pertaining to the ECL on other receivables and loan receivables has not been provided as it was not significant, due to rounding.

The credit risk of trade receivables can be assessed by reference to their customer type and industry in which they operate and are categorised and ranked by concentration of risk. The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was as follows:

Media and broadcasting segment	8,552	15,631	-	-
Property segment	2,353	4,734	60	358
Retail segment	1,230	630	-	-
	12,135	**20,995**	**60**	**358**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. *Financial Instruments (continued)*

Impairment losses

The ageing of all trade receivables as at the reporting date was as follows:

Gross				
Not past due	8,881	9,164	-	358
Past due 0 - 30 days	2,646	3,183	259	-
Past due 31 - 60 days	485	427	4	-
Past due 61 - 90 days	366	6,529	-	-
Past due > 91 days	1,716	10,074	1	-
	14,094	**29,377**	**264**	**358**

Given the magnitude of the contribution together with the credit risk profile of the type the customers in the various segments of the group, we further assessed the aging of trade receivables for the media and broadcasting segment as follows:

Gross				
Not past due	8,280	6,683	-	-
Past due 0 - 30 days	784	1,195	-	-
Past due 31 - 60 days	293	435	-	-
Past due 61 - 90 days	37	6,781	-	-
Past due > 91 days	1,116	8,920	-	-
	10,510	**24,014**	**-**	**-**

The media and broadcasting segment's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. No loss allowance was determined for the other trade receivables as the risk has been assessed as sufficiently low. The loss allowance provision for the media and broadcasting segment is determined as follows:

Impaired				
Not past due	693	527	-	-
Past due 0 - 30 days	128	125	-	-
Past due 31 - 60 days	143	100	-	-
Past due 61 - 90 days	25	2,589	-	-
Past due > 91 days	970	5,042	-	-
	1,959	**8,383**	**-**	**-**

The expected loss rate for the media and broadcasting segment is as follows:

Expected loss rate				
Not past due	8%	8%	-	-
Past due 0 - 30 days	16%	10%	-	-
Past due 31 - 60 days	49%	23%	-	-
Past due 61 - 90 days	68%	38%	-	-
Past due > 91 days	87%	57%	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. *Financial Instruments (continued)*

Where the expected credit loss % increased from the prior year, this is mainly in relation to the change in the composition of the debtors' book, as well as the risk profile of the customer and industry.

An analysis of the credit quality of trade receivables that are past due but not impaired is as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
Media and broadcasting segment	964	9,475	-	-
Retail segment	630	234	-	-
	1,594	**9,709**	**-**	**-**

Management assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Certain customers have a long standing credit history with the group and/or have provided the group with bank guarantees. Retail segment receivables have been fully settled subsequent to year end.

Impairment losses on financial assets recognised in profit or loss

	Group 2024	Group 2023	Company 2024	Company 2023
Impairment losses on trade receivables - movement in loss allowance (refer to note 11)	4,966	(2,740)	-	-
	4,966	**(2,740)**	**-**	**-**

Impairment losses on trade receivables relate to receivables arising from contracts with customers.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. Financial Instruments (continued)

37.3 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses to the group.

The risk is managed through cash flow forecasts and the optimisation of daily cash management.

The expected maturity profile of financial liabilities based on contractual undiscounted payments is as follows:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Less than one year - excluding interest-bearing borrowings				
Trade payables	20,312	27,097	802	2,702
Other payables and accruals	45,464	43,727	4,374	16,056
Rent deposits	6,895	6,424	5,679	5,308
Loan payable from group company	-	-	-	550
	72,671	**77,248**	**10,855**	**24,615**
Interest-bearing borrowings maturity profile				
Within one year	43,450	27,643	21,389	14,192
Between one and two years	44,291	29,467	22,229	16,015
Between two and five years*	373,251	214,743	164,810	122,839
After five years	36,396	101,024	-	-
	497,388	**372,877**	**208,428**	**153,046**

* The comparative for the group has been restated to account for a balloon repayment of R65m which was erroneously excluded from the calculation of the contractual undiscounted payments between two and five years.

Included in interest-bearing borrowings is the secured loan to finance the investment in associate. This loan has no set repayment date and is payable on or before 28 February 2029.

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Lease liabilities maturity profile				
Within one year	64,231	75,833	648	448
Between one and two years	52,244	60,029	688	484
Between two and five years	85,447	110,165	1,632	1,697
After five years	21,409	40,689	-	103
	223,331	**286,716**	**2,968**	**2,732**

The expected cash flows related to forward exchange contracts will occur as follows:

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023
Carrying amount	(962)	712	-	-
Contractual cash outflows	70,984	14,108	-	-
Less than one year	70,984	14,108	-	-

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. *Financial Instruments (continued)*

37.4 Interest rate risk

The group is exposed to interest rate risk as set out in the table below.

Variable-rate instruments				
Loans receivable from subsidiary companies (refer to note 8)	-	-	128,923	92,976
Cash and cash equivalents (refer to note 16)	48,296	50,448	3,924	2,002
Loan receivable (refer to note 15)	8,247	6,561	8,247	6,473
Interest-bearing borrowings (refer to note 25)	(394,818)	(295,223)	(159,461)	(108,320)
	(338,275)	**(238,214)**	**(18,367)**	**(6,869)**
Interest free instruments				
Loans receivable from subsidiary companies (refer to note 9)	-	-	8,028	-
Loans payable to subsidiary companies (refer to note 26)	-	-	-	(550)
	-	-	8,028	(550)

Cash and cash equivalents are managed by maintaining an appropriate mix of fixed and daily call placements with reputable financial institutions.

The interest rates applicable to these financial instruments are keenly negotiated and generally vary in response to the prime overdraft rate. The current effective interest rate varied between 4.1% and 13.66% (2023: 2.9% - 5.3%) during the financial year. Floating rate financial assets include cash at bank and cash equivalents. The group has no fixed rate financial assets or liabilities.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. *Financial Instruments (continued)*

Sensitivity analysis

A 1% movement in the effective interest rate would have increased or decreased profit or loss before taxation by the amounts shown below. The rate is applied to all interest bearing financial instruments. This analysis assumes all other variables remain constant. All interest bearing financial instruments are at variable interest rates.

The analysis is performed on the same basis as for 2024.

	Group 2024	Group 2023	Company 2024	Company 2023
Impact on profit or loss before taxation	(3,383)	(2,382)	(184)	(69)
Impact on equity	(2,469)	(1,739)	(134)	(50)

37.5 Currency risk

The group incurs currency risk as a result of transactions which are denominated in a currency other than the company's functional currency.

The settlement of these transactions take place within a normal business cycle. The group has policies for the management of foreign currency risks. No uncovered foreign exchange commitments exist at the reporting date.

The risk is managed by entering into forward foreign exchange contracts. These contracts are matched with anticipated future cash outflows in foreign currencies. The company does not use forward foreign exchange contracts for speculative purposes. No hedge accounting is applied. The currency in which the company primarily deals is United States Dollar. The forward cover obtained relates to orders or planned orders which are to be delivered at a future date in the normal course of business.

	Group 2024	Group 2023	Company 2024	Company 2023
United States Dollar - USD				
Cash and cash equivalents	4,907	235	-	-
Trade and other receivables	1,067	6,205	-	-
Trade and other payables	(720)	(29,257)	-	-
	5,254	**(22,817)**	**-**	**-**
European Union Euro - EUR				
Cash and cash equivalents	7,478	5,239	-	-
Trade and other payables	(3,037)	(89)	-	-
	4,441	**5,150**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2024	Group 2023	Company 2024	Company 2023

37. *Financial Instruments (continued)*

The principal or contract amounts of foreign exchange contracts outstanding at the reporting date relating to foreign purchases are as reflected below:

		Foreign amount	Average forward cover rate	Rand amount
2024	**Currency**			
Imports	**USD**	3,800	18.68	70,984
2023				
Imports	**USD**	782	18.05	14,105

	Average rate		30 June spot rate	
USD	18.72	17.77	18.21	18.92
EUR	20.24	18.60	19.48	20.52

The Group is primarily exposed to the United States Dollar and the European Union Euro currencies. The following analysis indicates the group's sensitivity at year-end to the indicated movements in this currency on financial instruments, assuming all variables, in particular interest rates, remain constant.

Sensitivity analysis

A 10% percent strengthening/weakening in the Rand at 30 June would have increased/(decreased) profit or loss before taxation by the amounts shown below. This analysis assumes that all other variables, in particular rates, remain constant. The analysis is performed on the same basis as the prior financial year.

USD	524	(3,692)	-	-
EUR	444	515	-	-
	968	**(3,177)**	-	-

37.6 Market risk

Market risk in relation to the loan to associate relates to the risk that the shareholder funding provided to the associate will not be recovered from expected future cash flows from underlying subsidiaries of SAWW. The group is also exposed to interest rate risk as the accrued dividends in terms of the shareholders agreement are linked to the prime rate of interest.

Included in investment in associate:				
Loan to associate (refer to note 9)	200,473	186,369	-	-
	200,473	**186,369**	**-**	**-**

Sensitivity analysis

A 1% movement in the effective interest rate would have increased or decreased profit or loss before taxation by the amounts shown below. This analysis assumes all other variables remain constant.

Impact on profit or loss before taxation	2,005	1,864	-	-
Impact on equity	1,463	1,360	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

37. Financial Instruments (continued)

37.7 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders or return capital. At 30 June 2024 the ordinary shareholders' interest (total equity less preference share capital) to total assets was 40.40% (2023: 41.1%)

38. Segment information

38.1 General information

The group has identified the following divisions as the group's reportable segments:

Retail - comprises the retailing of fashion apparel through Queenspark stores in South Africa.

Property - comprising of the group's property portfolio based in Cape Town, which includes both investment and owner-occupied properties.

Media and broadcasting - comprises the provision of media and satellite equipment and services through Telemedia, Program Buyer and AI Sport Africa.

Water infrastructure - comprises an indirect investment made in a private water and wastewater utility group operating in the South African provinces of Mpumalanga and Kwa-Zulu Natal.

The executive members of the board, identified as the chief operating decision-maker, review the results of these business segments on a monthly basis for the purpose of allocating resources and evaluating performance.

Performance is measured based on segmental operating profit, as included in the monthly management reports reviewed by the chief operating decision-maker.

Figures in R `000

38. Segment information (continued)

38.2 Segment revenues

Year ended 30 June 2024	Retail sales	Management fee income	Media and broadcasting income	Rental income	Tenant recoveries	Dividend income	Profit on sale of property	Total Group Revenue
Retail	696,108	-	-	-	-	-	-	696,108
Property	-	-	-	59,023	25,573	-	-	84,596
Media and broadcasting	7,575	-	108,192	-	-	-	45	115,812
Water infrastructure	-	2,475	-	-	-	-	-	2,475
Group services	-	6,905	-	-	-	878	-	7,783
Inter-segment eliminations	(211)	(5,911)	-	(7,065)	(3,009)	-	-	(16,196)
Total segment revenues	**703,472**	**3,469**	**108,192**	**51,958**	**22,564**	**878**	**45**	**890,578**

Year ended 30 June 2023	Retail sales	Management fee income	Media and broadcasting income	Rental income	Tenant recoveries	Dividend income	Profit on sale of property	Total Group Revenue
Retail	708,251	239	-	-	-	-	-	708,490
Property	-	-	-	50,965	19,321	-	-	70,286
Media and broadcasting	11,607	-	115,109	-	-	-	200	126,916
Water infrastructure	-	2,325	-	-	-	37	-	2,362
Group services	-	6,424	-	-	-	8,845	-	15,269
Inter-segment eliminations	(237)	(5,950)	-	(7,663)	(1,691)	(8,500)	-	(24,041)
Total segment revenues	**719,620**	**3,038**	**115,109**	**43,302**	**17,630**	**382**	**200**	**899,282**

No single customer contributes more than 10% of the Group’s revenue.

Figures in R `000

38. Segment information (continued)

38.3 Other incomes and expenses

	Cost of sales*	Employment Costs	Occupancy Costs	Depreciation and amortisation	Impairment of non-financial assets	Operating profit/ (loss)	Finance income	Finance costs	Share of profit or loss from associates	Income tax expense	Profit/(loss) for the year
Year ended 30 June 2024											
Retail	374,788	113,402	42,694	83,099	7,484	1,739	901	(23,980)	-	5,624	(15,716)
Property	-	-	29,065	7,595	-	29,059	16,039	(25,788)	-	(320)	18,989
Media and broadcasting	7,109	25,959	2,742	13,511	4,885	8,040	1,361	(2,420)	(234)	(3,232)	3,507
Water infrastructure	-	-	-	-	-	(185)	33,846	(24,152)	(1,487)	(2,568)	5,454
Group services	-	14,077	-	69	-	(4,307)	27	(254)	-	(4,971)	(12,421)
Inter-segment eliminations	-	-	(5,355)	(3,030)	-	(1,232)	(14,355)	19,306	-	(2,892)	834
Total other incomes and expenses	**381,897**	**153,438**	**69,146**	**101,244**	**12,369**	**33,114**	**37,819**	**(57,288)**	**(1,721)**	**(8,359)**	**647**
Year ended 30 June 2023											
Retail	354,897	104,020	36,567	72,279	-	95,923	2,204	(18,779)	-	(21,277)	58,071
Property	-	7,597	19,353	6,026	-	31,294	332	(16,156)	-	(811)	14,659
Media and broadcasting	10,302	23,035	2,315	12,750	-	21,790	1,344	(2,346)	(65)	(3,629)	14,212
Water infrastructure	-	-	-	-	-	(139)	27,790	(19,924)	(4,191)	(2,076)	1,459
Group services	-	-	-	22	-	(5,409)	12,657	(1,083)	-	(4,863)	5,930
Inter-segment eliminations	-	-	-	-	-	(8,497)	(10,959)	10,959	-	-	(8,497)
Total other incomes and expenses	**365,199**	**134,652**	**58,235**	**91,078**	**-**	**134,962**	**33,368**	**(47,329)**	**(4,256)**	**(32,656)**	**85,834**

*In light of the recent IFRIC agenda decision issued in July 2024, on the Disclosure of Revenue and Expenses for Reportable Segments, we have determined that cost of sales is a material expense in the context of the financial statements as a whole, and should therefore be disclosed within the segment report. The comparative segment report has been updated to reflect cost of sales per segment.

Figures in R `000

38. *Segment information (continued)*

38.4 Assets and liabilities

	Segment assets	Segment liabilities	Capital expenditure
Year ended 30 June 2024			
Retail	438,623	(289,568)	(30,519)
Property	419,471	(314,272)	(33,869)
Media and broadcasting	137,228	(56,787)	(61,567)
Water infrastructure	216,935	(188,329)	-
Group services	164,173	(23,877)	-
Inter-segment eliminations	(233,294)	191,343	-
Total assets and liabilities	**1,143,136**	**(681,490)**	**(125,955)**
Year ended 30 June 2023			
Retail	482,126	(317,355)	(45,769)
Property	343,155	(247,966)	(155,201)
Media and broadcasting	111,580	(34,853)	(4,109)
Water infrastructure	186,885	(180,738)	-
Group services	149,293	(23,885)	-
Inter-segment eliminations	(175,881)	158,425	-
Total assets and liabilities	**1,097,157**	**(646,372)**	**(205,080)**

39. Events after the reporting date

On 10 July 2024, the company concluded seven separate agreements with the minority shareholders of Telemedia Proprietary Limited ("Telemedia"), in terms of which the company will increase its stake in Telemedia to 88.71% by acquiring a further 25% interest from the minority shareholders of Telemedia (excluding African and Overseas Enterprises Limited), being SM Bretherick, RD Bretherick, AV Louis, DD Maharaj, HB Silwalivhathu, QG Barkhuizen and JP Meeser for a total purchase price of R14,145,572.

On 26 July 2024, Telemedia entered into an agreement with Emerge Media Limited (United Kingdom) ("Emerge Media") in terms of which, inter alia, Telemedia shall subscribe for, and Emerge Media shall allot and issue to Telemedia, so many shares as constitute 25.1% of the entire issued share capital of Emerge Media for a cash consideration of USD450,000. The consideration is payable in three tranches of which USD225,000 is payable upon signature of the agreements, USD112,500 by 30 September 2024 and USD112,500 by 31 October 2024. The shareholding shall increase after each tranche payment i.e. 12.55% upon signature of the agreements, 18.825% on 30 September 2024 and 25.1% 31 October 2024. The first tranche payment was completed on 5 September 2024.

On 26 July 2024, Belper Investments Proprietary Limited ("Belper") reached an agreement with Rex Trueform Group Limited ("Rex Trueform Group"), whereby Rex Trueform Group will convert the debt owing by Belper to equity. Rex Trueform Group will convert debt amounting to R27,368,016 to share capital in Belper, increasing the total shareholding held by Rex Trueform Group from 53.68% to 72.03%.

During 2015, Siza Water raised a tariff dispute against Umgeni Water and the Minister of Water and Sanitation, when they increased our bulk water tariff with 37.9%. Umgeni Water and the Minister of Water and Sanitation lost their case in the Kwazulu-Natal High Court and their appeal in The Supreme Court of Appeal. Both parties approached the Constitutional Court of South Africa for leave to appeal. On 5 February 2020, the Constitutional Court of South Africa dismissed Umgeni Water's application for leave to appeal with costs. Thereafter the company and Umgeni Water signed a full and final settlement agreement based on the lower bulk water tariff covering the period 1 July 2015 to 31 May 2020 and it was agreed to release the funds held in escrow.

The Constitutional Court allowed Umgeni Water to present their case with the Minister's application, which was heard on 10 November 2021. On 23 July 2022 the Constitutional Court overturned the decisions of the High Court as well as Supreme Court of Appeal to rule that Umgeni Water's tariff was enforceable. We have reflected the higher tariff in our financial statements. The Constitutional Court made no reference to the full and final settlement that was concluded based on the lower bulk water tariff covering the period 1 July 2015 to 31 May 2020. The amount in dispute is R127.7 million excluding VAT and income taxes. Legal advice obtained by the company indicates that the full and final settlement agreement is probably valid and enforceable. The directors are of the view that no material losses will arise in respect of the full and final settlement agreement at the date of these financial statements.

39. Events after the reporting date (continued)

In 2019, Buhle Waste Proprietary Limited instituted proceedings out of the Mpumalanga High Court, in terms of which it sought an order setting aside (i) the decision taken by the City of Mbombela Municipality to consent to the Change in Control request presented by Silulumanzi (RF) (Pty) Ltd to the Municipality, and (ii) the agreement concluded by the Municipality and Silulumanzi (RF) (Pty) Ltd on 14 November 2018, in terms of which the consent decision was given effect to and be formally recorded. Silulumanzi (RF) (Pty) Ltd, SA Water Works (RF) (Pty) Ltd and SA Water Works Holdings (RF) (Pty) Ltd have opposed the Application. This Mpumalanga Divisional High Court matter which included six other respondents (including Silulumanzi (RF) (Pty) Ltd) under case number 2640/2019, was heard on 26 May 2022. On 17 August 2022 judgement was handed down which had the effect of setting aside the transfer of Silulumanzi (RF) (Pty) Ltd and SA Water Works Utilities (Pty) Ltd shares to SA Water Works (RF) (Pty) Ltd and Brain Gear Investments (RF) (Pty) Ltd. An application for leave to appeal was heard by the same High Court on 8 September 2022 which was consequently dismissed with costs. The Buhle Waste (Pty) Ltd versus the City of Mbombela and other respondents (including SA Water Works (RF) (Pty) Ltd) court case is still ongoing. The Supreme Court of Appeal ("SCA") has granted leave to appeal. In addition to leave being granted the costs order of the Court a quo in dismissing the application for leave to appeal has been set aside and the costs of the application for leave to appeal to the SCA and the Court a quo costs will be costs in the SCA appeal. The Notice of Appeal has been lodged and the record of the proceeding was submitted on 30 June 2023. The Heads of Argument, amongst other ancillary compliance, was filed on 16 August 2023. We now await confirmation of the date for the matter to be heard.

Management has considered the impact of the legal case as noted above on going concern. The appeal to the Supreme Court is to effect settlement of this case and to have the company operate under the concession agreement for the remaining period and whilst this appeal is ongoing the company is operating as normal and the case is expected to take more than 12 months to conclude. The lawyers are of the view that there are reasonable prospects of success for the notice of appeal to succeed.

Silulumanzi registered an Employee Share Trust on 1 March 2024. SAWW will issue 5% of its ordinary shares to the Trust. The Trust shall hold and administer the company's shares for the benefit of the employees. The transaction is expected to be finalised within the following 12 months.

All events subsequent to the date of the consolidated and separate annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

40. Going concern

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

The company's current assets exceeds its current liabilities by R25.1m. In the prior year, current liabilities exceeded its current assets by R38.1m. The company has a bank facility available of R44.9 million secured by one of the company's properties, which can be utilised to address any short term cash shortfalls. There are no restrictions on the use of the facility.

The group is sufficiently capitalised and has sufficient cash resources to settle debts as they fall due. Cash and cash equivalents held by the group as at 30 June 2024 amounted to R48,295,697 (2023: R50,447,974).

Rex Trueform Group Limited

(Registration Number 1937/009839/06)

Consolidated and Separate Financial Statements for the year ended 30 June 2024

Supplementary Information: Unaudited Shareholder's Information

Figures in R `000

	ORDINARY		"N" ORDINARY		ORDINARY and "N" ORDINARY		PREFERENCE	
	Number of share holders	%	Number of share holders	%	Number of share holders	%	Number of share holders	%
Public shareholders	**305**	**97.76%**	**220**	**94.42%**	**525**	**96.33%**	**14**	**77.78%**
Companies & close corporations	12	3.85%	11	4.72%	23	4.22%	1	5.56%
Individuals	283	90.71%	196	84.12%	479	87.89%	12	66.67%
Insurance companies, nominees & trusts	8	2.56%	13	5.58%	21	3.85%	1	5.56%
Mutual funds & pension funds	2	0.64%	-	0.00%	2	0.37%	-	0.00%
Non-Public shareholders	**7**	**2.24%**	**13**	**5.58%**	**20**	**3.67%**	**4**	**22.22%**
African and Overseas Enterprises Ltd	1	0.32%	1	0.43%	2	0.37%	1	5.56%
Ceejay Trust**	1	0.32%	2	0.86%	3	0.55%	-	0.00%
Directors and Employees	-	0.00%	4	1.72%	4	0.73%	-	0.00%
Geomer Employees Investments (Pty) Ltd*	-	0.00%	1	0.43%	1	0.18%	-	0.00%
Geomer Investments (Pty) Ltd	1	0.32%	1	0.43%	2	0.37%	-	0.00%
Gingko Investments 2 (Pty) Ltd	1	0.32%	2	0.86%	3	0.55%	-	0.00%
Gingko Trading (Pty) Ltd	1	0.32%	-	0.00%	1	0.18%	-	0.00%
Lombard, L	1	0.32%	1	0.43%	2	0.37%	1	5.56%
MacDonald, AP	1	0.32%	-	0.00%	1	0.18%	1	5.56%
Old Sillery (Pty) Ltd	-	0.00%	-	0.00%	-	0.00%	1	5.56%
Rex Trueform Share Trust	-	0.00%	1	0.43%	1	0.18%	-	0.00%
	312	**100.00%**	**233**	**100.00%**	**545**	**100.00%**	**18**	**100.00%**

	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Public shareholders	**279,121**	**7.42%**	**749,486**	**4.02%**	**1,028,607**	**4.59%**	**12,568**	**8.98%**
Companies & close corporations	17,857	0.47%	184,891	0.99%	202,748	0.91%	100	0.07%
Individuals	224,500	5.97%	512,186	2.75%	736,686	3.29%	12,068	8.62%
Insurance companies, nominees & trusts	27,296	0.73%	52,409	0.28%	79,705	0.36%	400	0.29%
Mutual funds & pension funds	9,468	0.25%	-	0.00%	9,468	0.04%	-	0.00%

	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
Non-Public shareholders	**3,483,896**	**92.58%**	**17,878,158**	**95.98%**	**21,362,054**	**95.41%**	**127,432**	**91.02%**
African and Overseas Enterprises Ltd	2,110,169	56.08%	9,212,565	49.46%	11,322,734	50.57%	825	0.59%
Ceejay Trust**	254,463	6.76%	3,095,343	16.62%	3,349,806	14.96%	-	0.00%
Directors and Employees***	-	0.00%	289,382	1.55%	289,382	1.29%	-	0.00%
Geomer Employees Investments (Pty) Ltd*	-	0.00%	15,000	0.08%	15,000	0.07%	-	0.00%
Geomer Investments (Pty) Ltd*	1,032,156	27.43%	3,862,050	20.73%	4,894,206	21.86%	-	0.00%
Gingko Investments 2 (Pty) Ltd**	73,751	1.96%	841,168	4.52%	914,919	4.09%	-	0.00%
Gingko Trading (Pty) Ltd**	592	0.02%	-	0.00%	592	0.00%	-	0.00%
Lombard, L	1,570	0.04%	2,650	0.01%	4,220	0.02%	50,405	36.00%
MacDonald,AP	11,195	0.30%	-	0.00%	11,195	0.05%	48,417	34.58%
Old Sillery (Pty) Ltd	-	0.00%	-	0.00%	-	0.00%	27,785	19.85%
Rex Trueform Share Trust	-	0.00%	560,000	3.01%	560,000	2.50%	-	0.00%

Shareholders holding more than 5% of issued shares	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
African and Overseas Enterprises Ltd	2,110,169	56.08%	9,212,565	49.46%	11,322,734	50.57%	825	0.59%
Ceejay Trust**	254,463	6.76%	3,095,343	16.62%	3,349,806	14.96%	-	0.00%
Geomer Investments (Pty) Ltd*	1,032,156	27.43%	3,862,050	20.73%	4,894,206	21.86%	-	0.00%
Rex Trueform Share Trust	-	0.00%	560,000	3.01%	560,000	2.50%	-	0.00%
Lombard, L	1,570	0.04%	2,650	0.01%	4,220	0.02%	50,405	36.00%
MacDonald, AP	11,195	0.30%	-	0.00%	11,195	0.05%	48,417	34.58%
Old Sillery (Pty) Ltd	-	0.00%	-	0.00%	-	0.00%	27,785	19.85%
	3,409,553	**90.61%**	**16,732,608**	**89.83%**	**20,142,161**	**89.96%**	**127,432**	**91.02%**

*Associate of MA Golding

**Associate of HB Roberts

***WD Nel, CL Lloyd, D Franklin & A Gihwala