AFRICAN AND OVERSEAS ENTERPRISES LTD

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 2022

ANNUAL FINANCIAL

STATEMENTS

for the year ended 30 June 2022

AFRICAN AND OVERSEAS ENTERPRISES LIMITED

(Registration number: 1947/027461/06)

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The supplementary information presented on page 87 does not form part of the financial statements and is unaudited.

Unaudited shareholders' information

These statements were authorised by the board of directors on 30 September 2022 and published on 30 September 2022.

Companies Act notice

These financial statements of African and Overseas Enterprises Limited (registration number: 1947/027461/06) 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 group financial director, WD Nel CA(SA).

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the group and company annual financial statements of African and Overseas Enterprises Limited, which comprises the statements of financial position at 30 June 2022 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards 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 group and company 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 African and Overseas Enterprises Limited, as identified in the first paragraph, were approved by the board of directors on 30 September 2022 and signed by:

MR Molosiwa
Chairman
Authorised director

MA Golding
Chief executive officer
Authorised director

CEO and CFO Responsibility Statement

The CEO and CFO hereby confirm that:

The annual financial statements set out on pages 14 to 87 fairly present in all material respects the financial position, financial performance and cash flows of African and Overseas Enterprises 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 African and Overseas Enterprises Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements of African and Overseas Enterprises 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

WD Nel
Group financial director
Authorised director

Company secretary's certificate

I certify that African and Overseas Enterprises 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.

AR Mushabe
Company secretary

DIRECTORS' REPORT

Nature of business

African and Overseas Enterprises 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 annual 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 and Namibia. Namibian operations ceased in December 2020 and have been accordingly disclosed as discontinued operations in the annual financial statements. There were a total of 86 (2021: 79) stores in operation as at 30 June 2022 with 10 new stores opened and 3 stores closed during the financial year. Queenspark successfully launched its online sales platform in June 2020.

The group's property portfolio consists of developed and undeveloped properties, held indirectly through its subsidiaries, Rex Trueform Group Limited and Queenspark Distribution Centre Proprietary Limited. Rex Trueform Office Park situated in Salt River is the main operating property within the segment followed by the property located in Wynberg, which is utilised by the retail segment as a distribution centre. Two properties are undeveloped, a vacant factory and vacant land situated in Salt River. The vacant factory has heritage significance which limits any potential development. The board is actively looking for development opportunities which will yield a satisfactory return in relation to any capital outlay.

Water infrastructure investments are held via the group's investment 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 investment in Telemedia Proprietary Limited which 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.

Financial results

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

Share capital

The share capital of the company, both authorised and issued, is set out in note 16 to the financial statements.

Dividends

Details of dividends paid during the year are as follows:

	2022 R'000	2021 R'000
Dividends on 6% cumulative preference shares:		
Half-year ended 31 December 2021	**16**	16
Half-year ended 30 June 2022	**17**	17
Total	**33**	33

The directors have not proposed a dividend per share (2021: R nil) in respect of the ordinary and "N" ordinary shares.

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 ultimate holding company is Geomer Investments Proprietary Limited who holds a 55.17% (2021: 70.78%) voting interest and a 37.04% (2021: 37.65%) economic interest in the company.

Investments

Full details of the company's investments are set out in notes 8, 9 and 10 to the financial statements.

Special resolutions

At the annual general meeting of African and Overseas Enterprises Limited held on 2 December 2021 the shareholders approved the following special resolutions as tables 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

PricewaterhouseCoopers Incorporated will continue in office for the 2022 financial year, in accordance with Section 90(1) of the Companies Act.

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 31 the annual financial statements. The Company Secretary is AR Mushabe.

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

Director	Event	Date
HB Roberts	Retired by rotation	2 December 2021
	Re-elected	2 December 2021
LK Sebatane	Retired by rotation	2 December 2021
	Re-elected	2 December 2021
MR Molosiwa	Retired by rotation	2 December 2021
	Re-elected	2 December 2021

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

LK Sebatane, MR Molosiwa and PM Naylor will retire at the 2022 annual general meeting in accordance with the company's Memorandum of Incorporation but, being eligible, will offer themselves for re-election.

Directors' interest in shares

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

	Direct holding	Indirect holding	Total
2022			
MA Golding[1]	–	4 385 820	**4 385 820**
HB Roberts[2]	–	5 910 141	**5 901 539**
WD Nel	63 360	–	**63 360**
Total	63 360	10 295 961	**10 350 719**
2021			
MA Golding[1]	–	4 319 030	**4 319 030**
HB Roberts	–	5 901 539	**5 901 539**
WD Nel	52 796	–	**52 796**
Total	52 796	10 220 569	**10 273 365**

[1] *Shares held via Geomer Investments (Pty) Ltd*

[2] *Shares held via Ceejay Trust, Gingko Investments 2 (Pty) Ltd and Gingko Trading (Pty) Ltd*

There have been no changes in the directors' interests in shares between 30 June 2022 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 32 to the financial statements.

Litigation statement

Other than the matters referred to in note 43 in 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 note 9 with regards to significant judgements and key assumptions.

Events subsequent to the reporting date

An agreement was entered into between Geomer Investments and the previous shareholders of Telemedia whereby the ordinary shares issued by the company and Rex Trueform, as part of the consideration payable for the company's 11.29% and Rex Trueform's 63.71% acquired interest in Telemedia, would be purchased by Geomer Investments. In terms of the sale and purchase agreement the company had undertaken to underpin the ordinary share price for a period of 12 months. On 1 July 2022 the board of directors of the company and Rex Trueform signed a waiver, via special resolution, as a result of the sale of shares agreement between Geomer Investments and the sellers. This had the effect of relinquishing the company from its undertaking to underpin the share price and its option to purchase the ordinary shares with effect from the same date. The financial liability will therefore be reversed on 1 July 2022. Refer to note 25.4, 25.5 and 40.

On 20 July 2022 the group entered into an agreement to acquire a property situated at 5 Fitzmaurice Road, Epping, Cape Town for an acquisition consideration amounting to R85,000,000. The Acquisition Consideration is payable on the Effective Date and will be funded via cash consideration of R20,000,000 and R65,000,000 is to be funded by way of a loan from a bank against security of the registration of a first mortgage bond over the Property. The effective date shall be the date of transfer. Refer to SENS dated 26 July 2022.

On 3 August 2022 all conditions precedent to the acquisition of a 51% interest in a property letting enterprise, Belper Investments Proprietary Limited ("Belper Investments"), were fulfilled. The entity has acquired five (5) industrial properties located in Epping, Cape Town, for a total consideration of R104,200,000. Accordingly, the transaction is now unconditional in accordance with the terms of the agreement, with the effective date being 3 August 2022. Refer to SENS dated 21 April 2022 and 3 August 2022. Included in loan receivables as at 30 June 2022 is an amount receivable from Belper amounting to R20,280,132. Included in operating expenses for the current financial year is commission amounting to R1,380,000, relating to due diligence and the conclusion of the transaction, which has been paid to Quoin Online Proprietary Limited who is a related party to the minority shareholders of Belper Investments.

During 2015, Siza Water (RF) Proprietary Limited raised a tariff dispute against Umgeni Water and the Minister of Water and Sanitation, when they increased our bulk water tariff by 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. The higher tariff is reflected the financial statements of Siza Water (RF) Proprietary Limited. 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 R88 million excluding VAT and income taxes and including interest and penalties. Legal advice obtained by the company indicates that the full and final settlement agreement is probably valid and enforceable.

The Mpumalanga Divisional High Court matter, Buhle Waste Proprietary Limited versus the City of Mbombela Municipality and six other respondents (including SA Water Works (RF) Proprietary Limited) 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) Proprietary Limited and SA Water Works Utilities Proprietary Limited shares to SA Water Works (RF) Proprietary Limited and Brain Gear Investments (RF) Proprietary Limited, whilst the Municipality reconsiders its decision to provide consent regarding the change in control. The Municipality is required to do so by 17 October 2022. An application for leave to appeal was heard by the same High Court on 8 September 2022 and consequently dismissed with costs. An application for leave to appeal shall be made to the Supreme Court of Appeal which will have the effect of suspending the High Court judgement. Legal advice obtained by the company indicates that the success of the appeal is probable.

There is no other matters or circumstances which is material to the financial affairs of the company, which has occurred between 30 June 2022 and the date of approval of the financial statements, that has not been otherwise dealt with in the financial statements.

Going concern

Retail segment turnover has fully recovered in the year under review to pre-COVID-19 levels. The renegotiation of the current portfolio of store leases and the seeking of rental relief are largely complete with one store still under negotiation. Short-term rental relief received during the year under review amounted to R12,781,319 (2021: R29,168,733) and was recognised in profit and loss in terms of the amendment to IFRS 16. Leases that were favourably renewed or terminated during the year further resulted in gains on lease modifications amounting to R12,547,088 (2021: R27,038,033) recognised in the current financial year. The full R12,547,088 has been recognised in the Statement of Comprehensive income as the related right-of-use assets were fully impaired or insufficient to cover the reduction in the lease liability. Right-of-use lease assets relating to loss-making and low-profitability stores amounting to R308,002 (2021: R7,239,572) were impaired during the financial year.

The property sector remains constrained due to weak macro-economic environment and low GDP growth with the office sector most significantly impacted. The group's property segment was resilient during the financial year. No rental relief was granted to tenants (2021: R485,911) and vacancies decreased to 3% (2021: 9.4%) as at 30 June 2022.

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 2022 amounted to R90,730,182 (2021: R110,638,510).

The financial statements have been prepared on the going concern basis. The directors have made an assessment of the ability of the group and company to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead. The directors are satisfied that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

AUDIT COMMITTEE REPORT

The audit committee ("the committee") is pleased to present its report to the shareholders of African and Overseas Enterprises Limited for the financial year ended 30 June 2022.

Introduction

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

Audit committee mandate

The audit committee is governed by formal terms of reference that is reviewed regularly, delegated to it by the board of directors, which regulate the committee's functioning, processes and procedures. The committee fulfilled its responsibilities in accordance with its terms of reference during the 2022 financial year.

Members of the audit committee and attendance at meetings

All members of the committee are independent non-executive directors, with the committee being chaired by Patrick Naylor, the lead independent non-executive director of the company. The members of the committee have the necessary academic qualifications, or experience, financial literacy and skills to execute their duties effectively.

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

The committee meetings were attended by the external auditors, the chairman of the board, the executive directors and the financial manager of the group by invitation. Each committee meeting is preceded by meeting dates and topics agreed well in advance each year and by 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; and
- 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.
- External auditor's appointment, independence and oversight of the external audit process.

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

The committee has nominated PwC for appointment by shareholders as the company's external auditor, at the 2022 annual general meeting with Richard Jacobs as the designated registered auditor for the 2023 financial year, the committee having satisfied itself (as required by the JSE Listing Requirements):

- that the audit firm is accredited by the JSE; and
- that the 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 audit firm and the designated audit partner).

Prior to the nomination of PwC, the committee 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 annual financial statements.

The external auditor is afforded unrestricted access to the company'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 have been agreed by the committee, being taxation and advisory-related non-audit services, 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 company. Any proposed agreement with the external auditor for the provision of non-audit services is pre-approved by the committee.

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 financial director, and the effectiveness of the finance function (after meeting with the external auditor without the financial director and any representatives of the group's finance function being present).

In this regard, the committee is of the view that Willem Nel, the group financial director, 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 company's operations.

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, 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 2022, the committee is of the view that in all material respects they comply with the relevant provisions of the Companies Act and with the International Financial Reporting Standards and fairly present the group and company 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 2022.

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 2022 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

PM Naylor
Audit Committee Chairman

30 September 2022

INDEPENDENT AUDITORS' REPORT

To the Shareholders of African and Overseas Enterprises 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 African and Overseas Enterprise Group Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

What we have audited

African and Overseas Enterprise Group Limited's consolidated and separate financial statements set out on pages 14 to 86 comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate statements of 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, which include a summary of significant accounting policies.

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.

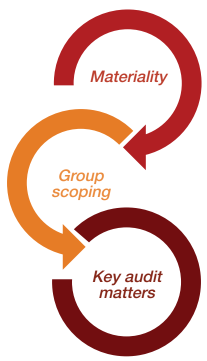
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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: R6,656,680, which represents 1% of consolidated revenue from continued operations.

Group audit scope

The Group consists of ten components. We performed full scope audits at three components, and audits of specific financial statement line items at one component.

On the remaining components, which were not significant individually and in aggregate, we performed analytical procedures at a group level to confirm our risk assessment.

Key audit matters

- Acquisition of Telemedia
- Assessment of recoverability of loan to associate companies

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	R6,656,680
How we determined it	1% of consolidated revenue from continued operations.
Rationale for the materiality benchmark applied	We chose consolidated revenue from continued operations 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. Consolidated revenue from continued operations is also reflective of the Group's intentions to grow revenue over time in the Retail and non-Retail segments. We chose 1% based on our professional judgement, after consideration of the range of qualitative materiality thresholds that we would typically apply when using revenue to compute materiality.

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.

Our scoping assessment included consideration of the financial significance of the components as well as the sufficiency of work planned to be performed over material financial statement line items. We identified only one financially significant component based on its contribution to the consolidated revenue from continued operations, namely Queenspark (Pty) Ltd. We included Rex Trueform Limited (company) and Ombrecorp Trading (RF) (Pty) Ltd in the scope of our group audit, based on indicators such as their contribution to consolidated total assets. We have also included Telemedia (Pty) Ltd, for its contribution to consolidated assets, liabilities and revenues. We performed analytical procedures over the remaining insignificant components.

For the financially significant component we performed a full scope audit and for the other in scope components we performed a combination of full scope audits, a review and specified audit procedures. This, together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, gave us sufficient appropriate audit evidence to form an opinion on the consolidated financial statements as a whole.

As all in scope entities are managed from Cape Town we did not require the use of any component auditors.

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.

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Telemedia This key audit matter relates to both the consolidated and separate financial statements. Refer to note 40 (Business combinations) and note 2 of the accounting policies to the consolidated financial statements	
During the current year, the group acquired a 75% share in Telemedia Pty (Ltd) for a consideration of R67,5 million. This consisted of the following: • Ordinary shares issued • Contingent consideration – share price underpin • Contingent consideration – profit warranties The acquisition resulted in the recognition of total net assets (at fair value) of R26.5 million and goodwill of R20.2 million. Total assets assumed at fair value consisted mainly of the right-of-use asset, trade and other receivables and cash. Management performed the purchase price allocation as required by IFRS 3, Business Combinations. We considered the accounting for the acquisition of Telemedia to be a matter of most significance to our current year audit due to the following: • the judgement and estimates involved in allocating the purchase price to the net assets identified in the business combinations; • the valuation of the contingent considerations; and • the complexities in consideration of subsequent events, and its potential impact on the acquisition accounting.	We obtained the purchase price allocation prepared by management. Based on discussions with management, inspection of the purchase agreements and applying our understanding of the business and industry, we critically assessed the processes followed for the identification of the assets and liabilities acquired, including assessment of the completeness thereof. Based on our procedures performed, we noted that management did not perform a full valuation of possible intangible assets and have noted the fair value of assets as provisional. No exceptions were noted. We inspected the purchase agreements and noted the consideration and payment terms, including the suspensive conditions applicable. We inspected underlying documents to ascertain whether these conditions were met. We also inspected the ICASA approval for transfer of the licence to the company to determine when the final suspensive condition was met. No exceptions were noted relating to the effective date of the transaction. We assessed the valuation performed by management in determining the fair value of the assets. This included testing the right-of-use asset with reference to contracts in place as at the effective date of the sale agreement, testing the expected credit loss calculated in terms of IFRS 9 to determine the fair value of trade and other receivables and obtaining the bank statement to determine the cash balance as at the effective date. No material exceptions were noted. We assessed the assumptions and inputs applied by management in determining the forecasted June 2023 profit by obtaining the audited trial balance which is used as the base year. In assessing the growth factor applied, we considered the historical growth trend in conjunction with any expected future changes in the business. We independently recalculated the WACC applied by management by considering relevant industry benchmarks and economic forecasts, in calculating the consideration profit warranty. No material inconsistencies were noted. Utilising our Corporate Mergers and Acquisitions Accounting experts, we assessed the consolidation entries as well as the accounting treatment and entries processed by management to account for the acquisition. In assessing the financial liability arising from the put option as at 30 June 2022, we considered any potential impact of the subsequent event per note 43, relating to the waiver of the put option subsequent to year-end. No material exceptions were noted.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of recoverability of loans associate companies This relates to the loan receivable in the consolidated financial statements per note 9 (Investment in associate) Refer to note 43 (Events subsequent to the reporting date) and note 2 of the accounting policies to the consolidated financial statements.	
The group has a loan to associate amounting to R169 million (before impairments). Subsequent to year end, new developments in existing legal matters arose in the two operating entities within the associate. We considered the recoverability 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, which may impact the recoverability of the loans as at 30 June 2022; and • The range of probabilities and its assigned weighting is considered to be sensitive and an area of significant judgement.	We considered, with reference to the requirements of ISA 560, whether the subsequent events as per note 43 to the consolidated financial statements were adjusting or non-adjusting events in the 30 June 2022 financial results. We agreed with management's assessment that these are adjusting events. We obtained the discounted cash flow valuation model prepared relating to the operating entities of the investment in associate. These were performed by management's experts as at 31 December 2021. We assessed their expertise with reference to their reputation and experience. Based on the procedures performed, no areas requiring additional consideration were noted. We assessed the inputs and assumptions applied in management's updated forecasted future expected cash flows of the underlying operating subsidiaries in the investment in associate, as at 30 June 2022, in the form of dividend distributions, with reference to historical growth rates, and available applicable future factors. We updated the calculation to take into account any preferential obligations which would impact the loss given default rate in the determination of the expected credit loss calculation. The WACC rate was obtained from management's expert. No exceptions were noted. In determining the probability of default, we evaluated the completeness of the scenarios applied and range of possible outcomes used to determine the probability-weighted expected credit loss amount, with reference to the agreements provided by management. We assessed the logic applied in determining: • the range of probabilities, being probable; possible and remote; and • the probability weighting percentage per scenario. We did so with reference to management's legal experts' representations in respect of the probability of the scenarios. We obtained our own legal experts' view on the legal representations. We assessed the disclosure of this as a significant judgement in accordance with IFRS 9. We recalculated the impact on the discounted cash flow valuation per scenario as well as the cumulative weighted probability and resulting expected credit loss. An impairment charge was raised as a result.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*African and Overseas Enterprise Group Limited Annual financial statements for the year ended 30 June 2022*", which includes the Directors' Report, Audit Committee's 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 "*2022 Integrated Annual Report*", 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 International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group 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 Enterprise Group Limited for two years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: **RJ Jacobs**
Registered Auditor
Cape Town, South Africa
30 September 2022

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2022

	Note	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**45 387**	43 284	**–**	–
Investment property	5	**58 684**	60 829	**–**	–
Goodwill and intangible assets	6	**30 257**	14 924	**–**	–
Right-of-use asset	7	**182 093**	182 749	**–**	–
Net interest in subsidiary companies	8	**–**	–	**27 149**	17 697
Investment in associate	9	**172 675**	170 081	**–**	–
Other investments	10	**17 115**	1 904	**3**	4
Loan receivable	11	**20 280**	987	**–**	435
Deferred tax asset	12	**18 992**	32 667	**–**	–
		545 483	507 425	**27 152**	18 136
Current assets					
Inventories	13	**124 960**	81 237	**–**	–
Trade and other receivables	14	**32 576**	19 434	**172**	98
Forward exchange contracts		**788**	–	**–**	–
Income tax receivable	39.7	**17 676**	211	**–**	–
Accrued operating lease asset		**567**	819	**–**	–
Cash and cash equivalents	15	**90 730**	110 640	**69**	75
		267 297	212 341	**241**	173
TOTAL ASSETS		**812 780**	719 766	**27 393**	18 309
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital	16	**9 163**	3 079	**9 163**	3 079
Preference share capital	17	**550**	550	**550**	550
Treasury shares	18	**–**	(243)	**–**	–
Share premium	19	**6 616**	6 616	**6 616**	6 616
Share-based payments reserve	20	**2 743**	3 891	**–**	433
Other reserves	21	**(16 519)**	1 875	**(5 687)**	397
Retained earnings		**154 875**	125 311	**1 097**	2 613
Equity attributable to equity holders		**157 428**	141 079	**11 739**	13 688
Non-controlling interest	22	**174 508**	132 098	**–**	–
Total equity		**331 936**	273 177	**11 739**	13 688
Non-current liabilities					
Lease liability	23	**190 230**	204 210	**–**	–
Post-retirement liability	24	**85**	312	**76**	91
Provisions	25	**14 294**	3 078	**–**	–
Net interest in subsidiary companies	8	**–**	–	**4 984**	4 029
Loans payable	11	**89 792**	82 067	**–**	–
Deferred tax liability	12	**11 340**	12 317	**–**	–
		305 741	301 984	**5 060**	4 120
Current liabilities					
Lease liability	23	**52 097**	56 719	**–**	–
Trade and other payables	26	**89 898**	85 547	**638**	501
Provisions	25	**33 108**	2 165	**9 956**	–
Forward exchange contracts		**–**	174	**–**	–
		175 103	144 605	**10 594**	501
TOTAL EQUITY AND LIABILITIES		**812 780**	719 766	**27 393**	18 309

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Note	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
CONTINUING OPERATIONS					
Revenue	29	**665 669**	491 427	**–**	–
Retail sales	29	**598 839**	464 961	**–**	–
Cost of sales		**(271 167)**	(222 421)	**–**	–
Gross profit		**327 672**	242 540	**–**	–
Other revenue	29	**66 829**	26 466	**–**	–
Other operating costs	30	**(306 863)**	(220 393)	**(1 250)**	(1 439)
Operating profit/(loss)		**87 638**	48 613	**(1 250)**	(1 439)
Investment income	33	**24 766**	20 541	**–**	–
Finance costs	34	**(32 425)**	(37 271)	**(624)**	(220)
Impairment losses on financial assets	28.2	**(113)**	–	**–**	–
Share of loss of associate	9	**(4 269)**	(939)	**–**	–
Profit/(loss) before tax		**75 597**	30 944	**(1 874)**	(1 659)
Income tax	35	**(26 832)**	(9 083)	**–**	–
Profit/(loss) for the year from continuing operations		**48 765**	21 861	**(1 874)**	(1 659)
DISCONTINUED OPERATIONS					
Profit/(loss) for the year from discontinued operations	36	**(93)**	559	**–**	–
Profit/(loss) for the year		**48 672**	22 420	**(1 874)**	(1 659)
Other comprehensive income:					
Gain on post-retirement defined benefit plan	24	**135**	210	**–**	107
Items that may be reclassified subsequently to profit or loss					
Fair value adjustment on assets held at fair value through other comprehensive income		**877**	531	**–**	–
Other comprehensive income for the year, net of taxation		**1 012**	741	**–**	107
Total comprehensive income for the year		**49 684**	23 161	**(1 874)**	(1 552)
Profit/(loss) attributable to:					
Equity holders		**27 716**	10 870	**(1 874)**	(1 659)
Continuing operations		**27 767**	10 566	**–**	–
Discontinued operations		**(51)**	304	**–**	–
Profit/(loss) attributable to equity holders of the parent		**27 716**	10 870	**(1 874)**	(1 659)
Non-controlling interest		**20 956**	11 550	**–**	–
Profit/(loss) for the year		**48 672**	22 420	**(1 874)**	(1 659)
Total comprehensive income attributable to:					
Equity holders		**28 257**	11 322	**(1 874)**	(1 552)
Non-controlling interest		**21 427**	11 839	**–**	–
Total comprehensive income for the year		**49 684**	23 161	**(1 874)**	(1 552)
Basic earnings per ordinary share (cents)	37.1	**241.3**	94.5		
Continuing operations		**241.8**	91.8		
Discontinued operations		**(0.4)**	2.7		
Diluted earnings per ordinary share (cents)	37.2	**238.7**	94.3		
Continuing operations		**239.2**	91.7		
Discontinued operations		**(0.4)**	2.6		

STATEMENTS OF
CHANGES IN EQUITY

for the year ended 30 June 2022

	Ordinary share capital R'000	Preference share capital R'000
GROUP		
Balance as at 1 July 2020	3 079	550
Total comprehensive income for the year		
Profit for the year	–	–
Other comprehensive income for the year		
Actuarial gains on post-retirement defined benefit plan	–	–
Fair value adjustment on assets held at fair value through other comprehensive income	–	–
Total comprehensive income for the year	–	–
Contributions by and distributions to owners recognised directly in equity		
Shares issued	–	–
Preference dividends paid	–	–
Equity-settled share-based payment	–	–
Subsidiary shares repurchased	–	–
Delivery of treasury shares	–	–
Change in degree of control[1]	–	–
Total contributions by and distributions to owners recognised directly in equity	–	–
Balance as at 30 June 2021	**3 079**	**550**
Total comprehensive income for the year		
Profit for the year	–	–
Other comprehensive income for the year		
Actuarial gains on post-retirement defined benefit plan	–	–
Fair value adjustment on assets held at fair value through other comprehensive income	–	–
Total comprehensive income for the year	–	–
Contributions by and distributions to owners recognised directly in equity		
Shares issued	6 084	–
Preference dividends paid	–	–
Equity-settled share-based payment	–	–
Delivery of treasury shares	–	–
Put option liability	–	–
Business combination	–	–
Change in degree of control	–	–
Total contributions by and distributions to owners recognised directly in equity	6 084	–
Balance as at 30 June 2022	9 163	550
Notes	16	17

Treasury shares R'000	Share premium R'000	Share-based payments reserve R'000	Other reserve R'000	Retained earnings R'000	Attributable to equity shareholders R'000	Non-controlling interest R'000	Total R'000
–	6 616	4 157	1 419	113 630	129 451	120 705	250 156
–	–	–	–	10 870	10 870	11 550	22 420
–	–	–	163	–	163	47	210
–	–	–	289	–	289	242	531
–	–	–	452	10 870	11 322	11 839	23 161
–	–	–	–	–	–	–	–
–	–	–	–	(33)	(33)	(17)	(50)
–	–	(32)	–	484	452	591	1 043
(486)	–	–	–	–	(486)	(647)	(1 133)
243	–	(243)	–	–	–	–	–
–	–	9	4	360	373	(373)	–
(243)	–	(266)	4	811	306	(446)	(140)
(243)	**6 616**	**3 891**	**1 875**	**125 311**	**141 079**	**132 098**	**273 177**
–	**–**	**–**	**–**	**27 716**	**27 716**	**20 956**	**48 672**
–	**–**	**–**	**74**	**–**	**74**	**61**	**135**
–	**–**	**–**	**464**	**–**	**464**	**410**	**874**
–	**–**	**–**	**538**	**27 716**	**28 254**	**21 427**	**49 681**
–	**–**	**–**	**–**	**7 607**	**13 691**	**6 966**	**20 657**
–	**–**	**–**	**–**	**(33)**	**(33)**	**(17)**	**(50)**
–	**–**	**(748)**	**–**	**1 221**	**473**	**232**	**705**
243	**–**	**(243)**	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**(18 857)**	**–**	**(18 857)**	**–**	**(18 857)**
–	**–**	**–**	**–**	**–**	**–**	**6 623**	**6 623**
–	**–**	**(157)**	**(75)**	**(6 947)**	**(7 179)**	**7 179**	**–**
243	**–**	**(1 148)**	**(18 932)**	**1 848**	**(11 905)**	**20 983**	**9 078**
–	**6 616**	**2 743**	**(16 519)**	**154 875**	**157 428**	**174 508**	**331 936**
18	**19**	**20**	**21**			**22**	

[1] *The change in degree of control relates to the purchase and issue of Rex Trueform "N" ordinary shares held as treasury shares in terms of a share incentive scheme to executive directors and senior executives of Rex Trueform as detailed in note 32.*

STATEMENTS OF
CHANGES IN EQUITY (CONTINUED)

for the year ended 30 June 2022

	Ordinary share capital R'000	Preference share capital R'000
COMPANY		
Balance as at 1 July 2020	3 079	550
Total comprehensive income for the year		
Loss for the year	–	–
Other comprehensive income for the year		
Fair value adjustment on assets held at fair value through other comprehensive income		
Total comprehensive income for the year	–	–
Contributions by and distributions to owners recognised directly in equity		
Shares issued	–	–
Preference dividends paid	–	–
Equity-settled share-based payment	–	–
Total contributions by and distributions to owners recognised directly in equity	–	–
Balance as at 30 June 2021	**3 079**	**550**
Total comprehensive income for the year		
Loss for the year	–	–
Other comprehensive income for the year		
Actuarial gains on post-retirement defined benefit plan		
Total comprehensive income for the year	–	–
Contributions by and distributions to owners recognised directly in equity		
Shares issued	6 084	–
Preference dividends paid	–	–
Equity-settled share-based payment	–	–
Put option liability		
Total contributions by and distributions to owners recognised directly in equity	6 084	–
	9 163	550
Notes	16	17

[1] *The change in degree of control relates to the purchase and issue of Rex Trueform "N" ordinary shares held as treasury shares in terms of a share incentive scheme to executive directors and senior executives of Rex Trueform as detailed in note 32.*

Treasury shares R'000	Share premium R'000	Share-based payments reserve R'000	Other reserve R'000	Retained earnings R'000	Attributable to equity shareholders R'000	Non-controlling interest R'000	Total R'000
–	6 616	549	290	3 914	14 998	–	14 998
–	–	–	–	(1 659)	(1 659)	–	(1 659)
		–	–	–	–	–	–
–	–	–	107	(1 659)	(1 552)	–	(1 552)
–	–	–	–	–	–	–	–
–	–	–	–	(33)	(33)	–	(33)
–	–	(116)	–	391	275	–	275
–	–	(116)	–	358	242	–	242
–	6 616	433	397	2 613	13 688	–	13 688
–	–	–	–	(1 874)	(1 874)	–	(1 874)
		–	–	–	–	–	–
–	–	–	–	(1 874)	(1 874)	–	(1 874)
–	–	–	–	–	6 084	–	6 084
–	–	–	–	(33)	(33)	–	(33)
–	–	(433)	–	391	(42)	–	(42)
			(6 084)		(6 084)	–	(6 084)
–	–	(433)	(6 084)	358	(75)	–	(75)
–	6 616	–	(5 687)	1 097	11 739	–	11 739
	19	20	21				

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2022

	Note	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Cash flows from operating activities					
Operating profit/(loss) before working capital changes	39.1	**162 375**	94 517	**(1 065)**	(964)
Working capital changes	39.2	**(49 217)**	36 786	**63**	(216)
Cash generated by/(utilised) in operating activities		**113 158**	131 303	**(1 002)**	(1 180)
Investment income	39.3	**6 716**	18 494	**–**	–
Interest paid	39.4	**(23 931)**	(37 290)	**(443)**	(1)
Dividends paid	39.5	**(50)**	(50)	**(33)**	(33)
Dividends received	39.6	**1 493**	38	**–**	–
Taxation paid	39.7	**(33 261)**	(412)	**–**	–
Net cash inflows/(outflows) from operating activities		**64 125**	112 083	**(1 478)**	(1 214)
Cash flows from investing activities					
Additions to property, plant and equipment	4	**(13 028)**	(4 167)	**–**	–
Additions to investment properties	5	**(231)**	(30)	**–**	–
Additions to intangible assets	6	**(60)**	(369)	**–**	–
Proceeds from disposal of property, plant and equipment		**315**	–	**–**	–
Loan advanced	39.8	**(20 204)**	(20)	**(22)**	(539)
Loan repaid	39.9	**998**	–	**445**	–
Investment in associate	9	**–**	(421)	**–**	–
Business combination acquisition, net of cash acquired	40	**17 821**	–		–
Other investments	10	**(14 103)**	(402)	**–**	
Net cash (outflows)/inflows from investing activities		**(28 492)**	(5 409)	**423**	(539)
Cash flows from financing activities					
Loan received	39.10	**–**	–	**1 049**	1 614
Lease liabilities repaid	23	**(55 543)**	(66 753)		–
Share repurchased by subsidiary		**–**	(1 905)	**–**	
Net cash (outflows)/inflows from financing activities		**(55 543)**	(68 658)	**1 049**	1 614
Net increase/(decrease) in cash and cash equivalents		**(19 910)**	38 016	**(6)**	(139)
Cash and cash equivalents at the beginning of the year		**110 640**	72 624	**75**	214
Cash and cash equivalents at the end of the year	15	**90 730**	110 640	**69**	75

NOTES TO THE
FINANCIAL STATEMENTS

for the year ended 30 June 2022

1. Corporate information

Reporting entity

African and Overseas Enterprises Limited (the "company") is a company domiciled in South Africa (company registration number: 1947/027461/06). The financial statements for the year ended 30 June 2022 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 263 Victoria Road, Salt River, Cape Town, 7925.

The financial statements were authorised for issue by the directors on 30 September 2022.

2. Accounting policies

Basis of preparation

The group financial statements are presented in South African Rands, 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 International Financial Reporting Standards ("IFRS") and its interpretations adopted 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.

Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations. None of these new standards and interpretations led to a change in the group's accounting policies.

International Financial Reporting Standards and amendments effective for the first time for June 2022 year-ends

Number	Effective date	Executive summary
IFRS 16 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 April 2021 (early adoption is permitted) (Published March 2021)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient.

2. Accounting policies (continued)

Basis of preparation (continued)

International Financial Reporting Standards and amendments effective for the first time for June 2022 year-ends

Number	Effective date	Executive summary
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	Annual periods beginning on or after 1 January 2021 (Published August 2020)	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.

Use of 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 (CGU) 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 13.

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).

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 (CGUs) to which the right-of-use assets belong is a significant judgement area. The smallest CGUs 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 7 to the separate financial statements.

Loan to associate at fair value through profit or loss

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 29.1.

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 (refer to note 40). This is based on the fact that the Sales Agreement was structured as a 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.

Basis of consolidation

Subsidiaries

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.

Interests in consolidated structured entities

African and Overseas Share Trust

The African and Overseas 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 African and Overseas Share Trust purchases, or subscribes, for "N" ordinary shares in African and Overseas Enterprises 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.

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 measured its investments in subsidiaries in its separate financial statements at cost less accumulated impairment losses.

2. Accounting policies (continued)

Interests in consolidated structured entities (continued)

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 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.

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 financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit and loss.

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 timeframe 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.

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.

2. Accounting policies (continued)

Classification and measurement (continued)

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.

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 ECLs which uses a lifetime expected loss allowance for all trade and other receivables. Refer to 28.2

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).

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.

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.

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. 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 10 years
- Vehicles 3 to 5 years

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

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.

2. Accounting policies (continued)

Intangible assets (continued)

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.

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.

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 CGUs for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of CGUs 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.

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

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.

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 CGU 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.

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.

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.

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 African and Overseas Share Trust have been treated as treasury shares. Dividends received on treasury shares are eliminated on consolidation.

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.

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.

Post-employment benefits

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

Defined contribution plan

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.

2. Accounting policies (continued)

Employee benefits (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.

Provisions and contingent liabilities

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.

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 stand-alone 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.

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 new 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.

Investment income

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.

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.

Finance cost

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

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 group uses the definition of a lease in IFRS 16.

2. Accounting policies (continued)

Expenses (continued)

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 group 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 23 for the lease period used.

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 23 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.

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.

COVID-19-related rent concessions

The group has elected, as in the prior year, to utilise the practical expedient provided for in COVID-19-Related Rent Concessions (amendment to IFRS 16) issued by the International Accounting Standards Board, to all rent concessions that meet the criteria. The criteria are as follows:

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

If the above criteria are met, the group does not consider individual lease contracts to determine whether rent concessions received as a direct consequence of the COVID-19 pandemic are lease modifications and the group accounts for such rent concessions as if they were not lease modifications. The result is that such rent concessions received are not being treated as lease modifications, but rather as a credit to the income statement where it meets the above criteria.

Where the group has granted COVID-19 rental relief as lessor, the reduced rental is recognised as a reduction in income as per IFRS 16.

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 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 reportingdate.

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.

2. Accounting policies (continued)

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.

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.

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 1/2021, issued by SAICA as required by the JSE Listings Requirements, using the same number of shares as the EPS and diluted EPS calculations.

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.

3. Standards and interpretations not yet effective

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 July 2022 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.

International Financial Reporting Standards, interpretations and amendments issued but not effective

Number	Effective date	Executive summary
IFRS 17 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9 'Financial Instruments', and IFRS 15 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)	The IASB issued IFRS 17 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
Amendments to IFRS 17 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

3. Standards and interpretations not yet effective (continued)

International Financial Reporting Standards, interpretations and amendments issued but not effective

Number	Effective date	Executive summary
Annual improvements cycle 2018–2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: • IFRS 1 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IFRS 16 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. • IAS 41 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.
Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract'	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of "costs to fulfil a contract". Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use'	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendment to IFRS 3 'Business combinations' Asset or liability in a business combination clarity	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The Board has updated IFRS 3 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

International Financial Reporting Standards, interpretations and amendments issued but not effective		
Number	Effective date	Executive summary
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023 (Published Jan 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.
Amendments to IAS 12 'Income Taxes': Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

4. Property, plant and equipment

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Land and buildings				
Cost at the beginning of the year	**7 014**	6 986	–	–
Additions	**30**	28	–	
Cost at the end of the year	**7 044**	7 014	–	–
Accumulated depreciation at the beginning of the year	**1 502**	1 125	–	–
Depreciation charge for the year	**378**	377	–	–
Accumulated depreciation at the end of the year	**1 880**	1 502	–	–
Carrying value at the beginning of the year	**5 512**	5 861	–	–
Carrying value at the end of the year	**5 164**	5 512	–	–
Plant and equipment				
Cost at the beginning of the year	**364**	318	–	–
Additions	**–**	46	–	–
Cost at the end of the year	**364**	364	–	–
Accumulated depreciation at the beginning of the year	**153**	120	–	–
Depreciation charge for the year	**47**	33	–	–
Accumulated depreciation at the end of the year	**200**	153	–	–
Carrying value at the beginning of the year	**211**	198	–	–
Carrying value at the end of the year	**164**	211	–	–

4. Property, plant and equipment (continued)

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Vehicles				
Cost at the beginning of the year	**1 214**	1 214	**–**	–
Additions	**697**	–	**–**	–
Additions through business combination	**789**	–	**–**	–
Disposals	**(846)**	–	**–**	–
Cost at the end of the year	**1 854**	1 214	**–**	–
Accumulated depreciation at the beginning of the year	**1 205**	1 201	**–**	–
Depreciation charge for the year	**199**	4	**–**	–
Accumulated depreciation at the end of the year	**558**	1 205	**–**	–
Carrying value at the beginning of the year	**9**	13	**–**	–
Carrying value at the end of the year	**1 296**	9	**–**	–
Equipment and shopfittings				
Cost at the beginning of the year	**191 773**	212 379	**–**	–
Additions	**12 301**	4 093	**–**	–
Acquisition through business combination	**6 454**		**–**	–
Disposals	**(13 778)**	(24 699)	**–**	–
Cost at the end of the year	**196 750**	191 773	**–**	–
Accumulated depreciation at the beginning of the year	**154 221**	159 934	**–**	–
Depreciation charge for the year	**14 263**	16 248	**–**	–
Depreciation charge reclassified to discontinued operation	**–**	222	**–**	–
Depreciation on disposals	**(10 497)**	(22 183)	**–**	–
Accumulated depreciation at the end of the year	**157 987**	154 221	**–**	–
Carrying value at the beginning of the year	**37 552**	52 445	**–**	–
Carrying value at the end of the year	**38 763**	37 552	**–**	–
Total carrying value at the beginning of the year	**43 284**	58 517	**–**	–
Total carrying value at the end of the year	**45 387**	43 284	**–**	–

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 7. No impairment charges on plant and equipment were recognised in the current or prior year.

5. Investment property

	GROUP		COMPANY	
	2022 **R'000**	2021 R'000	**2022** **R'000**	2021 R'000
Cost at the beginning of the year	**83 823**	83 793	**–**	–
Additions	**231**	30	**–**	–
Cost at the end of the year	**84 054**	83 823	**–**	–
Accumulated depreciation at the beginning of the year	**22 994**	20 551	**–**	–
Depreciation charge for the year	**2 376**	2 443	**–**	–
Accumulated depreciation at the end of the year	**25 370**	22 994	**–**	–
Carrying value at the beginning of the year	**60 829**	63 242	**–**	–
Carrying value at the end of the year	**58 684**	60 829	**–**	–
Fair value of investment properties				
Rex Trueform Office Park	**128 600**	128 600	**–**	–
Vacant building	**28 000**	28 000	**–**	–
Vacant land	**29 600**	29 600	**–**	–
Total fair value	**186 200**	186 200	**–**	–
Included in profit and loss are the following items:				
Rental income from investment property	**20 382**	19 853	**–**	–
Direct operating expenses (including repairs and maintenance) relating to rental generating investment properties	**9 376**	9 148	**–**	–
Direct operating expenses (including repairs and maintenance) relating to investment properties which did not generate income	**1 166**	322	**–**	–
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	**7 241**	19 108	**–**	–
Between one and five years	**3 615**	6 389	**–**	–
Total	**10 856**	25 497	**–**	–

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% (2021: 10%) of the Rex Trueform Office Park ("RTOP") building and in relation to gross lettable area, this is regarded as insignificant.

The group's investment properties include commercial properties that are leased out to third parties. Rental increases vary between 7.5% and 9% (2021: 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. As a result of COVID-19, rental relief amounting to R nil (2021: R485,911) were granted to tenants during the financial year.

There are commitments to further develop our investment properties by R Nil (2021: R872,500).

5. Investment property (continued)

Fair value for financial reporting purposes

The fair value of investment property has been determined using the discounted cash flow method or applicable bulk rate as at 30 June 2022 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.

Significant unobservable inputs:

Capitalisation rate	9.50% – 11.00%	(2021: 9.25% – 10.75%)
Discount rate	15.00%	(2021: 13.25%)
Vacancy factor	2.00% – 10.00%	(2021: 3.00%)

6. Goodwill and intangible assets

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Goodwill				
Cost at the beginning of the year	–	1 100	–	–
Additions through business combination (refer to note 40)	**20 218**	–	–	–
Derecognised	–	(1 100)		
Cost at the end of the year	**20 218**	–	–	–
Carrying value at the beginning of the year	–	1 100	–	–
Carrying value at the end of the year	**20 218**	–	–	–
Computer software and other intangible assets[1]				
Cost at the beginning of the year	**41 408**	41 039	–	–
Additions	**60**	369	–	–
Disposals	**(5 433)**	–	–	–
Cost at the end of the year	**36 035**	41 408	–	–
Accumulated amortisation at the beginning of the year	**26 484**	22 509	–	–
Amortisation charge for the year	**4 875**	3 975	–	–
Amortisation on disposals				
Derecognised	**(5 363)**		–	–
Accumulated amortisation at the end of the year	**25 996**	26 484	–	–
Carrying value at the beginning of the year	**14 924**	18 530	–	–
Carrying value at the end of the year	**10 039**	14 924	–	–
Total carrying value at the beginning of the year	**14 924**	19 630	–	–
Total carrying value at the end of the year	**30 257**	14 924	–	–

1 Goodwill derecognised in the prior year relates to goodwill recognised on purchase of the Queenspark Namibian operations. The goodwill, which has previously been fully impaired, has been derecognised following the closure of the Namibian operations in December 2020.

Significant estimate: key assumptions used for value-in-use calculations

Goodwill is monitored by management at the level of the operating segments identified in note 41. The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management which are then extrapolated using the estimated growth rates stated below.

	GROUP	
	2022	2021
Key assumptions for the segments that have significant goodwill allocated to them:		
Media and broadcasting segment		
Growth rate percentage	7.0%	–
Pre-tax discount rate	15.1%	–
General cost inflation	7.0%	–

7. Right-of-use asset

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Carrying value at the beginning of the year	**182 749**	231 967	**–**	–
Additions	**34 446**	21 532	**–**	–
Additions through business combination	**31 472**	–	**–**	–
Disposals	**–**	–	**–**	–
Landlord contributions	**(56)**	–	**–**	–
Lease modifications	**(13 099)**	(10 792)	**–**	–
Depreciation charge for the year	**(53 111)**	(52 718)	**–**	–
Impairment charge for the year	**(308)**	(7 240)	**–**	–
Carrying value at the end of the year	**182 093**	182 749	**–**	–
The right-of-use asset comprises of the following:				
Retail segment - fixed term store leases and is depreciated over one to 10 years	**151 974**	–	**–**	–
Media and broadcasting segment – facilities depreciated over seven to eight years	**30 119**	182 749	**–**	–
	182 093	182 749	**–**	–

Impairment tests for right-of-use assets

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 assessed 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 being the higher of the value-in-use and an indicative selling price. 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 has been determined to be R187,161,465 (2021: R182,748,865) and accordingly an impairment charge of R308,002 (2021: R7,239,572) 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: 14.18% (2021: 16.01%)
- Store revenue growth: store specific revenue budgets used for the year ended 30 June 2023, thereafter 5% (2021: 5%)
- Store rentals: as per leases
- General cost inflation: 5% (2021: 5%)

8. Net interest in subsidiary companies

	COMPANY	
	2022 **R'000**	2021 R'000
Investment in listed shares – at cost		
Rex Trueform Group Limited		
Ordinary shares	**2 187**	2 187
"N" ordinary shares	**15 212**	15 212
6% cumulative preference shares	**1**	1
	17 400	17 400
Investment in unlisted shares – at cost		
Telemedia Proprietary Limited	**9 683**	–

	COMPANY	
	2022 **% Share-holding**	2021 % Share-holding
Percentage held in listed shares		
Rex Trueform Group Limited		
Ordinary shares	**72.62%**	72.62%
"N" ordinary shares	**51.39%**	51.39%
6% cumulative preference shares	**0.59%**	0.59%

	COMPANY	
	2022 **R'000**	2021 R'000
Loans receivable from/(payable) to subsidiary companies		
Non-current loan receivable from subsidiary company		
African and Overseas Share Trust	**66**	297
Non-current loan payable to subsidiary company		
Rex Trueform Group Limited	**(4 984)**	(4 029)

Terms of the loans receivable from/payable) to subsidiary companies

African and Overseas Share Trust

The company provided financial assistance to the share trust in order to purchase the shares. The loan receivable is interest free and is repayable before the fifth anniversary of the effective date of the loan. The loan is not expected to be repaid within 12 months and is therefore considered to be of a long-term nature.

Rex Trueform Group Limited

Rex Trueform Group Limited provided financial assistance to its holding company in the form of loan facility of R14 million. The loan is unsecured and bears interest at the prime rate of interest. The loan is repayable by June 2024, being the fifth anniversary of the signature date of the loan, and is therefore considered to be of a long-term nature.

	2022 R'000	2021 R'000
Shown as:		
Non-current assets	**27 149**	17 697
Non-current liabilities	**(4 984)**	(4 029)
	22 165	13 668

The format of the disclosure relating to the net interest in subsidiary companies has been changed from the prior year to better represent the information required.

	COMPANY	
	2022 R'000	2021 R'000
Reconciliation of the loans receivable from/(payable) to subsidiary companies		
Loan receivable from subsidiary company		
Balance at the beginning of the year	**297**	9
Loan granted during the year	**12**	531
Loan – repaid via shares	**(243)**	(243)
Balance at the end of the year	**66**	297
Loan payable to subsidiary company		
Balance at the beginning of the year	**(4 029)**	(2 208)
Loan received during the year	**(1 049)**	(1 614)
Interest repaid during the period	**444**	–
Interest accrued during the year	**(350)**	(207)
Balance at the end of the year	**(4 984)**	(4 029)

9. Investment in associate

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Interest in associate	**172 675**	170 081	**–**	–
Reconciliation of carrying value at the beginning and end of the year				
Total carrying value at the beginning of the year	**18 364**	18 882	**–**	–
Increase in investment at cost	**–**	421	**–**	–
Equity accounted earnings	**(4 269)**	(939)	**–**	–
Carrying value at the end of the year	**14 095**	18 364	**–**	–
Loan to associate at the beginning of the year	**151 717**	149 670	**–**	–
– Capital	**125 000**	125 000	**–**	–
– Accrued dividends	**26 717**	24 670	**–**	–
Accrued dividends repaid during the year	**(1 815)**	(15 166)	**–**	–
Accrued dividends recognised during the year	**19 778**	17 213	**–**	–
Impairment of loan during the year	**(11 100)**			
Loan to associate at the beginning of the year	**158 580**	151 717	**–**	–
– Capital	**125 000**	125 000	**–**	–
– Accrued dividends	**44 680**	26 717	**–**	–
– Impairment of loan receivable	**(11 100)**			
Shown as:				
Non-current assets	**172 675**	170 081	**–**	–
	172 675	170 081	**–**	–

Rex Trueform's shares in Ombrecorp, Ombrecorp's shares in SAWW and Ombrecorp's bank account has been are ceded and pledged in favour of 27four Life until such time as the loan has been fully settled. Refer to note 11.3.

Ombrecorp provided shareholder funding to SAWW in order to invest in the underlying subsidiaries which conducts

9. Investment in associate (continued)

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.

Impairment assessment

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.

Subsequent to year end, there were developments in existing legal matters in these underlying operating entities. Refer to note 42, Events subsequent to year end, 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 an impairment amounting to R11,100,000 (2021: Nil) is required.

Significant unobservable inputs in relation to the investment in associate

Accrued dividend rate:	12.00% – 13.25%	(2021: 12.00% – 12.25%)
Term:	7.75 – 8.33 years	(2021: 8.75 – 9.33 years)

Investment in associate

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%.

The following table summarises the financial information of SAWW, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in SAWW.

	GROUP	
	2022 R'000	2021 R'000
Percentage ownership	**30.79%**	30.79%
Rex Trueform's subsidiary, Ombrecorp, directly owns 30.79% (2021: 30.79%) of the issued share capital of SAWW.		
Rex Trueform owns 52% of the issued share capital of Ombrecorp.		
Summarised statement of financial position		
Non-current assets	**931 714**	990 368
Current assets	**416 931**	317 468
Non-current liabilities	**(874 158)**	(920 913)
Current liabilities	**(233 272)**	(135 687)
Non-controlling interest	**(203 607)**	(199 762)
Net assets (100%)	**37 608**	51 474
Group's share of net assets 30.79% (2021: 30.79%)	**11 579**	15 848
Investment at cost	**2 516**	2 516

	GROUP	
	2022 R'000	2021 R'000
Loan to associate	**158 580**	151 717
Total investment in associate	**172 675**	170 081
Summarised statement of comprehensive income		
Revenue	**696 600**	621 782
Other income	**43 156**	78 400
Other operating costs	**(511 925)**	(444 741)
Profit after tax	**24 817**	37 473
Attributable to non-controlling shareholders	**(38 683)**	(40 556)
Attributable profit and comprehensive income (100%)	**(13 866)**	(3 083)
Group's share of total comprehensive income 30.79% (2021: 30.79%)	**(4 269)**	(939)

10. Other investments

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Unlisted shares				
Business Partners Limited				
– 104 800 shares at fair value	**734**	734	**–**	–
Listed shares				
Texton Property Fund Limited				
– 4 406 989 shares (2021: 333 334) at fair value	**16 306**	1 083	**–**	–
Sanlam Limited				
– 1 356 shares at fair value	**72**	83	**–**	–
Other	**3**	4	**3**	4
Total at fair value through other comprehensive income	**17 115**	1 904	**3**	4

Information about the methods and assumptions used in determining fair value is provided in note 28.1.

11. Loans receivable/(payable)

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Non-current loans receivable				
Unsecured loans to share scheme participants – related party	**–**	987	**–**	435
Loan to Belper Investments	**20 280**	–	**–**	–
	20 280	987	**–**	435
Non-current loan payable				
Secured loan raised to finance investment in associate	**(89 792)**	(82 067)	**–**	–

11. Loans receivable/(payable) (continued)

11.1 Unsecured loans to share scheme participants

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Balance at the beginning of the year	**987**	967	**435**	427
Advances during the year	**11**	20	**10**	8
Repayments during the year	**(998)**	–	**(445)**	–
Balance at the end of the year	**–**	987	**–**	435

The loans are unsecured and interest-free. Repayment terms are the earlier of (i) five days after disposal of the shares by the scheme participant, (ii) within 30 days written notice from the lender after the third anniversary of the loan, and (iii) by the fifth anniversary of the signature date. The loan is not expected to be settled within 12 months and is therefore considered to be of a long-term nature. Shareholder approval for the loans were obtained in terms of section 45 of the Companies Act.

11.2 Loan to Belper Investments

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Balance at the beginning of the year	**–**	–	**–**	–
Advances during the year	**20 193**	–	**–**	–
Interest accrued during the year	**87**	–	**–**	–
Balance at the end of the year	**20 280**	–	**–**	––

The group advanced an amount to Belper Investments Proprietary Limited to acquire a portfolio of properties in Epping, Cape Town. As at 30 June 2022, the existing shareholders of Belper Investments have ceded their shareholding to Rex Trueform as security for the loan. The cession has subsequently ceased on 3 August 2022, being the effective date on which Rex Trueform has become the holder of 51% of the entire issued share capital of Belper Investments. Refer to SENS dated 21 April 2022 and 3 August 2022. 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 3 August 2025 and is therefore considered to be long term in nature. Refer to note 43.

11.3 Secured loan raised to finance an investment in associate

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Balance at the beginning of the year	**(82 067)**	(82 187)	**–**	–
Interest repaid during the period	**–**	7 425	**–**	
Interest accrued during the year	**(7 725)**	(7 305)	**–**	–
Balance at the end of the year	**(89 792)**	(82 067)	**–**	–

Ombrecorp received loan funding from 27four Life for the sole purpose of acquiring the groups 30% interest in SAWW, refer to note 10. The loan bears interest at the six-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 long-term in nature.

Rex Trueform's shares in Ombrecorp, Ombrecorp's shares in SAWW and Ombrecorp's bank account has been are ceded and pledged in favour of 27four Life until such time as the loan has been fully settled.

12. Deferred tax asset/(liability)

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Balance at the beginning of the year	**20 350**	23 716	**–**	–
– Deferred tax assets	**32 667**	36 025	**–**	–
– Deferred tax liabilities	**(12 317)**	(12 309)	**–**	–
Additions through business combination	**(380)**	–	**–**	–
Charge to profit or loss	**(11 781)**	(3 212)	**–**	–
– current year	**(11 606)**	(3 346)	**–**	–
– change in corporate tax rate				
– prior year under/(over) provision	**(175)**	134	**–**	–
Recognised in statement of comprehensive income	**(232)**	(153)	**–**	–
– Investments	**(232)**	(153)	**–**	–
Current year movement in temporary differences recognised in profit or loss	**(12 090)**	(3 212)	**–**	–
– Accruals, provisions and contingent liability	**2 888**	(1 604)	**–**	–
– Income received in advance	**(61)**	–	**–**	–
– Property, plant and equipment, intangible assets and investment property	**1 681**	806	**–**	–
– Right-of-use asset	**11 870**	13 783	**–**	–
– Lease liability	**(16 466)**	(23 204)	**–**	–
– Forward exchange contracts	**(262)**	49	**–**	–
– Lease asset	**76**	(3)	**–**	–
– Prepaid expense	**(482)**	(478)	**–**	–
– Assessed loss	**(11 334)**	7 439	**–**	–
Current year movement in temporary differences recognised in statement of comprehensive income	**(232)**	(153)	**–**	–
– Investments	**(232)**	(153)	**–**	–
Balance at the end of the year	**7 652**	20 350	**–**	–
– Deferred tax assets	**18 992**	32 667	**–**	–
– Deferred tax liabilities	**(11 340)**	(12 317)	**–**	–
Comprising:				
Deferred tax assets	**72 679**	88 159	**–**	–
– Assessed losses	**–**	11 334	**–**	–
– Lease liability	**65 081**	73 060	**–**	–
– Accruals and provisions	**7 260**	3 695	**–**	–
– Income received in advance	**220**	–	**–**	–
– Forward exchange contracts	**–**	49	**–**	–
– Property, plant and equipment, intangible assets and investment property	**118**	21	**–**	–
Deferred tax liabilities	**(65 027)**	(67 809)	**–**	–
– Property, plant and equipment, intangible assets and investment property	**(13 753)**	(15 337)	**–**	–
– Right-of-use asset	**(49 121)**	(51 169)	**–**	–
– Lease asset	**(153)**	(229)	**–**	–
– Investments	**(446)**	(215)	**–**	–
– Forward exchange contracts	**(213)**	–	**–**	–
– Prepaid expense	**(1 341)**	(859)	**–**	–

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

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% (2021: 22.4%) was used to compute deferred tax for assets and liabilities which will be realised through sale, and a rate of 27% (2021: 28%) 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 stem largely from the retail segment 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. In respect of the retail segment 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
- Queenspark launched its own online sales platform where previously it relied on third party online platforms.
- Management continuously seeks to maximise cost efficiencies within the business.
- Negotiations with landlords are continuing for rental relief and more favourable lease terms.
- Management will continue to monitor unprofitable stores and assess whether store closures are required.

13. Inventories

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Merchandise on hand	**89 444**	53 595	**–**	–
Merchandise at sea	**34 515**	27 065	**–**	–
Right to return asset	**1 001**	577	**–**	–
Inventories at the end of the year	**124 960**	81 237	**–**	–
Net realisable value provision beginning of year	**10 103**	23 114	**–**	–
Inventory provision included in profit or loss	**73**	(13 011)	**–**	–
Net realisable value provision end of year	**10 176**	10 103	**–**	–
Inventories carried at net realisable value	**82**	60	**–**	–

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

As at 30 June 2022 the net realisable value provision was 7.7% of gross cost of inventory compared to 11.1% at the end of the previous financial year. The reduction 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.

14. Trade and other receivables

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Trade receivables	**10 659**	893	**–**	–
Prepayments	**20 301**	10 092	**172**	98
VAT receivable	**–**	13	**–**	–
Other receivables	**1 616**	8 436	**–**	–
At the end of the year	**32 576**	19 434	**172**	98
Reconciliation				
Financial instruments				
Trade receivables	**10 659**	893	**–**	–
Other receivables	**1 616**	8 436	**–**	–
Non-financial instruments				
VAT receivable	**–**	13	**–**	–
Prepayments	**20 301**	10 092	**172**	98
	32 576	19 434	**172**	98

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:

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
At amortised cost	**12 275**	9 329	**–**	–
Non-financial instruments	**20 301**	10 105	**172**	98
	32 576	19 434	**172**	98

15. Cash and cash equivalents

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Bank balances	**32 780**	11 668	**69**	75
Call deposits	**57 950**	98 972	**–**	–
At the end of the year	**90 730**	110 640	**69**	75

Call deposit includes an amount of R577,500 (2021: 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.

16. Ordinary share capital

	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Issued and fully paid share capital				
Ordinary shares				
1 618 750 ordinary shares of no par value (2021: 1 250 000)	**6 709**	625	**6 709**	625
10 221 921 "N" ordinary shares of no par value (2021: 10 221 921)	**2 454**	2 454	**2 454**	2 454
	9 163	3 079	**9 163**	3 079
Reconciliation of movement in issued and fully paid shares				
At the beginning of the year	**3 079**	2 552	**3 079**	2 552
Shares issued during the period	**6 084**	527	**6 084**	527
At the end of the year	**9 163**	3 079	**9 163**	3 079

The company has two 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.

No dividends were declared or paid by the company on ordinary and "N" ordinary shares during the year (2021: R nil).

The directors have not proposed a dividend per share in respect of the 2022 year on ordinary and "N" ordinary shares.

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

	GROUP 2022 Number of shares	GROUP 2021 Number of shares	COMPANY 2022 Number of shares	COMPANY 2021 Number of shares
Ordinary shares – Authorised				
Balance of shares at end of year	**10 000 000**	10 000 000	**10 000 000**	10 000 000
Ordinary shares – Issued and fully paid				
Reconciliation of movement in issued and fully paid shares				
At the beginning of the year	**1 250 000**	1 250 000	**1 250 000**	1 250 000
Shares issued during the period	**368 750**	–	**–**	–
Balance of shares at end of year	**1 618 750**	1 250 000	**1 250 000**	1 250 000
"N" Ordinary shares – Authorised				
Balance of shares at end of year	**80 000 000**	80 000 000	**80 000 000**	80 000 000
"N" Ordinary shares – Issued and fully paid				
Reconciliation of movement in issued and fully paid shares				
At the beginning of the year	**10 221 921**	10 221 921	**10 221 921**	10 221 921
At the end of the year	**10 221 921**	10 221 921	**10 221 921**	10 221 921
Treasury shares held by subsidiaries	**–**	(21 128)	**–**	–
Number of shares in issue (net of treasury shares)	**10 221 921**	10 200 793	**10 221 921**	10 221 921

17. Preference share capital

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Authorised share capital				
Preference shares				
275 000 6% cumulative participating preference shares of R2 each	**550**	550	**550**	550
Issued and fully paid share capital				
Preference shares				
275 000 6% cumulative participating preference shares of R2 each	**550**	550	**550**	550

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Preference shares				
Balance of shares at end of year	**275 000**	275 000	**275 000**	275 000

The preference shares are non-redeemable and are entitled to receive annual dividends equal to 6%. 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.

18. Treasury shares

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Treasury shares				
"N" ordinary shares held by the African and Overseas Trust as treasury shares	**–**	(243)	**–**	–
Reconciliation of movement in treasury shares				
At the beginning of the year	**(243)**	–	**–**	–
Shares issued in terms of the share scheme participants	**243**	243	**–**	–
Shares repurchased during current period	**–**	(486)	**–**	–
At the end of the year	**–**	(243)	**–**	

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Reconciliation of movement in treasury shares – "N" Ordinary shares				
At the beginning of the year	**21 128**	4	**–**	–
Shares issued in terms of the share scheme participants	**(21 128)**	(21 116)	**–**	–
Shares repurchased during current period	**–**	42 240	**–**	–
At the end of the year	**–**	21 128	**–**	–

During the year the share trust purchased an additional 42 240 "N" ordinary shares to facilitate the share options, 21 116 "N" ordinary shares were awarded to executive directors and senior executives. Refer to note 32.

19. Share premium

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Share premium balance at the end of the year	**6 616**	6 616	**6 616**	6 616

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

20. Share-based payments reserve

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Non-distributable	**2 982**	2 982	**–**	–
Distributable	**(239)**	909	**–**	433
At the end of the year	**2 743**	3 891	**–**	433

Non-distributable reserve – an equity-settled share-based payment expense that arose as a result of the award 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 32.

21. Other reserves

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Revaluation of assets held at fair value through other comprehensive income[1]	**1 076**	648	**3**	4
Actuarial gain on post-retirement defined benefit plan	**1 262**	1 227	**394**	393
Put option liability (refer to note 25.5)	**(18 857)**	–	**(6 084)**	–
At the end of the year	**(16 519)**	1 875	**(5 687)**	397

[1] *Relates to other investments as per note 10.*

22. Non-controlling interest

The following table summarises the information relating to the group's subsidiary, Rex Trueform Group Limited, that has material non-controlling interest, before any intra-group eliminations.

	GROUP	
	2022 R'000	2021 R'000
Non-controlling interest percentage	**47.8%**	45.5%
Non-current assets	**196 799**	133 673
Current assets	**33 961**	54 843
Non-current liabilities	**(22 029)**	(12 538)
Current liabilities	**(24 040)**	(7 631)
Net assets	**184 691**	168 347
Net assets attributable to non-controlling interest	**88 280**	76 526
Revenue	**47 378**	30 772
Profit for the year	**13 695**	9 758
Other comprehensive income	**1 012**	634
Total comprehensive income for the year	**14 707**	10 392
Profit for the year allocated to non-controlling interest	**6 546**	4 435
Other comprehensive income allocated to non-controlling interest	**483**	288
Net cash inflows from operating activities	**19 221**	14 303
Net cash inflows from investing activities	**(39 684)**	12 400
Net increase/(decrease) in cash and cash equivalents	**(20 463)**	26 703

23. Lease liability

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Fixed-term store leases				
At the beginning of the year	**260 929**	346 249	–	–
New leases	**33 362**	21 532	–	–
Additions through business combination	**31 472**	–	–	–
Lease modifications	**(27 931)**	(40 099)	–	–
Finance cost	**22 533**	29 497	–	–
Finance cost paid	**(22 495)**	(29 497)	–	–
Capital repaid	**(55 543)**	(66 753)	–	–
At the end of the year	**242 327**	260 929	–	–
Included in non-current liabilities	**190 230**	204 210	–	–
Included in current liabilities	**52 097**	56 719	–	–
	242 327	260 929	–	–
Fixed-term store leases	**211 543**	260 929	–	–
Media and broadcasting facilities	**30 784**	–	–	–
	242 327	260 929	–	–

Lease liabilities bear interest varying from 7.00% to 11.25% and are repayable from 2022 to 2032 including renewal periods where applicable. Refer to note 42 for further information on leases.

24. Post-retirement liability

At 30 June 2022, the group had an obligation to provide limited post-retirement benefits to four (2021: five) former employees. The benefits largely relate to medical aid contributions. The obligation is unfunded and any benefits paid are through the group's cash resources.

The benefits largely relate to medical aid contributions. The obligation is unfunded and any benefits paid are through the group's cash resources.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Reconciliation of liability				
At the beginning of the year	**312**	654	**91**	229
Interest cost included in profit or loss	**4**	36	**1**	12
Gain included in other comprehensive income	**(135)**	(210)	**–**	(107)
Benefits paid	**(96)**	(168)	**(16)**	(43)
At the end of the year	**85**	312	**76**	91
Amount included in profit or loss				
Interest cost	**4**	36	**1**	12
	4	36	**1**	12

25. Provisions

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Employment costs	**4 493**	–	**–**	–
Customer returns	**2 131**	1 228	**–**	–
Provision for occupancy commitments	**4 712**	4 015	**–**	–
Contingent consideration	**17 209**		**3 872**	–
Put option liability	**18 857**		**6 084**	–
	47 402	5 243	**9 956**	–
Shown as:				
Non-current liability	**14 294**	3 078	**–**	–
Current liability	**33 108**	2 165	**9 956**	–
	47 402	5 243	**9 956**	–

25.1 Employment costs

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
At the beginning of the year	**–**	3 680	**–**	–
Movement in profit or loss	**4 493**	(3 680)	**–**	–
At the end of the year	**4 493**	–	**–**	–

The provision relates to discretionary employee bonuses.

25.2 Customer returns

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
At the beginning of the year	**1 228**	2 345	**–**	–
Movement in profit or loss	**903**	(1 117)	**–**	–
At the end of the year	**2 131**	1 228	**–**	–

It is the company'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.

25.3 Provision for occupancy commitments

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
At the beginning of the year	**4 015**	3 931	**–**	–
Additions to right-of-use asset	**1 083**	543	**–**	–
Additional provision charged to profit or loss	**–**	307		
Amounts used during the year	**(386)**	(766)		
At the end of the year	**4 712**	4 015	**–**	–

The provision relates to obligations as a result of whiteboxing clauses contained in store leases if stores are vacated at the termination of the leases and is based on the estimated future cost discounted at 10.35% p.a. (2021: 10.41% p.a.)

25.4 Contingent consideration

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
At the beginning of the year	**–**	–	**–**	–
Additions through business combination	**14 818**	–	**3 598**	–
Change in fair value of contingent consideration	**1 800**	–	**–**	–
Finance cost on contingent consideration	**591**	–	**274**	–
At the end of the year	**17 209**	–	**3 872**	–

Refer to note 40 for further information on the contingent consideration.

25.5 Put option liability

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
At the beginning of the year	**–**	–	**–**	–
Movement in other reserves	**18 856**	–	**6 084**	–
At the end of the year	**18 856**	–	**6 084**	–

Refer to note 40 for further information on the put option liability.

26. Trade and other payables

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Trade payables	**43 148**	40 035	**10**	10
Deferred income	**5 789**	4 692	**–**	–
VAT payable	**587**	1 646	**–**	–
Rental deposits	**4 828**	4 692	**–**	–
Customer deposits	**236**	–	**–**	–
Employee benefit accruals	**9 017**	8 310	**66**	73
Other payables and accruals	**26 293**	26 172	**562**	418
At the end of the year	**89 898**	85 547	**638**	501

Other payables and accruals comprises largely inventory received not yet invoiced.

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Reconciliation				
Financial instruments				
Trade payables	**43 148**	40 035	**10**	10
Rental deposits	**4 828**	4 692	**–**	–
Customer deposits	**236**	–	**–**	–
Other payables and accruals	**26 293**	26 172	**562**	418
Non-financial instruments				
Deferred income	**5 789**	4 692	**–**	–
VAT payable	**587**	1 646	**–**	–
Employee benefit accruals	**9 017**	8 310	**66**	73
	89 898	85 547	**638**	501

Categorisation of trade and other payables

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
At amortised cost	**74 505**	70 899	**572**	428
Non-financial instruments	**15 393**	14 648	**66**	73
	89 898	85 547	**638**	501

27. Capital commitments

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Authorised but not yet contracted for				
Store development	**10 792**	3 365	**–**	–
Computer infrastructure and software	**4 993**	3 573	**–**	–
Plant and machinery	**959**	486	**–**	–
Head office refurbishments	**108**	753	**–**	–
Motor vehicle	**–**	49	**–**	–
Total	**16 852**	8 226	**–**	–
Authorised and contracted for (less amounts already incurred)				
Store development	**342**	497	**–**	–
Plant and machinery	**–**	28	**–**	–
Computer infrastructure and software	**–**	58	**–**	–
Motor vehicle	**–**	296	**–**	–
Total	**342**	879	**–**	–

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

28. Financial instruments

28.1 Carrying value

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Financial instruments at amortised cost				
Lease liabilities	**(242 327)**	(260 929)	**–**	–
Trade and other receivables[1]	**12 275**	9 329	**–**	–
Amounts receivable from subsidiary companies[1]	**–**	–	**66**	297
Cash and cash equivalents[1]	**90 730**	110 640	**69**	75
Loans receivable[2]	**20 280**	987	**–**	435
Trade and other payables[1]	**(69 441)**	(66 207)	**(572)**	(428)
Rental deposits[2]	**(4 828)**	(4 692)	**–**	–
Loan payable[2]	**(89 792)**	(82 067)	**–**	–
Amounts payable to subsidiary company[1]	**–**	–	**(4 984)**	(4 029)
	(283 103)	(292 939)	**(5 421)**	(3 650)

[1] *Approximates the fair value of the financial instruments as all short term in nature (no time value of money applicable).*

[2] *Approximates the fair value of the financial instruments as it is all linked to market related interest rates.*

28. Financial instruments (continued)

28.1 Carrying value (continued)

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Financial instruments at fair value through other comprehensive income				
Other investments – Listed shares (Level 1)	**16 381**	1 170	**3**	4
Other investments – Unlisted shares (Level 2)	**734**	734	**–**	–
	17 115	1 904	**3**	4
Financial instruments at fair value through profit or loss				
Forward exchange contracts (Level 2)	**788**	(174)	**–**	–
Loan to associate (Refer note 9) (Level 3)	**158 580**	151 717	**–**	–
	159 368	151 543	**–**	–

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. This category includes instruments that are the instruments.

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

Fair values of the forward exchange contract 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 a current lending rate which was adjusted to incorporate the risk of bearing uncertainty in the cash flow. Refer to note 9 for a reconciliation of the loan to associate and note 28.6 for the market risk sensitivity analysis.

28.2 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 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.

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 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.

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. Trade receivable and contract assets 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- (2021: BB+).

Impairment under IFRS 9 will apply to cash and cash equivalents being measured at amortised cost. These are short term (that is not longer than 12 months) and held with a reputable bank institution. Accordingly, there is no significant expected credit loss (ECL) on such asset.

28. Financial instruments (continued)

28.2 Credit risk (continued)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

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

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Trade receivables (refer to note 14)	**10 659**	893	**–**	–
Other receivables – not past due (refer to note 14)[1]	**1 616**	8 436	**–**	–
Loans receivable – not past due (refer to note 11)[1]	**20 280**	987	**–**	435
Loans receivable from subsidiary companies – not past due (refer to note 8)	**–**	–	**66**	297
Cash and cash equivalents (refer to note 15)	**90 730**	110 640	**69**	75
	123 285	120 956	**135**	807

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

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:				
Media and broadcasting customers	**9 950**	–	**–**	–
Other	**709**	893	**–**	–
	10 659	893	**–**	–

Impairment losses

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

	GROUP		COMPANY	
Gross	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Not past due	**8 315**	318	**–**	–
Past due 0 – 30 days	**1 960**	–	**–**	–
Past due 31 – 60 days	**468**	–	**–**	–
Past due 61 – 90 days	**1 745**	575	**–**	–
Past due > 91 days	**3 814**	–	**–**	–
	16 302	893	**–**	–

Impaired	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Not past due	969	–	–	–
Past due 0 – 30 days	394	–	–	–
Past due 31 – 60 days	131	–	–	–
Past due 61 – 90 days	448	–	–	–
Past due > 91 days	3 701	–	–	–
	5 643	–	–	–

Expected loss rate	GROUP 2022 %	GROUP 2021 %	COMPANY 2022 %	COMPANY 2021 %
Not past due	8.8%	0.0%	0.0%	0.0%
Past due 0 – 30 days	18.2%	0.0%	0.0%	0.0%
Past due 31 – 60 days	39.5%	0.0%	0.0%	0.0%
Past due 61 – 90 days	74.1%	0.0%	0.0%	0.0%
Past due > 91 days	100.0%	0.0%	0.0%	0.0%

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

	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Media and broadcasting segment	3 148	–	–	–
Retail segment	165	575	–	–
	3 313	575	–	–

Other trade receivables are considered fully recoverable. 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 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Impairment losses on trade receivables – movement in loss allowance	(113)	–	–	–
	(113)	-	–	–

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

28. Financial instruments (continued)

28.3 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 cash flow related to the trade payable and other payables and accruals will occur as follows:

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Less than one year				
Trade payables	**43 148**	40 035	**10**	10
Other payables and accruals	**26 293**	26 172	**562**	418
Rental deposits	**4 828**	4 692	**–**	–
Amount payable to subsidiary company	**–**	–	**4 984**	4 029
	74 269	70 899	**5 556**	4 457
Loan payable maturity profile				
Within one year	**–**	–	**–**	–
After one year	**89 792**	82 067	**–**	–
	89 792	82 067	**–**	–
Lease liabilities maturity profile				
Within one year	**74 868**	87 965	**–**	–
Between one and two years	**68 931**	79 629	**–**	–
Between two and five years	**108 471**	142 905	**–**	–
After five years	**60 131**	82 854	**–**	–
	312 401	393 353	**–**	–
The expected cash flows related to forward exchange contracts will occur as follows:				
Carrying amount	**(788)**	174	**–**	–
Contractual cash flows	**9 912**	33 935	**–**	–
Less than one year	**9 912**	33 935	**–**	–

28.4 Interest rate risk

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Variable-rate instruments				
Amounts payable to subsidiary companies (refer to note 8)	**–**	–	**(4 984)**	(4 029)
Cash and cash equivalents (refer to note 15)	**90 730**	110 640	**69**	75
Loan receivable (refer to note 11)	**20 280**	–	**–**	–
Loan payable (refer to note 11)	**(89 792)**	(82 067)	**–**	–
	21 218	28 573	**(4 915)**	(3 954)
Interest free instruments				
Amounts receivable from subsidiary companies (refer to note 8)	**–**	–	**66**	297
Loan receivable (refer to note 11)	**–**	987	**–**	435
	–	987	**66**	732

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 varies between 2.9% and 5.3% (2021: 3.0% – 4.6%). Floating rate financial assets include cash at bank and cash equivalents. The group has no fixed rate financial assets or liabilities.

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 2021.

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Impact on profit or loss before taxation	**212**	286	**(49)**	(40)
Impact on equity	**153**	206	**(49)**	(40)

28.5 Currency risk

The group incurs currency risk as a result of transactions which are denominated in a currency other than the group'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/planned orders which are to be delivered at a future date in the normal course of business.

28. Financial instruments (continued)

28.5 Currency risk (continued)

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
United States Dollar – USD				
Trade and other receivables	**312**	–	**–**	–
Trade and other payables	**(37 088)**	17 661	**–**	–
	(36 776)	17 661	**–**	–
European Union Euro – EUR				
Cash and cash equivalents	**4 965**	–	**–**	–
Trade and other payables	**(999)**	–	**–**	–
	3 966	–	**–**	–

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

	Currency	Foreign Amount '000	Average forward cover rate	Rand Amount '000
2022				
Imports	USD	**651**	**15.23**	**9 912**
2021				
Imports	USD	2 340	15	33 935

The following significant exchange rates applied during the year:

	Average rate		30 June spot rate	
	2022	2021	**2022**	2021
USD	**R15.22**	R15.41	**R16.30**	R14.30
EUR	**R17.15**	R18.38	**R16.97**	R17.02

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% 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.

	Profit or loss R'000
2022	
USD	**(4 669)**
EUR	**397**
	(4 272)
2021	
USD	(5 160)
EUR	–
	(5 160)

28.6 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.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Included in investment in associate:				
Loan to associate	**158 580**	151 717	**–**	–
	158 580	151 717	**–**	–

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.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Impact on profit or loss before taxation	**1 586**	1 517	**–**	–
Impact on equity	**1 142**	1 092	**–**	–

28.7 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 2022 the ordinary shareholders' interest (total equity less preference share capital) to total assets was 40.8% (2021: 37.9%).

29. Revenue

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Revenue from contracts with customers				
Retail sales	598 839	464 961	–	–
Management fee income	2 955	2 722	–	–
Media and broadcasting income	37 499	–	–	–
Tenant recoveries	4 490	3 853	–	–
Profit on sale of property	11	–	–	–
	643 794	471 536	–	–
Timing of revenue recognition:				
Products transferred at a point in time	598 850	464 961	–	–
Recognised over the period services are rendered	44 944	6 575	–	–
	643 794	471 536	–	–
Revenue from lease agreements – IFRS 16				
Rental income	20 382	19 853	–	–
	20 382	19 853	–	–
Revenue other than from contracts with customers				
Dividends received				
Dividends received other	1 493	38	–	–
Total revenue	665 669	491 427	–	–
Shown as:				
Retail sales	598 839	464 961	–	–
Other revenue	66 830	26 466	–	–
	665 669	491 427	–	–
Disaggregation by geographical region				
South Africa	660 889	491 427	–	–
Africa	3 004	–	–	–
Asia	622	–	–	–
Europe	623	–	–	–
North America	531	–	–	–
	665 669	491 427	–	–
Disaggregation by major customers and subsidiaries				
Other – less than 10% of segment	621 993	473 170	–	–
Media and broadcasting segment				
SuperSport International Proprietary Limited	10 934	–	–	–
Gold Circle Proprietary Limited	7 994	–	–	–
4 Racing Proprietary Limited	4 825	–	–	–
Properties segment		–		
Merchants SA Proprietary Limited	19 922	18 257	–	–
	665 669	491 427	–	–

The disclosure for disaggregation by major customers and subsidiaries has been enhanced in the current year for the 2021 comparative numbers.

30. Operating profit/(loss) is stated after the following:

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	R'000	R'000	**R'000**	R'000
Employment costs	**123 812**	101 743	**201**	518
Non-executive directors	**882**	1 015	**–**	–
– for services as directors	**638**	770	**–**	–
– for consultancy services	**244**	244	**–**	–
Executive directors	**811**	855	**106**	116
– for services as directors	**385**	455	**–**	–
– for consultancy services	**81**	81	**–**	–
– equity-settled share-based payment	**345**	319	**106**	116
Key management	**2 342**	2 227	**106**	116
– equity-settled share-based payment	**632**	563	**106**	116
– paid for managerial services	**1 438**	1 552	**–**	–
– retirement fund contributions	**62**	55	**–**	–
– other benefits	**85**	57	**–**	–
– bonuses and performance related payments	**125**	–	**–**	–
Employment costs – other	**119 838**	97 701	**(11)**	286
– employee costs	**117 038**	93 696	**–**	–
– equity-settled share-based payment	**(273)**	932	**(11)**	286
– retirement funding costs	**3 073**	3 073	**–**	–
Amortisation	**4 875**	3 975	**–**	–
Depreciation	**70 374**	71 823	**–**	–
– land and buildings and investment property	**2 754**	2 820	**–**	–
– plant	**47**	33	**–**	–
– vehicles	**199**	4	**–**	–
– equipment and shopfittings	**14 263**	16 248	**–**	–
– right-of-use asset	**53 111**	52 718	**–**	–
Impairment – right-of-use asset	**308**	7 240	**–**	–
Net loss/(profit) on disposal – equipment and shopfittings	**3 036**	1 149	**–**	–
Lease expenses	**20 362**	22 126	**–**	–
Utilities	**20 716**	17 562	**–**	–
Rent concessions	**(12 781)**	(29 169)	**–**	–
Gain on lease modifications	**(14 832)**	(27 583)	**–**	–
Net foreign exchange gain	**(743)**	1 531	**–**	–
– realised gain	**(699)**	1 357	**–**	–
– unrealised (gain)/loss	**(44)**	174	**–**	–
Managerial, technical, administrative and secretarial fees	**6 927**	7 212	**525**	544
Bank charges and card commission	**10 398**	8 263	**11**	13
Communication costs	**5 771**	5 196	**–**	–
Cost of providing services	**14 521**	–	**–**	–
Insurance*	**2 505**	–	**–**	–
Impairment of loans receivable	**11 100**	–	**–**	–
Marketing	**6 080**	4 923	**–**	–
Repairs and maintenance	**4 656**	4 148	**–**	–
Security	**4 994**	3 884	**–**	–
Transaction and acquisition costs*	**2 991**	–	**–**	–
Other operating expenses	**21 793**	16 371	**513**	364
Total operating expense	**306 863**	220 393	**1 250**	1 439

* *For the purposes of disaggregating operating expenses, the comparative totals for the 2021 financial year have been updated.*

31. Directors' emoluments

31.1 Directors' remuneration

	Directors' fees R'000	Fees for other services^ R'000	Basic salary R'000	Performance-related payments R'000	Share-based payment R'000	Value of other benefits* R'000	Retirement fund contributions R'000	Total 2022 R'000
Executive directors								
MA Golding	385	81	–	–	–	–	–	466
WD Nel	–	–	–	–	345	–	–	345
	385	81	–	–	345	–	–	811
Non-executive directors								
PM Naylor	176	128	–	–	–	–	–	304
HB Roberts	154	81	–	–	–	–	–	235
LK Sebatane	154	35	–	–	–	–	–	189
MR Molosiwa	154	–	–	–	–	–	–	154
	638	244	–	–	–	–	–	882
Key management								
CL Lloyd	–	–	–	–	345	25	–	370
D Franklin	–	–	1 438	125	287	60	62	1 972
	–	–	1 438	125	632	85	62	2 342
Total	1 023	326	1 438	125	977	85	62	4 036
Summary								
Equity settled – company	–	–	–	–	232	–	–	232
Equity settled – subsidiary company	–	–	–	–	765	–	–	765
Paid by subsidiary companies	1 023	326	1 438	125	(20)	85	62	3 039
	1 023	326	1 438	125	977	85	62	4 036

^ *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.*

	Directors' fees R'000	Fees for other services^ R'000	Basic salary R'000	Performance-related payments R'000	Share-based payment R'000	Value of other benefits* R'000	Retirement fund contributions R'000	Total 2021 R'000
Executive directors								
MA Golding	455	81	–	–	–	–	–	536
WD Nel	–	–	–	–	319	–	–	319
	455	81	–	–	319	–	–	855
Non-executive directors								
PM Naylor	222	127	–	–	–	–	–	349
HB Roberts	189	82	–	–	–	–	–	271
LK Sebatane	182	36	–	–	–	–	–	218
MR Molosiwa	177	–	–	–	–	–	–	177
	770	245	–	–	–	–	–	1 015
Key management								
CL Lloyd	–	–	–	–	319	–	–	319
D Franklin	–	–	1 552	–	244	57	55	1 908
	–	–	1 552	–	563	57	55	2 227
Total	1 225	326	1 552	–	882	57	55	4 097
Summary								
Equity settled – company	–	–	–	–	232	–	–	232
Equity settled – subsidiary company	–	–	–	–	650	–	–	650
Paid by subsidiary companies	1 225	326	1 552	–	–	57	55	3 215
	1 225	326	1 552	–	882	57	55	4 097

^ *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.*

31.2 Directors' interest in shares

	Number of shares 2022	2021
Ordinary and "N" ordinary shares		
Held directly:		
WD Nel	**63 360**	52 796
	63 360	52 796
Held indirectly in the company:		
MA Golding	**4 385 820**	4 319 030
HB Roberts	**5 910 141**	5 901 539
	10 295 961	10 220 569

32. Employee incentive scheme

Share options/awards in respect of the company

The African and Overseas Share Trust was created to facilitate an employee share incentive scheme. 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 African and Overseas Share Trust currently holds nil (2021: 21 128) "N" ordinary shares in reserve for future utilisation, of which none has been granted to employees.

	No. of share options as at 1 July 2021	Share options/ awards granted/ (forfeited) during the year (number)	Option/ award price	Subscription price of shares	Acceptance date	Shares transferred to grantee during the year	No. of share options as at 30 June 2022	2022 Realised gains (R'000)	2022 Unrealised gains (R'000)
Executive directors									
WD Nel	10 564	–	**nil**	**nil**	**25-Jun-19**	**10 564**	–	**106**	–
Senior executives									
CL Lloyd	10 564	–	**nil**	**nil**	**23-Jun-19**	**10 564**	–	**106**	–
Total	21 128	–				**21 128**	–	**212**	–
Average option price (Rand)							**nil**		

	No. of share options as at 1 July 2021	Share options/ awards granted/ (forfeited) during the year (number)	Option/ award price	Subscription price of shares	Acceptance date	Shares transferred to grantee during the year	No. of share options as at 30 June 2021	2021 Realised gains (R'000)	2021 Unrealised gains (R'000)
Executive directors									
WD Nel	21 122	–	nil	nil	25-Jun-19	10 558	10 564	116	217
Senior executives									
CL Lloyd	21 122	–	nil	nil	23-Jun-19	10 558	10 564	116	216
Total	42 244	–				21 116	21 128	232	433
Average option price (Rand)							nil		

Realised gains are calculated as the difference between the subscription prices and the company share price on the date of acceptance of the awards.

Share options/awards in respect of the subsidiary

Rex Trueform Group Limited

The Rex Trueform Share Trust ("the Share Trust") was created to facilitate an employee share incentive scheme. 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 Share Trust currently holds nil (2021: 73 918) "N" ordinary shares in reserve for future utilisation, of which none has been granted to employees.

	No. of share options as at 1 July 2021	**Share options/ awards granted/ (forfeited) during the year (number)**	**Option/ award price**	**Subscription price of shares**	**Acceptance date**	**Shares transferred to grantee during the year**	**No. of share options as at 30 June 2022**	**2022 Realised gains (R'000)**	**2022 Unrealised gains (R'000)**
Executive directors									
CL Lloyd	18 480	–	nil	**nil**	23-Jun-19	18 480	–	239	–
D Franklin	22 175	–	nil	**nil**	21-Jun-19	22 175	–	287	–
	40 655	–				40 655	–	526	–
Senior executives									
WD Nel	18 480	–	nil	**nil**	23-Jun-19	18 480	–	239	–
CEA Radowsky	14 783	–	nil	**nil**	24-Jun-19	14 783	–	191	–
	33 263	–				33 263	–	430	–
Total	73 918	–				73 918	–	956	–
Average option price (Rand)							nil		

Realised gains are calculated as the difference between the subscription prices and the company share price on the date of acceptance of the awards.

32. Employee incentive scheme (continued)

	No. of share options as at 1 July 2020	Share options/ awards granted during the year (number)	Option/ award price	Subscription price of shares	Acceptance date	Shares transferred to grantee during the year	No. of share options as at 30 June 2021	2021 Realised gains (R'000)	2021 Unrealised gains (R'000)
Executive directors									
CL Lloyd	36 952	–	nil	nil	23-Jun-19	18 472	18 480	203	271
D Franklin	44 342	–	nil	nil	21-Jun-19	22 167	22 175	244	326
	81 294	–				40 639	40 655	447	597
Senior executives									
WD Nel	36 952	–	nil	nil	23-Jun-19	18 472	18 480	203	271
CEA Radowsky	29 561	–	nil	nil	24-Jun-19	14 778	14 783	162	217
	66 513	–				33 250	33 263	365	488
Total	147 807	–				73 889	73 918	812	1 085
Average option price (Rand)							nil		

Realised gains are calculated as the difference between the subscription prices and the company share price on the date of acceptance of the awards.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
33. Investment income				
Cash and cash equivalents	**4 901**	3 328	**–**	–
Loan receivable from Belper Investments	**87**	–	**–**	–
Accrued dividends on loan to associate	**19 778**	17 213	**–**	–
	24 766	20 541	**–**	–
34. Finance cost				
Interest on lease liabilities	**22 533**	29 497	**–**	–
Interest on loan payable	**7 725**	7 305	**350**	207
Interest on contingent consideration	**591**	–	**274**	–
Other finance cost	**1 576**	469	**–**	13
	32 425	37 271	**624**	220

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000

35. Income tax

	GROUP 2022 R'000	GROUP 2021 R'000	COMPANY 2022 R'000	COMPANY 2021 R'000
Income tax	**14 745**	5 871	**–**	–
– current year	**14 745**	5 872	**–**	–
– prior year	**–**	(1)	**–**	–
Deferred tax (note 12)	**12 087**	3 212	**–**	–
– current year	**11 606**	3 346	**–**	–
– change in corporate tax rate	**306**	–	**–**	–
– prior year	**175**	(134)	**–**	–
Total income tax	**26 832**	9 083	**–**	–

Tax rate reconciliation:

	GROUP				COMPANY			
	2022 %	**2022 R'000**	2021 %	2021 R'000	**2022 %**	**2022 R'000**	2021 %	2021 R'000
Profit/(loss) before tax from continuing operations		**75 597**		30 944		**(1 874)**		(1 659)
Tax using the company's domestic tax rate	**28.0%**	**21 167**	28.0%	8 665	**28.0%**	**(525)**	28.0%	(465)
Effect of rates in foreign jurisdictions	**0.0%**	**(4)**	(0.6%)	306	**–**	**–**	–	–
Tax effect of:								
Impairment losses on loan receivable	**6.7%**	**5 096**	0.0%	–	**–**	**–**	–	–
Share of loss/(profit) of associate (net of taxation)	**1.6%**	**1 195**	4.0%	263	**–**	**–**	–	–
Equity-settled share-based payment	**0.0%**	**(25)**	2.4%	108	**0.0%**	**–**	–	–
Other non-deductible expenses	**(0.5%)**	**(382)**	1.0%	623	**(28.0%)**	**525**	(28.0%)	465
Tax exempt income	**(0.7%)**	**(519)**	(0)	(10)	**–**	**–**	–	–
Tax incentives from learnerships	**(0.2%)**	**(162)**	(0.4%)	(157)	**–**	**–**	–	–
Current-year losses for which no deferred tax asset was recognised	**0.0%**	**4**	2.2%	(580)	**–**	**–**	–	–
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	**0.2%**	**175**	(3.5%)	(134)	**–**	**–**	–	–
Effect of change in corporate tax rate	**0.4%**	**287**	0.0%	–	**–**	**–**	–	–
Changes in estimates related to prior year	**0.0%**	**–**	1.0%	(1)	**–**	**–**	–	–
Total income tax	**35.5%**	**26 832**	34.1%	9 083	**–**	**–**	–	–

36. Discontinued operations

Management has considered the Namibian operations to be a separate segment based on the geographical location of the stores and the customers. During the prior financial year all the stores located in Namibia were closed. The Namibian segment was therefore classified as a discontinued operation.

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Financial performance				
Revenue				
Turnover	–	2 878	–	–
Cost of sales	–	(1 480)	–	–
Gross profit	–	1 398	–	–
Gain on lease cancellations	–	1 724	–	–
Loss on disposal of fixed assets	–	(1 367)	–	–
Depreciation, impairment and amortisation	–	(222)	–	–
Other operating costs	(93)	(868)	–	–
Operating profit	(93)	665	–	–
Finance costs	–	(106)	–	–
Profit/(loss) before tax	(93)	559	–	–
Income tax expense	–	–	–	–
Profit/(loss) for the period from discontinued operations	(93)	559	–	–
Cash flow information				
Net cash inflows from operating activities	–	337	–	–
Net cash outflows from financing activities	–	(723)	–	–
Net (decrease)/increase in cash and cash equivalents from discontinued operations	–	(386)	–	–

37. 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.

	2022		2021	
	Gross R'000	**Net of taxation R'000**	Gross R'000	Net of taxation R'000
37.1 Basic and headline earnings/(loss) per ordinary share				
Profit/(loss) attributable to equity holders		**27 716**		10 870
Adjusted for:				
Preference dividends attributable to preference shareholders		**(33)**		(33)
Profit/(loss) attributable to ordinary and "N" ordinary shareholders		**27 683**		10 837
Continuing operations		**27 734**		10 533
Discontinued operations		**(51)**		304
Adjusted for:				
Profit from disposal of property, plant and equipment, net of taxation	**1 591**	**1 146**	1 368	1 194
Continuing operations	**1 591**	**1 146**	625	450
Discontinued operations	**–**	**–**	744	744
Impairment on right-of-use asset	**161**	**116**	1 768	1 273
Continuing operations	**161**	**116**	1 768	1 273
Discontinued operations	**–**	**–**	–	–
Non-headline items of associate				
(Profit)/loss from disposal of property, plant and equipment	**–**	**–**	4	3
Headline earnings/(loss)		**28 945**		13 307

	Number of shares	
	2022	2021
Weighted average number of ordinary and "N" ordinary shares in issue	**11 471 921**	11 471 921
Weighted average number of shares issued and repurchased during the reporting period	**123 713**	(3 710)
Weighted average number of ordinary and "N" ordinary shares in issue	**11 595 634**	11 468 211
Basic earnings/(loss) per ordinary share (cents)	**241.3**	94.5
Continuing operations	**241.8**	91.8
Discontinued operations	**(0.4)**	2.7
Headline earnings/(loss) per ordinary share (cents)	**252.3**	116.0
Continuing operations	**252.7**	106.9
Discontinued operations	**(0.4)**	9.1

37. Earnings per share (continued)

	Number of shares 2022	2021
37.2 Diluted basic and headline earnings/(loss) per ordinary share		
Weighted average number of ordinary and "N" ordinary shares in issue	**11 595 634**	11 468 211
Dilution effect of share options	–	21 124
Weighted average number of diluted ordinary and "N" ordinary shares	**11 595 634**	11 489 335
Diluted earnings/(loss) per ordinary share (cents)	**238.7**	94.3
Continuing operations	**239.2**	91.7
Discontinued operations	**(0.4)**	2.6
Diluted headlines earnings/(loss) per ordinary share (cents)	**249.6**	115.8
Continuing operations	**250.0**	106.7
Discontinued operations	**(0.4)**	9.1

38. Related party transactions

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

Shareholders

The group 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 87. Directors' shareholding is disclosed in the directors' report and in note 31.2.

Subsidiaries

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

Associate

The only associate company is SA Water Works Holding Company (RF) Proprietary Limited. Transactions with this company 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 group's ultimate holding company, Geomer Investments. Proprietary Limited.

Nature of related party relationship	Nature of service
African and Overseas Enterprises Limited	Provision of interest bearing loan funding to holding company for working capital requirements.
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.
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.
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.
Texton Property Fund Limited, associate of MA Golding	Dividends received from investment in shares.
The Bretherick Family Trust, associate of minority shareholder of Telemedia	Telemedia leases premises from The Bretherick Family Trust.
The Horse Racing Channel Proprietary Limited, associate of key management of Telemedia	Customer of Telemedia. Provision of media and broadcasting services.
Tru-Fi Electronics SA Proprietary Limited, associate of minority shareholder of Telemedia	Supplier of goods to Telemedia.

38. Related party transactions (continued)

Related party transactions and balances during the period were as follows:

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Goods purchased				
– Tru-Fi Electronics S A Proprietary Limited	**3**	–	**–**	–
Media and broadcasting income				
– Media Cloud Proprietary Limited	**204**	–	**–**	–
– Media Host Proprietary Limited	**206**	–	**–**	–
– Red Pepper Pictures Proprietary Limited	**40**	–	**–**	–
– Rentals and Workflows Proprietary Limited	**35**	–	**–**	–
– The Horse Racing Channel Proprietary Limited	**173**	–	**–**	–
Rental expense paid				
– The Bretherick Family Trust	**51**	–	**–**	–
– Telelet Proprietary Limited	**1 682**	–	**–**	–
Management and administration fees received				
– SA Water Works Holding Company (RF) Proprietary Limited	**2 953**	2 722	**–**	–
Management and administration fees paid				
– Geomer Managerial Services Proprietary Limited	**2 646**	2 520	**–**	–
Transaction fees paid				
– Geomer Managerial Services Proprietary Limited	**1 611**	–	**–**	–
Accrued dividends on loan to associate				
– SA Water Works Holding Company (RF) Proprietary Limited	**19 778**	17 213	**–**	–
Finance cost				
– Rex Trueform Group Limited	**–**	–	**350**	207
Dividend income				
– Texton Property Fund Limited	**1 446**	–	**–**	–
Loans receivable				
– African and Overseas Share Trust	**–**	–	**66**	297
– SA Water Works Holding Company (RF) Proprietary Limited	**158 580**	151 717	**–**	–
– Unsecured loans to share scheme participants	**–**	987	**–**	435
Loans payable				
– Rex Trueform Group Limited	**–**	–	**4 984**	4 029
– Telelet Proprietary Limited	**3**	–	**–**	–

Directors

Details relating to executive and non-executive directors' remuneration is disclosed in note 31 and directors' shares and share options in note 32.

Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling activities of the group, directly or indirectly. Details relating to remuneration are disclosed in note 31.

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.

39. Notes to the statement of cash flows

39.1 Operating profit/(loss) before working capital changes

	GROUP		COMPANY	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Profit/(loss) before taxation	**75 597**	30 944	**(1 874)**	(1 659)
Discontinued operation	**(93)**	559	**–**	–
Adjusted for:				
Amortisation	**4 875**	3 975	**–**	–
Depreciation and impairment charges	**70 682**	79 285	**–**	–
Dividends received	**(1 493)**	(38)	**–**	–
Finance income	**(24 766)**	(20 541)	**–**	–
Finance cost	**32 425**	37 377	**624**	220
Impairment loss on loan receivable	**11 100**	–	**–**	–
Profit on disposal of property, plant and equipment	**3 036**	2 515	**–**	–
Unrealised foreign exchange (gain)/loss	**(962)**	174	**–**	–
Gain on lease modifications	**(14 832)**	(29 307)	**–**	–
Flooring allowances received	**56**	–	**–**	–
Share of loss from associate	**4 269**	939	**–**	–
Equity-settled share-based payment	**704**	1 814	**201**	518
Movement in post-retirement liability	**(96)**	(168)	**(16)**	(43)
Change in fair value of contingent consideration	**1 800**	–	**–**	–
Movement in inventory provision	**73**	(13 011)	**–**	–
	162 375	94 517	**(1 065)**	(964)

39.2 Working capital changes

	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Increase in inventories	**(43 796)**	43 454	**–**	–
Decrease/(increase) in trade and other receivables	**(6 041)**	(8 315)	**(74)**	5
Increase/(decrease) in trade and other payables and provisions	**620**	1 647	**137**	(221)
	(49 217)	36 786	**63**	(216)

39.3 Investment income

	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Finance income – Cash and cash equivalents (refer to note 15)	**4 901**	3 328	**–**	–
Accrued dividends on loan to associate (refer to note 9)	**1 815**	15 166	**–**	–
	6 716	18 494	**–**	–

39.4 Interest paid

	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Loan payable to subsidiary company (refer to note 8)	**–**	–	**(444)**	–
Loan payable (refer to note 11)	**–**	(7 425)	**–**	–
Lease liability (refer to note 23)	**(22 495)**	(29 497)	**–**	–
Other	**(1 436)**	(368)	**1**	(1)
	(23 931)	(37 290)	**(443)**	(1)

39.5 Dividends paid

	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Dividend on 6% cumulative preference shares	**(50)**	(50)	**(33)**	(33)

39. Notes to the statement of cash flows (continued)

	GROUP		COMPANY	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
39.6 Dividends received				
Dividends received other	1 493	38	–	–
39.7 Taxation paid				
Amounts unpaid at the beginning of year	–	–	–	–
Amounts overpaid at the beginning of year	211	5 670	–	–
Additions through business combination	(1 051)	–	–	–
Amounts charged to profit or loss	(14 745)	(5 871)	–	–
Amounts overpaid at the end of year	(17 676)	(211)	–	–
	(33 261)	(412)	–	–
Comprising:				
Income tax paid	(33 261)	(412)	–	–
39.8 Loan advanced				
Loan to subsidiary company (refer to note 8)	–	–	(12)	(531)
Unsecured loans to share scheme participants – related party (refer to note 11)	(11)	(20)	(10)	(8)
Loan to Belper Investments (refer to note 11)	(20 193)	–	–	–
	(20 204)	(20)	(22)	(539)
39.9 Loan repaid				
Unsecured loans to share scheme participants – related party (refer to note 11)	998	–	445	–
	998	–	445	–
39.10 Loan received				
Loan payable to subsidiary company (refer note 8)	–	–	1 049	1 614
	–	–	1 049	1 614

40. Business combination

Acquisition of Telemedia Proprietary Limited

In November 2020, the company together with its subsidiary company, Rex Trueform Group Limited, entered into a sale of shares agreement subject to certain suspensive conditions, to acquire 75% of Telemedia Proprietary Limited for a consideration of R67,500,000 to be settled in cash and shares, with the company acquiring a 11.29% for a consideration of R9,956,250 and its subsidiary acquiring a 63.71% interest for a consideration of R57,543,750. All suspensive conditions were met on 1 March 2022, being the effective date of the acquisition.

Telemedia is a broad-based media broadcast facility manufacturer and supplier. Telemedia's services include the installation of satellite transmission and radio and television signal distribution. In addition, Telemedia is a supplier of microwave and satellite new gathering services including broadcasting, studio recording and services ancillary thereto. Refer to SENS dated 13 November 2020. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Payment of the purchase consideration

An initial purchase consideration of R30,000,000 comprising the issue of 368,750 new ordinary shares by the company at R27 per share (R9,956,250), the issue 857,212 new ordinary shares by Rex Trueform at an issue price of R18 per share (R15,429,816) and a cash payment of R4,613,934 made by Rex Trueform.

The balance of the purchase consideration, being R37,500,000 shall be discharged by the company in cash should the profit undertakings given by the sellers for the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023 be cumulatively met on a 20%, 20% and 60% basis. Should the cumulative profit undertaking given by the sellers not be achieved by 30 June 2023, the balance of the purchase consideration shall be reduced *pro rata* by the shortfall of actual profits to warranted profits, provided that the reduction cannot reduce the balance of the purchase consideration to below zero.

Issue of ordinary shares and share price underpin

The fair value of the Ordinary shares (368,750) issued by the company as part of the consideration paid amounting to R14,572,604 was based on the published share price on 1 March 2022 of R16.50 per share. In terms of the sale and purchase agreement, the company undertook to underpin the share price at R18 per share for 12 months from the effective date of the transaction giving rise to a contingent consideration of R3,598,128.

The fair value of the Ordinary shares (857,212) issued by Rex Trueform as part of the consideration paid amounting to R14,572,604 was based on the published share price on 1 March 2022 of R17 per share. In terms of the sale and purchase agreement, Rex Trueform undertook to underpin the share price at R18 per share for 12 months from the effective date of the transaction giving rise to a contingent consideration of R796,606.

Furthermore, the company and its subsidiary 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 gives rise to a put option liability of R6,084,375 in the company and R12,772,459 in its subsidiary, Rex Trueform.

Significant estimate: contingent consideration – profit warranties

Cumulative profit undertakings given by the sellers 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 and profit warranty was determined by calculating the present value of future cash flows using a discount rate of 7.5%.

	GROUP	
	2022 R'000	2021 R'000
Purchase consideration:		
Cash paid	**4 614**	–
Ordinary shares issued	**20 657**	–
Contingent consideration – share price underpin	**4 395**	–
Contingent consideration – profit warranties	**10 423**	–
Total purchase consideration	**40 089**	–

40. Business combination (continued)

The provisional fair values of the assets and liabilities recognised as a result of the acquisition are as follows:

	GROUP 2022 R'000	2021 R'000
Property, plant and equipment	7 243	–
Right-of-use asset	31 472	–
Trade and other receivables	6 849	–
Cash and cash equivalents	22 435	–
Lease liability	(31 472)	–
Current tax payable	(1 051)	–
Deferred tax	(380)	–
Trade and other payables	8 601	–
Net identifiable assets acquired	**26 496**	–
Less: non-controlling interests	(6 624)	–
Add: goodwill	20 218	–
Net assets acquired	**40 089**	–

At the time the financial statements were authorised for issue, the group had not yet concluded the calculation of the fair values of the assets and liabilities disclosed above, with resulting goodwill. These have only been determined provisionally as the independent valuations have not been finalised specifically to the goodwill and whether there are any resulting identifiable intangible assets attributable to the purchase of Telemedia.

There were no acquisitions in the financial year ending 30 June 2021.

Acquired receivables

The fair value of acquired trade receivables is R6,844,511. The gross contractual amount for trade receivables due is R12,375,197 with a loss allowance of R5,530,685.

Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Telemedia, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the group's accounting policies for business combinations.

Revenue and profit contribution

The acquired business contributed revenues of R41,955,444 and net profit after tax of R5,638,879 to the group for the period from 1 March 2022 to 30 June 2022. If the acquisition had occurred on 1 July 2021, consolidated revenue and profit for the year ended 30 June 2022 would have been R103,792,490 and R14,289,854 respectively.

Purchase consideration – cash outflow at acquisition date

	GROUP	
Business combination, net of cash acquired	**2022 R'000**	2021 R'000
Cash consideration	**4 614**	–
Less: Cash balances acquired	**(22 435)**	–
Net inflow of cash – investing activities	**(17 821)**	–

Acquisition-related costs

Acquisition-related costs of R1,949,006 that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows. R1,611,006 was paid directly to Geomer Investments Proprietary Limited and is disclosed under transaction fees paid in note 38.

41. Segment analysis

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.

Water infrastructure – comprises an indirect investment made in a private water and wastewater utility group operating in the South African provinces of Mpumalanga and KwaZulu-Natal.

Group services – manages the group's corporate responsibilities and includes corporate costs. Not considered to be a separate operating segment, with information included for reconciliation purposes.

The executive members of the board, identified as the chief operating decision-maker, review the results of these business divisions 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.

41. Segment analysis (continued)

	Retail R'000	Property R'000	Media and broad-casting R'000	Water infra-structure R'000	Group services R'000	Inter-segment elimi-nations R'000	Total 2022 R'000
Revenue							
Retail sales	**597 525**	**–**	**1 464**	**–**	**–**	**(151)**	**598 838**
Management fee income	**636**	**–**	**–**	**2 199**	**4 958**	**(4 839)**	**2 954**
Media and broadcasting income	**–**	**–**	**37 499**	**–**	**–**	**–**	**37 499**
Rental income	**–**	**27 612**	**–**	**–**	**–**	**(7 229)**	**20 383**
Tenant recoveries	**–**	**5 714**	**–**	**–**	**–**	**(1 224)**	**4 490**
Dividend income	**–**	**–**	**–**	**41**	**14 452**	**(13 000)**	**1 493**
Profit on sale of property	**–**	**–**	**–**	**–**	**11**	**–**	**11**
Total group revenue	**598 161**	**33 326**	**38 963**	**2 240**	**19 421**	**(26 443)**	**665 668**
Depreciation and amortisation	**70 518**	**2 819**	**1 912**	**–**	**–**	**–**	**75 249**
Impairment	**308**	**–**	**–**	**–**	**–**	**–**	**308**
Operating profit/(loss)	**85 949**	**15 640**	**2 971**	**(11 223)**	**(5 812)**	**–**	**87 525**
Finance income	**2 003**	**183**	**248**	**19 779**	**8 479**	**(5 926)**	**24 766**
Finance cost	**(22 841)**	**–**	**(740)**	**(13 651)**	**(1 082)**	**5 889**	**(32 425)**
Share of loss of associate	**–**	**–**	**–**	**(4 269)**	**–**	**–**	**(4 269)**
Income tax	**(18 932)**	**(4 432)**	**(2 399)**	**(1 670)**	**601**	**–**	**(26 832)**
Profit/(loss) for the year	**46 179**	**11 390**	**6 000**	**(11 034)**	**(3 770)**	**–**	**48 765**
Segment assets	**406 315**	**72 121**	**70 832**	**172 693**	**172 722**	**(81 903)**	**812 780**
Segment liabilities	**(295 104)**	**(7 650)**	**(40 096)**	**(158 524)**	**(48 716)**	**69 246**	**(480 844)**
Capital expenditure	**12 685**	**322**	**312**	**–**	**–**	**–**	**13 319**

	Retail R'000	Property R'000	Media and broad-casting R'000	Water infra-structure R'000	Group services R'000	Inter-segment elimi-nations R'000	Total 2021 R'000
Revenue							
Retail sales	464 961	–	–	–	–	–	464 961
Management fee income	1 785	–	–	2 116	4 186	(5 365)	2 722
Rental income	–	26 652	–	–	–	(6 799)	19 853
Tenant recoveries	–	4 922	–	–	–	(1 069)	3 853
Dividend income	–	–	–	34	4	–	38
Profit on sale of property	–	–	–	–	–	–	–
Total group revenue	466 746	31 574	–	2 150	4 190	(13 233)	491 427
Depreciation and amortisation	72 931	2 867	–	–	–	–	75 798
Impairment	7 240	–	–	–	–	–	7 240
Operating (loss)/profit	42 099	15 364	–	(122)	(8 728)	–	48 613
Finance income	1 445	88	–	17 213	7 631	(5 836)	20 541
Finance cost	(30 023)	–	–	(12 877)	(207)	5 836	(37 271)
Share of loss of associate	–	–	–	(939)	–	–	(939)
Income tax	(3 356)	(4 326)	–	(1 171)	(230)	–	(9 083)
Profit/(loss) for the year	10 165	11 125	–	2 104	(1 533)	–	21 861
Segment assets	420 839	72 600	–	170 146	123 701	(67 520)	719 766
Segment liabilities	(343 717)	(7 783)	–	(144 943)	(13 440)	63 294	(446 589)
Capital expenditure	4 436	130	–	–	–	–	4 566

42. Leases

Leases as lessee (IFRS 16)

The group leases the premises of all of its stores. The leases typically run for a period of three to seven years (2021: five to seven 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 company 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, the company also leases its head office premises and distribution facility. These leases are month-to-month leases and regarded as short term. The company has therefore elected not to recognise right-of-use assets and corresponding lease liabilities for these leases.

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

	GROUP	
	2022 R'000	2021 R'000
Amounts recognised in the statement of financial position		
Capital repayments on lease liabilities	**(55 543)**	(66 753)
Amounts recognised in profit or loss		
Interest on lease liabilities	**22 533**	29 497
Lease expenses (refer to note 30)	**20 362**	22 126
Short-term lease expense	**6 439**	3 549
Variable lease payments	**496**	1 066
Operating, marketing and variable costs	**13 427**	17 511
Depreciation – right-of-use asset	**53 111**	52 718
Impairment – right-of-use asset	**(308)**	(7 240)
Rent concessions received	**(12 781)**	(1 432)
Amounts recognised in statement of cash flows		
Net cash outflows for leases	**85 657**	116 944

Extension options

Some property leases contain extension options exercisable by the company up to one year before the end of the non-cancellable contract period. Where practicable, the company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the company and not by the lessors. The company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. All extension options were factored into the lease liability at 30 June 2021.

43. Events subsequent to the reporting date

An agreement was entered into between Geomer Investments and the previous shareholders of Telemedia whereby the ordinary shares issued by the company and Rex Trueform, as part of the consideration payable for the company's 11.29% and Rex Trueform's 63.71% acquired interest in Telemedia, would be purchased by Geomer Investments. In terms of the sale and purchase agreement the company had undertaken to underpin the ordinary share price for a period of 12 months. On 1 July 2022 the board of directors of the company and Rex Trueform signed a waiver, via special resolution, as a result of the sale of shares agreement between Geomer Investments and the sellers. This had the effect of relinquishing the company from its undertaking to underpin the share price and its option to purchase the ordinary shares with effect from the same date. The financial liability will therefore be reversed on 1 July 2022. Refer to note 25.4, 25.5 and 40.

On 20 July 2022 the group entered into an agreement to acquire a property situated at 5 Fitzmaurice Road, Epping, Cape Town for an acquisition consideration amounting to R85,000,000. The Acquisition Consideration is payable on the Effective Date and will be funded via cash consideration of R20,000,000 and R65,000,000 is to be funded by way of a loan from a bank against security of the registration of a first mortgage bond over the Property. The effective date shall be the date of transfer. Refer to SENS dated 26 July 2022.

43. Events subsequent to the reporting date (continued)

On 3 August 2022 all conditions precedent to the acquisition of a 51% interest in a property letting enterprise, Belper Investments Proprietary Limited ("Belper Investments"), were fulfilled. The entity has acquired five (5) industrial properties located in Epping, Cape Town, for a total consideration of R104,200,000. Accordingly, the transaction is now unconditional in accordance with the terms of the agreement, with the effective date being 3 August 2022. Refer to SENS dated 21 April 2022 and 3 August 2022. Included in loan receivables as at 30 June 2022 is an amount receivable from Belper amounting to R20,280,132. Included in operating expenses for the current financial year is commission amounting to R1,380,000, relating to due diligence and the conclusion of the transaction, which has been paid to Quoin Online Proprietary Limited who is a related party to the minority shareholders of Belper Investments.

During 2015, Siza Water (RF) Proprietary Limited raised a tariff dispute against Umgeni Water and the Minister of Water and Sanitation, when they increased our bulk water tariff by 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. The higher tariff is reflected the financial statements of Siza Water (RF) Proprietary Limited. 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 R88 million excluding VAT and income taxes and including interest and penalties. Legal advice obtained by the company indicates that the full and final settlement agreement is probably valid and enforceable.

The Mpumalanga Divisional High Court matter, Buhle Waste Proprietary Limited versus the City of Mbombela Municipality and six other respondents (including SA Water Works (RF) Proprietary Limited) 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) Proprietary Limited and SA Water Works Utilities Proprietary Limited shares to SA Water Works (RF) Proprietary Limited and Brain Gear Investments (RF) Proprietary Limited, whilst the Municipality reconsiders its decision to provide consent regarding the change in control. The Municipality is required to do so by 17 October 2022. An application for leave to appeal was heard by the same High Court on 8 September 2022 and consequently dismissed with costs. An application for leave to appeal shall be made to the Supreme Court of Appeal which will have the effect of suspending the High Court judgement. Legal advice obtained by the company indicates that the success of the appeal is probable.

There is no other matters or circumstances which is material to the financial affairs of the company, which has occurred between 30 June 2022 and the date of approval of the financial statements, that has not been otherwise dealt with in the financial statements.

44. Going concern

Retail segment turnover has fully recovered in the year under review to pre-COVID-19 levels. The renegotiation of the current portfolio of store leases and the seeking of rental relief are largely complete with one store still under negotiation. Short-term rental relief received during the year under review amounted to R12,781,319 (2021: R29,168,733) and was recognised in profit and loss in terms of the amendment to IFRS 16. Leases that were favourably renewed or terminated during the year further resulted in gains on lease modifications amounting to R12,547,088 (2021: R27,038,033) recognised in the current financial year. The full R12,547,088 has been recognised in the Statement of Comprehensive income as the related right-of-use assets were fully impaired or insufficient to cover the reduction in the lease liability. Right-of-use lease assets relating to loss-making and low-profitability stores amounting to R308,002 (2021: R7,239,572) were impaired during the financial year.

The property sector remains constrained due to weak macro-economic environment and low GDP growth with the office sector most significantly impacted. The group's property segment was resilient during the financial year. No rental relief was granted to tenants (2021: R485,911) and vacancies decreased to 3% (2021: 9.4%) as at 30 June 2022.

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 2022 amounted to R90,730,182 (2021: R110,638,510).

The financial statements have been prepared on the going concern basis. The directors have made an assessment of the ability of the group and company to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead. The directors are satisfied that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

UNAUDITED SHAREHOLDERS' INFORMATION
ANALYSIS OF SHAREHOLDERS

at 30 June 2022

	Ordinary		"N" ordinary		Preference	
	Number of share-holders	%	Number of share-holders	%	Number of share-holders	%
Public shareholders	**57**	**91.94%**	**148**	**94.87%**	**36**	**94.74%**
Companies and close corporations	7	11.29%	12	7.69%	1	2.63%
Individuals	44	70.97%	118	75.64%	30	78.95%
Insurance companies, nominees and trusts	6	9.68%	16	10.26%	4	10.53%
Mutual funds and pension funds	–	0.00%	2	1.28%	1	2.63%
Non-public shareholders	**5**	**8.06%**	**8**	**5.13%**	**2**	**5.26%**
Bretherick Family Trust	1	1.61%	0	0.00%	–	0.00%
Ceejay Trust**	2	3.23%	2	1.28%	1	2.63%
Directors and Employees***	0	0.00%	2	1.28%	0	0.00%
Geomer Investments (Pty) Ltd*	1	1.61%	1	0.64%	0	0.00%
Gingko Investments 2 (Pty) Ltd**	1	1.61%	2	1.28%	1	2.63%
Gingko Trading (Pty) Ltd**	–	0.00%	1	0.64%	–	0.00%
Totals	**62**	**100.00%**	**156**	**100.00%**	**38**	**100.00%**

	Number of shares	%	Number of shares	%	Number of shares	%
Public shareholders	**218 965**	**13.53%**	**949 226**	**9.29%**	**108 594**	**39.49%**
Companies & close corporations	11 815	0.73%	257 700	2.52%	11 000	4.00%
Individuals	189 178	11.69%	433 505	4.24%	69 457	25.26%
Insurance companies, nominees & trusts	17 972	1.11%	246 304	2.41%	21 212	7.71%
Mutual funds & pension funds	–	0.00%	11 717	0.11%	6 925	2.52%
Non-public shareholders	**1 399 785**	**86.47%**	**9 272 695**	**90.71%**	**166 406**	**60.51%**
Bretherick Family Trust	249 799	15.43%	0	0.00%	–	0.00%
Ceejay Trust**	169 237	10.45%	4 514 511	44.16%	120 400	43.78%
Directors and Employees***	–	0.00%	126 720	1.24%	–	0.00%
Geomer Investments (Pty) Ltd*	903 825	55.83%	3 481 995	34.06%	–	0.00%
Gingko Investments 2 (Pty) Ltd**	76 924	4.75%	1 149 129	11.24%	46 006	16.73%
Gingko Trading (Pty) Ltd**	–	0.00%	340	0.00%	–	0.00%
Totals	**1 618 750**	**100.00%**	**10 221 921**	**100.00%**	**275 000**	**100.00%**

Shareholders holding 5% or more of share capital	Number of shares	%	Number of shares	%	Number of shares	%
Bretherick Family Trust	249 799	15.43%	–	0.00%	–	0.00%
Ceejay Trust**	169 237	10.45%	4 514 511	44.16%	120 400	43.78%
Dreyer, EM	–	0.00%	–	0.00%	15 500	5.64%
Geomer Investments (Pty) Ltd*	903 825	55.83%	3 481 995	34.06%	–	0.00%
Gingko Investments 2 (Pty) Ltd**	76 924	4.75%	1 149 129	11.24%	46 006	16.73%
	1 399 785	**86.47%**	**9 145 635**	**89.47%**	**181 906**	**66.15%**

* *An associate of MA Golding.*

** *An associate of HB Roberts.*

*** *Held by WD Nel and CL Lloyd.*

CORPORATE INFORMATION

African and Overseas Enterprises Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1947/027461/06)
JSE share codes: AOO – AON – AOVP
ISIN: ZAE000000485 – ZAE000009718 – ZAE000000493
Listed on the JSE Limited under the sector Consumer Services – Retail – General Retailers – Apparel Retailers

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Company secretary

AR Mushabe
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Transfer secretaries

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The Standard Bank of South Africa Limited

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