2022

ANNUAL

Financial Statements

4 APRIL 2021 – 2 APRIL 2022

mr price group limited

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Approval of the Annual Financial Statements

The preparation and presentation of the annual financial statements and all information included in this report are the responsibility of the directors. The annual financial statements were prepared in accordance with the provisions of the Companies Act and comply with International Financial Reporting Standards (IFRS), as issued by the Accounting Practices Board and its successors, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements. In discharging their responsibilities, both for the integrity and fairness of these annual financial statements, the directors rely on the internal controls and risk management procedures applied by management.

Based on the information and explanations provided by management and the internal auditors and on comment by the independent auditor on the results of their statutory audit, the directors are of the opinion that:

- the internal controls are adequate
- the financial records may be relied upon in the preparation of the annual financial statements
- appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have been applied
- the annual financial statements fairly present the results and the financial position of the company and the group.

The annual financial statements are prepared on the going concern basis and nothing has come to the attention of the directors to indicate that the company and the group will not remain a going concern.

These annual financial statements as at 2 April 2022 have been prepared under the supervision of the chief financial officer, Mr MJ Stirton CA (SA).

The annual financial statements of the company and the group were approved by the board on 20 June 2022 and are signed on its behalf by:

NG Payne
Chairman

MM Blair
Chief executive officer

Company secretary statement
I hereby certify that the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

J Cheadle
Company secretary
20 June 2022

CEO and CFO Responsibility Statement

for the year ended 2 April 2022

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

a) the annual financial statements set out on pages 22 to 96, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
b) 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;
c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
d) 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 within the combined assurance model pursuant to principle 15 of the King Code;
e) where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action; and
f) we are not aware of any fraud involving directors

MM Blair
Chief executive officer

MJ Stirton
Chief financial officer

Report of the Directors

Nature of business
The main business of the group is omni-channel retail distribution through 1 721 corporate-owned stores, 8 franchised stores in the rest of Africa and its online channels. The retail chains focus on clothing, footwear, sportswear, sporting goods, accessories and homewares, while the financial services division provides credit, insurance and cellular products and services.

Corporate governance
The directors subscribe to the values of good corporate governance report as set out in the King IV report on Corporate Governance for South Africa 2016 (King IV). By supporting King IV the directors have recognised the need to conduct the business with integrity and to account to stakeholders in accordance with IFRS. Refer to the Board report in the integrated report on pages 94 to 110.

Retail calendar
The group reports on the retail calendar of trading weeks incorporating trade from Sunday to Saturday each week. Accordingly the results for the financial year under review are for a 52 week period from 4 April 2021 to 2 April 2022 (2021: 53 week period 29 March 2020 to 3 April 2021).

Business Acquisition
Effective 1 August 2021, the group acquired 100% of the shares in the group of companies comprising the Yuppiechef business ("Yuppiechef"), a privately-owned South African omni-channel retail business primarily focused on kitchenware. Yuppiechef has two primary operations, namely Yuppiechef Online, the retail division comprising the online platform and 7 stores, as well as a wholesale division, which develops and imports branded goods for wholesale distribution. The acquisition was approved by the relevant regulatory authorities on 19 July 2021.

Financial results
The financial results of the company and the group are set out in the statements of comprehensive income on page 23.

Dividends
Ordinary and B ordinary dividends

It is the group's policy to make two dividend payments each year, an interim in December and a final in June.
Interim: A cash dividend of 282.4 cents per share (2021: 210.1 cents per share) was paid on 20 December 2021 to shareholders registered on 20 December 2021.

Final: A cash dividend of 524.9 cents per share (2021: 462.70 cents per share) has been declared payable on 04 July 2022 to shareholders registered on 01 July 2022.

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

Consolidated entities
The aggregate amount of group profits and losses after taxation attributable to consolidated entities was:

R'm	2022	2021
Profits	**181**	146
Losses	**(69)**	(119)
	112	27

Net shareholders' equity
Authorised and issued share capital
There were no changes to authorised share capital. During the year 896 504 B ordinary shares were converted to ordinary shares.

Subsequent events

Refer to note 36.

Post year end, in April 2022, the group entered into an agreement to purchase 70% of Blue Falcon Trading 188 (Pty) Ltd, which owns the Studio 88 group of businesses, from RMB Ventures Six (Pty) Ltd and current management of the Studio 88 Group. The Studio 88 Group is the largest independent retailer of branded leisure, lifestyle and sporting apparel and footwear in South Africa. It is a founder-led business which has been operating in Southern Africa since 2001. The business owns and operates retail outlets that offer clothing, footwear and accessories, trading through Studio 88, SideStep, Skipper Bar, John Craig and other chains.

The brands offered by the Studio 88 Group are complementary to Mr Price's existing customer positioning and, combined, would deliver on the group's strategic positioning across the fashion-value and aspirational value segments. With a diverse store footprint and a portfolio of differentiated store chain formats, the Studio 88 Group has broad appeal to aspirational and trend conscious customers across a wide range of age profiles and affordability levels. Mr Price will benefit from growth opportunities in the menswear segment where it is currently under-represented.

The R3.3bn purchase consideration will be fully funded through existing cash resources of the group. The transaction is subject to the fulfilment of both regulatory and commercial suspensive conditions by no later than 31 October 2022. These conditions include competition authority approval in South Africa and other African territories. The remaining shareholding will be acquired over a four-year period post implementation of the transaction.

Directorate

Maud Motanyane-Welch retired by rotation as a director and a member of the Social, Ethics, Transformation and Sustainability (SETS) committee, effective 25 August 2021.

Steve Ellis, an alternate executive director to the CEO, retired from his executive role in the group effective 31 December 2021 and relinquished his designation as alternate director. The Board approved and confirmed Steve's transition and change in designation from alternate executive director to non-executive director from 1 January 2022.

Particulars of the present directors and company secretary are provided on pages 98, 99 and 106 of the integrated report. None of the directors have long-term service contracts with the company or any of its consolidated entities.

Emoluments

Details of emoluments paid to executive and non-executive directors are set out in the Remuneration report in the integrated report pages 144 to 171 and note 27 and note 35.

Interest in shares of the company

At the financial year end the directors were interested in the company's issued shares as follows:

Ordinary shares

	2022							2021						
	Direct beneficial	Indirect beneficial	Held by associate	**Total**	%	Shares used as security	%	Direct beneficial	Indirect beneficial	Held by associate	**Total**	%	Shares used as security	%
Mark Blair	906 129	-	-	**906 129**	0.35	-	-	404 346	-	-	**404 346**	0.16	-	-
Mark Stirton	242 353	-	-	**242 353**	0.09	-	-	162 865	-	-	**162 865**	0.06	-	-
Stewart Cohen	15 875	-	44 588	**60 463**	0.02	-	-	15 875	-	44 588	**60 463**	0.02	-	-
Steve Ellis	186 352	-	-	**186 352**	0.07	-	-	160 640	-	-	**160 640**	0.06	-	-
Keith Getz	-	-	20 000	**20 000**	0.01	-	-	-	-	20 000	**20 000**	0.01	-	-
Bobby Johnston	-	-	-	**-**	-	-	-	-	-	85 500	**85 500**	0.03	-	-
Total	**1 350 709**	**-**	**64 588**	**1 415 297**	**0.55**	**-**	**-**	**743 726**	**-**	**150 088**	**893 814**	**0.34**	**-**	**-**
Total ordinary issued share capital				**256 841 654**							**255 945 150**			

B Ordinary shares

	2022							2021						
	Direct beneficial	Indirect beneficial	Held by associate	**Total**	%	Shares used as security	%	Direct beneficial	Indirect beneficial	Held by associate	**Total**	%	Shares used as security	%
Stewart Cohen	-	3 044 056	-	**3 044 056**	44.81	838 204	12.34	-	3 044 056	-	**3 044 056**	39.59	838 204	10.90
Total				**3 044 056**	44.81	838 204	12.34	**-**	**3 044 056**	**46 504**	**3 090 560**	**40.19**	**838 204**	**10.90**
Total B ordinary issued share capital				**6 792 786**							**7 689 290**			

	Ordinary	**B Ordinary**
Issued share capital 2021	255 945 150	7 689 290
Issued share capital 2022	256 841 654	6 792 786

Notes:

1 The following FSP shares were forfeited during the F2022 reporting period due to performance hurdles not being reached:

1.1 M Blair 9 191 shares
2.2 M Stirton 785 shares
2.2 S Ellis 2 190 shares

3 The following conversion of B ordinary shares to ordinary shares took place during the reporting period:

3.1 Bobby Johnston's trusts (496 504 shares) on 27 September 2021; and
3.2 Laurie Chiappini's trust (400 000 shares) on 23 December 2021,

Consequently, the issued B ordinary share capital has reduced by 896 504 to 6 792 786 B Ordinary shares and the issued Ordinary share capital has increased by 896 504 to 256 841 654.

4 The 3 748 730 B ordinary shares not detailed above are held by:
4.1 Bobby Johnston's trusts (947 618 shares).
4.2 Laurie Chiappini trust (2 800 912 shares).
4.3 Allister McArthur (200 shares).

5 Indirect beneficial holdings by Stewart Cohen includes 838 204 B ordinary shares which are used as security.

6 Except as disclosed above, none of the directors' holdings were subject to security, guarantee, collateral or similar arrangement as envisaged in terms of paragraph 8.63(c)(i) of the JSE Listings Requirements. There were no changes to the above number of shares between the end of the financial year and the date of approval of the annual financial statements.

Audit and Compliance Committee Report

The main impact of this committee's deliberations on the group's value creation elements is reflected below:

Role

The committee is constituted as a statutory committee in respect of its duties in terms of Section 94(7) of the Companies Act (71 of 2008) and has been delegated the responsibility to provide meaningful oversight of the internal and external audit, finance and compliance functions. The committee mandate is published on the group's website www.mrpricegroup.com. The committee members, their qualifications and experience, the number of meetings held and attendance at meetings is detailed in the board report on pages 98, 99, 105 and 107.

The committee provides independent oversight of the effectiveness of the group's assurance and compliance functions and services, with particular focus on combined assurance arrangements (including external assurance service providers, internal audit and the finance function) and the integrity of the annual financial statements and, to the extent delegated by the board, other external reports issued by the group. In doing so, it assists the board to discharge its responsibility to:

- Safeguard the group's assets
- Operate adequate and effective systems of internal controls, financial risk management and governance
- Issue materially accurate financial reporting information and statements in compliance with applicable legal and regulatory requirements and accounting standards, including financial impact of and investment in sustainability commitments
- Monitor compliance with laws, regulations and adopted non-binding rules, codes and standards
- Provide oversight of the external and internal audit functions

Key areas of focus for the reporting period were:
- Monitoring the group's fiscal performance and financial capital allocation activities
- Assessing effectiveness of the group's combined assurance arrangements
- Conducting the suitability assessment of the external auditor and audit partner
- Assessing the capabilities and suitability of qualifying audit firms for purposes of mandatory audit firm rotation effective in April 2023 and making recommendation to the board for the appointment of new external auditor
- Overseeing ongoing regulatory, tax, legal, compliance and credit matters
- Considering the impact of the JSE Listings Requirements (LR) amendments on financial reporting and compliance
- Monitoring the effectiveness of internal financial controls to support management attestation
- Ensuring alignment between assurance efforts and risks associated with the July 2021 civil unrest;
- The valuation and integration of the two acquisitions, Power Fashion and Yuppiechef, which became effective during the period
- Monitoring compliance readiness in respect of data protection legislation

Committee statement

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2022 financial year, including duties in terms of the Companies Act, JSE LR and King IV™.

Having given due consideration, the committee believes and confirms that Mark Stirton, who is the financial director and carries the title chief financial officer (CFO), possesses the appropriate expertise and experience to effectively fulfil his responsibilities. The committee is also of the view that the group's financial function incorporates the necessary expertise, resources and experience to adequately and effectively carry out its assurance role.

Integrated Assurance

The enterprise risk management (ERM) process guides the management of key strategic risks facing the group (refer to page 68 and 69 of the integrated report). The group continues to make good progress towards its goal of integrating all assurance activities that assures the management of key risks and its ability to achieve groupwide strategic objectives. The group's integrated assurance journey sets out to achieve the following:

- The group's strategic pillars are better safeguarded through assurance mechanisms
- Optimal and cost-efficient assurance coverage is promoted with coverage directed where the group is at largest risk
- The group's stakeholders are better protected as assurance is focused on key strategic risks

Integrated Assurance Activities

Completed	To be completed in 12-24 months	To be completed in 24 months and beyond
Develop an integrated assurance (IA) master plan template aligned with ERM methodology	Report on the effectiveness of IA arrangements	Harmonise reporting to relevant stakeholders
Appoint an IA coordinator with roles and responsibilities	Monitor status against the roadmap	Conduct periodic IA maturity reviews
Develop an IA framework and methodology	Establish assurance reliance – vetting	
Align report type, frequency and recipients between IA providers	Develop a reliance model	
Table IA framework for approval at relevant oversight structure	Regular reporting of IA provided	
Populate key risks onto the planning template		
Conduct a stakeholder needs analysis		
Collate and populate existing plans into a master plan template		

Lines of Defence

Three layers of defence exist to provide assurance on the controls in place to mitigate key risks. These include:

1. **Management** – Each division/centre of excellence has a nominated owner/risk champion, who is responsible for the following:
   - Updating the risk information
   - Providing assurance regarding the controls implemented to mitigate the risk
   - Designing and co-ordinating the implementation of action plans
   - Reporting on any developments regarding the risk
   - Reporting on key performance indicators
2. **Risk function** – Assists the board, as delegated to the risk and IT committee in the execution of its fiduciary and combined assurance arrangements and directs and coordinates assurance activities throughout the organisation. Oversees assurance activities of all second lines of defence.
3. **Assurance providers** (internal audit, external audit and other independent assurance providers):
   - Formally reviews the effectiveness of the organisation's assurance management processes and standards on a rotational basis as approved by the board
   - Shares information and coordinates activities with other internal and external providers of assurance and consulting services, to ensure appropriate coverage and the minimising of duplication of effort

Additional focus areas include:
- Business Continuity – Critical to the group's operations is the need to assure its continuity strategies and supporting processes
- Insurance – Inextricably linked to the risk appetite for the group, there is a need to consider risk transfer mechanisms such as insurance to allow for proper risk treatment. Adequate insurance cover has never been more relevant in mitigating the financial and business impacts of the July 2021 civil unrest, which was concentrated in the group's home province of KwaZulu-Natal
- Occupational Health and Safety – The group's approach to health and safety compliance requirements and its ability to ensure operations of a safe working environment, requires specific focus and attestation

Internal Financial Control

The group has appropriate financial reporting procedures and is satisfied that these procedures are operating adequately. This is supported by internal controls effectively maintained at a high standard, translating into accurate financial and related information presented to stakeholders in integrated reports. There are no known significant internal financial control weaknesses. Significant matters considered in relation to the annual financial statements were the approach to determining both inventory and trade receivables provisioning, impairment assessments and assumptions used, intangible asset assessment relating to acquisitions, going concern evaluation, quality of earnings, and adoption of new International Financial Reporting Standards (IFRS) standards and disclosures. The impact of COVID-19 and the July 2021 civil unrest on the group's financial reporting has been reviewed in conjunction with Ernst & Young Inc (EY), and additional disclosure relating to management judgement added, where appropriate. The committee also considered the impact of the JSE reports on proactive monitoring of annual financial statements. Based on the external auditors' supporting information, including financial analysis, prior history and best practice, the committee is satisfied that matters have been adequately addressed.

The committee has considered the JSE LR which requires attestation by executive management that the annual financial statements have been prepared in accordance with the accounting framework and can be relied upon for economic decision making, and that the internal financial controls in place are effective and adequate to prepare annual financial statements effectively. Control self-assessment validation reviews in the store environment have been rolled out quarterly and these self-assessments support the annual JSE attestation. The scope of review by internal audit on internal financial controls, as well as review results resulted in an acceptable rating which further supports the annual JSE attestation.

The committee has noted that there are no changes to the basis for determining materiality and the committee is satisfied with the level of reporting by management on items that qualify as significant over the period.

Internal control processes

The reviews as per the FY2022 internal audit plan conclude that based on the scope of work and approach followed, some improvements are needed within the internal control environment of the group.These results are reported to the divisional board, audit and compliance, and risk and IT committees on a regular basis during the year.

Internal Audit

Approach
KPMG Services (Pty) Ltd commenced performing outsourced internal audit services to the group from 1 July 2020, following a Section 197 transfer of the in-house team. As part of this process, KPMG successfully integrated 23 internal audit associates into the KPMG Advisory Practice.

A three-year risk-based internal audit plan was developed and aligned to the strategic pillars of the group after considering:

- Significant risk areas as identified during the Dynamic Risk Assessment, Divisional Risk Assessment Process and a dedicated IT Risk and Controls Assessment
- Materiality and the requirements of the JSE LR regarding internal financial controls
- Potential external audit requirements and alignment to a combined assurance approach
- Focused sessions with all trading divisions to understand hotspots
- Consideration of latest and global audit best practices and KPMG insights
- Impact of the new enterprise resource planning (ERP) and leveraging the use of technology

The internal audit plan therefore includes the following focus areas:

- ERM, business continuity and combined assurance
- Internal financial controls
- External audit support and control self-assessment
- Technology, governance, risk and compliance
- Specialist technology and pro-active monitoring
- Forensics and whistleblower service
- Cyber security
- IT project assurance

Methodology and Independence
KPMG's internal audit methodology is aligned to the Institute of Internal Audit standards and aims to provide independent, objective assurance to add value and improve the company's operations. KPMG confirms its independence for the reporting period.

For the financial year ending 2 April 2022, work performed has been summarised and results reported to the committee as it pertains to the governance, risk management and internal control processes within the various parts of the group.

Conclusions
Governance, risk management and combined assurance
The maturity of the risk function at the group was assessed to determine how risk management is integrated into the group's operations. The overall maturity rating placed the group at the early stages of a mature environment. Management has progressed well towards the desired maturity level over the year.

The combined assurance policy outlines the integrated combined assurance process. It translates the combined assurance policy into a combined assurance plan to identify the various lines of assurance and assurance providers involved per key risk. A combined assurance roadmap has been developed to provide the group with a 24 month and beyond view to maturing combined assurance.

Statement by Internal Audit
For the financial year ending 2 April 2022, after taking into consideration:

- The FY2022 internal audit plan
- The scope of the internal audit work and the approach followed
- The limitations of coverage and sampling and
- Representations, self-assessments and other information provided by management, we believe that, based on the significance and nature of findings as reported, the internal control processes evaluated are at an acceptable level.

External Audit

EY was the group's appointed external auditor for the reporting period. Although EY has been the group's auditor since October 1989, the committee is satisfied that EY is independent of the group.

In reaching this conclusion, the committee considered:

- Merisha Kassie, the designated partner, has been in the role since FY2021 and has therefore performed the role of designated audit partner for less than five years
- The group has a clearly defined non-audit services policy which is strictly followed
- The extent of non-audit services is minimal and is continuously monitored with no excessive, unusual or unnecessary engagements noted

The committee is of the view that the group received a high-quality external audit considering the standard of audit planning and scope of activities performed. The audit team assigned to the audit, EY's independence, its relationship with stakeholders, understanding of the business, and the extent of non-audit services provided, were further points taken into consideration during the assessment of the audit quality. The committee chair met with EY prior to the approval of this report to discuss key audit matters, the group's annual financial statements, commentary thereon and general matters. The committee thanks EY for their work and partnership with the company over the years.

During the financial period the committee, supported by the group's finance leadership, commenced the selection of the group's new external auditors as required by mandatory audit firm rotation (effective 1 April 2023). The capabilities and suitability of qualifying audit firms was assessed to enable a smooth transition for the planned rotation in FY2023. As communicated through SENS on 1 September 2021, the committee selected PricewaterhouseCoopers Inc. (PwC) and Sharalene Randelhoff as the designated audit partner, subject to shareholder approval. Subsequent to this communication, the committee has been engaging with PWC leadership post the publication of the Zondo reports into state capture and the reference it makes to PWC therein. The outcome of these engagements may affect the board's decision to propose their appointment to shareholders in the notice of AGM.

Compliance
The board, which is ultimately responsible for compliance, is committed to complying with the company's Memorandum of Incorporation and all applicable laws, regulations and adopted non-binding rules, codes and standards in the countries in which the group operates. The board delegates its responsibility to the committee, which is accountable for setting the direction on how compliance is managed by approving the group's compliance policy and exercising ongoing oversight of compliance governance. The committee delegates the implementation and execution of effective compliance management to the group's management as the first line of defence.

The second line of defence is the group's compliance function, which assists the board, management and associates in fulfilling their responsibility to comply with applicable compliance obligations by providing compliance risk management services. The constantly changing regulatory environment is monitored using regulatory alert systems for both South Africa and Africa as well as involvement in and publications of professional and industry bodies and stakeholders. This assists the compliance function to monitor the frequently changing regulatory environment and ensure that key regulatory changes are identified across all countries in which the group operates. The business impact is also determined and appropriate controls implemented to enhance the group's defendable compliance position. Mr Price Money, the group's credit and insurance business, is highly regulated and in order to manage this, there is a dedicated compliance function within the division which reports to and aligns with the group compliance function. Implementation of compliance measures and controls is managed within other trading divisions and centres of excellence as part of existing roles as appropriate.

Annually the group's regulatory universe is reviewed by the group compliance officer, approved by the committee, and the responsibility for legislation compliance is delegated to management. The group compliance function monitors material group and divisional compliance risks, trends and mitigation measures. It formally reports to management at quarterly governance centre of excellence board meetings and the board, through the committee, and the social, ethics, transformation and sustainability committee (SETS) regarding compliance matters relevant to the SETS areas of oversight. On an annual basis, senior management and the group compliance officer provide assurance to the committee in respect of their delegated areas of responsibility through the legal assurance process.

Data protection
As the custodian of valuable data, the group has continued its focus on data protection to achieve material data protection compliance and protect the integrity of the data in its possession, having regard to the constant threat of cyber-attacks. In the reporting period the data protection project team continued to focus on material tasks required to achieve material compliance with the South African Protection of Personal Information Act (POPIA), which became effective on 1 July 2021. This included updating and reinforcing the group's privacy and information security policies. The unavoidable risk of human error in data breaches has necessitated training and awareness across the business, both in the store and head office environments. This has been a joint collaboration with the group's technology function and will receive continued focus. Data protection will remain a high compliance priority for the short to medium term.

Tax and labour
As previously disclosed, SARS issued assessments disallowing certain deductions that were claimed by the group in the 2015, 2016 and 2017 years of assessment. The group has objected to the assessment and appealed the commissioner's decision to disallow the objection. (Refer pages 76 to 83 of the integrated report for the CFO's report).

The Department of Labour compliance notices previously issued and mentioned in prior reporting periods regarding alleged non-compliance with the sectorial determination for "store associate" rates of pay, have been suitably responded to and withdrawn, save for one which remains under dispute. The group maintains its position that it complies with the sectoral determination and will continue to defend these matters should they arise.

Occupational health and safety
During the reporting period, the Disaster Management Act regulations and COVID-19 health and safety requirements remained entrenched within the group, even as government adjusted and eased the lockdown levels to manage COVID-19 infections. Compliance efforts remained focused on head office and store operations with health and safety measures to protect customers and store associates, including sanitising, mask wearing and social distancing practices; and store closure procedures and protocols are in place in the event of associate illness. The committee remains comfortable that appropriate compliance was achieved as to date no fines have been issued by regulatory bodies or stores required to be closed due to material non-compliance. In addition, no material non-compliance was identified at any head office. With the national state of disaster being lifted on 5 April 2022, the group will implement the regulations, when issued, in terms of the National Health Act.

The committee is satisfied that there were no material non-compliance matters identified including no material non-compliance identified with environmental legislation.

Key areas of focus for the reporting period were:
- Ensuring Disaster Management Act regulations and COVID-19 health and safety requirements remained entrenched within the group as business-as-usual compliance practices
- Entrenching data protection principles and controls across the group to achieve material compliance with South African data protection legislation effective 1 July 2021
- Completing the review of the group compliance policy and framework
- Monitoring financial services legislation, particularly the National Credit Act, and increasing continuous monitoring activities

Future areas of focus are:
- Formalise additional, tailored training on data protection as part of new employee induction and roll out to all existing employees
- Continuous monitoring of data protection compliance in high-risk business activities
- Continued monitoring of financial services legislation with a specific focus on FAIS and FICA
- Formalise risk-based integration of compliance oversight of acquired businesses.

Independent Auditor's Report

To the Shareholders of Mr Price Group Limited

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

Opinion

We have audited the consolidated and separate annual financial statements of Mr Price Group Limited and its subsidiaries ('the group') set out on pages 22 to 96, which comprise of the consolidated and separate statements of financial position as at 2 April 2022, the consolidated and separate income statements and consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the 52 weeks then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 2 April 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the 52 weeks then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company and 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 of the group and company and 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). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate annual financial statements.

The Key Audit Matters applies equally to the audit of the consolidated and separate annual financial statements.

Key audit matter	How the matter was addressed in the audit
Goodwill Impairment Assessment – Note 15: Intangible assets	
• The Group and Company acquired the assets of Power Fashion in the prior financial year. In the current year the Group acquired a 100% shareholding in Yuppiechef. • The Group has recognised goodwill of R1.379bn and the Company has recognised goodwill of R1.070bn. R1.069bn of the goodwill balance in the Group and Company relates the Power Fashion acquisition in the prior year and R0.292bn of the goodwill balance in the Group, relates to the Yuppiechef acquisition in the current year. • IAS 36 requires an impairment test to be performed at least annually for Cash generating units (CGUs) to which goodwill or intangibles with an indefinite useful life have been allocated. For the purpose of the year end impairment assessment, the Group's CGUs have been identified as the Power Fashion Division as well as the Power Fashion legal entities and the Yuppiechef group of companies that have been acquired. • Group management have used a discounted cash flow model to determine the recoverable amount in order to determine whether there is any need for impairment. • The model includes estimates such as the forecasting of future cash flows, perpetuity growth, discount rates and other revenue sustainability assumptions which required significant audit attention during year. • Therefore, we believed the goodwill impairment assessment to be a Key Audit Matter in the current year audit.	• Our audit procedures, amongst others, included the following which we performed with the assistance of our Internal Valuation Specialists: • Analysed the due diligence report for the Yuppiechef acquisitions and the budgets to obtain an understanding of management's rationale for the assumptions used in forecasting and actual results. • We have evaluated the impairment models and have involved our EY internal valuation specialists to assess the model used and the key assumptions applied. These procedures included: • Challenging management's key assumptions used in the cash flow forecasts included within the impairment models with reference to historical trading performance and market expectations, as well as historic trend analyses to determine management's ability to reliably estimate such assumptions. • Our valuation specialists assisted us in assessing the discount rates, future growth rate and related margins applied by benchmarking against independent data. • Our valuation specialists performed sensitivity analyses around the key assumptions used in the models and assessing the terminal value growth. • The audit team has performed work on the base year inputs used to confirm the accuracy and validity of these. • Assessed the adequacy of the disclosure in the Note 15 to the consolidated and separate annual financial statements relating to the impairment assessments to determine compliance with the requirements of IAS 36: Impairment of Assets.

Key audit matter	How the matter was addressed in the audit
Expected credit losses on trade receivables – Note 9: Trade and other receivables	
• On 02 April 2022 the Group recognised net trade and other receivables of R2.052bn (PY: R1.703bn) and net of loss allowances of R207million (PY: R263m). • On 02 April 2022, the Company recognised net trade and other receivables of R2.046bn (PY: R1.688bn) and net of loss allowances of R200 million (PY: R255m). Expected credit losses ("ECL") is calculated in terms of IFRS 9: Financial Instruments and is applicable for all financial assets measured at amortised cost. The ECL measures the probability-weighted estimate of the present value of credit losses on the entity's financial assets. • There are three primary models used to determine the ECL, the Markov Provision model, Loss Given Write-off model and Economic model, hereafter referred to as "the model". • The model used to determine the ECL is complex and includes inputs that are subject to a high degree of management judgement and estimation uncertainty. • The economic model was updated to address our previously raised concerns over the model such as the reconsideration of FLI indicators and their impact on the estimate. • There are four economic adjustment models in total, with two of the economic adjustment models used to adjust the gross provisions and the other two are used to adjust the LGW. The two economic adjustments models that are applied to the gross provisions are as follows: - High Street Segment – redeveloped on the Apparel, Home and Sheet Street divisions combined as one smoothened balance-weighted target variable - Niche Segment – redeveloped on Sport and Milady's divisions combined as one smoothened balance-weighted target variable • The two economic adjustments models that are applied to the LGW are as follows: - Apparel Segment – redeveloped on the Apparel division - Other Segment – redeveloped on Home, Sheet Street, Sport and Milady's divisions combined as one smoothened balance-weighted target variable • The incorporation of forward-looking information into the ECL model resulted in considerable judgement by management as to how macroeconomic factors could affect the ECL estimate. • Additional judgement was applied by management to consider post pandemic recoveries and the changes to the credit granting approach in the current year. As a result, an additional overlay was included in the ECL estimate by management. • Due to the magnitude of the balance, as well as the complexity and the judgement inherent in the calculation of the related ECL allowance the expected credit losses on net trade receivables and other receivables have been identified to be a matter of most significance.	Our procedures included amongst others the following: • With the assistance of our Quantitative Advisory Services (QAS) team, we updated our understanding of the process for evaluating the ECL based on changes that had been made to the model in the current year. • We assessed the validity of the inputs utilised in the ECL model through a combination of tests of internal control and reconciliations of the data used in the calculation to audited balances. • Our QAS team and economics specialists assisted in the performance of the following procedures: • A review of the model was carried out by reviewing development documentation and other supporting estimation material to assess the appropriateness of the model in line with accounting guidelines. • Independently reperformed the calculation of the ECL to assess if the model methodology had been correctly implemented. • Evaluated the reasonableness of the incorporation of forward-looking economic information assessed against financial reporting guidelines and industry standards. • Additional procedures were performed by our specialists in the current period as a result of the economic model update, these include: • An independent assessment of the model build steps and key assumptions. • Reviewing and re-running entire model development codes. • Conducting additional checks to ensure the model's data, assumptions and build is in line with the approved methodology. • Reconciling the outputs from our re-run with management's result. • We challenged the appropriateness of the post-model overlays applied in the finalisation of the expected credit loss provisions by reviewing historical and current data supporting these overlays. • Independently assessed the quantification of the ECL overlay through an independent recalculation. • Evaluate the reasonableness of the base case and alternative scenarios generated, including the probability weighting applied to the various scenarios by: • Consideration of the trends in MRP's forecasts • Comparison of key forecasts with forecasts from other institutions • Review of consistency in the relationship between economic variables • Review the transformations used to incorporate the forecast data into credit models • We assessed the adequacy of disclosures in the consolidated annual financial statements relating to the ECL model in terms of the disclosure requirements of IFRS 9 and IFRS 7 in Notes 9 and 19 of the Annual Financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 172 page document titled "2022 Integrated Report 4 April 2021 to 2 April 2022 Mr Price Group Limited" which includes the Approval of the Annual Financial Statements, Report of the Directors, the Audit and Compliance committee report and the Company Secretary's Certificate that are required by the Companies Act of South Africa. The other information does not include the consolidated or the separate annual financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate annual financial statements

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual 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 Ernst and Young Inc. and its predecessor firm, has been the auditor of Mr Price Group Limited for forty years. Ernst and Young Inc. was appointed as auditor of ORRCO Retail Limited in 1982. ORRCO Retail Limited was later renamed Specialty Stores in 1989, and in 2000 to Mr Price Group Limited.

DocuSigned by:
Ernst & Young Inc
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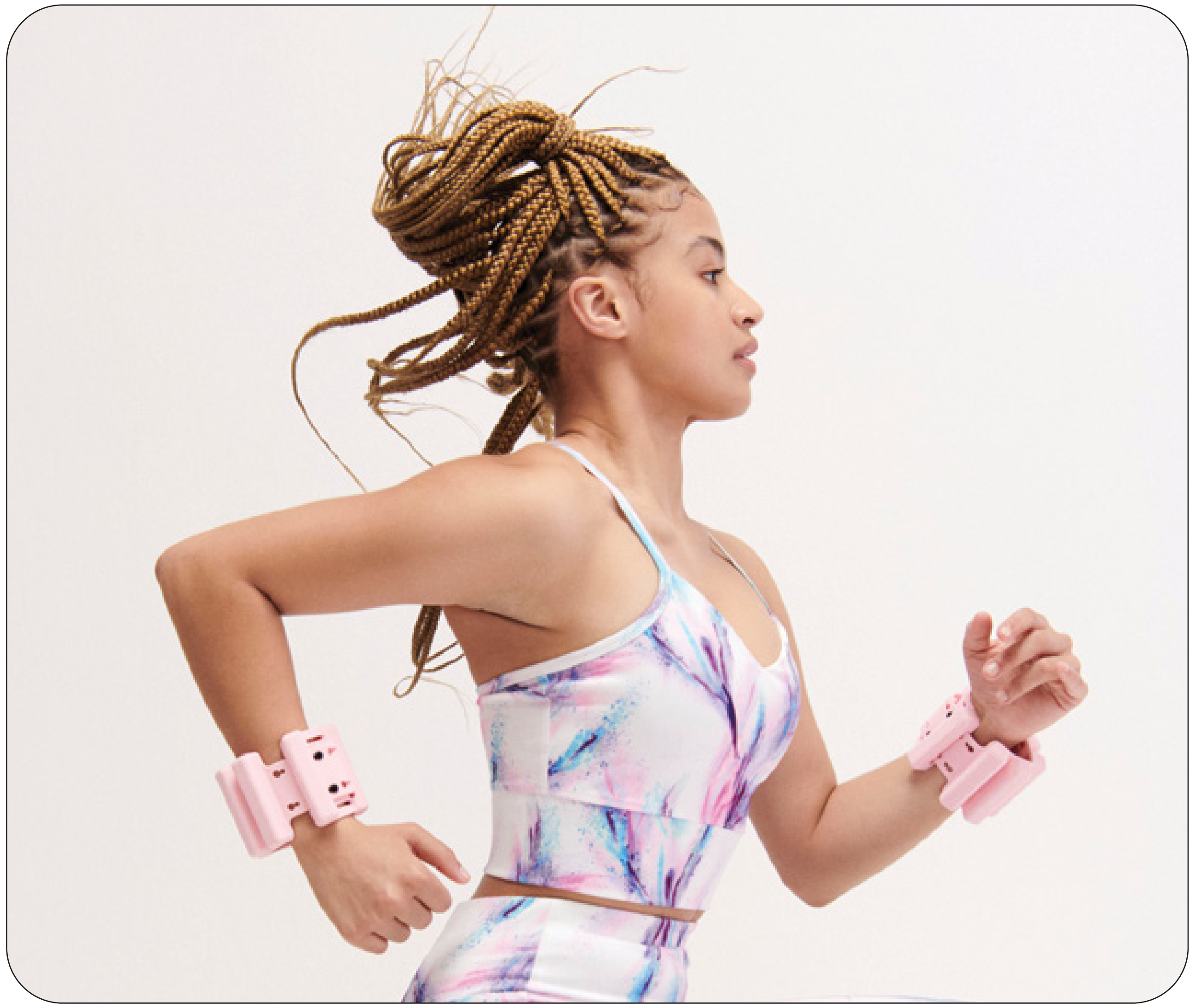
Ernst and Young Inc.
Director – Merisha Kassie
Registered Auditor
Chartered Accountant (SA)

20 June 2022
Durban



Shareholder Information

for the year ended 2 April 2022

Shareholder's diary

May/June	Announcement of annual results and declaration of final dividend to shareholders
July	Publication of 2022 integrated report
August	Annual general meeting of shareholders
November	Publication of interim report covering the 26 weeks ended 1 October 2022 Announcement of interim dividend to shareholders
December	Settlement of interim dividend to shareholders, if announced

	Ordinary shares				B Ordinary shares			
Holdings	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
1 – 1 000	24 055	83.24	4 887 471	1.90	1	16.67	200	0.00
1 001 - 10 000	3 677	12.72	10 985 928	4.28				
10 001 - 100 000	910	3.15	28 666 045	11.16				
100 001 - 1 000 000	219	0.76	61 339 629	23.88	3	50.00	1 435 822	21.14
1 000 001 and over	39	0.13	150 962 581	58.78	2	33.33	5 356 764	78.86
	28 900	100.00	256 841 654	100.00	6	100.00	6 792 786	100.00

Category	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Pension funds	219	0.76	72 507 490	28.23				
Unit Trusts/ Mutual Funds	579	2.00	85 788 226	33.40				
Nominee companies and corporate bodies	27 850	96.37	79 339 451	30.89	1	16.67	2 555 852	37.63
Individuals and trusts	244	0.84	18 478 316	7.19	5	83.33	4 236 934	62.37
Staff share schemes	8	0.03	728 171	0.29				
	28 900	100.00	256 841 654	100.0	6	100.0	6 792 786	100.0

Public and non-public shareholders

At 2 April 2022 the percentage direct or indirect shareholdings of public and non-public shareholders in the listed ordinary shares of the company was as follows:

	Number of shareholders	%
Public shareholders	28 859	99.86
Non-public shareholders	41	0.14
Holders holding more than 10%	-	-
Directors of the company or its subsidiaries	12	0.04
Other associates restricted from trading shares in closed periods	21	0.07
Trustees of employees' share schemes or retirement benefit schemes	8	0.03

Major shareholders

To the company's best knowledge and belief, the following shareholders or fund managers held discretionary beneficial interest and / or administered client portfolios amounting to 5% or more of the issued ordinary shares of the company at 2 April 2022:

	Beneficial holding		Portfolio Administration Discretionary	
	%	Shares	%	Shares
Ordinary shares				
Public Investment Corporation Limited	16.86	43 295 346	14.85	38 135 828
B ordinary shares				
Gretrac Investment Trust	41.23	2 800 912		
Kovacs Investments 343 CC	37.63	2 555 852		
Catregav Investment Trust	7.19	488 204		
Oaklands Trust	5.34	362 606		
Silwood Trust	8.61	585 012		

Details of the beneficial interest in B ordinary shares are reflected in the report of the directors, page 5.

Consolidated Income Statements

for the year ended 2 April 2022

R'm	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Continuing operations					
Revenue	3	**28 083**	22 827	**27 060**	22 303
Retail sales and other revenue ^		**27 865**	22 553	**26 848**	22 033
Finance interest income		**218**	274	**212**	270
Costs and expenses		**22 919**	18 689	**22 057**	18 237
Cost of sales	8	**15 820**	12 540	**15 412**	12 453
Selling expenses		**5 049**	4 377	**4 665**	4 038
Administrative and other operating expenses		**2 050**	1 772	**1 980**	1 746
Profit from operating activities	4	**4 946**	3 864	**4 791**	3 796
Finance costs		**(541)**	(477)	**(495)**	(433)
Finance interest income		**218**	274	**212**	270
Profit before taxation		**4 623**	3 661	**4 508**	3 633
Taxation	25	**1 276**	1 005	**1 238**	984
Net profit from continuing operations		**3 347**	2 656	**3 270**	2 649
Discontinued operations					
Net loss from discontinued operations for the period	16	**-**	(8)		
Net profit for the period		**3 347**	2 648	**3 270**	2 649
Attributable to:					
Equity holders of the parent		**3 347**	2 648		
- From continuing operations		**3 347**	2 656		
- From discontinued operations		**-**	(8)		
Profit attributable to shareholders		**3 347**	2 648	**3 270**	2 649
Earnings per share		cents per share	cents per share	% change	
Basic	7	**1 298.6**	1 023.6	**26.9**	
Diluted basic	7	**1 270.1**	1 005.5	**26.3**	
Earnings per share from continuing operations					
Basic	7	**1 298.6**	1 026.7	**26.5**	
Diluted basic	7	**1 270.1**	1 008.5	**25.9**	

Headline earnings per share				
Headline	7	**1 282.1**	1 067.9	**20.1**
Diluted headline	7	**1 254.0**	1 049.0	**19.5**
Headline earnings per share from continuing operations				
Headline	7	**1 282.1**	1 070.3	**19.8**
Diluted headline	7	**1 254.0**	1 051.4	**19.3**

* less than R1 million
^ Retail sales and other revenue breakdown that was previously included in the primary statement has been included in note 3.

Consolidated Statements of Comprehensive Income

for the year ended 2 April 2022

R'm	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Profit attributable to shareholders		**3 347**	2 648	**3 270**	2 649
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Currency translation adjustments	30	**(28)**	(62)		
Gain/(loss) on hedge accounting		**161**	(538)	**161**	(538)
Deferred taxation thereon		**(45)**	151	**(45)**	151
Items that will not be reclassified subsequently to profit or loss:					
Defined benefit fund actuarial (loss)/gain	22.3	**(1)**	8	**(1)**	8
Deferred taxation thereon	22.3	**-***	(2)	**-***	(2)
Total comprehensive income for the year attributable to shareholders, net of taxation		**3 434**	2 205	**3 385**	2 268
Attributable to:					
Equity holders of the parent		**3 434**	2 205	**3 385**	2 268
Total comprehensive income for the year attributable to shareholders, net of taxation		**3 434**	2 205	**3 385**	2 268

Consolidated Statements of Financial Position

as at 2 April 2022

		Group		Company	
R'm	Notes	2022	2021	2022	2021
Assets					
Non-current assets		11 296	9 288	10 870	8 923
Property, plant and equipment	14	2 518	2 236	2 433	2 165
Right-of-use asset	17	6 315	5 000	5 909	4 630
Intangible assets	15	2 039	1 641	1 614	1 620
Consolidated entities	31	-	-	557	156
Long-term receivables and other investments	18	50	37	42	29
Defined benefit fund asset	22	77	69	77	69
Deferred taxation assets	26	297	305	238	254
Current assets		11 381	10 587	10 716	9 949
Inventories	8	3 956	3 298	3 667	3 108
Trade and other receivables	9	2 551	2 155	2 486	2 098
Derivative financial instruments	19	64	24	64	24
Re-insurance assets	11	190	154	189	154
Current amounts owing by consolidated entities	31	-	-	326	291
Taxation	25	8	7	-	-
Cash and cash equivalents	12	4 612	4 949	3 984	4 274
Total assets		22 677	19 875	21 586	18 872
Equity and liabilities					
Equity attributable to equity holders of the parent		12 056	10 838	11 616	10 321
Issued capital	27	-*	-*	-*	-*
Capital reserves	28	457	382	409	335
Treasury share transactions	29	(2 197)	(1 852)	(2 753)	(2 541)
Retained income		14 051	12 650	13 983	12 665
Foreign currency translation reserve	30	(232)	(204)	-	-
Defined benefit fund actuarial gains and losses	22	1	2	1	2
Cash flow hedge reserve	19	(24)	(140)	(24)	(140)
Total equity		12 056	10 838	11 616	10 321
Non-current liabilities		6 002	4 800	5 594	4 450
Lease liability	20	5 951	4 776	5 571	4 426
Deferred taxation liability	26	28	-	-	-
Long-term liabilities	21	1	4	1	4
Post retirement medical benefits	22	22	20	22	20
Current liabilities		4 619	4 237	4 376	4 101
Trade and other payables	10	2 895	2 542	2 724	2 464
Derivative financial instruments	19	150	284	150	284
Re-insurance liabilities	11	43	45	43	45
Current amounts owing to consolidated entities	31	-	-	37	38
Current portion of lease liability	20	1 460	1 164	1 357	1 078
Taxation	25	71	202	65	192
Total liabilities		10 621	9 037	9 970	8 551
Total equity and liabilities		22 677	19 875	21 586	18 872

*less than R1 million

Consolidated Statements of Cash Flows

for the year ended 2 April 2022

		Group		Company	
R'm	Notes	2022	2021	2022	2021
Cash flows from operating activities					
Operating profit before working capital changes	13.1	6 764	5 428	6 057	5 124
Working capital changes	13.2	(1 059)	192	(1 066)	294
Cash generated from operations		5 706	5 620	4 991	5 418
Interest on trade receivables		312	297	311	296
Finance costs paid		(3)	(2)	3	3
Finance income received		195	269	212	260
Dividend income			-	31	78
Taxation paid	13.3	(1 402)	(1 417)	(1 353)	(1 387)
Net cash inflows from operating activities		4 807	4 767	4 195	4 668
Cash flows from investing activities					
(Payments)/receipts in respect of long-term receivables	13.4	(15)	13	(13)	-
Payment for acquisition of Yuppiechef (2021: Power Fashion), net of cash acquired	33	(326)	(1 511)	-	(1 521)
Payment in respect of other assets		-	(6)	-	(6)
Payment for replacement of intangible assets	15	(8)	(32)	(8)	(32)
Payment for additions to intangible assets	15	(92)	(124)	(90)	(123)
Payment for replacement of property, plant and equipment	14	(259)	(89)	(253)	(86)
Payment for additions to property, plant and equipment	14	(321)	(207)	(306)	(197)
Receipts from proceeds on disposal of PPE		10	11	10	10
Proceeds from insurance relating to property, plant and equipment		86	-	86	-
Net cash outflows from investing activities		(925)	(1 945)	(574)	(1 955)
Cash flows from financing activities					
Payment relating to share buyback	29	-	(165)		(165)
Payment of financial liability	13.6	(2)	(15)	(2)	(15)
Dividends paid to shareholders	13.5	(1 959)	(552)	(1 965)	(554)
Grants to staff share trusts	29	-	-	(59)	-
Receipts relating to sale of shares by staff share trusts	29	25	10	-	-
Payment relating to purchase of shares by staff share trusts	29	(203)	-	-	-
Payment relating to purchase of shares		(53)		(52)	
Deficit on treasury share transactions	29	(13)	(8)	-	-
Payment relating to share hedging costs and instruments	28/29	(166)	(171)	(166)	(171)
Repayment of capital portion of lease liability	20	(1 298)	(1 174)	(1 191)	(1 066)
Repayment of interest portion of lease liability	20	(538)	(475)	(498)	(437)
Net cash outflows from financing activities		(4 207)	(2 550)	(3 933)	(2 408)
Net (decrease)/increase in cash and cash equivalents		(325)	272	(312)	305
Cash and cash equivalents at beginning of the year		4 949	4 726	4 274	4 032
Exchange (losses)/gains		(12)	(49)	22	(63)
Cash and cash equivalents at end of the year	12	4 612	4 949	3 984	4 274

*less than R1 million

Consolidated Statement of Changes in Equity

for the year ended 2 April 2022

Attributable to the Equity Holders of the Parent

		Capital Reserves				Treasury Share Transactions									
R'm	Notes	Share capital*	Share premium	Participants in staff share investment trust	Share-based payments reserve	Treasury shares at cost	Deficit on treasury share transactions	Taxation relating to grants to share trusts	Foreign currency translation reserve	Defined benefit fund actuarial gains and losses	Cash flow hedge reserve	Retained income	**Total**	Non-controlling interests	**Total Equity**
Group															
Balance at 28 March 2020		**-**	**12**	**34**	**270**	**(281)**	**(1 600)**	**347**	**(142)**	**(4)**	**247**	**10 545**	**9 428**	**-**	**9 428**
Total comprehensive income									(62)	6	(387)	2 648	**2 205**	-	**2 205**
Profit for the year												2 648	**2 648**	-	**2 648**
Other comprehensive income:									(62)	6	(387)	-	**(443)**	-	**(443)**
Currency translation adjustments	30								(62)				**(62)**		**(62)**
Net gain on hedge accounting	11										(538)		**(538)**		**(538)**
Deferred taxation thereon											151		**151**		**151**
Defined benefit fund actuarial losses	22									8			**8**		**8**
Deferred taxation thereon	22									(2)			**(2)**		**(2)**
Conversion of B ordinary to ordinary share capital	27	-*	-*										**-**		**-**
Treasury shares acquired	29												**-**		**-**
Share repurchased	29					(165)							**(165)**		**(165)**
Taxation relating to grants to share trusts	29							2					**2**		**2**
Effect of consolidation of staff share trusts	28			1		(1)							**-**		**-**
Deficit on treasury share transactions	29						(8)						**(8)**		**(8)**
Recognition of share-based payments	28				88								**88**		**88**
Share based equity reserve hedge cost	28				(14)	(156)							**(170)**		**(170)**
Share -based payments reserve released to retained income for vested options	28				(9)							9	**-**		**-**
Treasury shares sold	29					10							**10**		**10**
2021 interim dividend to shareholders	6											(552)	**(552)**		**(552)**
Balance at 3 April 2021		-	**12**	**35**	**335**	**(593)**	**(1 608)**	**349**	**(204)**	**2**	**(140)**	**12 650**	**10 838**	**-**	**10 838**
Total comprehensive income									(28)	(1)	116	3 347	**3 434**	-	**3 434**
Profit for the year												3 347	**3 347**	-	**3 347**
Other comprehensive income									(28)	(1)	116	-	**87**	-	**87**
Currency translation adjustments	30								(28)				**(28)**		**(28)**
Net loss on hedge accounting											161	-	**161**		**161**
Deferred taxation thereon											(45)		**(45)**		**(45)**
Defined benefit fund actuarial gain	22									(1)			**(1)**		**(1)**
Deferred taxation thereon	22									-*			**-***		**-***
Conversion of B ordinary to ordinary share capital	27	-*	-*										**-**		**-**
Treasury shares acquired	29					(203)							**(203)**		**(203)**
Taxation relating to grants to share trusts	29							14					**14**		**14**
Effect of consolidation of staff share trusts	28			1		(1)							**-**		**-**
Deficit on treasury share transactions	29						(14)						**(14)**		**(14)**
Recognition of share-based payments	28				80								**80**		**80**
Share-based equity reserve hedge cost	28				7	(166)							**(159)**		**(159)**
Share -based payments reserve released to retained income for vested options	28				(13)							13	**-**		**-**
Treasury shares sold	29					25							**25**		**25**
2021 final dividend to shareholders	6											(1 218)	**(1 218)**		**(1 218)**
2022 interim dividend to shareholders	6											(741)	**(741)**		**(741)**
Balance at 2 April 2022		-	**12**	**36**	**409**	**(938)**	**(1 622)**	**363**	**(232)**	**1**	**(24)**	**14 051**	**12 056**	**-**	**12 056**

*less than R1 million

Consolidated Statement of Changes in Equity

for the year ended 2 April 2022

Attributable to the Equity Holders of the Parent

R'm	Notes	Capital Reserves: Share capital*	Capital Reserves: Share premium	Capital Reserves: Participants in staff share investment trust	Capital Reserves: Share-based payments reserve	Treasury Share Transactions: Treasury shares at cost	Treasury Share Transactions: Deficit on treasury share transactions	Treasury Share Transactions: Taxation relating to grants to share trusts	Foreign currency translation reserve	Defined benefit fund actuarial gains and losses	Cash flow hedge reserve	**Retained income**	Total
Company													
Balance at 28 March 2020		**-**	**-**		**270**	**(2 297)**	**(272)**	**347**		**(4)**	**247**	**10 561**	**8 852**
Total comprehensive income										6	(387)	**2 649**	**2 268**
Profit for the year												**2 649**	**2 649**
Other comprehensive income		-	-	-	-	-	-	-	-	6	(387)	**-**	**(381)**
Defined benefit fund actuarial gain	22									8			**8**
Deferred taxation thereon	22									(2)			**(2)**
Net loss on hedge accounting											(538)		**(538)**
Deferred taxation thereon											151		**151**
Conversion of B ordinary to ordinary share capital	27												**-**
Shares repurchased	29					(165)							**(165)**
Grants to staff share trusts	29												**-**
Deficit on treasury share transactions	29												**-**
Taxation relating to grants to share trusts	29							2					**2**
Recognition of share-based payments	28				88								**88**
Share-based equity reserve hedge cost	28				(14)	(156)							**(170)**
Share -based payments reserve released to retained income for vested options	28				(9)							**9**	**-**
2021 interim dividend to shareholders	6											**(554)**	**(554)**
Balance as at 3 April 2021		**-**	**-**	**-**	**335**	**(2 618)**	**(272)**	**349**	**-**	**2**	**(140)**	**12 665**	**10 321**
Total comprehensive income										(1)	116	**3 270**	**3 385**
Profit for the year												**3 270**	**3 270**
Other comprehensive income										(1)	116		**115**
Defined benefit fund actuarial gain	22									(1)			**(1)**
Deferred taxation thereon	22									-*			**-***
Net loss on hedge accounting											161		**161**
Deferred taxation thereon											(45)		**(45)**
Conversion of B ordinary to ordinary share capital	27	-*	-*										**-**
Grants to staff share trusts	29					(58)							**(58)**
Deficit on treasury share transactions	29						(2)						**(2)**
Taxation relating to grants to share trusts	29							14					**14**
Recognition of share-based payments	28				80								**80**
Share-based equity reserve hedge cost	28				7	(166)							**(159)**
Share-based payments reserve released to retained income for vested options	28				(13)							**13**	**-**
2021 final dividend to shareholders	6											**(1 220)**	**(1 220)**
2022 interim dividend to shareholders	6											**(745)**	**(745)**
Balance as at 2 April 2022		**-**	**-**	**-**	**409**	**(2 842)**	**(274)**	**363**	**-**	**1**	**(24)**	**13 983**	**11 616**

*less than R1 million

Notes To The Financial Statements

for the year ended 2 April 2022

1 Basis of preparation

The annual financial statements have been prepared on the historic cost basis, except where indicated otherwise in a policy. The Group annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted and issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The consolidated financial statements are presented in Rands and all values are rounded to the nearest million (R million), except when otherwise indicated.

The consolidated financial statements comprise the financial statements of the group and its consolidated entities as at 2 April 2022. The group reports on the retail calendar of trading weeks incorporating trade from Sunday to Saturday each week. Accordingly the results for the financial year under review are for a 52 week period from 4 April 2021 to 2 April 2022 (2021: 53 week period from 29 March 2020 to 3 April 2021).

The group and company discloses its significant accounting policies, including its measurement basis, as part of its disclosures in each note in order to assist the users of these statements in understanding how transactions, events and conditions are reflected in the primary financial statements. The group presents its notes on the following basis:

- Incorporate all related disclosures, significant accounting policies and other information relating to a particular statement of financial positions/income statement item together to provide a complete overall picture of the item.
- The notes, as far as possible, are ordered in terms of materiality and significance to the business (refer to navigation on the contents page).

The consolidated financial statements provide comparative information in respect of the previous period. Unless otherwise indicated, any references to the group include the company.

2.1 Adoption of new standards and changes in accounting policies

The following new standards and interpretations that were applicable were adopted during the year. These new standards and interpretations did not lead to any changes in the group's accounting policies. There were other amendments issued by the IASB which came into effect for the current financial period which were not applicable to the group.

Statement, Interpretation or Standard	Effective for annual periods beginning
IFRS 16 Leases - amendment - Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

2.2 Standards and amendments issued but not yet effective

At the date of authorisation of these financial statements, the following statements, interpretations and standards were in issue but not yet effective.

Statement, Interpretation or Standard	Effective for annual periods beginning
Amendments to IFRS 3 - Reference to Conceptual Framework	1 January 2022
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to IAS 37 - Onerous contracts - Costs of fulfilling a contract	1 January 2022
IFRS 9 - FInancial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IFRS 17 - Insurance Contracts	1 January 2023
Amendments to IAS 8 - Definition of accounting estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice statement 2 - Disclosure of accounting policies	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 1 - Classification of Liabilities	1 January 2024

The directors anticipate that the adoption of the above mentioned standards in future periods will have no material financial impact on the financial statements of the group and will only result in additional disclosure requirements with the exception of IFRS 17 as discussed below. These statements, interpretations and standards will be adopted at the respective effective dates except as detailed below.

IFRS 17 Insurance Contracts

IFRS 17 established the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The standard outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach.

The change to IFRS 17 includes how insurance liabilities are valued, impacting the amount of capital captives need to keep in reserve. Re-insurance contracts will be reported based on the present value of the amount of money the captive expects from premiums and claims, once factoring in other running costs based upon the timing and risks involved. The assessment of the cash flow and expected profits from insurance cash flow will be key reporting requirements.

The group has engaged with an external party to assess the impact of IFRS 17 on the group. Based on the shareholders' agreement with respect to the cell captive arrangements, it appears that the in-substance reinsurance contracts issued will consist of initial and subsequent contract boundaries of one year. Initially, the contracts would be measured including cash flows for one year. Thereafter, they will be measured as annual contracts with cash flows for one year.

It appears that separation of the in-substance reinsurance contract in insurance components is unlikely to be appropriate as there is a single in-substance reinsurance contract in place.

Based on the contract boundary, the group is eligible to apply the simpler Premium Allocation Approach (PAA). The nature of a reinsurance contract issued to a cell insurer in the South African environment is such that the group may recognise a net insurance contract asset instead of an insurance contract liability as a result of the profit share element in the cell captive arrangement. Effectively, there is net settlement of the profit share and the group's obligation.

Under IFRS 17, the cells should be accounted for as in-substance reinsurance contracts issued in the books of the group. On the balance sheet, a net reinsurance asset or liability will be presented. Income and expenses will be presented in the relevant line items as required by IFRS 17. The measurement under these two standards may differ and will not necessarily give the same result.

Results of Operations

3. Revenue

	Group		Company	
R'm	**2022**	2021	**2022**	2021
The disaggregated revenue is as follows:				
Revenue from contracts with customers	**27 035**	22 046	**25 816**	21 318
Retail sales	**26 683**	21 690	**25 572**	21 096
Premium income	**216**	203	**216**	201
Other telecoms income	**136**	153	**28**	21
Interest and charges on debtors	**482**	456	**468**	455
Club fees	**26**	27	**25**	26
Income from consolidated entities	**-**	-	**228**	227
Other sundry revenue*	**322**	24	**311**	8
Retail sales and other revenue	**27 865**	22 553	**26 848**	22 033
Finance interest income	**218**	274	**212**	270
Revenue	**28 083**	22 827	**27 060**	22 303

* Other sundry revenue for FY2022 includes insurance proceeds (R258m) received as a result of the civil unrest that occurred in FY2022.

Accounting policy

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).

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

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 subject to breakage. Gift vouchers, in line with the 3-year prescription period, are deemed to only expire after 3 years. Management periodically reviews and updates its estimates for unredeemed gift vouchers which includes a consideration of breakage in the proportion to the pattern of rights exercised by the customer in order to determine whether the likelihood of redemption is remote.

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

Retail sales

Retail sales comprise net income from the sale of merchandise and are recognised when control of the merchandise is transferred to the customer. 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, a right to recover product asset has been recognised by the group. Refer to note 9 for this disclosure. The group will record a refund liability (refer to note 10) for the amount of revenue not expected to be recognised and a new defined asset, being the right to recover product asset, for its right to the returned goods.

Premium income

Premiums are recognised on a straight-line basis over the period of the contract and are shown before the deduction of commission and claims, which are recognised in administrative and other operating expenses.

Club fees

Club fees are recognised in the month immediately preceding the satisfaction of the performance obligation (ie. When the customer charge accrues).

Interest

The group calculates interest income by applying the effective interest rate to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, and is therefore regarded as Stage 3, the group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the group reverts to calculating interest income on a gross basis.

Dividend income
Dividend income includes the value of cash dividends received and surpluses distributed by a staff share trust. Dividends are recognised when the right to receive payment has been established.

Fees
Fees represent fee income from consolidated entities in respect of various administrative and operating functions performed on their behalf. Fees are recognised when the charge accrues.

Prepaid airtime sales (telecoms income)
Revenue is recognised once the performance obligation to deliver airtime to the customer has been satisfied and the customer has obtained control of the product.

Contracts (telecoms income)
Contract products are defined as arrangements with multiple deliverables.

Each deliverable under a contract is identified as a separate performance obligation and revenue is recognised once the performance obligation is satisfied. As a result, handset revenue is recognised when the control of the handset is transferred to the customer. Monthly service and airtime revenue will be recognise as each performance obligation under the contract with the customer is fulfilled. Unused airtime is deferred in full and recognised in the month of usage or on expiry of the airtime.

Retail voice and data (telecoms income)
Subscription fees and revenue relating to local, long distance, network-to-network, roaming and international call connection services are recognised when the performance obligation is met and the service is transferred to the customer.

4. Profit from operating activities

	Group		Company	
R'm	2022	2021	2022	2021
Arrived at after (crediting)/charging the following:				
Income from consolidated entities			(228)	(227)
Dividend income			(31)	(78)
Fees			(197)	(149)
Amortisation of intangible assets (note 15)	114	89	104	86
Associate costs	3 111	2 525	2 944	2 417
Salaries, wages and other benefits	2 859	2 269	2 699	2 167
Share-based payments (note 27.5)	80	88	80	88
Defined contribution pension funds expense	179	172	172	166
Defined benefit pension fund net expense	(7)	(4)	(7)	(4)
Current service cost	2	2	2	2
Interest cost	7	6	7	6
Expected return on fund assets	(16)	(12)	(16)	(12)
Auditors' remuneration	13	12	11	9
Audit fees	13	12	11	9
Other services	-*	-*	-	-
Consulting fees	56	28	52	24
Technical services	54	26	52	24
Administrative and other services	2	2	-*	-*
Depreciation of property. plant and equipment (note 14)	320	321	304	300
Depreciation of right-of-use asset (note 17)	1 498	1 288	1 388	1 176
Loss on scrapping of intangible assets (note 15)	-	134	-	137
(Reversal of impairment)/impairment of right-of-use asset (note 17)	(4)	9	(4)	8
Net loss on disposal and scrapping of property, plant and equipment	31	16	30	17
Impairment of amounts owing by consolidated entities	-	-	-	(11)
Net loss/(gain) on foreign exchange	252	(112)	253	(116)
Other rental costs	87	(40)	66	(54)
Land and buildings^	63	(59)	43	(73)
Equipment	22	21	21	21
Motor vehicles	2	(2)	2	(2)

* less than R1 million
^ FY2021 includes COVID-19 rental concession

Accounting policy
Cost of sales comprise the direct cost of merchandise sold and incorporates the cost of distribution, inventory losses and provisions for markdowns less discounts received from suppliers.

Selling expenses comprise the costs incurred in the marketing and advertising of merchandise, store operations and the provision of credit, airtime and mobile facilities.

Administrative and other expenses comprise costs related to the operation of the support functions within the group other than those included in selling expenses.

5. Segmental reporting

Business segments

IFRS 8 requires operating segments to be identified on the basis of internal reporting about components of the group that are regularly reviewed by the chief operating decision makers (CODM) to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executives.

For management purposes, the group is organised into business units based on their products and services, and has 4 reportable segments as follows:

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories;
- The Home segment retails homewares. Yuppiechef is included under the home segment;
- The Financial Services segment manages the group's trade receivables and sells financial services products;
- The Telecoms segment sells cellular products and services;
- The Central Services segment provides chargeable and non-chargeable services to the trading segments noted. The trading segments are only allocated costs for information technology, distribution costs and other shared services costs. All centre of excellence costs (Central Services) for services rendered to the group and the segments is not charged out. Segments are managed on a targeted operating margin percentage basis sufficient to cover their demand on these centres.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

	Apparel		Home		Financial Services		Telecoms		Central services		Eliminations		Total	
R'm	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Retail sales and other income	**19 456**	15 229	**6 506**	5 764	**697**	657	**1 160**	881	**77**	41	**(31)**	(19)	**27 865**	22 553
External	**19 456**	15 229	**6 506**	5 764	**697**	657	**1 160**	881	**46**	22	**-**	-	**27 865**	22 553
Internal	**-**	-	**-**	-	**-**	-	**-**		**31**	19	**(31)**	(19)	**-**	-
Profit from operating activities	**3 678**	2 891	**1 341**	1 226	**465**	235	**60**	49	**(598)**	(537)	**-**	-	**4 946**	3 864
Finance income received													**218**	274
Finance cost													**(541)**	(477)
Profit before taxation													**4 623**	3 661
Taxation													**(1 276)**	(1 005)
Profit attributable to shareholders													**3 347**	2 656
Divisional assets	**9 358**	7 518	**2 822**	2 036	**2 308**	1 925	**172**	156	**8 017**	8 240	**-**	-	**22 677**	19 875
Capital expenditure	**420**	130	**122**	52	**4**	5	**14**	7	**174**	258	**-**	-	**734**	452
Depreciation and amortisation	**1 268**	1 088	**444**	419	**14**	13	**2**	3	**204**	175	**-**	-	**1 932**	1 699

Geographical segments

	South Africa		International		Total	
R'm	**2022**	2021	**2022**	2021	**2022**	2021
Revenue	**26 143**	21 265	**1 722**	1 288	**27 865**	22 553
Assets	**21 956**	17 110	**721**	2 765	**22 677**	19 875
Capital expenditure	**703**	440	**31**	12	**734**	452

Accounting policy

The group's retailing operations are reported within four operating segments, namely the Apparel, Home, Financial Services and Telecoms segments. Group service divisions are reported in the Central Services segment. The group presents information about geographical areas based on retail sales and other income. The information reported is similar to the information provided to management to enable them to assess performance and allocate resources.

6. Dividends to shareholders

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Ordinary and B ordinary shares				
	1 218		**1 220**	
Prior year final dividend: 462.7 cents per share (2021: Nil)	**1 220**	-	**1 220**	-
Dividend paid by Partners Share Trust	**16**	-	**-**	-
Less: dividend received on shares held by staff share trusts	**(18)**	-	**-**	-
	741	552	**745**	554
Current year interim dividend: 282.4 cents per share (2021: 210.1 cents per share)	**745**	554	**745**	554
Dividend paid by Partners Share Trust	**10**	7	**-**	-
Less: dividend received on shares held by staff share trusts	**(14)**	(9)	**-**	-
Total net dividend to shareholders	**1 959**	552	**1 965**	554

In respect of the current year, the board of directors propose that on 4 July 2022, a cash dividend of 54.90 cents per share be paid to shareholders who are registered on the "Record date" of 1 July 2022. This dividend has not been reflected as a liability in these financial statements. The total estimated dividend to be paid by the company is R1.4 billion.

Dividends in respect of equity instruments are recorded in the period in which the dividend is paid and are charged directly to equity.

7. Earnings per ordinary and B ordinary share

7.1 Reconciliation of earnings

The calculation of basic and headline earnings per share is based on:

	Group and Company	
R'm	**2022**	2021
Basic earnings - profit attributable to shareholders	**3 347**	2 648
Loss on disposal of property, plant and equipment and intangible assets	**31**	154
(Reversal of)/impairment of property, plant and equipment and right-of-use assets	**(4)**	5
Insurance proceeds relating to property, plant and equipment	**(86)**	-
Taxation	**17**	(45)
Headline earnings	**3 305**	2 762
Basic earnings - profit attributable to shareholders from continuing operations	**3 347**	2 656
Loss on disposal of property, plant and equipment and intangible assets	**31**	152
(Reversal of)/impairment of property, plant and equipment and right-of-use assets	**(4)**	5
Insurance proceeds relating to property, plant and equipment	**(86)**	-
Taxation	**17**	(44)
Headline earnings from continuing operations	**3 305**	2 769
Basic earnings - profit attributable to shareholders from discontinued operations	**-**	(8)
Loss on disposal of property, plant and equipment and intangible assets	**-**	2
Taxation	**-**	-
Headline earnings from discontinued operations	**-**	(6)

Headline earnings adjustments have been represented from prior year for further breakdown of the categories listed.

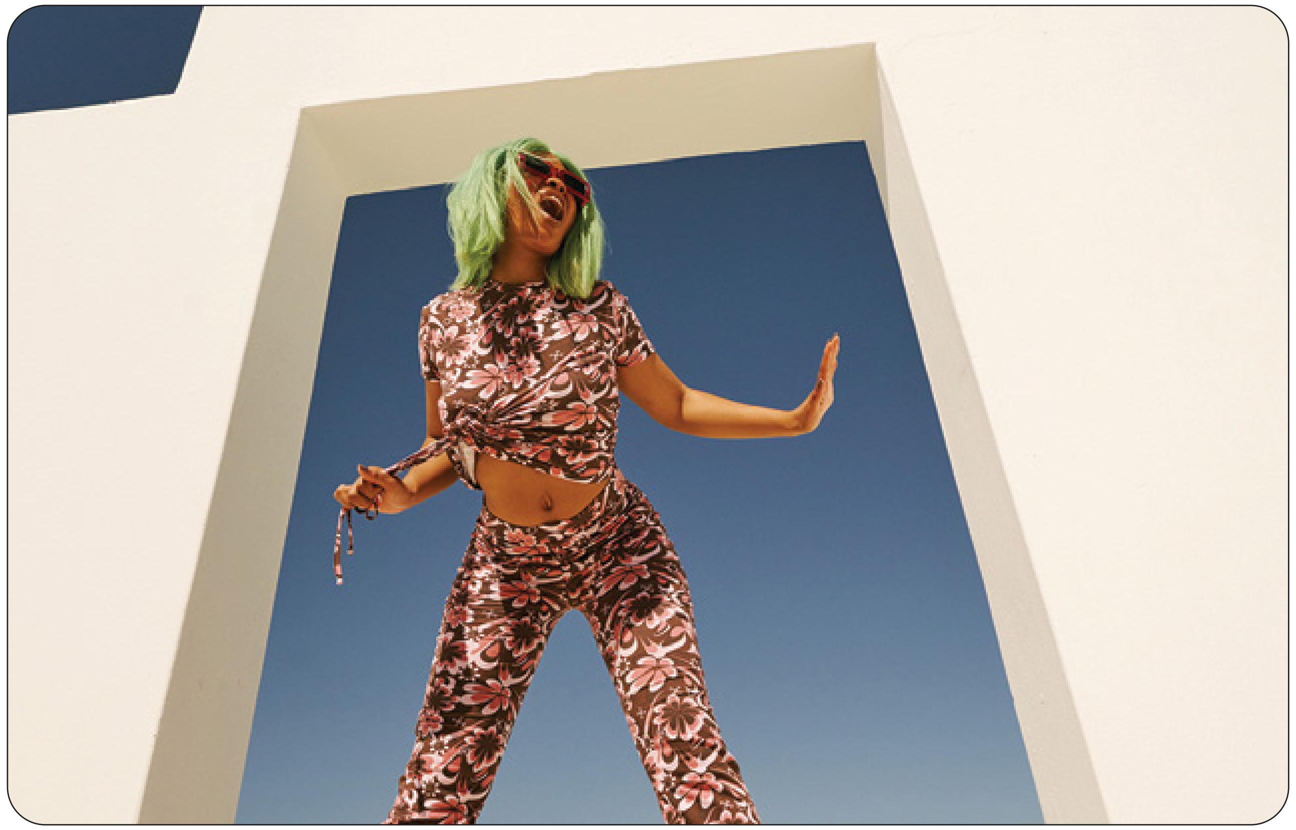
7.2 Number of shares

The weighted average number of shares in issue amount to 257 778 306 (2021: 258 671 033)

7.3 Weighted dilution impact

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potential dilutive shares, which currently comprise share options and shares. A calculation is made in order to determine the number of shares that could have been issued at fair value (determined as the average annual market price of the shares) based on the monetary value of the subscription rights attached to outstanding options.

	Group and Company	
Shares	**2022**	2021
Number of shares per basic earnings per share calculation	**257 778 306**	258 671 033
Weighted average number of ordinary shares under option deemed to have been issued for no consideration	**5 785 438**	4 663 507
Number of shares for calculation of diluted earnings per share	**263 563 744**	263 334 540



Working Capital

8. Inventories

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Merchandise purchased for resale	**3 937**	3 284	**3 648**	3 095
Consumable stores	**19**	14	**19**	13
	3 956	3 298	**3 667**	3 108
The inventory write-down provision included in the valuation of merchandise purchased for resale was:	**277**	303	**269**	295
Cost of sales	**15 820**	12 540	**15 412**	12 453

Inventory write-offs of R159m due to the civil unrest was taken to cost of sales.

Accounting policy

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the following basis:

- The cost of merchandise purchased for resale is determined using the weighted average method; and
- Consumables are valued at invoice cost on a first-in, first-out basis.

Costs include the charges incurred in bringing inventories to their present location and condition and are net of discounts from suppliers. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made for slow-moving, redundant and obsolete inventory and shrinkage.

Significant accounting estimates

Provision for net realisable value of inventory

The provision for net realisable value of inventory represents management's estimate of the extent to which merchandise on hand at the reporting date will be sold below cost. This estimate takes into consideration markdowns, past trends (including historical stock sold below cost), evidence of impairment at year end (including age of inventory) and an assessment of future saleability, which takes into account fashionability, seasonal changes and current economic environment.

9. Trade and other receivables

9.1 Trade and other receivables

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Gross trade receivables	**2 259**	1 966	**2 246**	1 943
Less allowance for impairment of trade receivables	**(207)**	(263)	**(200)**	(255)
Net trade receivables	**2 052**	1 703	**2 046**	1 688
Right to recover product asset	**7**	7	**7**	7
Contract asset	**-***	5		-
Prepayments	**314**	266	**297**	252
Other receivables	**178**	174	**136**	151
	2 551	2 155	**2 486**	2 098

* less than R1 million

The ageing of the gross trade receivables is as follows:

R'm	Days from transaction	**2022**	2021	**2022**	2021
Current	30	**1 740**	1 467	**1 730**	1 454
Status 1	60	**281**	271	**280**	268
Status 2	90	**96**	91	**95**	90
Status 3	120	**64**	58	**63**	56
Status 4	150	**44**	42	**44**	40
Status 5	180	**34**	37	**34**	35
		2 259	1 966	**2 246**	1 943

Trade receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business and are accounted for at amortised cost in accordance with the accounting policy disclosed in note 19. The group has provided for receivables in all ageing status levels in accordance with the accounting policy disclosed further below.

Before accepting any new credit customer, the group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer, while ensuring compliance with the requirements of the National Credit Act. Credit limits and scoring are reviewed at least annually in accordance with the requirements of the National Credit Act and upon request by a customer. Due to the nature of the business, there are no customers that represent more than 5% of the total balance of trade receivables.

Right to recover product asset represents the group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

The contract asset represents the short-term portion of Mr Price Mobile (Pty) Ltd's right to consideration in exchange for goods or services that Mr Price Mobile (Pty) Ltd has transferred to the customer. Contract assets are measured at amortised cost and in accordance with the accounting policy for expected credit losses (ECL's) disclosed below.

Prepayments and other receivables are stated at their nominal values.

Interest is charged on outstanding accounts in accordance with the National Credit Act and is calculated using the effective interest rate method.

9.2. Movement in the allowance for impairment of trade receivables

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Balance at beginning of the year	**(263)**	(239)	**(255)**	(225)
Impairment losses net of reversals	**56**	(24)	**55**	(30)
Balance at end of the year	**(207)**	(263)	**(200)**	(255)

Under IFRS 9, the group has elected the general approach for measuring the loss allowance for trade receivables due to there being a significant financing component on trade receivables, with calculation on a collective basis. For contract assets and mobile receivables, the group has elected to apply the simplified method.

The group has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The group follows the rebuttable presumption that default occurs when the account is 90 days past due. Trade receivables are grouped into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When trade receivable is first recognised, the group recognises an allowance based on 12 month ECLs.

Stage 2: When the trade receivable has shown a significant increase in credit risk since origination, the group records an allowance for the lifetime ECLs. An indicator as an increase in credit risk includes an actual or expected internal credit rating downgrade for the borrower or decrease in behavioural scoring used to assess credit risk internally.

Stage 3: Trade receivables considered credit-impaired. Financial assets are considered to be credit-impaired when one of more events that have an unfavourable impact on its estimated future cash flows have occurred. The group records an allowance for the lifetime ECLs.

The group follows an age-driven write off policy whereby all accounts, once it advances through the various delinquency status, are written off. Accounts are written off when they roll from status 5 to status 6.

The groups ECL model is based on a statistical process called Markov modelling which focuses on modelling client's behaviour on a portfolio level to predict the amount of receivable that will fall into future write offs. The model incorporates historic and forward looking economic data such as the current and future unemployment rate and future changes to debt service cost to income and consumer price index. For balances and each cash flow components the model creates risk state transition matrices to forecast the balance movements within a portfolio and between successive risk states. In addition, the model has a build in, internal leading Indicator to make the model more responsive to business/market changes. The Markov model includes data relating from the last year which includes the impact of COVID-19 when predicting future losses.

Significant accounting estimates
Provision for impairment of trade receivables
The provision for impairment of trade receivables represents management's estimate of the extent to which trade receivables at the reporting date will not be subsequently recovered, based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to the impairment calculation. This estimate takes historic and forward looking economic data such as the current and future unemployment rate and future changes to debt service cost to income and consumer price index and current market factors.

CPI, unemployment rate and debt service cost are the forecast variables used in the economic model. Forecast scenarios consider a base case at a 50% weighting, an optimistic case at 10% weighting and a cautious case at 40% weighting. The likelihood assigned to the base case is due to the base case scenario incorporating forecasts that are likely to be achieved based on current available information and analyst predictions. The optimistic case is represented at a smaller weighting of 10% as chances of an optimistic scenario is less likely amidst the current economic climate. The cautious case incorporates variables which include the resurgence of COVID-19 variants, poor economic policy, rising interest rates in response to inflation and the war in the Ukraine and its global impact and challenges faced within the South African economy such as loadshedding, rising inflation and interest rate hikes.

The loss allowance provision for group and company as at year end is determined as follows:

2 April 2022	Stage 1	Stage 1	Stage 2	Stage 2	Stage 3	Stage 3	Total
Group R'm	Not past due	<30	31-60	61-90	91-120	>120	Total
Expected credit loss rate	3.6%	11.5%	33.0%	46.6%	64.4%	68.8%	**9.2%**
Estimated total gross carrying amount at default	1 740	281	96	64	44	34	**2 259**
12 month ECL	(62)	(32)	-	-	-	-	**(94)**
Lifetime ECL	-	-	(32)	(30)	(28)	(23)	**(113)**
Total ECL	(62)	(32)	(32)	(30)	(28)	(23)	**(207)**
Net trade receivables	1 678	249	64	34	16	11	**2 052**
Company R'm							
Expected credit loss rate (ECL)	3.6%	11.6%	29.7%	44.8%	65.1%	63.9%	**8.9%**
Estimated total gross carrying amount at default	1 729	280	95	64	44	34	**2 246**
12 month ECL	(62)	(32)	-	-	-	-	**(94)**
Lifetime ECL	-	-	(28)	(28)	(28)	(22)	**(106)**
Total ECL	(62)	(32)	(28)	(28)	(28)	(22)	**(200)**
Net trade receivables	1 667	248	67	36	16	12	**2 046**

3 April 2021	Stage 1	Stage 1	Stage 2	Stage 2	Stage 3	Stage 3	Total
Group R'm	Not past due	<30	31-60	61-90	91-120	>120	Total
Expected credit loss rate	4.6%	15.4%	48.5%	69.9%	83.7%	89.0%	**13.4%**
Estimated total gross carrying amount at default	1 467	271	91	58	42	37	**1 966**
12 month ECL	(65)	(41)	-	-	-	-	**(106)**
Lifetime ECL	(3)	(1)	(44)	(41)	(35)	(33)	**(157)**
Total ECL	(68)	(42)	(44)	(41)	(35)	(33)	**(263)**
Net trade receivables	1 399	229	47	17	7	4	**1 703**
Company R'm							
Expected credit loss rate (ECL)	4.5%	15.3%	49.3%	69.8%	85.4%	92.7%	**13.1%**
Estimated total gross carrying amount at default	1 454	268	90	56	40	35	**1 943**
12 month ECL	(65)	(41)	-	-	-	-	**(106)**
Lifetime ECL	-	-	(44)	(39)	(34)	(32)	**(149)**
Total ECL	(65)	(41)	(44)	(39)	(34)	(32)	**(255)**
Net trade receivables	1 389	227	46	17	6	3	**1 688**

The allowance for impairment of trade receivables as at 02 April 2022 reconciles to the opening loss allowance for that provision as follows:

Group R'm	Stage 1	Stage 2	Stage 3	Total
Closing loss allowance as at 03 April 2021	110	85	68	**263**
Amounts written off	-	-	(272)	**(272)**
Amounts recovered	(25)	(11)	(8)	**(44)**
Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement	42	(3)	(19)	**20**
Change in credit risk parameters	(30)	(12)	282	**240**
Total balance as at 02 April 2022 (Group)	**97**	**59**	**51**	**207**

Company R'm	Stage 1	Stage 2	Stage 3	Total
Closing loss allowance as at 3 April 2021	106	83	66	**255**
Amounts written off	-	-	(260)	**(260)**
Amounts recovered	(25)	(11)	(8)	**(44)**
Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement	42	(7)	(25)	**10**
Change in credit risk parameters	(29)	(8)	276	**239**
Balance as at 02 April 2022 (Company)	**94**	**57**	**49**	**200**

9.3 Other receivables

	Group		Company	
R'm	**2022**	2021	**2022**	2021
The expected maturity for other receivables is as follows:				
On demand	**38**	35	**36**	25
Less than three months	**99**	43	**74**	35
Three months to one year	**41**	96	**26**	91
	178	174	**136**	151

Accounting policy

Trade receivables, which generally have 6 to 12 month terms are initially recognised at fair value and subsequently measured at amortised cost , namely the original invoice amount plus associated costs and interest charges to date, less any impairment allowance for uncollectible amounts, and are classified as 'loans and receivables'. Various economic factors and changes in the delinquency of payments are considered indicators that the trade receivables are impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling expenses.

Bad debts are written off in the income statement when it is considered that the group will be unable to recover the debt and it has been handed over for collection. Subsequent recoveries of amounts previously written off are credited against selling expenses in the income statement.

Other receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method and are carried net of any accumulated impairment.

10. Trade and other payables

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Trade payables	**1 363**	1 183	**1 350**	1 207
Other payables*	**1 519**	1 346	**1 361**	1 244
Refund liability	**13**	13	**13**	13
	2 895	2 542	**2 724**	2 464

* Includes employee related provisions including incentive and leave pay provisions.

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are settled on terms that vary between date of ownership plus 10 days and 30 days from statement, depending on the procurement source.

Other payables are non-interest bearing and are settled on average 30 days from statement.

Accounting policy
Trade payables, which are primarily settled on 30 day terms, are initially measured at cost, which is considered to be the fair value of the consideration to be paid in the future for goods and services rendered. These are subsequently measured at amortised cost.

Other payables are initially measured at fair value and are subsequently measured at amortised cost.

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the group ultimately expects it will have to return to the customer. The group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Value-Added Tax (VAT)
The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Expenses and assets are recognised net of the amount of VAT, except:
- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Revenue and income are recognised net of the amount of VAT, except:
- When the VAT due on the sale or income is not payable to the taxation authority, in which case the full amount is recognised as revenue or income as applicable.

Dividend Withholding Tax (DWT)
DWT is a tax levied on the beneficial owner of the shares instead of the company. The tax is withheld by the company and is paid over to the South African Tax Authority on the beneficiaries' behalf. The resultant tax expense and liability has been transferred to the shareholder and is no longer accounted for as part of the tax charge for the company. Amounts not yet paid over to the South African Tax Authority are included in trade and other payables and the measurement of the dividend amount is not impacted by the withholding tax.

11. Reinsurance assets and liabilities

The group retails insurance products to customers. The principal risk that insurance cells face is that the actual claims and benefit payments, or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long term claims. Therefore, the objective of the cells is to ensure that sufficient reserves are available to cover those potential liabilities.

A reinsurance contract is a contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant. For third party cell, the company, being the cell owner, is acting as a reinsurer since significant insurance risk is transferred. The relationship and contract with Guardrisk is that of a reinsurance contract, giving rise to a reinsurance asset and liability. The company accounts for this reinsurance contract issued in terms of IFRS 4: Insurance contracts. If there are excess profits in the cell, the company will account for an insurance asset. If the company has to recapitalise the cell, it will account for an insurance liability.

The main risks that the insurance cells are exposed to are as follows:

- Mortality risk: the risk of loss arising due to policyholder death experience differing from that expected
- Morbidity risk: the risk of loss arising due to policyholder health experience differing from that expected
- Expense risk: the risk of loss arising from expense experience differing from that expected
- Policyholder decision risk: risk of loss arising due to policyholder experiences (lapses and surrenders) differing from that expected.

The risk structure per product is as follows:

Guardrisk Insurance Company Limited (Cell number 136)
Mr Price Group Limited bears 100% of the risk for all products, which consists of: Lost card protection, Identity Theft and the Group's motor vehicle cell.

Guardrisk Life Limited (Cell number 048)
Mr Price Group Limited bears 100% of the risk for all products which consists of: Customer Protection, 360 Degrees Protection, Medinet Critical Illness, A2B Commuter Personal Accident, Her Health, Group Funeral.

Guardrisk Insurance Company Limited (Cell number 316)
Mr Price Mobile (Pty) Ltd bears 100% of the risk for all insurance products which consist of: Customer Protection and mobile device protection.

The reinsurance assets and liability are made up of the following components:

	Group and Company	
R'm	**2022**	2021
Cash and cash equivalents	**190**	154

Receivables are measured at amortised cost and the carrying amounts approximate their fair value. All balances are considered current.

	Group and Company	
R'm	**2022**	2021
Reinsurance liability		
Unearned premium provision	**-***	3
Outstanding claims	**2**	3
IBNR reserve	**19**	28
Taxation liability	**12**	11
Other liabilities	**10**	-*
	43	45
Movement in reinsurance liabilities		
Balance at beginning of the year	**42**	43
Outstanding claims	**3**	3
IBNR reserve	**28**	26
Other liabilities	**-***	1
Taxation liability	**11**	13
Increase/(decrease)	**1**	(1)
Balance at end of the year	**43**	42
Outstanding claims	**2**	3
IBNR reserve	**19**	28
Taxation liability	**12**	11
Other liabilities	**10**	-*
Unearned premium provision		
Balance at beginning of the year	**3**	3
Premium recognised	**220**	205
Premium received	**(223)**	(205)
Balance at end of the year	**-**	3

* Less than R1 million

Sensitivity analysis
Reinsurance liabilities are subject to changes in variables that could affect the value of the liability due. The effect of any sensitivity is considered immaterial. Outstanding claims, unearned premium provision and the taxation liability are measured at amortised cost and are based on actual amounts due to third parties. The Incurred But Not Reported (IBNR) reserve is maintained in accordance with legislation governing financial service providers. The long-term cell maintains an IBNR reserve equal to a claim factor (minimum 33%) applied to 3 months of net premiums (i.e. gross premiums less commissions and administration fees). The short-term cell maintains an IBNR reserve equal to an FSB prescribed risk-based interim measure applied to 6 years rolling premium. As these reserves are governed by legislation only changes in such legislation would lead to the changes in the reserve. At year end no such changes were proposed by the financial services board, however the following sensitivity has been performed on the IBNR reserve.

Long-term cell reserve adjusted to be a claims factor (minimum 32%) applied to 2 months of net premiums. Short-term cell solvency reserve adjusted to decrease the IBNR factor by 1%.

	Group and Company	
R'm	**2022**	2021
Impact on IBNR	**(5)**	(8)

Long-term cell reserve adjusted to be a claims factor (minimum 34%) applied to 4 months of net premiums. Short term cell solvency reserve adjusted to increase the IBNR Factor by 1%.

R'm		
Impact on IBNR	**6**	8

During the year a dividend of R83 million (2021: R133 million) was paid by the cells to the company.

Premium income and claims history:

Premium income (R'm)	**220**	205
Number of claims	**6 713**	5 768
Claim costs (R'm)	**29**	41
Claim costs as a percentage of premium income	**13%**	20%

Accounting policy
The group assumes insurance risk in the normal course of business. Reinsurance assets represents balances due from registered insurance companies. Amounts receivable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that as a result of which the group may or may not receive all outstanding amounts due under the terms of the contact and the event has a reliably measurable impact on the amounts that the group will receive from the insurer.

Any related impairment loss is recorded in the income statement. Reinsurance liabilities represent balances due to registered insurance companies. Amounts payable are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the insurer's policies and are in accordance with the related reinsurance contract.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered a direct business/activity of the group, taking into account the product classification of the reinsurance business. Premiums and claims, assets and liabilities, are presented on a gross basis for the assumed reinsurance. Reinsurance assets and liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

12. Cash and cash equivalents and bank overdraft

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Bank balances and other cash	**4 612**	4 949	**3 984**	4 274
Cash and cash equivalents	**4 612**	4 949	**3 984**	4 274

Gross cash and cash equivalents of R4.6bn (2021: R6.4bn) is presented net of bank overdrafts of nil (2021: R1.5bn).

Accounting policy
Cash and cash equivalents comprise cash at banks and on hand and short-term deposits, varying between overnight call and liquid money market investments in accordance with the group's treasury policy, with an original maturity of three months or less. Cash and cash equivalents are classified as financial asset measured at amortised cost.

13. Notes to the statements of cash flows

13.1 Operating profit before working capital changes

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Profit before taxation	**4 623**	3 661	**4 508**	3 633
Discontinued operations	**-**	(8)		-
Adjustments for:				
Depreciation of property, plant and equipment	**320**	321	**304**	300
Depreciation of right-of-use asset	**1 498**	1 288	**1 388**	1 176
Amortisation of intangible assets	**114**	89	**104**	86
Loss on disposal and scrapping of property, plant and equipment	**31**	16	**30**	17
Loss on scrapping of intangible assets	**-**	134	**-**	137
Loss on stock	**163**	-	**163**	-
Impairment of amounts owing by consolidated entities	**-**	-	**-**	(11)
Interest on lease liability	**538**	475	**498**	437
(Reversal of impairment)/impairment of right-of-use asset	**(4)**	9	**(4)**	8
Proceeds from insurance relating to property, plant and equipment	**(86)**	-	**(86)**	-
Finance costs	**3**	2	**(3)**	(4)
Finance income received	**(198)**	(274)	**(212)**	(272)
Interest on trade receivables	**(312)**	(297)	**(311)**	(297)
Dividend income	**-**	-	**(31)**	(78)
Other non-cash items	**74**	12	**(291)**	(8)
Share option expenses	**80**	88	**80**	88
Other ^	**(6)**	(76)	**(371)**	(96)
	6 764	5 428	**6 057**	5 124

^ Other relates to non-cash items, mainly provisions and accruals

13.2 Working capital changes

	Group		Company	
R'm	**2022**	2021	**2022**	2021
(Increase)/decrease in trade and other receivables	**(444)**	370	**(443)**	331
Increase in inventories	**(634)**	(301)	**(585)**	(92)
Increase/(decrease) in trade and other payables	**57**	96	**36**	(18)
(Increase)/decrease in re-insurance asset	**(36)**	28	**(36)**	28
Decrease in re-insurance liability	**(2)**	(1)	**(2)**	(1)
Decrease in current amounts owing to consolidated entities	**-**	-	**(1)**	(30)
(Increase)/decrease in current amounts owing by consolidated entities	**-**	-	**(35)**	76
	(1 059)	192	**(1 066)**	294

13.3 Taxation paid

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Amounts unpaid at beginning of the year	**(110)**	477	**(62)**	512
Taxation	**195**	518	**192**	513
Deferred taxation	**(305)**	(41)	**(254)**	(1)
Amounts charged to the income statements	**1 276**	1 005	**1 238**	984
Taxation	**1 302**	1 106	**1 261**	1 005
Deferred taxation	**(26)**	(102)	**(23)**	(21)
Amounts charged to equity	**2**	(155)	**4**	(151)
Taxation	**(14)**	(6)	**(14)**	(2)
Deferred taxation	**16**	(149)	**18**	(149)
Taxation acquired	**4**	-	**-**	-
Deferred taxation acquired	**24**	(20)	**-**	(20)
Amounts unpaid at end of the year	**206**	110	**173**	62
Taxation	**(63)**	(195)	**(65)**	(192)
Deferred taxation	**269**	305	**238**	254
Amounts paid	**1 402**	1 417	**1 353**	1 387

13.4 (Payments)/receipts in respect of long-term receivables

(Increase)/decrease in mobile debtors	**(1)**	13	**-**	-
Increase in other long-term receivables	**(14)**	-	**(13)**	-
Net amounts paid	**(15)**	13	**(13)**	-

13.5 Dividends to shareholders

Dividends to ordinary and B ordinary shareholders	**1 965**	554	**1 965**	554
Less: dividends on shares held by staff share trusts	**(32)**	(9)	**-**	-
Add: dividends paid by Partners Share Trust	**26**	7	**-**	-
	1 959	552	**1 965**	554

13.6 Reconciliation of liabilities (long-term liability and financial liability) arising from financing activities

Opening balance	**-**	(16)	**-**	(16)
Non-cash: purchase price	**-**	1	**-**	1
Non-cash: acquired balance	**(3)**	-	**(3)**	-
Non-cash: transfer to short-term	**-**	-	**-**	-
Closing balance	**1**	-	**1**	-
	(2)	(15)	**(2)**	(15)

Operating Assets

14. Property, plant and equipment

	Furniture, fittings, equipment and vehicles		Computer equipment		Improvements to leasehold premises		Land		Buildings		Total	
R'm	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Group												
Net carrying amount at beginning of the year	**1 315**	1 288	**173**	94	**164**	160	**186**	186	**398**	409	**2 236**	2 137
Cost or carrying amount	**3 006**	2 788	**424**	312	**268**	230	**186**	186	**440**	440	**4 324**	3 956
Accumulated depreciation and impairment	**(1 691)**	(1 500)	**(251)**	(218)	**(104)**	(70)	**-**	-	**(42)**	(31)	**(2 088)**	(1 819)
Current year movements												
Additions	**461**	159	**101**	99	**70**	38	**-**	-	**-**	-	**632**	296
- external development/acquisition	**461**	159	**101**	99	**70**	38	**-**	-	**-**	-	**632**	296
- items capitalised to work in progress^	**-**	-	**-**	**-**	**-**	**-**	**-**	-	**-**	-	**-**	-
Acquired in business combination	**3**	125	**1**	34	**7**				**-**		**11**	159
Disposals and scrapping	**(32)**	(12)	**(7)**	(12)	**(2)**	-	**-**	-	**-**	-	**(41)**	(21)
Foreign exchange differences	**-***	(11)	**-***	-	**-**	-	**-**	-	**-**	-	**-***	(14)
Depreciation	**(217)**	(234)	**(59)**	(42)	**(33)**	(34)	**-**	-	**(11)**	(11)	**(320)**	(321)
Net carrying amount at end of the year	**1 530**	1 315	**209**	173	**206**	164	**186**	186	**387**	398	**2 518**	2 236
Made up as follows:												
Net carrying amount	**1 530**	1 315	**209**	173	**206**	164	**186**	186	**387**	398	**2 518**	2 236
Cost or carrying amount	**3 331**	3 006	**483**	424	**340**	268	**186**	186	**440**	440	**4 780**	4 324
Accumulated depreciation and impairment	**(1 801)**	(1 691)	**(274)**	(251)	**(134)**	(104)	**-**	-	**(53)**	(42)	**(2 262)**	(2 088)
Company												
Net carrying amount at beginning of the year	**1 246**	1 204	**171**	91	**164**	160	**186**	186	**398**	409	**2 165**	2 050
Cost or carrying amount	**2 852**	2 618	**414**	300	**257**	219	**186**	186	**440**	440	**4 149**	3 763
Accumulated depreciation and impairment	**(1 606)**	(1 414)	**(243)**	(209)	**(93)**	(59)	**-**	-	**(42)**	(31)	**(1 984)**	(1 713)
Current year movements												
Additions	**441**	146	**100**	98	**70**	39	**-**	-	**-**	-	**611**	283
- external development/acquisition	**438**	115	**100**	98	**70**	38	**-**	-	**-**	-	**608**	251
- items capitalised to work in progress^	**3**	31	**-**	**-**	**-**	1	**-**	**-**	**-**	**-**	**3**	32
Acquired in business combination	**-**	122	**-**	33	**-**	**-**	**-**	**-**	**-**	**-**	**-**	155
Disposals and scrapping	**(31)**	(12)	**(6)**	(10)	**(2)**	(1)	**-**	-	**-**	-	**(39)**	(23)
Depreciation	**(202)**	(214)	**(58)**	(41)	**(33)**	(34)	**-**	-	**(11)**	(11)	**(304)**	(300)
Net carrying amount at end of the year	**1 454**	1 246	**207**	171	**199**	164	**186**	186	**387**	398	**2 433**	2 165
Made up as follows:												
Net carrying amount	**1 454**	1 246	**207**	171	**199**	164	**186**	186	**387**	398	**2 433**	2 165
Cost or carrying amount	**3 160**	2 852	**472**	414	**321**	257	**186**	186	**440**	440	**4 579**	4 149
Accumulated depreciation and impairment	**(1 706)**	(1 606)	**(265)**	(243)	**(122)**	(93)	**-**	-	**(53)**	(42)	**(2 146)**	(1 984)

* Less than R1 million
^ The cumulative balance of work in progress that is not subject to depreciation at year end amounts to R141 million (2021: R79 million).
Details of buildings: Remaining extent of Erf 249 Cliffdale District, KwaZulu Natal Province, in extent of 19.5 ha.
The group revised estimated remaining useful lives for store assets in FY2022. The change in estimate was accounted for prospectively as a change in accounting estimate, and as a result, the depreciation for the year has decreased by R62m. The amount of the effect in future periods will be R62m debit in the future years.
The civil unrest which occurred in parts of South Africa in July 2021, resulted in the looting of 111 stores. This resulted in the group incurring property, plant and equipment losses of R25m included in disposals and scrapping above.

Accounting policy

Buildings occupied in the normal course of the business are recognised at cost less accumulated depreciation and impairment losses. Furniture, fittings, equipment, vehicles, computer equipment and improvements to leasehold premises are stated at historic cost less accumulated depreciation and any accumulated impairment and are depreciated, on the straight-line basis to their expected residual values, over the estimated useful lives of the assets concerned which are as follows:

Furniture, fittings, equipment and vehicles

• Furniture and fittings	6 to 12 years
• Vehicles	5 to 6 years
• Other equipment	6 to 14 years
• Computer equipment	3 to 5 years
• Improvements to leasehold premises	Over period of lease premises subject to a maximum of 10 years
• Buildings	40 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, and only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' expected residual values, estimated useful lives, and depreciation policy are reviewed, and adjusted if appropriate, on an annual basis. Changes in the estimated useful life or expected pattern of consumption of future benefits embodied in the asset are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

15. Intangible assets

R'm	Computer software 2022	Computer software 2021	Customer lists 2022	Customer lists 2021	Goodwill 2022	Goodwill 2021 Restated#	Trademarks 2022	Trademarks 2021 Restated#	Total 2022	Total 2021
Group										
Net carrying amount at beginning of the year	**424**	470	**-***	-*	**1 084**	20	**133**	-*	**1 641**	490
Cost or carrying amount	**686**	686	**26**	26	**1 084**	20	**151**	18	**1 947**	750
Accumulated amortisation and impairment	**(262)**	(216)	**(26)**	(26)	**-**	-	**(18)**	(18)	**(306)**	(260)
Current year movements										
Additions arising from	**115**	181	**30**	-	**292**	1 069	**72**	133	**509**	1 383
external development/acquisition	**86**	140	**-**	-	**-**	-	**-**	-	**86**	140
internal development	**14**	17	**-**	-	**-**	-	**-**	-	**14**	17
acquired in business combination	**15**	24	**30**	-	**292**	1 069	**72**	133	**409**	1 226
items capitalised to work in progress^	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Disposals and scrapping	**-***	(138)	**-**	-	**-**	-	**-**	-	**-**	(138)
Impairments and write downs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Foreign exchange differences	**-**	-	**-**	-	**3**	(5)	**-**	-	**3**	(5)
Amortisation	**(108)**	(89)	**(6)**	-*	**-**	-	**-***	-*	**(114)**	(89)
Net carrying amount at end of the year	**431**	424	**24**	-*	**1 379**	1 084	**205**	133	**2 039**	1 641
Made up as follows:										
Net carrying amount	**431**	424	**24**	-*	**1 379**	1 084	**205**	133	**2 039**	1 641
Cost or carrying amount	**641**	686	**56**	26	**1 379**	1 084	**223**	151	**2 299**	1 947
Accumulated amortisation and impairment	**(210)**	(262)	**(32)**	(26)	**-**	-	**(18)**	(18)	**(260)**	(306)
Company										
Net carrying amount at beginning of the year	**417**	461	**-***	-*	**1 070**	1	**133**	-*	**1 620**	462
Cost or carrying amount	**663**	665	**26**	26	**1 070**	1	**151**	18	**1 910**	710
Accumulated amortisation and impairment	**(246)**	(204)	**(26)**	(26)	**-**	-	**(18)**	(18)	**(290)**	(248)
Current year movements										
Additions arising from	**98**	179	**-**	-	**-**	1 069	**-**	133	**98**	1 381
external development/acquisition	**84**	138	**-**	-	**-**	-	**-**	-	**84**	138
internal development	**14**	17	**-**	-	**-**	-	**-**	-	**14**	17
acquired in business combination	**-**	24	**-**	-	**-**	1 069	**-**	133	**-**	1 226
items capitalised to work in progress	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Disposals and scrapping	**-**	(137)	**-**	-	**-**	-	**-**	-	**-**	(137)
Impairments and write downs	**-***	-	**-**	-	**-**	-	**-**	-	**-***	-
Amortisation	**(104)**	(86)	**-***	-*	**-**	-	**-***	-*	**(104)**	(86)
Net carrying amount at end of the year	**411**	417	**-***	-*	**1 070**	1 070	**133**	133	**1 614**	1 620
Made up as follows:										
Net carrying amount	**411**	417	**-***	-*	**1 070**	1 070	**133**	133	**1 614**	1 620
Cost or carrying amount	**600**	663	**26**	26	**1 070**	1 070	**151**	151	**1 847**	1 910
Accumulated amortisation and impairment	**(189)**	(246)	**(26)**	(26)	**-**	-	**(18)**	(18)	**(233)**	(290)

* Less than R1 million
^ The cumulative balance of work in progress that is not subject to amortisation at year end amounts to R136 million (R2021: R100 million)
# Refer to Note 33 for details relating to the measurement period adjustment.

Goodwill in the group relates to the Zambian business (R13m), Power Fashion (R1 069m) and Yuppiechef (R292m)

Impairment testing of goodwill
Goodwill acquired through business combinations is tested annually for impairment, which was performed in March and April 2022. The company considers the relationship between the value in use of the cash generating unit (CGU), among other factors, when reviewing for indicators of impairment. At year end, there were no indications of impairment.

The recoverable amount of Power Fashion was determined based on a value in use calculation using cash flow projections from financial budgets covering a 5 year period. A discount rate of 12.4% was used. Cash flows beyond the 5 year period are extrapolated using a 5.5% growth rate. Comparable sales growth of 6.5% was estimated, with gross profit margins estimated between 33.8% - 35.4%.

The recoverable amount of Yuppiechef was determined based on a value in use calculation using cash flow projections from financial budgets covering a 5 year period. A discount rate of 12.4% was used. Cash flows beyond the 5 year period are extrapolated using a 5.5% growth rate. Comparable sales growth of 7.0% was estimated, with gross profit margins estimated of 40.9%.

The calculation of value in use was based on 5 year cash flow projections and is most sensitive to the following assumptions:

Margins
Margins are based on values to be achieved over the 5 year strategy period. These are increased over the budget period for anticipated efficiency improvements. A 5% decrease in EBIT would still not result in an impairment.

Discount rates
Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The discount rate calculation is based on the specific circumstances of the company and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest-bearing borrowings the company is obliged to service. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. An increase of 1.0% in the discount rate would still not result in an impairment.

Significant judgements
Significant judgement was required in the assumptions relating to the testing of goodwill based on the expected trading environment.

Accounting policy
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Computer software
Acquired software not regarded as an integral part of hardware is capitalised at historic cost and is amortised on the straight-line basis over its estimated useful life (2 to 10 years), from the date of its being commissioned into the group. All other costs that are directly associated with the production of identifiable software controlled by the group, and that are expected to generate economic benefits exceeding 1 year, are recognised as part of the cost of the intangible assets. Direct costs include the software development employee costs. Costs associated with developing software are recognised as an expense as incurred if it is not expected that they will provide future economic benefits to the group.

Goodwill
Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the acquired consolidated entity or operation at date of acquisition, and is carried at cost less accumulated impairment losses.

16. Non-current assets held for sale and discontinued operations

As a result of the closure of the Nigeria operations, the group's prior year consolidated income statement and segment analysis were presented to take into account the effects of the application of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. There were no non-current assets held for sale and discontinued operations in FY2022.

	Group		
R'm	**2022**	2021	% change
Revenue		10	
Retail sales		10	
Retail sales and other income		10	
Costs and expenses		18	
Cost of sales		7	
Selling expenses		10	
Administrative and other operating expenses		1	
Net loss from discontinued operations for the period		(8)	
Finance income		-	
Finance costs		-	
Loss before taxation		(8)	
Taxation		-	
Net loss from discontinued operations		(8)	
Reconciliation of headline earnings from discontinued operations (R'm)			
Attributable loss		(8)	
Profit on disposal and impairment of property, plant, equipment and intangible assets		2	
Taxation adjustment		-	
Headline earnings		(6)	
Earnings per share from discontinued operations (cents)			
- basic		(3.1)	64.6
- headline		(2.2)	72.8
- diluted basic		(3.1)	65.2
- diluted headline		(2.1)	74.1
The net cash flows incurred is as follows:			
Operating		3	
Investing		1	
Financing		(7)	
Net cash (outflow)/inflow		(3)	

* Less than R1 million

Accounting policy
The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

17. Right-of-use assets

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Vehicles and equipment	**16**	18	**16**	18
Cost	**43**	34	**43**	34
Accumulated depreciation	**(27)**	(16)	**(27)**	(16)
Leasehold premises	**6 299**	4 982	**5 893**	4 612
Cost	**10 451**	7 673	**9 721**	7 082
Accumulated depreciation	**(4 152)**	(2 691)	**(3 828)**	(2 470)
Movement in right-of-use asset				
Opening balance	**5 000**	4 202	**4 630**	3 811
Acquisition of Yuppiechef (2021: Power Fashion)	**26**	580	**-**	537
Additions to leases and lease renewals	**1 924**	1 544	**1 796**	1 466
Lease modifications and remeasurements	**859**	(29)	**867**	-
Reversal of impairment/(impairment of) right-of-use asset	**4**	(9)	**4**	(8)
Depreciation - Leasehold premises	**(1 487)**	(1 281)	**(1 377)**	(1 169)
Depreciation - Vehicles	**(11)**	(7)	**(11)**	(7)
	6 315	5 000	**5 909**	4 630

Additions to leases includes right of use assets acquired through a business combination transaction during the year of Yuppiechef. In the prior year, the right of use assets acquired through a business combination related to Power Fashion.

Impairment of right-of-use asset
A loss-making store would be an indicator of impairment and its recoverable amount would need to be compared to its carrying value to determine if an impairment is required. Future cash flows for the store based a 5 year forecast period were used in the impairment calculation. Discount rate of 13.25% was used. Revenue growth expectations in future years (FY2024 - FY2027) were between 4.0% - 8.0%, with expense growth expected between 5.0% - 5.5%. The net reversal of impairment relates to the Apparel segment.

Accounting policy
Right-of-use assets are recognised at the commencement date of the lease and are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs and lease payments made at or before the commencement date less any lease incentives received. Right-of-use are depreciated on a straight-line basis over the lease term. Right-of-use assets are subject to impairment. The value of future cash outflows for leases committed to but that have not yet commenced amounts to R5 951m.

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

Significant accounting estimates
Determination of the right-of-use asset involves judgement on and estimate of key inputs being interest rates, future cashflow and the duration of the lease contract including take up of lease options.

18. Long-term receivables

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Mr Price Mobile (Pty) Ltd long-term receivables	**6**	5	**-**	-
Total receivables	**18**	26	**-**	-
Less: amount to be received in the next financial year transferred to trade and other receivables	**(12)**	(21)	**-**	-
Contract asset	**1**	3	**-**	-
Long-term loans to suppliers	**33**	19	**32**	19
Other long-term receivables	**10**	10	**10**	10
	50	37	**42**	29

The Mr Price Mobile (Pty) Ltd long-term receivable refers to the portion of the handset debtor that is due beyond the next 12 months. The debtor is recognised when the handset is delivered to the customer and is amortised over the expected contract term.

The contract asset represents the long-term portion of Mr Price Mobile (Pty) Ltd's right to consideration in exchange for goods or services that Mr Price Mobile (Pty) Ltd has transferred to the customer.

Accounting policy
Long-term receivables are classified as financial assets measured at amortised cost and are recorded at fair value at inception using the effective interest rate implicit in the cash flows of the receivable. This effective interest rate is established by considering the market rate of interest for a similar investment on the date of each contribution. The simplified approach is used to measure the ECL on the contract asset. Refer to note 9 for further details.

19. Financial risk management

19.1 Financial risk management and financial instruments

Accounting for financial instruments
Financial instruments comprise investments in equity and debt securities, loans receivable, trade and other receivables (excluding prepayments), investments in self-insurance cell captives, cash and cash equivalents, other non-current liabilities (excluding provisions), bank overdrafts, derivatives and trade and other payables.

Recognition
Financial assets and liabilities are recognised in the group's statement of financial position when the group becomes a party to the contractual provisions of the instruments. Financial assets are recognised on the date the group commits to purchase the instruments (trade date accounting). If not, they are classified as non-current. Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date. Financial liabilities are classified as non-current if the group has an unconditional right to defer payment for more than 12 months from the reporting date.

Classification
All recognised financial assets that are within the scope of IFRS 9 are initially recognised at amortised cost, fair value through other comprehensive income or fair value through profit or loss. These financial assets are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial liabilities are classified as measured at amortised cost except for those derivative liabilities that are measured at FVTPL.

Measurement on initial recognition
All financial assets (unless it is a trade receivable without a significant financing component) and liabilities are initially measured at fair value, including transaction costs, except for those classified as at FVTPL which are initially measured at fair value excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially recognised at the transaction price.

Subsequent measurement: Financial assets
Subsequent to initial recognition, financial assets are measured as described below.

Category	Subsequent measurement
FVTPL	These financial assets are subsequently measured at fair value and changes therein (including any interest or dividend income) are recognised in profit or loss.
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Derivative assets	Derivative assets are subsequently measured at fair value with changes therein recognised in profit or loss.

Subsequent measurement: Financial liabilities
All financial liabilities, excluding derivative liabilities, are subsequently measured at amortised cost using the effective interest method. Derivative liabilities are subsequently measured at fair value with changes therein recognised in profit or loss.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire. On derecognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Impairment
The group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost and contract assets.

Expected credit losses
The group has the following financial assets subject to the ECL model:
- Trade receivables;
- Contract assets; and
- Long-term receivables;

The table below shows a reconciliation of the loss allowance for the year under the IFRS 9 ECL model:

	2022	Lifetime expected credit loss			2021	Lifetime expected credit loss		
R'm	12 month expected credit losses	Collectively assessed	Credit-impaired financial assets	Total	12 month expected credit losses	Collectively assessed	Credit-impaired financial assets	Total
Group								
Loss allowance at beginning of year	**110**	**81**	**72**	**263**	114	69	56	239
Changes from updating the expected credit losses	**-**	**-**	**-**	**-**	-	-	-	-
Loans derecognised during the period	**(25)**	**(11)**	**(8)**	**(44)**	(25)	(52)	(16)	(93)
Newly originated / purchased loans	**42**	**(3)**	**(19)**	**20**	8	(7)	(16)	(15)
Write offs	**-**	**-**	**(272)**	**(272)**	-	-	(339)	(339)
Changes in models/risk parameters	**(29)**	**(12)**	**281**	**240**	13	71	387	471
Loss allowance at end of year	**98**	**55**	**54**	**207**	110	81	72	263
Company								
Loss allowance at beginning of year	**107**	**82**	**66**	**255**	108	70	47	225
Changes from updating the expected credit losses	**-**	**-**	**-**	**-**	-	-	-	-
Loans derecognised during the period	**(25)**	**(11)**	**(8)**	**(44)**	(25)	(52)	(17)	(94)
Newly originated / purchased loans	**42**	**(7)**	**(25)**	**10**	11	(9)	(24)	(22)
Write offs	**-**	**-**	**(260)**	**(260)**	-	-	(327)	(327)
Changes in models/risk parameters	**(29)**	**(8)**	**276**	**239**	13	73	387	473
Loss allowance at end of year	**95**	**56**	**49**	**200**	107	82	66	255

Where "changes in the expected credit losses" represents changes in roll forward rates and how much the group expects to roll to write off over the lifetime of the asset and "changes in models/risk parameters" denotes the combination of changes in risk classifications (risk classifications within the model segmentation such as delinquency stage and behaviour scores etc.), recovery, discount rate and economic adjustments.

The following table is a reconciliation of the opening balance and closing balance of the gross carrying amount of financial assets giving rise to the provision:

Group								
Gross carrying amount at beginning of year	**1 719**	**169**	**78**	**1 966**	2 018	161	108	2 287
Newly originated/purchased loans	**5 192**	**92**	**20**	**5 304**	5 055	70	45	5 170
Write offs	**-**	**-**	**(273)**	**(273)**	-	-	(355)	(355)
Loans that have been derecognised during the period	**(4 528)**	**(103)**	**(70)**	**(4 701)**	(4 814)	(104)	(162)	(5 080)
Other changes	**(376)**	**15**	**324**	**(37)**	(540)	42	442	(56)
Gross carrying amount at end of year	**2 007**	**173**	**79**	**2 259**	1 719	169	78	1 966
Company								
Gross carrying amount at beginning of year	**1 716**	**151**	**76**	**1 943**	2 012	127	99	2 238
Newly originated/purchased loans	**5 175**	**70**	**19**	**5 264**	5 009	64	44	5 117
Write offs	**-**	**-**	**(260)**	**(260)**	-	-	(327)	(327)
Loans that have been derecognised during the period	**(4 513)**	**(84)**	**(76)**	**(4 673)**	(4 770)	(83)	(167)	(5 020)
Other changes	**(373)**	**25**	**320**	**(28)**	(535)	43	427	(65)
Gross carrying amount at end of year	**2 005**	**162**	**79**	**2 246**	1 716	151	76	1 943

Where “other changes” include movements in closed accounts and insurance on the storecard amongst others. At year end, there are no financial instruments which are credit impaired or financial assets for which the credit risk has increased significantly since initial recognition.

General hedge accounting
The group uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Derivative financial instruments are initially recognised at fair value on the date the contract is entered into and are subsequently measured at fair value, which is calculated with reference to current forward exchange contracts with equivalent maturity periods. Gains or losses arising from fair value adjustments are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in OCI.

It is the group’s policy to hedge foreign exchange risk associated with committed purchase orders and highly probably forecast orders which are denominated in foreign currencies. Options and structured solutions are available for use as part of the hedging strategy but should not exceed 30% of the confirmed foreign exchange exposure in any one month. Additionally, forward exchange contracts constitute the majority of hedges taken out.

A hedge book utilising a portfolio approach will have a lower volatility when compared to a hedge book using only forward contracts. In addition to vanilla FECs, the hedging instruments approved by the FX Committee are Options. The purchase and sale of an equal and opposite call and put will equate to a synthetic forward which is equivalent to a FEC and can be used for hedge accounting. To reduce the cost of hedging, an additional put can be sold with the premium reducing the cost of the synthetic forward. However, this additional put will not qualify as a hedging instrument as it is a net written option.

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in the cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the group’s risk management activities have also been introduced.

Consistent with prior periods, the group has continued to designate the change in fair value of the entire forward contract, i.e. including the forward element, as the hedging instrument in the group’s cash flow hedge and fair value hedge relationships.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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

The group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions.

When the hedged item results in the recognition of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial cost or other carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

Significant judgements
The group has applied significant judgements in determining which instruments qualify as hedging instruments. The group has applied judgement to the separate contracts of purchased options. A synthetic forward (consisting of a purchased option and a written option) has no net premium received, the critical terms of amount, strike price, expiration date and settlement date of the purchased and written option are the same, and the notional amount of the written option is not greater than that of the purchased option as notional amounts are the same. Therefore the synthetic forward is not a net written option and would be an eligible hedging instrument.

A separate contract for a stand alone put option would be only a written contract and would not be eligible as a hedging instrument. There is no contractual linkage between the synthetic forward and the stand alone put option.

19.2 Financial risk management
The group is exposed, directly and indirectly, to market risk, including, primarily, changes in interest rates and currency exchange rates and uses derivatives and other financial instruments in connection with its risk management activities. The board of directors carries the ultimate responsibility for the overseeing of the group’s risk management framework and is accountable for designing, implementing and monitoring the process of risk management and integrating it into the daily activities of the group.

19.3 Capital and treasury risk management
The group which is a cash-based business, monitors capital through a process of analysing the underlying cash flows, which in turn drives the residual capital structure, consisting of share capital, share premium, reserves and retained income as quantified in the statement of changes in equity. The group manages its capital to ensure that it will be able to maintain healthy capital ratios in order to sustain its business and maximise shareholder value. Any adjustments are made in light of economic conditions and may include adjusting dividend cover or returning capital to shareholders.

Due to its level of net cash resources, the group has no material borrowings. Cash reserves are available to meet current working capital and capital investment requirements. Costs and cash are actively managed. Refer to note 19.8 Liquidity management for borrowing facilities.

The treasury function is administered at group level where strategies for the funding of working capital requirements and capital expenditure projects are implemented, taking into account cash flow projections and expected movements in interest rates. The group has a policy of remaining highly liquid in order to have the available cash flow to fund expansion of existing businesses and any possible new ventures.

19.4 Interest rate risk management
The group is exposed to interest rate risk from the variable rate applicable to its cash and cash equivalents. Interest rate risk is managed by through the investment of cash and cash equivalents in the appropriate mix of short term instruments with counterparties who possess a high quality credit standing

An interest sensitivity analysis detailing a 50bps adjustment to the effective interest for cash and cash equivalents has been set out below:

		Group		Company	
R’m		**2022**	2021	**2022**	2021
Rate variance	+0.5%	**24**	29	**20**	21
	-0.5%	**(24)**	(29)	**(20)**	(21)

The prime interest rate increased 75bps during the FY2022 financial year.

The applicable interest rates during the period were as follows:

	Group and Company	
R’m	**2022**	2021
Average		
Repo interest rate	**3.64%**	3.69%
Prime interest rate	**7.14%**	7.19%
Closing		
Repo interest rate	**4.25%**	3.50%
Prime interest rate	**7.75%**	7.00%

19.5 Investment in foreign operations

The group is directly exposed to exchange rate fluctuations through its investments in operations outside South Africa. All amounts lent to consolidated entities are rand denominated. The group's investment exposure to currency fluctuations is limited to subsidiaries in Botswana, Nigeria, Ghana, Zambia, Kenya and Poland as the other countries in which the group is invested have currencies that are pegged to the rand. The group's sensitivity to a 10 percent increase and decrease in the rand against the pula, naira, cedi, kenyan shilling, kwacha and polish zloty respectively does not have a significant impact.

19.6 Foreign exchange risk management

The treasury function, administered centrally, is responsible for the overall review and management of the group's foreign exchange risk. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities and the group's net investments in foreign subsidiaries. Foreign exchange risk is managed through the adoption of a framework which governs, amongst other things; the current exposure, the decision to hedge an exposure, identification of the hedged item, checking effectiveness of hedge and the applicable hedge ratio.

19.6.1 Transactions in foreign currencies

The group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted purchases.

When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

Foreign exchange forward contracts are measured at fair value through OCI. These are designated as hedging instruments in cash flow hedges of forecast purchases in USD. These forecast transactions are highly probable. The terms of the foreign currency forward contracts approximate the terms of the expected highly probable forecast transactions.

The below tables presents information relating the to group's commitment to purchase foreign currency at year end

At year end forward exchange contract commitments were:

Group and Company	Current commitment US$'m	Exchange rate R/US$ - average contract rate	Rand equivalent at contract rate R'm	Exchange rate R/US$ - year end revaluation rate	Fair value adjustment (loss)/ gain R'm
2022					
- Asset	**48**	**14.68**	**704**	**14.80**	**6**
- Liability	**88**	**15.44**	**1 353**	**14.92**	**(46)**
	136	**15.17**	**2 057**	**14.88**	**(40)**
2021					
- Asset	-	-	-	-	-
- Liability	141	16.01	2 257	14.89	(158)
	141	16.01	2 257	14.89	(158)

* less than R1 million

At year end synthetic forward exchange contract commitments were:

2022					
- Asset	**85**	**14.85**	**1 255**	**15.47**	**52**
- Liability	**85**	**14.85**	**1 255**	**14.17**	**(58)**
	170	**14.85**	**2 510**	**14.82**	**(6)**
2021					
- Asset	57	15.62	882	16.73	63
- Liability	111	16.01	1 785	15.79	(24)
	168	15.87	2 667	16.11	39

At year end options were:

Group and Company	Current commitment US$'m	Exchange rate R/US$ - average contract rate	Rand equivalent at contract rate R'm	Exchange rate R/US$ - year end revaluation rate	Fair value adjustment (loss)/ gain R'm
2022					
- Asset	**-**	**-**	**-**	**-**	**-**
- Liability	**85**	**14.85**	**1 203**	**14.24**	**(52)**
	85	**14.85**	**1 203**	**14.24**	**(52)**
2021					
- Asset	-	-	-	-	-
- Liability	(57)	15.62	847	14.99	(35)
	(57)	15.62	847	14.99	(35)

At year end outstanding foreign creditors were:

2022					
- Asset	**32**	**15.34**	**484**	**14.72**	**(20)**
- Liability	**6**	**14.60**	**85**	**14.73**	**1**
	38	**15.22**	**569**	**14.72**	**(19)**
2021					
- Asset	20	14.97	294	14.71	(5)
- Liability	-*	14.66	7	14.77	-*
	20	14.96	301	14.71	(5)

The applicable spot rates of exchange during the period were as follows:

	Group and Company	
R'm	**2022**	2021
USD - Average	**14.86**	16.14
USD - Closing	**14.64**	14.68

Presented below is the reconciliation of the amounts added to/(subtracted from) the hedging reserve loss as disclosed under other comprehensive income:

	2022	2021
Opening balance loss	**140**	(247)
Mark-to-market adjustments	**(161)**	538
Amounts reclassified to the cost of the non-financial asset recognised	**-**	-
Deferred tax	**45**	(151)
Closing balance gain/(loss)	**24**	140

*Less than R1 million

There is an economic relationship between the hedged item and the hedging instrument as the terms of the foreign exchange contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange contracts are identical to the hedged risk components.

To test the hedge effectiveness, the group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. Accordingly, all hedges were assessed to be effective for the year.

All cash flow hedges of the expected future purchases in FY2022 were assessed to be highly effective. At the reporting date no hedge or portion thereof were considered to be ineffective. As a result as at 2 April 2022, a net unrealised gain of R161 million.

The amounts retained in OCI at 2 April 2022 are expected to mature and affect the statement of profit or loss in FY2022. The expected maturity of the group's foreign currency commitments are as follows:

Group and Company US$'m	On demand	Less than three months	Three months to one year	One to five years	Total
2022					
Forward exchange contracts accounted for as hedges	**-**	**(67)**	**(69)**	**-**	**(136)**
Options	**-**	**23**	**62**	**-**	**85**
Synthetic forward exchange contracts accounted for as hedges	**-**	**(46)**	**(124)**	**-**	**(170)**
Foreign trade creditors at year end	**-**	**37**	**-**	**-**	**37**
	-	**(53)**	**(131)**	**-**	**(184)**
2021					
Forward exchange contracts accounted for as hedges	-	(72)	(69)	-	(141)
Options	-	12	45	-	57
Synthetic forward exchange contracts accounted for as hedges	(55)	(23)	(90)	-	(168)
Foreign trade creditors at year end	-	20	-	-	20
	(55)	(63)	(114)	-	(232)

The group's sensitivity to a movement in exchange rates related to the forward exchange contracts held as well as the outstanding foreign creditor over the financial year and its related impact on profit and equity is presented in the table below:

		Group and Company		Group and Company	
		Profit before tax	Other comprehensive income	Profit before tax	Other comprehensive income
R'm		**2022**	**2022**	2021	2021
Rate variance - US$					
Forward exchange contracts accounted for as hedges	+10%	**-**	**206**	-	226
	-10%	**-**	**(206)**	-	(226)
Synthetic forward exchange contracts accounted for as hedges	+10%	**-**	**251**	-	267
	-10%	**-**	**(251)**	-	(267)
Options	+10%	**126**	**-**	88	-
	-10%	**(126)**	**-**	(88)	-
Foreign trade creditors at year end	+10%	**57**	**-**	30	-
	-10%	**(57)**	**-**	(30)	-
Total	+10%	**183**	**457**	118	493
	-10%	**(183)**	**(457)**	(118)	(493)

^(Decrease)/Increase

19.7 Credit risk management

Credit risk is concentrated principally in periodic short-term cash investments, in trade receivables, long-term receivables and loans to consolidated entities. The group deposits short-term cash surpluses only with major banks of high quality credit standing. The granting of credit to trade debtors is controlled with statistical scoring models and performance parameters which are reviewed on a regular basis. The maximum exposure in respect of trade receivables and the group's risk management policies regarding trade receivables are disclosed in note 9.

The credit risk assessment of financial assets that are neither past due nor impaired are performed regularly with reference to external credit ratings (where available) or based on the historical default rates related to the specific counterparty. The table below summarises the group's internal rating of financial assets as well as the key inputs into the rating selection.

Financial assets	Credit risk assessment	Key considerations
Long-term receivables and other investments	Low	The long-term receivables have been assessed as low as the group has a well established credit policy under which each individual is assessed for creditworthiness based on information provided (both by the applicant and credit bureau data), statistical scoring models, performance data and an assessment of affordability. Credit exposure per individual is reviewed regularly and adjusted accordingly if required
Trade and other receivables	Low	Refer to Note 9
Derivative financial instruments	Low	The group limits its exposure to credit risk through dealing with well-established financial institutions with high credit standings, and thus management does not expect any counterparty to fail to meet its obligations.
Cash and cash equivalents	Low	

The analysis below details the group's sensitivity to a 1% increase and decrease in the interest rate charged to debtors and its effect on income for the year.

		Group		Company	
R'm		**2022**	2021	**2022**	2021
Rate variance	+1%	**20**	19	**20**	19
	-1%	**(20)**	(19)	**(20)**	(19)

Further analysis below details the group's sensitivity to a 2% increase and decrease in the interest rate charged to debtors and its effect on income for FY2022.

		Group		Company	
R'm		**2022**	2021	**2022**	2021
Rate variance	+2%	**41**	38	**40**	38
	-2%	**(41)**	(38)	**(40)**	(38)

At 02 April 2022 the group did not consider there to be any significant concentration of credit risk for which it had not adequately provided.

19.8 Liquidity management

The group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows. The group has significant cash reserves and minimal borrowings which enable it to borrow funds externally should it require to do so to meet any working capital or possible expansion requirements. As a consequence banking legislation which requires fees to be paid relative to the size of the facility, the group has only entered into limited loan facility arrangements to the extent that fees are not payable. The year end position was a follows:

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Total lending facilities	**500**	500	**500**	450
Less: drawn down portion	**-**	-	**-**	(8)
Total undrawn banking facilities	**500**	500	**500**	442

Based on the group's existing cash resources and expected future cash flows, there is no foreseeable need to enter into borrowings. Furthermore, due to the group's strong financial position, should further borrowings be required, the group would be able to obtain any necessary funding within a short period, subject to bank approval.

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Actual borrowings outside the group at year end were	**(1)**	-	**(1)**	-
At year end bank balances were	**4 612**	4 949	**3 984**	4 274
Net cash resources were	**4 611**	4 949	**3 983**	4 274

The table below details the group's expected maturity for its non-derivative financial liabilities:

Group R'm	On demand	Less than three months	Three months to one year	One to five years	Total
2022					
Trade and other payables	**350**	**2 132**	**413**	**-**	**2 895**
Long-term liabilities	**-**	**-**	**-**	**1**	**1**
	350	**2 132**	**413**	**1**	**2 896**
2021					
Trade and other payables	634	1 614	294	-	2 542
Long term liabilities	-	-	-	4	4
	634	1 614	294	4	2 546
Company R'm					
2022					
Trade and other payables	**334**	**2 021**	**369**	**-**	**2 724**
Current amounts owing to consolidated entities	**37**	**-**	**-**	**-**	**37**
Long-term liabilities	**-**	**-**	**-**	**1**	**1**
	371	**2 021**	**369**	**1**	**2 762**
2021					
Trade and other payables	585	1 598	281	-	2 464
Current amounts owing to consolidated entities	38	-	-	-	38
Long term liabilities	-	-	-	4	4
	623	1 598	281	4	2 506

The group expects to meet its obligations from existing cash reserves and from operating cash flows.

19.9 Category and fair value of financial instruments

Financial instruments as disclosed on the statement of financial position are accounted for using the policies applicable and are catergorised below. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Group R'm	Fair value measurement using	Financial assets at amortised cost	Derivatives accounted for as hedges	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
2022						
Financial Assets		**50**	**64**	**-**	**-**	**114**
Long-term receivables and other investments	Level 2	**50**	**-**	**-**	**-**	**50**
Derivative financial instruments	Level 2	**-**	**64**	**-**	**-**	**64**
Financial Liabilities		**-**	**98**	**-**	**1**	**151**
Long-term liabilities	Level 2	**-**	**-**	**-**	**1**	**1**
Derivative financial instruments	Level 2	**-**	**98**	**52**	**-**	**150**
Total		**50**	**162**	**52**	**1**	**265**

Company R'm	Fair value measurement using	Financial assets at amortised cost	Derivatives accounted for as hedges	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
2022						
Financial Assets		**61**	**64**	**-**	**-**	**125**
Long-term receivables and other investments	Level 2	**61**	**-**	**-**	**-**	**61**
Derivative financial instruments	Level 2	**-**	**64**	**-**	**-**	**64**
Financial Liabilities		**-**	**98**	**52**	**1**	**151**
Long-term liabilities	Level 2	**-**	**-**	**-**	**1**	**1**
Derivative financial instruments	Level 2	**-**	**98**	**52**	**-**	**150**
Total		**61**	**162**	**52**	**1**	**276**

Group R'm	Fair value measurement using	Financial assets at amortised cost	Derivatives accounted for as hedges	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
2021						
Financial Assets		37	24	-	-	61
Long-term receivables and other investments	Level 2	37	-	-	-	37
Derivative financial instruments	Level 2	-	24	-	-	24
Financial Liabilities		-	221	63	4	288
Long-term liabilities	Level 2	-	-	-	4	4
Derivative financial instruments	Level 2	-	221	63	-	284
Total		37	245	63	4	349

Company R'm	Fair value measurement using	Financial assets at amortised cost	Derivatives accounted for as hedges	Derivatives at fair value through profit or loss	Financial liabilities at amortised cost	Total
2021						
Financial Assets		29	24	-	-	53
Long-term receivables and other investments	Level 2	29	-	-	-	29
Derivative financial instruments	Level 2	-	24	-	-	24
Financial Liabilities		-	221	63	4	288
Long-term liabilities	Level 2	-	-	-	4	4
Derivative financial instruments	Level 2	-	221	63	-	284
Total		29	245	63	4	341

The fair value of long term receivables is measured using level 2 techniques. Fair values have been estimated using a discounted cash flow model. The discounted cash flow model requires management to make assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility.

The fair value of forward exchange contracts is measured using level 2 techniques. The significant inputs into the Level 2 fair value of forward exchange contracts are yield curves, market interest rates and market foreign exchange rates. There have been no transfers between the levels during the year.

The fair value of options and synthetic forwards is measured using level 2 techniques. The significant inputs into the Level 2 fair value of options and synthetic forwards are strike price of the option, current spot price, time to expiration, risk-free rate and volatility.

Financing Structure and Commitments

20. Lease obligations and lease liabilities

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Movement in lease liabilities				
Opening balance	**5 940**	5 041	**5 504**	4 583
Additions for new leases and lease renewals	**1 922**	1 568	**1 790**	1 435
Acquired from Yuppiechef (2021: Power Fashion)	**31**	580	**-**	580
Impact of lease modifications and remeasurements	**816**	(75)	**825**	(28)
Interest on lease liabilities	**538**	475	**498**	437
Lease payments	**(1 836)**	(1 649)	**(1 689)**	(1 503)
	7 411	5 940	**6 928**	5 504
Less: short-term portion repayable within one year	**(1 460)**	(1 164)	**(1 357)**	(1 078)
Long-term portion of lease liabilities	**5 951**	4 776	**5 571**	4 426
Contractual undiscounted cashflows				
Within one year	**1 515**	2 078	**1 412**	1 927
After one year but less than five years	**3 993**	4 331	**3 769**	4 021
More than five years	**3 870**	749	**3 603**	712
	9 378	7 158	**8 784**	6 660
Less: Unearned interest	**(1 967)**	(1 218)	**(1 856)**	(1 156)
	7 411	5 940	**6 928**	5 504

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Expense related to leases of low-value assets	**21**	21	**21**	**21**
Variable lease payments*	**20**	(97)	**20**	**(99)**
Total cash outflow for leases	**1 836**	1 689	**1 689**	**1 541**

* Includes COVID-19 related rent concessions of R116m for FY2021.

During FY2022, the group reassessed the calculation of the expected rental payments for the first year of an option period of a lease that was reasonably certain to be exercised. This assessment resulted in changes in the rental payments included in the calculation of the present value of lease liabilities. As a result, the lease liability decreased by R116m, with the interest on lease liability increasing by R8m and depreciation on right of use asset decreasing by R53m in FY2022. The amount of the effect in future periods is not disclosed because estimating it is impracticable.

Accounting policy

Lease liabilities mostly relate to store leases, representing the financial obligation of the group to make lease payments to landlords to use the underlying leased premises during the lease term. The majority of leases are for 5 years, and some include an option to renew on expiry. The lease term includes a renewal period based on historical store performance. Where there are 2 options periods, only the first option has been taken into account in the lease term.

Variable lease payments that do not depend on an index or rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. Some leases include rental based on turnover, and these are expensed as part of variable lease payments when incurred.

The group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The group remeasures a lease liability when a lease contract is modified. The lease modification is not accounted for as a separate lease but rather the existing lease liability is remeasured by discounting the revised lease payments using the revised discount rate. A corresponding adjustment is made to the related right-of-use asset.

Significant accounting estimates

Determination of the lease liabilities involves judgement on and estimate of key inputs being interest rates, future cashflow and the duration of the lease contract including take up of lease options.

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. Judgement is exercised in determining the likelihood of exercising extension options in determining the lease term, including considerations of the initial term of the lease, economic uncertainty of countries the group trades in and uncertainty over the feasibility of certain business units.

Subsequent to the commencement date of lease agreements, lease terms are reassessed when there is a significant event or change in circumstances that is within the group's control and affects its ability to exercise or not to exercise the option to renew.

Significant events could include a change in the group's assessment of whether it is reasonably certain to exercise a renewal which includes if a store is expected to be relocated or closed.

Incremental borrowing rates applied in the measurement of certain lease liabilities are specific to the term and commencement date of the applicable lease agreement. Incremental borrowing rates are based on a series of inputs including the prime lending rate.

During FY2022, the group reassessed the calculation of the expected rental payments for the first year of an option period of a lease that was reasonably certain to be exercised. This assessment resulted in changes in the rental payments included in the calculation of the present value of lease liabilities. The rental for the first year of an option period had previously been calculated with an escalation equal to the annual escalation in the original lease, however it is now expected that the first year rental will have a nil escalation to better reflect the economic substance of current lease renewals based on prevailing lease renewals.

21. Long-term liabilities

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Long-term loan	**1**	4	**1**	4
	1	4	**1**	4

Long-term loan relates to instalment sale agreements for vehicles acquired in a business combination.

Accounting policy
The above is classified as a financial liability and measured at amortised cost and is recorded at fair value at inception using the effective interest rate implicit in the cash flows of the payable.

22. Retirement benefits
22.1 Pension schemes
22.1.1 Membership
The funds are registered in terms of the Pension Funds Act of 1956 and provide for pensions and related benefits for all permanent employees. Membership is compulsory after the first year of service. Membership details are disclosed in the Remuneration Report on pages 144 - 171 of the integrated report..

22.1.2 Contributions
Group defined benefit fund
Pensions are based on length of service and highest average annual salary earned over two years during the last 10 years of employment. The members are required to contribute to the funds mainly at the rate of 7.0% of their pensionable remuneration while the employer is required to contribute mainly at the rate of 7.0%.

Group defined contribution fund
The members are required to contribute to the funds mainly at the rate of 7.5% of pensionable remuneration and the employer is required to contribute mainly at the rate of 11.0%.

22.1.3 Valuations
Defined benefit pension fund

	Group and Company	
R'm	**2022**	2021
The funded status of the defined benefit retirement fund, actuarially calculated annually at reporting date in terms of IAS 19, is as follows:		
Benefit obligation	**(52)**	(54)
Plan assets	**129**	123
Net benefit plan asset	**77**	69

The amounts recognised in the income statement are detailed in note 4.

The following main assumptions were used in performing the calculation:
- Discount rate - 12.2% per annum (2021: 13.1% per annum)
- Inflation -7.4% per annum (2021: 7.9% per annum)
- Future salary increases - 8.4% per annum (2021: 8.9% per annum)

Movements in the present value of the defined benefit obligation in the current period were as follows:

	Group and Company	
R'm	**2022**	2021
Defined benefit obligation at beginning of the year	**54**	51
Current service cost	**2**	2
Member contributions	**1**	1
Interest cost	**7**	6
Actuarial gain	**(4)**	(3)
Benefits paid	**(7)**	(2)
Risk premiums	**(1)**	(1)
Defined benefit obligation at end of the year	**52**	54

Movements in the present value of the plan assets in the current period were as follows:

Fair value of plan assets at beginning of the year	**123**	106
Expected return on assets	**16**	12
Contributions	**-***	-*
Risk premiums	**-***	-*
Benefits paid	**(7)**	(2)
Actuarial gain/(loss)	**(3)**	7
Fair value of plan assets at end of the year	**129**	123

* less than R1 million

The estimated asset composition of the fair value of total plan assets is as follows:

%		
Cash	**2.8**	65.1
South African equities	**44.6**	-
South African bonds	**15.3**	34.9
South African property and other	**7.8**	-
International assets	**29.5**	-
	100.0	100.0

Sensitivity analysis on the assumed discount rate and inflation rate as follows:

	Group and Company	
	2022	2021
	+1%	-1%
The effect of an increase or decrease of 1% in the assumed discount rate as follows:	**-14.5%**	18.2%
	+1%	-1%
The effect of an increase or decrease of 1% in the assumed inflation rate as follows:	**16.4%**	-13.5%

Due to the valuation above being based on a number of assumptions, the defined benefit obligation could vary from the amounts disclosed, depending on the extent to which actual experience differs from the assumptions adopted.

The estimated defined benefit cost for 2023 financial year is as follows; a current service cost of R170 million (2022: R172 million), an expected return on plan assets of R15.7 million (2022: R16.2 million) and an interest cost of R 6.5 million (2022: R7.4 million). The estimated contributions are R167.5 million.

Defined contribution funds
The defined contribution funds are valuation exempt. The actuarial function remains present through an Enhanced Financial Assessment (EFA) process, which is a quarterly actuarial assessment that looks at the financial soundness of the Fund; and sets out the allocations of contributions to the Fund. The report includes a comparison of the total assets to the total liabilities of the Fund in order to determine the funding level. The most recent EFA reports as at 31 December 2019 concluded that the funding level of the Funds was within the tolerance levels set by the administrators.

22.2 Post retirement medical benefits
The obligation of the group to pay medical aid contributions for members who have retired is no longer part of the conditions of employment for new associates. A limited number of pensioners and current associates who remain members of the defined benefit pension fund are entitled to this benefit. The entitlement to the benefit for current associates is dependent upon the associate remaining in service until retirement age. Actuarial valuations of the group's liability, in terms of IAS 19, are undertaken every three years with the last valuation performed on 31 March 2020. The main assumptions used in performing these valuations are reviewed annually. Any detection of a material variation in a main assumption would give rise to a new valuation. The obligation for post retirement medical aid benefits is unfunded. The following main assumptions were used in performing the valuation at 2 April 2022:

Liability was based on current membership
Health care cost inflation - 9.5% per annum (2021: 9.5% per annum)
Discount rate - 13.50% per annum (2021: 13.5% per annum)
Average retirement age - 62 years (2021: 62 years)
Continuation at retirement - 100% (2021: 100%)

Activity during the year was as follows:

	Group and Company	
R'm	**2022**	2021
Benefit obligation at beginning of the year	**20**	18
Net increase/(decrease) in provision during the year	**2**	2
Benefit obligation at end of the year	**22**	20

The effect of an increase or decrease of 1% in the assumed healthcare cost inflation is as follows:

	+1%	-1%
Aggregate of the current service cost and interest cost	+14.0%	-11.6%
Accrued liability at year end	+13.0%	-10.9%

The effect of an increase or decrease of 1% in the assumed discount rate is as follows:

Accrued liability at year end	-10.6%	12.9%

The effect of an increase or decrease of 1 year in the assumed expected retirement age is as follows:	1 year older	1 year younger
Accrued liability at year end	-4.3%	4.0%

22.3 Defined benefit fund actuarial gains and losses

Reconciliation of defined benefit fund actuarial gains and losses reserve

	Group and Company	
R'm	**2022**	2021
Beginning of the year	**2**	(4)
Current year actuarial (loss)/gain	**(1)**	8
Deferred taxation thereon	**-***	(2)
End of the year	**1**	2

* less than R1 million

Short-term employee benefits
Short-term employee benefits are recognised in the period of service. Short-term employee benefits paid in advance are treated as prepayments and are expensed over the period of the benefit.

Accounting policy
Defined benefit retirement fund and post-retirement medical aid fund
The costs of providing benefits under the defined retirement benefit fund and the obligation for post-retirement medical aid benefits (which is limited to members of the defined benefit retirement fund) is determined using the projected unit credit actuarial valuation method. Actuarial gains or losses, which can arise from differences between expected and actual outcomes, or changes in actuarial assumptions, are recognised immediately in other comprehensive income. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit.

The defined benefit fund asset reflected in the statement of financial position represents the present value of the defined benefit asset as adjusted for unrecognised past service costs and as reduced by the fair value of scheme assets. The asset resulting from this calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan. Past service costs are recognised immediately to the extent that benefits have already vested, and are otherwise amortised on a straight-line basis over the average period until the benefits become vested.

Defined contribution retirement fund
Payments to defined contribution retirement funds are expensed as they accrue in terms of services provided by employees.

Significant accounting estimates
Employee benefits actuarially determined
The costs of the defined benefit pension fund plan and the post-retirement medical benefit fund are determined actuarially. The actuarial valuations involve making assumptions regarding various factors (as detailed in this note). Due to the long-term nature of these liabilities such estimates are subject to uncertainty.

23. Capital expenditure

	Group		Company	
R'm	**2022**	2021	**2022**	2021
The capital expenditure authorised by the directors of the company or its consolidated entities but not provided for in the financial statements amounts to	**879**	721	**846**	713
of which contracts have been placed for*	**197**	100	**195**	98

*The above capital expenditure is expected to be financed from future cash flows.

24. Contingencies and commitments

During the 2021 financial year, SARS further assessed the 2015, 2016 and 2017 years of assessment, disallowing the same deduction from 2014 (which SARS subsequently conceded to). In June 2022, subsequent to year end, SARS raised assessments disallowing the same deduction, as well as including receipts of a capital nature in taxable income for the 2018, 2019 and 2020 years of assessment. The company, supported by senior counsel's and tax practitioner's opinion is in the process of disputing all of these assessments. No adjustments have been made to the financial statements as the directors are of the opinion that the likelihood of the liability is remote.

Taxation

25. Taxation
25.1 South African and foreign taxation
25.1.1 South African taxation

	Group		Company	
R'm	**2022**	2021	**2022**	2021
This year	**1 227**	971	**1 210**	966
Current				
Normal taxation	**1 253**	1 078	**1 233**	1 070
Securities Transfer Tax	**-**	-	**-**	-
Deferred				
Current year temporary differences	**(44)**	(107)	**(41)**	(104)
Effect of tax rate change	**18**	-	**18**	-
Prior years	**2**	(1)	**2**	(1)
Current	**2**	(19)	**2**	(19)
Deferred	**-**	18	**-**	18
25.1.2 Foreign taxation				
This year	**48**	34	**26**	19
Current	**48**	46	**26**	19
Deferred	**-**	(12)	**-**	-
Prior years	**(1)**	1	**-**	-
Current	**(1)**	1	**-**	-
Deferred	**-**	-	**-**	-
Total taxation	**1 276**	1 005	**1 238**	984

In addition to the above, current normal taxation and deferred taxation amounting to R8.3 million (2021: R3.8 million charged) and R3.5 million (2021: R2 million credited) respectively have been charged and credited to equity relating to the grants to staff share trusts (refer Note 29). Deferred income taxation of R45.1 million (2021: R148.3 million credit) has been debited to the statement of comprehensive income.

25.2 Reconciliation of taxation rate

	Group		Company	
%	**2022**	2021	**2022**	2021
Standard rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:	**-**	-	**-**	-
Expenses not allowed	**0.3**	0.1	**0.2**	0.1
Exempt income	**(0.8)**	(0.8)	**(1.0)**	(1.4)
Prior year under provision	**-**	-	**0.1**	(0.0)
Unrecognised deferred tax assets	**-**	0.1	**-**	-
Change in corporate taxation rate	**0.4**	-	**0.4**	-
Other	**(0.3)**	0.1	**(0.2)**	0.4
Effective tax rate	**27.6**	27.5	**27.5**	27.1
The estimated taxation losses of consolidated entities available for set-off against future taxable income are (R'm)	**128.7**	152.5		

The taxation expense represents the sum of current taxation and deferred taxation. Taxation rates that have been enacted or substantively enacted by the reporting date are used to determine the taxation balances.

Accounting policy
Current income taxation assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The taxation currently payable is based on the taxable profit for the year, which differs from the profit for the year in the income statement as it excludes both items of income or expense that are taxable or deductible in other years and those items that are never taxable or deductible. Current income taxation relating to items recognised directly in equity is also recognised in other comprehensive income or equity and not in profit or loss.

Significant accounting estimates
Income taxes
The group is subject to income tax in more than one jurisdiction. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

26. Deferred taxation

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Attributable to:				
Post retirement medical aid	**2**	1	**2**	1
Fair value adjustments on financial instruments	**10**	55	**10**	55
Prepayments	**(63)**	(55)	**(61)**	(53)
Provisions	**270**	260	**262**	254
Property, plant and equipment	**(271)**	(182)	**(237)**	(179)
Other temporary differences	**11**	(18)	**(10)**	(35)
Share based payments	**311**	289	**311**	289
Defined benefit fund asset	**(14)**	(14)	**(14)**	(14)
Grants to staff share trusts	**(271)**	(268)	**(271)**	(268)
Assessed loss	**15**	14	**-**	-
Lease liability	**269**	223	**246**	204
	269	305	**238**	254
Balance at beginning of year	**305**	23	**254**	(17)
Acquired from Yuppiechef (2021: Power Fashion) (refer note 33)	**(24)**	20	**-**	20
Movements during the year	**(12)**	262	**(16)**	251
Net adjustment due to change in corporate taxation rate	**(9)**	-	**(9)**	-
Prepayments	**(8)**	(51)	**(9)**	(49)
Provisions	**10**	92	**10**	94
Property, plant and equipment	**(59)**	17	**(59)**	15
Other temporary differences	**32**	(5)	**34**	(14)
Share based payments	**22**	25	**22**	24
Defined benefit fund actuarial gains	**-***	(2)	**-***	(2)
Grants to staff share trusts	**(3)**	(2)	**(3)**	(2)
Assessed losses	**3**	-*	**-**	-
Lease liability	**44**	36	**42**	33
Fair value adjustments on financial instruments	**(45)**	151	**(45)**	151
Post retirement medical aid	**1**	1	**1**	1
End of the year	**269**	305	**238**	254
Deferred taxation liability	**(28)**	-	**-**	-
Deferred taxation assets	**297**	305	**238**	254
	269	305	**238**	254

The prior year amounts have been represented to reflect assets as positive balances and liabilities as negative balances.

Accounting policy

Deferred taxation is provided for all temporary differences (other than temporary differences created on initial recognition of an asset or liability which are not part of a business combination and at the time of the transaction no taxation or accounting effect has been recognised and goodwill for which amortisation is not deductible for accounting purposes) arising between the tax bases of assets and liabilities and their carrying amounts on the statement of financial position. Deferred taxation relating to items recognised outside profit and loss is recognised outside profit and loss. Deferred taxation items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxation assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that future taxable profit will be available to allow all or part of the deferred taxation asset to be utilised. Deferred taxation is provided on temporary differences arising on investments in consolidated entities and associates, except for deferred tax liabilities where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation assets and deferred taxation liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Share Capital

27. Share capital

27.1 Authorised

	Group		Company	
R'000	**2022**	2021	**2022**	2021
323 300 000 ordinary shares of 0.025 cent each	**81**	81	**81**	81
19 700 000 B ordinary shares of 0.300 cent each	**59**	59	**59**	59
Total authorised share capital	**140**	140	**140**	140

27.2 Issued

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Ordinary				
256 841 654 (2021: 255 945 150) ordinary shares of 0.025 cent each	**64**	64	**64**	64
B ordinary				
6 792 786 (2021: 7 689 290) B ordinary shares of 0.300 cent each	**20**	23	**20**	23
Total issued share capital	**84**	87	**84**	87

27.3 B ordinary shares

The B ordinary shares are unlisted and are convertible into ordinary shares on a one-for-one basis at the instance of the B ordinary shareholders. The voting rights attached to the ordinary and B ordinary shares are in the same ratio as the par value of the respective shares. In the event of a poll, ordinary shareholders are entitled to one vote per share and B ordinary shareholders to 12 votes per share.

27.4 Share trusts and share purchase schemes

The company operates five share trusts and two forfeitable share plans for the benefit of associates, including executive directors, employed by the company and its consolidated entities. In terms of the deeds of trust, ordinary shares in Mr Price Group Limited may be acquired by the trust or awarded under the schemes for the benefit of associates in the group, including directors. These share schemes are more fully detailed in the Remuneration Report on pages 144 to 171 of the Integrated Report.

27.4.1 Share Trusts And Share Purchase Schemes

Five share trusts were established in November 2006, to replace The Mr Price Group Share Option Scheme and two Forfeitable Share Plans (FSP) were introduced during 2014. Details of these plans are as follows:

	Mr Price Executive Director Share Trust	Mr Price Executive Share Trust	Mr Price Senior Management Share Trust	Mr Price General Staff Share Trust	Mr Price Partners Share Trust	Mr Price Group Forfeitable Share Plan	Mr Price Executive Forfeitable Share Plan	Conditional Rights	Share appreciation rights	Executive Conditional Rights	Group Total
Award type	Options	Options	Options	Options	Shares	Shares	Shares	Shares	Shares	Shares	
Options/shares at 28 March 2020	1 983 504	2 107 258	3 207 972	5 114 850	4 216 791	42 121	567 296	-	-	-	**17 239 792**
New options/shares granted	-	-	-	-	823 321	-	-	666 730	533 207	533 207	**2 556 465**
Surrendered by participants	(190 691)	(305 805)	(566 329)	(922 902)	(569 701)	-	(56 980)	(22 002)	(11 702)	(11 702)	**(2 657 814)**
Options/shares exercised	-	(16 133)	-	-	(34 839)	-	(35 329)	-	-	-	**(86 301)**
Options/shares at 03 April 2021	1 792 813	1 785 320	2 641 643	4 191 948	4 435 572	42 121	474 987	644 728	521 505	521 505	**17 052 142**
New options/shares granted*	-	-	-	-	263 200	-	196 303	552 661	514 352	514 352	**2 040 868**
Surrendered by participants	(637 166)	(32 593)	(808 487)	(1 216 042)	(637 696)	-	(63 029)	(94 171)	(8 575)	(8 575)	**(3 506 334)**
Options/shares exercised	-	(609 703)	-	-	(46 564)	-	(56 404)	(242)	-	-	**(712 913)**
Options/shares at 02 April 2022	1 155 647	1 143 024	1 833 156	2 975 906	4 014 512	42 121	551 857	1 102 976	1 027 282	1 027 282	**14 873 763**
* New options/shares were granted during the current year at a strike price of (per share):	-	-	-	-	-	-	-	-	196	-	

The strike price was determined by the lower of the 30 day volume-weighted average price and the closing share price on the business day prior to the award.

The earliest opportunity at which share options are exercisable falls within financial years ending:

Number of options/shares by financial year:

	Mr Price Executive Director Share Trust	Mr Price Executive Share Trust	Mr Price Senior Management Share Trust	Mr Price General Staff Share Trust	Mr Price Partners Share Trust	Mr Price Group Forfeitable Share Plan	Mr Price Executive Forfeitable Share Plan	Conditional Rights	Share appreciation rights	Executive Conditional Rights	Group Total
2023	392 959	424 651	461 338	779 291	N/A	-	82 672	-	-	-	**2 140 911**
2024	489 175	291 949	459 437	655 609	N/A	-	186 435	573 931	-	-	**2 656 536**
2025	273 513	426 424	912 381	1 541 006	N/A	42 121	86 447	529 045	1 027 282	1 027 282	**5 865 501**
2026	-	-	-	-	N/A	-	-	-	-	-	**-**
2027	-	-	-	-	-	-	196 303	-	-	-	**196 303**
	1 155 647	1 143 024	1 833 156	2 975 906	N/A	42 121	551 857	1 102 976	1 027 282	1 027 282	**10 859 251**

Weighted average price by financial year:

	Mr Price Executive Director Share Trust	Mr Price Executive Share Trust	Mr Price Senior Management Share Trust	Mr Price General Staff Share Trust	Mr Price Partners Share Trust	Mr Price Group Forfeitable Share Plan	Mr Price Executive Forfeitable Share Plan	Conditional Rights	Share appreciation rights	Executive Conditional Rights	Group Total
2023	202.81	198.51	188.28	191.80	N/A	N/A	N/A	N/A	N/A	N/A	
2024	218.62	222.98	232.51	232.96	N/A	N/A	N/A	N/A	N/A	N/A	
2025	164.83	166.03	165.12	155.41	N/A	N/A	N/A	N/A	171,81	N/A	
2026	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	
2027	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	

Shares are expected to vest unconditionally in the Mr Price Partners Share Trust in 39 years.

27.5 Share-based payments

	Total Executive Directors' Share Options and Shares					Total Executive Directors' Forfeitable Share Plans				
Executive director	Options / shares held at beginning of year	Shares awarded and accepted during year	Options exercised / lapsed during the year	Gain on options exercised during the year (Rm)	Options/ shares held at end of year	Shares granted	Shares vested during year	Shares lapsed during year	Shares held at end of the year	Fair value of shares (Rm)
MM Blair	1 036 982	325 872	(242 921)	-	1 119 933	276 414	(9 191)	(9 191)	258 032	48
MJ Stirton^	256 935	81 058	-	-	337 993	60 277	-	-	60 277	12
SA Ellis	151 360	26 966	(28 162)	-	150 164	15 124	(2 190)	(2 190)	10 744	2
Total	**1 445 277**	**433 896**	**(271 083)**	**-**	**1 608 090**	**351 815**	**(11 381)**	**(11 381)**	**329 053**	**62**

^ Share incentives for executive director position.

27.5 Share-based payments (continued)

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Share-based payments relating to equity-settled share-based payment transactions in terms of the long term incentive	**80**	88	**80**	88

Share-based payments are measured at fair value (excluding the impact of any non-market vesting conditions) at the date of the grant, which is expensed over the period of vesting. The fair value of each option grant is estimated at the date of the grant using an actuarial binomial option pricing model.

The assumptions supporting inputs into the model for conditional and share appreciation rights granted during the year are as follows:

	Conditional Rights	Share Appreciation Rights	Executive Conditional Rights	
			Stretch	Performance conditions
Weighted average strike price	-	196.00	-	-
Expected volatility (%)	-	38.73	38.73	42.30
Expected option life	3 years	3 years	5 years	3 years
Risk free interest rate (%)	6.10	6.86	6.86	6.15
Expected dividend yield (%)	4.84	5.13	5.13	4.84

The expected volatility was determined, based on the historical volatility of the company's share price over the expected lifetime of each grant. The expected life of the options has been determined taking into account the restrictions on non-transferability and exercise and management's best estimate of probable exercise behaviour.

The risk-free rate used is the yield on zero-coupon South African government bonds which have a term consistent with the expected option life.

In the calculation of the fair value of the options, allowance is not made for non-market conditions (such as forfeitures and leavers) during the vesting period. Adjustment for these conditions is made in the annual expense charge, with an allowance for forfeitures being made in the vesting period at rates varying between 0% and 15% compounded per annum.

The assumptions supporting inputs into the model for the Forfeitable Share Plans with an expected option life of 5 years are as follows:

	Probability	% shares retained
Participants still employed after 1 year	100%	10%
Participants still employed after 2 years	95%	20%
Participants still employed after 3 years	90%	30%
Participants still employed after 4 years	85%	40%
Participants still employed after 5 years	80%	100%

27.6 The Mr Price Group Employees Share Investment Trust

The company administers a staff share purchase scheme which facilitates the purchase of shares in the company for the benefit of employees, including executive directors, employed by the company and its consolidated entities. The acquisition of shares is funded by contributions from participants (employees) while the company is authorised to provide additional funding of up to 15% of the contributions made, which is expensed as an associate cost in the year incurred. In terms of guidance issued by the JSE Limited, the company has consolidated the trust as it was created to incentivise and reward the employees of the group. In the trust's annual financial statements it has Mr Price Group Limited shares to be delivered to the participants in the future. These shares are registered in the name of the trust and not the employees. In addition, the financial statements show a liability for the shares to be transferred to employees upon their request. In the group financial statements the Mr Price Group Limited shares are reflected as treasury shares as they have not yet been transferred to the employees, while the amounts received for the shares to be transferred to employees are treated as equity transactions.

27.7 Unissued share capital

The unissued share capital required for the purposes of carrying out the terms of the various share trusts and schemes is under the control of the directors until the conclusion of the forthcoming annual general meeting.

28. Capital reserves

28.1 Share premium account

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Share premium account	**12**	12	**-***	-*

* less than R1 million

28.2 Participants in staff share investment trust (note 27.6)

R'm		
Participants in staff share investment trust (note 27.6)	**36**	35
Beginning of the year	**35**	34
Net movement for the year	**1**	1

* less than R1 million

28.3 Share-based payments reserve

	Group		Company	
Share-based payments reserve	**409**	335	**409**	335
Beginning of the year	**335**	270	**335**	270
Recognition of share-based payments for the year	**74**	65	**74**	65
Share-based payments for options/shares granted in current year	**80**	88	**80**	88
Share-based payments reserve transferred to retained income for options that have vested from inception to date	**(13)**	(9)	**(13)**	(9)
Share-based equity reserve hedge cost	**7**	(14)	**7**	(14)
Total capital reserves	**457**	382	**409**	335

The above equity account represents cumulative share based payment charges that have been credited to equity net of transfers to retained income for options that have vested.

Accounting policy
Share-based payments
The group operates share incentive schemes for the granting of non-transferable options or shares to associates (employees). Equity-settled share-based payments in terms of the schemes are measured at fair value (excluding the impact of any non-market vesting conditions) at the date of the grant, which is expensed over the period of vesting of the grant, with a corresponding adjustment to equity. Fair value is actuarially determined using a binomial valuation model. At each reporting date the estimate of the number of options that are expected to vest is revised, and the impact of this revision is recognised on a cumulative catch-up basis in the income statement, with a corresponding adjustment to equity. Assumptions used in the respective valuations are detailed in note 27.5. Upon vesting, the amount remaining in the share-based payment reserve relating to any such vested tranche is transferred within equity to retained earnings.

Derivatives over own equity
The group has derivative contracts over its own equity which are settled by delivering or receiving a fixed number of its own equity instruments and receiving or delivering a fixed amount of cash. Any consideration paid for premium paid for a purchased option relating to own equity instruments is deducted from equity. Changes in fair value of the equity instrument are not recognised in financial instruments.

Performance incentives
The group recognises a liability and expense for performance incentives which include a component based on formulae which take into consideration the profit for the year and other operational targets.

Significant accounting estimates
Share-based payments actuarially determined
The costs of the share-based payments are determined actuarially. The actuarial valuations involve making assumptions regarding various factors (as detailed in note 28). Due to the long-term nature of these liabilities such estimates are subject to uncertainty.

29. Treasury share transactions

	Group		Company	
R'm	**2022**	2021	**2022**	2021
6 370 180 (2021: 5 567 658) ordinary shares in Mr Price Group Limited held by staff share trusts	**(938)**	(593)		
- Balance at beginning of the year	**(593)**	(281)		
- Share-based equity reserve hedge cost	**(166)**	(156)		
- Treasury shares acquired	**(203)**	-		
- Share buy back	**-**	(165)		
- Treasury shares sold	**25**	10		
- Mr Price Group Employees Share Investment Trust	**(1)**	(1)		
Deficit on treasury share transactions	**(1 622)**	(1 608)	**(274)**	(272)
- Balance at beginning of the year	**(1 608)**	(1 600)	**(272)**	(272)
- Current year movement arising from the take-up of vested options	**(14)**	(8)	**(2)**	-
Taxation relating to grants to share trusts	**363**	349	**363**	349
- Balance at beginning of the year	**349**	347	**349**	347
- Current year movement	**14**	2	**14**	2
Grants by company to staff share trusts			**(2 842)**	(2 618)
- Balance at beginning of the year			**(2 618)**	(2 297)
- Grants made during the year			**(224)**	(321)
	(2 197)	(1 852)	**(2 753)**	(2 541)

* less than R1 million

Shares in Mr Price Group Limited held by the staff share trusts are classified as treasury shares and are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised as equity. Voting rights related to these shares are restricted for the company only on resolutions applicable to the share trusts. Share options exercised during the reporting period are settled with treasury shares.

977 813 treasury shares were acquired by the staff share trusts during the 2022 financial year at an average of R207.86
178 285 treasury shares were sold by the staff share trusts at an average of R141.74.

No shares were acquired through a share buy back during the current year. (2021: 1 306 521 at an average price of R126.50)

30. Foreign currency translation reserve

	Group	
R'm	**2022**	2021
Beginning of the year	**(204)**	(142)
Currency translation adjustments for the year	**(28)**	(62)
End of the year	**(232)**	(204)

The foreign currency translation reserve comprises the cumulative translation adjustments arising on the consolidation of the foreign subsidiaries in Botswana, Nigeria, Ghana, Zambia, Kenya and Poland.

Accounting policy

Functional and presentation currency

Items included in the financial statements of the group's foreign consolidated entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated annual financial statements are presented in Rands, which is the group's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

The results and position of consolidated entities that have a functional currency that differs from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income statement items are translated at the average rate for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income. Financial assets are reviewed annually for any evidence of impairment and any impairment loss is recognised immediately in the income statement.

Group Composition

31. Consolidated entities

	Company	
R'm	**2022**	2021
Carrying value of shares	**439**	38
Ordinary shares at cost	**439**	38
Carrying value of long-term loans	**118**	118
Long-term loans	**118**	118
Impairment provisions	**-**	-
The loans are granted to consolidated entities to fund working capital requirements and stock purchases. The loans are unsecured, bear interest at rates of up to 15% per annum and have no fixed dates of repayment.		
	557	156
Net current amounts owing by consolidated entities	**289**	253
Current amounts owing by consolidated entities	**798**	763
Impairment of current amounts owing by consolidated entities	**(472)**	(472)
Current amounts owing to consolidated entities	**(37)**	(38)
Current accounts are interest free and are settled within 12 months, with the exception of loans to Mr Price Retail Kenya Limited (5.18%)		
	846	409

An analysis of the financial interest in consolidated entities is disclosed in note 32.

Accounting policy
Consolidated entity balances are initially recognised at the fair value of the consideration received, and are subsequently measured at amortised cost using the effective interest rate method. Current amounts owing are settled on 30 day terms.

Consolidated entities (which include special purpose entities such as staff share trusts) are defined as entities over which the group has the power to govern the financial and operating policies of the entity so as to gain benefit from its activities. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The group's voting rights and potential voting rights.

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the group gains control until the date the group ceases to control the subsidiary . Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

32. Operating subsidiaries

		Issued capital		Carrying value of shares		Net indebtedness	
	Notes	**2022 Shares**	2021 Shares	**2022 R'm**	2021 R'm	**2022 R'm**	2021 R'm
MRP Botswana (Pty) Limited	1	**100**	100	**-**	-	**55**	52
Mr Price (Lesotho) (Pty) Limited	2	**1 000**	1 000	**-**	-	**13**	13
Mr Price Group (Namibia) (Pty) Limited	3	**100**	100	**-**	-	**29**	28
Mr Price Chain Stores International Limited (Nigeria)	4	**500 000**	500 000	**2**	2	**-**	-*
Mr Price Chain Stores International Limited (Ghana)	5	**480 000**	480 000	**2**	2	**6**	9
MRP Zambia Limited	6	**5 000**	5 000	**-**	-	**45**	57
Millews Fashions (Johannesburg) (Pty) Limited	7	**28 000**	28 000	**-**	-	**13**	6
Associated Credit Specialists (Pty) Limited	8	**100**	100	**-**	-	**1**	1
MRP Mobile (Pty) Limited	9	**100**	100	**-**	-	**110**	100
MRP Retail Australia (Pty) Limited	10	**100**	100	**-**	-	**-**	-
MRP Retail Kenya Limited	11	**100 000**	100 000	**-**	-	**82**	72
MRP Retail Poland Sp. z o.o	12	**100**	100	**-**	-	**-**	-
Enterprise Stores (Pty) Limited (Swaziland)	13	**6 364**	6 364	**13**	13	**4**	5
Otto Bros Lesotho Holdings (Pty) Limited	14	**1 000**	1 000	**-***	-*	**8**	6
MRP Foundation NPC			-	**-**	-	**-**	
K2018509367 (Pty) Limited	15	**912 632**	-	**-**	-	**-**	
Yuppiechef Holdings (Pty) Limited		**185 203**	-	**-**	-	**-**	
Edison Stone (Pty) Limited		**100**	-	**-**	-	**10**	
Yuppiechef Online (Pty) Limited		**120**	-	**-**	-	**-**	
Yuppiechef Online (Pty) Limited		**100**	-	**-**	-	**-**	
Share Trusts							
Mr Price Group Staff Share Trust and Share Purchase Scheme						**-**	-
Mr Price Group Employees Share Investment Trust						**-**	-
Mr Price Executive Director Share Trust						**4**	4
Mr Price Executive Share Trust						**3**	3
Mr Price Senior Management Share Trust						**6**	3
Mr Price General Staff Share Trust						**18**	10
Mr Price Partners Share Trust						**-***	-
Dormant subsidiaries							
Hughes Extension 17 Township (Pty) Limited		**100**	100	**-**	-	**-**	-
Total				**17**	17	**407**	369

Notes:
1. Operates as Mr Price, Mr Price Home, Miladys, Sheet Street and Sport stores in Botswana.
2. Operates as Mr Price, Mr Price Home, Miladys and Sheet Street stores in Lesotho.
3. Operates as Mr Price, Mr Price Home, Miladys, Sheet Street and Mr Price Sport stores in Namibia.
4. Operated as Mr Price store in Nigeria. The store has ceased trading. The company will remain dormant.
5. Operates as Mr Price stores in Ghana.
6. Operates as Mr Price, Mr Price Home and Sheet Street stores in Zambia.
7. Develops and leases premises to group operations.
8. Recovers overdue debts from credit customers.
9. Operates as a cellular MVNO (mobile virtual network operator) only in South Africa and is a 100% held subsidiary of the Company.
10. Operated as Mr Price and Mr Price Home stores in Australia. Company is in liquidation.
11. Operates as Mr Price and Mr Price Home stores in Kenya.
12. Operated as Mr Price Home store in Poland. The store ceased trading in December 2019. The company will remain dormant.
13. Operates Power Fashion Stores in Swaziland.
14. Operates Power Fashion Stores in Lesotho.
15. Operates as Yuppiechef South Africa.

The Company owns 100% of the equity and preference share capital (where applicable) of all other subsidiaries and cell captives.

*less than R1 million

33. Business combinations

2022
Effective 1 August 2021, the group acquired 100% of the shares in the group of companies comprising the Yuppiechef business ("Yuppiechef"), a privately-owned South African omni-channel retail business primarily focused on kitchenware. Yuppiechef has two primary operations, namely Yuppiechef Online, the retail division comprising the online platform and 7 stores, as well as a wholesale division, which develops and imports branded goods for wholesale distribution. The acquisition was approved by the relevant regulatory authorities on 19 July 2021.

The group has measured the fair value of identifiable assets and liabilities of Yuppiechef at their acquisition date.

The at-acquisition values are presented below.

	Yuppiechef Total
R'm	**2022**
Assets	
Property, plant and equipment	10
Intangible assets	118
Right-of-use asset	26
Trade and other receivables	15
Inventories	57
Cash and cash equivalents	27
Liabilities	
Long-term loans	(3)
Deferred tax liability	(24)
Trade and other payables	(81)
Taxation	(4)
Lease liability	(31)
Total identified net assets at fair value	110
Goodwill attributable to acquisition	292
Total consideration	**402**
Shares issued at fair value	49
Cash paid	353
Total consideration	**402**
Cash on hand at date of acquisition	27
Cash paid	(353)
Net cash outflow on acquisition	**(326)**

* less than R1 million

The fair value of the trade and other receivables amounts to R15m. The gross amount of trade and other receivables is R15m and it is expected that the full contractual amounts can be collected.

The goodwill arising from the acquisition is attributable to the value of expected future omni-channel growth opportunities of the business.

Yuppiechef has contributed R296.2m in revenue and R19.9m in operating profit since acquisition. Disclosure of the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition had occurred at the beginning of the reporting period is impracticable as Yuppiechef has a different financial year end to the group, with reporting based on a calendar month compared to the group following a retail calendar.

2021
Effective 1 April 2021, the group acquired the business assets of value retailer, Power Fashion, including 100% of the issued share capital in Enterprise Stores Proprietary Limited and Otto Bros Lesotho Holdings Proprietary Limited for a combined consideration of R1 537.9m.

The net assets recognised in the FY2021 annual financial statements were based on a provisional assessment of their fair value while the group finalised the valuation of all possible intangible assets. The valuation had not been completed by the date of the FY2021 annual financial statements approval for issue by the board of directors.

This valuation has since been completed in FY2022 and the acquisition date fair value of the Power Fashion brand was determined to be R133.0m. The FY2021 comparative information has been restated to reflect the adjustment to the provisional amounts. As a result, there was an increase in intangible assets of R133.0m, and a reduction in goodwill of R133.0m, resulting in R1 068.9m goodwill arising on the acquisition. The goodwill is attributable to the value of expected future growth opportunities of a business with a proven track record of cash-generating stores.

The restated at-acquisition values are presented below.

	Power Fashion Total
R'm	**2021**
Assets	
Property, plant and equipment	159
Intangible assets	157
Long-term receivable	19
Deferred taxation assets	20
Right-of-use assets	580
Trade and other receivables	9
Inventories	257
Taxation	2
Cash and cash equivalents	27
Liabilities	
Long-term liability	(4)
Trade and other payables	(177)
Long-term lease liability	(580)
Total identified net assets at fair value	469
Goodwill attributable to acquisition	1 069
Total consideration	**(1 538)**
Cash on hand at date of acquisition	(27)
Net cash outflow on acquisition	**(1 511)**

* less than R1 million

Accounting policy
The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. In the company financial statements investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

34. Related parties

34.1 Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the group and a party related to the group, regardless of whether a price is charged. For the purposes of defining related party transactions with key management, key management has been defined as directors and the group's executive committee and includes close members of their families and entities controlled or jointly controlled by these individuals.

34.2 Directors

Refer to note 35 for directors' emoluments.

34.3 Compensation of key management personnel

	Group		Company	
R'm	**2022**	2021	**2022**	2021
Short-term employee benefits	**149**	73	**149**	73
Post employment pension benefits	**8**	6	**8**	6
Share-based payments	**19**	16	**19**	16
	176	95	**176**	95

The above compensation includes amounts paid to executive senior management personnel and excludes amounts paid to directors as disclosed in the Remuneration Report.

34.4 Transactions with related parties

The following transactions were entered into with individuals, who meet the definition of close family members to key management personnel, or entities over which such individuals are deemed to have a controlling influence:
Related Party - BVPG, firm of attorneys of which Mr K Getz, a non-executive Director, is a partner.
Legal fees of R0.300m (2021: R0.152m)

34.5 Participants in staff share trusts

Refer to notes 27 and 28 in respect of transactions with participants in the staff share trusts.

34.6 Transactions with related parties

Refer to notes 22 in respect of transactions with post retirement benefit funds.
During the year the group enters into various transactions, in the ordinary course of business, with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions.

34.6 Transactions with related parties

	Company	
R'm	**2022**	2021
Sales	938	854
Mr Price Group (Namibia) (Pty) Ltd	394	356
Mr Price Botswana (Pty) Ltd	235	223
Mr Price (Lesotho) (Pty) Ltd	74	63
Mr Price Zambia Limited	85	91
Mr Price Chain Stores International Limited (Ghana)	58	40
Mr Price Retail Kenya Limited	92	81
Administration fees received from:	197	150
Mr Price Group (Namibia) (Pty) Ltd	47	33
Mr Price Botswana (Pty) Ltd	86	103
Mr Price (Lesotho) (Pty) Ltd	16	11
Mr Price Zambia Limited	38	-
Mr Price Retail Kenya Limited	10	3
Dividends received by:	31	22
Mr Price Executive Director Share Trust	1	-
Mr Price Executive Share Trust	2	1
Mr Price Senior Management Share Trust	1	-
Mr Price General Staff Share Trust	1	-
Mr Price Partners Share Trust	-	1
Millews Fashions (Johannesburg) (Pty) Ltd	-	-
Speciality Stores (Botswana)	6	-
Associated Credit Specialists (Pty) Ltd	20	20

Refer to note 31 for the amounts owing to and by consolidated entities.

* less than R1 million

35. Directors' emoluments

The emoluments received by the Directors from the company were:

R'm	Basic salary	Retirement fund contribution	Other benefits	TGP	Short-term incentives	Dividends (FSP plans)	Long-term incentives	**Total 2022**	Total 2021
MM Blair	6	1	1	**8**	12	2	35	**57**	19
SA Ellis	2	-*	1	**3**	1	-*	-*	**4**	5
MJ Stirton	4	1	1	**6**	6	-*	-*	**12**	10
Total	**12**	**2**	**3**	**17**	**19**	**2**	**35**	**73**	**34**

* less than R1 million

The emoluments received by the non-executive directors from the company were:

	Company	
Rand	**2022**	2021
SB Cohen	**865 501**	747 478
NG Payne	**1 778 211**	1 494 956
MR Johnston	**-**	239 383
M Bowman	**979 315**	768 551
M Chauke	**571 278**	507 740
K Getz	**697 040**	620 117
M Motanyane-Welch	**214 392**	466 447
D Naidoo	**975 263**	842 849
BJ Niehaus	**-**	472 086
LA Swartz	**562 632**	253 693
JA Canny	**540 708**	33 301
SA Ellise	**102 453**	-
Total	**7 286 793**	6 446 601

* less than R1 million

36. Subsequent events

In April 2022, the group entered into an agreement to purchase 70% of Blue Falcon Trading 188 (Pty) Ltd, which owns the Studio 88 group of businesses, from RMB Ventures Six (Pty) Ltd and current management of the Studio 88 Group. The Studio 88 Group is the largest independent retailer of branded leisure, lifestyle and sporting apparel and footwear in South Africa. It is a founder-led business which has been operating in Southern Africa since 2001. The business owns and operates retail outlets that offer clothing, footwear and accessories, trading through Studio 88, SideStep, Skipper Bar, John Craig and other chains.

The brands offered by the Studio 88 Group are complementary to Mr Price's existing customer positioning and, combined, would deliver on the group's strategic positioning across the fashion-value and aspirational value segments. With a diverse store footprint and a portfolio of differentiated store chain formats, the Studio 88 Group has broad appeal to aspirational and trend conscious customers across a wide range of age profiles and affordability levels. Mr Price will benefit from growth opportunities in the menswear segment where it is currently under-represented.

The R3.3bn purchase consideration will be fully funded through existing cash resources of the group. The transaction is subject to the fulfilment of both regulatory and commercial suspensive conditions by no later than 31 October 2022. These conditions include competition authority approval in South Africa and other African territories. The remaining shareholding will be acquired over a four-year period post implementation of the transaction.

37. Going concern

The directors and management have reviewed the group's budget and cash flow forecasts (including the R3.3bn cash purchase price for the Studio 88 group), and related solvency and liquidity ratios. They have also considered the current trading environment (including the ongoing impact of COVID-19). On the basis of this review, and in the light of the current financial position and existing borrowing facilities, the directors are satisfied that the group is a going concern in FY2023 and beyond and have continued to adopt the going concern basis in preparing these annual financial statements.

Administration and Contact Details

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Miladys	30 Station Drive, Durban, 4001 PO Box 3562, Durban, 4000	031 313 5500	031 313 5620	miladys.co.za
Yuppiechef	2 Tifosa Park, 5 Bell Crescent, Westlake Business Park, Westlake, 7945	021 702 4969		yuppiechef.com
Power Fashion	350 Umhlangane Road, Riverhorse Valley, Redhill, 4071	031 570 8400		powerfashion.co.za
Mr Price Money Mr Price Mobile	380 Dr Pixley KaSeme Street, Durban, 4001 PO Box 4996, Durban, 4000	031 367 3311 0800 000 430	031 306 0164	mrpmoney.co.za mrpmobile.com
KPMG Faircall	BNT 371, PO Box 14671 Sinoville, 0129	0800 00 6465		www.thornhill.co.za/ kpmgfaircallreport/ques- tionnaire/main/
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Sponsor
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Registration Number
1933/004418/06

Independent Auditor
Ernst & Young Inc.