Financial Statements

3 April 2022 to 1 April 2023

2023

mr price group limited

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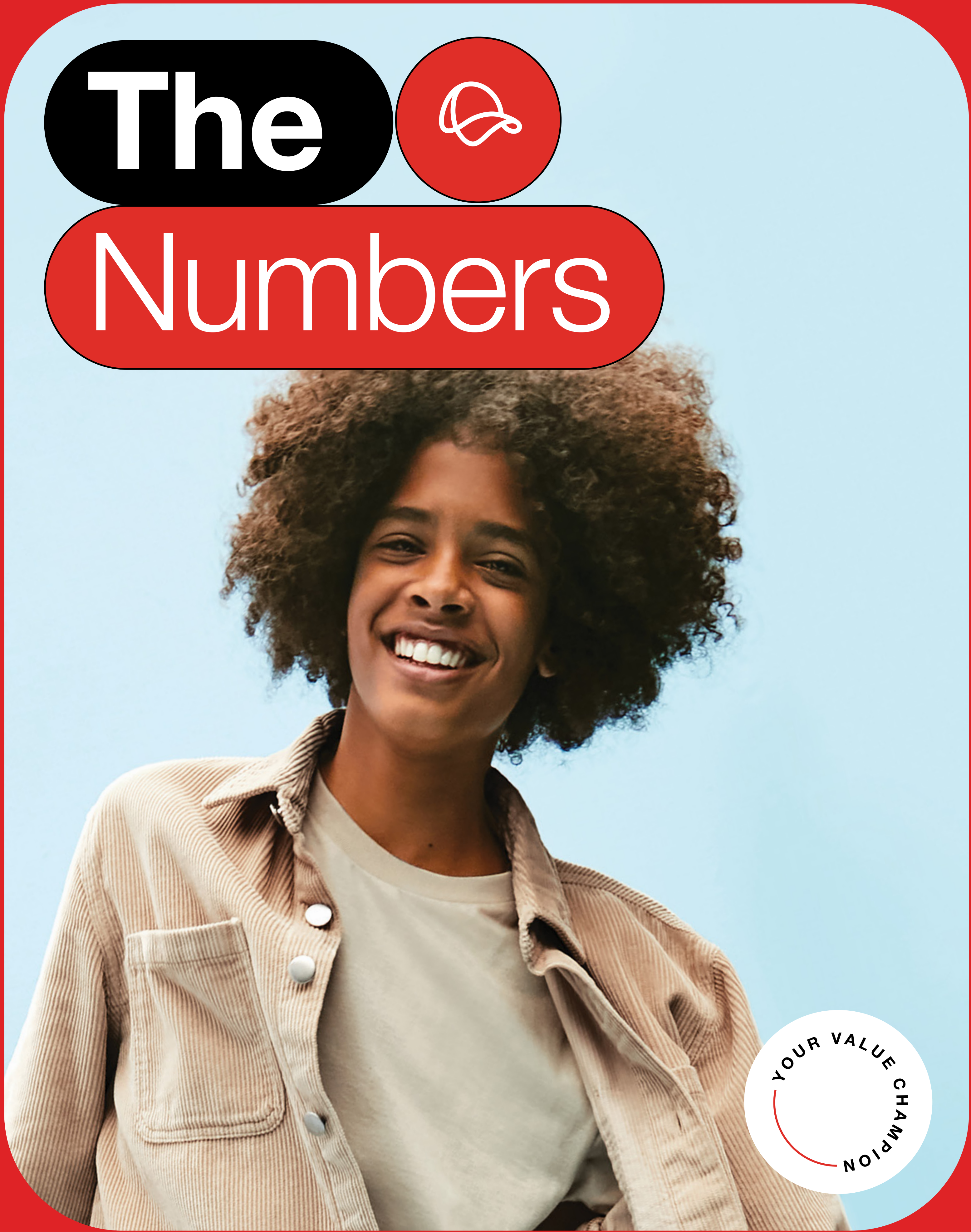

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mr price group limited

The Numbers

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 1 April 2023 have been prepared under the supervision of the chief financial officer, Mr MJ Stirton CA (SA).

The annual financial statements set out on page 23 to 99, which have been prepared on the going concern basis, were approved by the board of directors on 27 June 2023 and were signed on their 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
27 June 2023

CEO and CFO Responsibility Statement

for the year ended 1 April 2023

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

(a) the annual financial statements set out on pages 23 to 99, 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 the implementation and execution of controls.

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

(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 2 702 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 on pages 123 - 146.

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 3 April 2022 to 1 April 2023 (2022: 52 week period 4 April 2021 to 2 April 2022).

Business Acquisition

Effective 4 October 2022, the group acquired 70% of the equity of Blue Falcon Trading 188 (Pty) Ltd ("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 primarily through its 778 stores. 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 remaining 30% equity is held by management and will be acquired over the next three years ensuring that business continuity is maintained. This period can be extended by mutual agreement between the parties.

The effective date of the transaction was 04 October 2022. Results have been consolidated from this date into the group's results.

Financial results

The financial results of the company and the group are set out in the statements of comprehensive income on page 24.

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/July. Interim: A cash dividend of 312.5 cents per share (2022: 282.4 cents per share) was paid on 19 December 2022 to shareholders registered on 19 December 2022.

Final: A cash dividend of 447.1 cents per share (2022: 524.9 cents per share) has been declared payable on 17 July 2023 to shareholders registered on 14 July 2023.

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	2023	2022
Profits	80	181
Losses	(153)	(69)
	(73)	112

Net shareholders' equity

Authorised and issued share capital

As part of the purchase consideration for the acquisition of Studio 88, the company issued and alloted 834 557 shares on 4 October 2022. The company entered into a share buy-back programme by repurchasing and subsequently canceling 884 715 shares on 7 October 2022.

Subsequent events

Refer to note 35.

No events, material to the understanding of the annual financial statements, have occurred between the financial year end and the date of this report.

Directorate

There have been no changes to the directorate for the year under review.

Subsequent to FY2023 the following changes were made to the directorate:

- Harish Ramsumer and Richard Inskip have been appointed as independent non-executive directors of the board with effect from 1 July 2023.
- Keith Getz retiring by rotation as a non-executive director, chairman of the Social, Ethics, Transformation and Sustainability (SETS) and a member of the Remnomco, effective 30 August 2023.
- Steve Ellis retiring by rotation as a non-executive director, effective 30 August 2023.
- Neill Abrams will be appointed an independent non-executive director from 1 September 2023 (and steps down as alternate director to Stewart Cohen).

Emoluments

Details of emoluments paid to executive and non-executive directors are set out in the **Remuneration report** in the integrated report pages 202 to 220 and note 26 and note 34.

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

	2023							2022						
	Direct beneficial	Direct beneficial (restricted)	Held by associate	**Total**	%	Shares used as security	%	Direct beneficial	Direct beneficial (restricted)	Held by associate	**Total**	%	Shares used as security	%
Mark Blair	363 938	1 048 887	-	**1 412 825**	0.55	-	-	906 129	-	-	**906 129**	0.35	-	-
Mark Stirton	62 374	395 953	-	**458 327**	0.18	-	-	242 353	-	-	**242 353**	0.09	-	-
Stewart Cohen	15 875	-	44 588	**60 463**	0.02	-	-	15 875	-	44 588	**60 463**	0.02	-	-
Steve Ellis	7 332	253 674	-	**261 006**	0.10	-	-	186 352	-	-	**186 352**	0.07	-	-
Keith Getz	-	-	20 000	**20 000**	0.01	-	-	-	-	20 000	**20 000**	0.01	-	-
Total	**449 519**	**1 698 514**	**64 588**	**2 212 621**	**0.86**	**-**	**-**	**1 350 709**	**-**	**64 588**	**1 415 297**	**0.55**	**-**	**-**
Total ordinary issue share capital							**256 791 496**							**256 841 654**

B Ordinary shares

	2023							2022						
	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**	44.81	838 204	12.34
Total				**3 044 056**	44.81	838 204	12.34				**3 044 056**	44.81	838 204	12.34
Total B ordinary issue share capital							**6 792 786**							**6 792 786**

	Ordinary	**B Ordinary**
Issued share capital 2022	256 841 654	6 792 786
Issued share capital 2023	256 791 496	6 792 786

Notes:

1 FY2023 direct beneficial has been split between -

1.1 actual direct beneficial; and
1.2 direct beneficial (restricted) (shares held through the group's various share schemes refer to pages 202-220 of the **Remuneration report** for further information).

2 The following FSP shares were forfeited during the FY2023 reporting period due to performance hurdles not being reached:

2.1 M Blair 4,228 shares
2.2 M Stirton 398 shares
2.3 S Ellis 1,024 shares

3 As part of the purchase consideration for the acquisition of Studio 88
3.1 The company issued and alloted 834,557 shares on 4 October 2022.
3.2 The company entered into a share buy-back programme and repurchased and subsequently cancelled 884,715 shares on 7 October 2022.

4 The nature of (i) 333,804 shares held by Mark Blair, (ii) 78,066 shares held by Steve Ellis and (iii) 114,457 shares held by Mark Stirton were listed under "share options" for the previous reporting period in the committee report and have now been seperately disclosed as "direct beneficial (restricted)"

5 The 3 748 730 B ordinary shares not detailed above are held by:
5.1 Bobby Johnston's trusts (947 618 shares).
5.2 Laurie Chiappini's trusts (2 800 912 shares).
5.3 Allister McArthur (200 shares).

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

7 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.

8 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.

YOUR VALUE CHAMPION

Audit & Compliance Committee Report

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

CAPITALS

I F S

STAKEHOLDERS

STRATEGIC PILLARS

BUSINESS ACTIVITIES

SUSTAINABLE DEVELOPMENT GOALS

KING IV™ GOVERNANCE OUTCOMES

Good performance **Effective control**

Role

Chair: Daisy Naidoo
Members: Mark Bowman, Mmaboshadi Chauke, Harish Ramsumer (from 1 July 2023)

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 127, 128 and 138 respectively.

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 FOCUS AREAS | FY2024

- Monitoring the group's fiscal performance
- Assessing effectiveness of the group's combined assurance arrangements
- Conducting the suitability assessment of the external auditor and audit partner in relation to EY's reappointment for the reporting period
- Conducting an external audit tender process, including a suitability assessment, in respect of Deloitte's proposed appointment for FY2024
- 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's internal financial control attestation
- The valuation and integration of the Studio 88 acquisition, effective 4 October 2022
- Monitoring compliance activities to ensure no material breaches of relevant legislation

Committee statement

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the 2023 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 includes 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 93 and 94 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

BOARD OF DIRECTORS
Risk & IT Committee

01	02	03
First line of defence	**Second line of defence**	**Third line of defence**
Operating controls	Risk management	Internal audit
Direct control and monitoring by management	Governance and compliance	External audit
		Other assurance providers
Risk ownership	**Governance and compliance**	**Other assurance providers**

RISK

Risk ownership is handled by front line managers who have day-to-day ownership and management of their risks.	Risk control is a management and oversight function that owns aspects of the risk process. Second-line functions develop, implement and modify risk and internal control processes. In the group this would include risk management and potentially other functions such as governance and compliance.	Risk assurance provides independent confirmation to senior management and the board that the first and second lines' efforts are consistent with expectations. This mostly includes the internal audit function. The main difference between this third line of defence and the first two, is its high level of organisational independence.

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.

Mr Price Group operates in a highly volatile, global community where various interconnected forces are driving extensive organisational transformation and, in turn, disrupting internal audit. Reacting to these new demands required new thinking, formulating a value proposition with a different lens on how Mr Price Group earns and maintains the trust of its stakeholders, changes in mindset, new capabilities and new delivery models. Internal audit therefore focused on working more efficiently, creating added value by providing actionable insights in less time with limited resources.

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 regarding internal financial controls
- External Audit requirements (including the impacts of the new ISA 315 Auditing Standard) and alignment to a combined assurance approach
- King IV™ report on corporate governance
- 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) on the control environment

THE INTERNAL AUDIT PLAN THEREFORE INCLUDES THE FOLLOWING FOCUS AREAS:

- ERM, business continuity and combined assurance
- Internal financial controls (IFC) assessments
- IT General Controls across multiple systems and applications
- External audit support and control self-assessment
- Technology, governance, risk and compliance
- Specialist technology and proactive monitoring
- Fraud risk management
- 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 FY2023.

For the financial year ending 1 April 2023, work performed has been summarised and results reported to the respective committees for governance, risk management and internal control processes within the group.

Conclusions
Governance, risk management and combined assurance
The maturity of the risk function of the group was assessed in 2021 and follow up reviews were performed in the 2022 and the current financial year. The overall maturity rating placed the group as a mature environment. Management have progressed well towards the desired maturity level over the past two financial years.

The combined assurance policy outlines the integrated 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 exists to provide the group with a "24 month and beyond" view to maturing combined assurance. Management are progressing well in implementing key activities in the combined assurance roadmap. Internal audit extended combined assurance activities to include an assessment of the adequacy of the assurance provided by selected key service providers.

Internal control processes

The reviews as per the FY2023 internal audit plan conclude that based on the scope of work and approach followed, the results indicate improvements are needed on certain areas within the internal control environment of the group, as detailed below. These results were reported to the divisional board, Audit and Compliance Committee, and Risk and IT Committee on a regular basis during the year.

Statement by Internal Audit

For the financial year ending 1 April 2023, after taking into consideration:

- The FY2023 internal audit plan
- The scope of the internal audit work and the approach followed
- The limitations of coverage and sampling
- Representations, self-assessments and other information provided by management,

the IT general controls environment, controls over trade payables and inventory processes were rated as weak mainly due to the challenges arising from the Oracle Retail ERP implementation and the significance and nature of internal audit findings reported. The remaining internal control processes that were reviewed were assessed as acceptable across the group.

External Audit

EY was appointed as the group external auditor for the reporting period following the decision to postpone the auditor rotation for FY2023 with a new tender process for selection and appointment of auditors for FY2024.

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 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 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 acknowledges the three matters identified by EY as **key audit matters** (see page 16 to 18), and notes the following:

- The Studio 88 acquisition was a significant acquisition for the group. The purchase price allocation resulted in the recognition of significant intangible assets and goodwill, the valuation of which is inherently complex and judgmental in nature, involving the use of estimates. Management engaged a third party valuation expert to assist it with the purchase price allocation
- The recent acquisitions have resulted in goodwill and indefinite useful life intangible assets of R5.2bn being recognised at the year end. Management has performed the annual impairment test, using discounted cash flow models which are inherently complex and judgemental in nature due to the level of estimation uncertainty associated with forecasting future cash flows
- The implementation of the Oracle ERP system and its impact on financial reporting controls resulted in significant audit effort. The system implementation and subsequent stabilisation resulted in several corrections needing to be made. This caused delays in the resolution of unreconciled accounts balances. Due to isolated control breakdowns over inventory and accounts payable, EY could not proceed with a 'test of controls' audit approach and therefore resorted to a substantive approach to obtain comfort over the validity, completeness, and accuracy of key account balances at year end with additional and extensive system auditing performed. A financial control enhancement project plan was presented to the committee by the CFO to demonstrate the remedial steps in place to close the known control gaps and the timing thereof. This project will be implemented with immediate effect, prioritising high control risk areas.

In relation to the groups most material balance sheet line items being right of use assets and lease liabilities, in conformance with the IFRS 16 standard, management have made considered and consistent judgement in the application of the accounting standard relating to the exercise of renewal options and assumptions on renewal escalation rates. The assumptions made to inform management's judgment are well supported by the group's historical empirical data on lease renewals. The committee agrees with the judgements adopted by management, which are also concurred by EY.

The capabilities and suitability of qualifying audit firms were assessed in FY2023 to enable a smooth transition for the rotation planned for FY2024. The committee has considered the documents submitted by Deloitte & Touche (Deloitte) as part of the committee's suitability assessment and the designated audit partner, Camilla Howard-Browne, in terms of the JSE LR. Based on this assessment, the committee recommended to the board and shareholders that Deloitte be appointed as the external auditors and Camilla Howard-Browne as the designated auditor for FY2024. The resolution of the appointment of Deloitte as the group's external auditor is on page 5 of the **notice of AGM**. The committee and group management extend sincere thanks and appreciation to EY for their partnership and valuable assurance services provided since the relationship commenced in 1989. The group welcomes Deloitte as its new external auditors for FY2024 and looks forward to an equally productive relationship.

Compliance

The board, which sets the tone for compliance, is ultimately responsible for and committed to ensuring the group complies 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 group's regulatory universe is reviewed annually and updated by the group compliance and ethics officer, approved by the committee, and the responsibility for legislation compliance is delegated to management.

The constantly changing and complex regulatory environment in which the group operates, is monitored using regulatory alert systems for both South Africa and Africa as well as publications by professional and industry bodies and stakeholders. This assists the compliance function to monitor the regulatory environment and ensure that material regulatory changes are identified across all countries in which the group operates. The business impact is also determined and appropriate controls implemented to ensure the group remains in a defendable compliance position.

Senior management and the group compliance and ethics officer provide assurance to the committee in respect of their delegated areas of responsibility through the annual legal assurance process. In addition, high risk compliance areas are included in the group's internal audit plan with reviews conducted as the third line of defence to ensure compliance in the group.

Mr Price Money, the group's credit and insurance business, is highly regulated. In order to manage this, there is a dedicated compliance officer who operates within the division, reporting to and aligning with the group compliance function. Guardrisk as the underwriters of the insurance business provides an element of assurance by conducting reviews of the group's processes and procedures to ensure compliance.

Implementation of compliance measures and controls is managed within other trading divisions and Centres of Excellence as part of existing roles as appropriate.

The group's regulatory universe is reviewed annually and updated by the group compliance and ethics 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 Social, Ethics, Transformation and Sustainability (SETS) Committee regarding compliance matters relevant to the SETS areas of oversight. Senior management and the group compliance and ethics officer provide assurance to the committee in respect of their delegated areas of responsibility through the annual legal assurance process.

Data protection
As the custodian of valuable commercial and personal data, the group has continued its focus on data protection during this reporting period to mature data protection compliance with the South African Protection of Personal Information Act (POPIA). This included engaging KPMG to conduct a data protection control review. The implementation of KPMG's recommendations, which largely relate to converting existing practices and processes into written policy documents, will be managed by the group compliance as part of the continuation of the data protection project. Due to the inherent risk of human error in data breaches, training and awareness will continue across the business, both in the store and head office environments. Data protection will remain a high compliance priority for the medium term, and will incorporate compliance obligations in respect of the recently promulgated Cybercrimes Act. During the reporting period, one data protection breach matter was referred to the information regulator to which the group responded. At the time of writing there has been no further correspondence from the regulator on this matter and it is considered closed. There have been no other material data protection breaches or complaints.

Tax and labour
As previously disclosed, the South African Revenue Service (SARS) issued assessments disallowing certain deductions that were claimed by the group in the 2015, 2016 and 2017 years of assessment. SARS has subsequently disallowed the same deduction in the 2018, 2019 and 2020 years of assessment, and has included certain receipts in taxable income for the same years. All assessments have been disputed by the group and are currently in varying stages of the dispute resolution process.

There are no material labour matters to report for the reporting period. The group maintains its position that it complies with the sectoral determination rates of pay and will defend these matters should they arise.

No material non-compliance
The committee is satisfied that there were no material non-compliance matters identified including no material non-compliance with occupational health and safety and environmental legislation.

KEY COMPLIANCE FOCUS AREAS | FY2023

- Formalised and rolled out training on data protection to associates and as part of new associate induction
- Monitored and provided guidance on data protection compliance in business activities specifically regarding high-risk obligations
- Continued monitoring of financial services legislation such as the National Credit Act, the Financial Advisory and Intermediary Services Act and the Financial Intelligence Centre Act (FICA)
- Compliance oversight of acquired businesses particularly regarding data protection compliance
- Understanding the impact of the FICA amendments on the group by engaging in discussions with industry bodies, retailers and the regulator

FUTURE COMPLIANCE FOCUS AREAS

- Implement recommendations identified during the KPMG data protection review
- Continual monitoring of financial services legislation with a focus on FICA due to the inclusion of credit providers as accountable institutions with ongoing engagement with industry bodies, retailers and the regulator
- Participate in debtor management system upgrade project for Mr Price Money to ensure compliance requirements and obligations are incorporated into the system and personal information is appropriately protected in the transition
- Compliance maturity review to be conducted by KPMG
- Complete the review of the group compliance policy and framework following and taking into account the outcomes/ recommendations of the compliance maturity review

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 and the Company') set out on pages 23 to 99, which comprise of the consolidated and separate statements of financial position as at 1 April 2023, 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 1 April 2023, 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
Acquisition of Studio 88: Purchase Price Allocation	

Key audit matter	How the matter was addressed in the audit
Acquisition of Studio 88: Purchase Price Allocation	
As disclosed in Note 32, the Group acquired 70% of the issued share capital of Blue Falcon Trading 188 (Proprietary) Limited (referred to below as 'Studio 88'), which owns the Studio 88 Group of businesses. The effective date of the acquisition is the 4th of October 2022 with a purchase consideration of R3,6bn. As part of the acquisition accounting, the International Financial Reporting Standards (IFRS) require the purchase price to be allocated between the acquired assets and liabilities, resulting in the recognition of tangible and intangible assets and goodwill. Management appointed a third-party valuation expert to aid this process. The principal areas of judgement in management's purchase price allocation exercise related to the valuations of intangible assets recognised at R1 505 million (made up of brands valued at R 1395 million and supplier agreements valued at R 110 million), which are inherently complex and judgemental due to the level of estimation uncertainty associated with forecasting future cash flows. The key judgements & estimates that affected the purchase price allocation were: - the forecasted revenue; - determining the applied tax rates, discount rates, royalty rates and the attrition rates; and - the estimation of the remaining useful life of the relevant intangible assets. We consider the purchase price allocation of the Studio 88 acquisition to be significant to the audit and a Key Audit Matter due to the material value of the intangible assets recognized and the judgements & estimates applied by management which required the involvement of our own valuation specialists.	We performed the following procedures, amongst others: • We obtained and assessed management's analysis outlining their accounting treatment of the acquisition against the relevant requirements of IFRS 3: Business Combinations. • We obtained and inspected the executed purchase and sale agreement and any related supporting documents to obtain an understanding of the key terms and conditions of the transaction and determine whether the consideration transferred had been appropriately recorded. • We assessed the accuracy of the take-on balances recorded by management at acquisition date against a factual findings report that was issued by Studio 88's independent external auditors in respect of the statement of financial position as at transaction date (take on balance sheet). • We assessed the competence, objectivity, and capabilities of management's valuation experts by evaluating their qualifications and experience. • With the assistance of our specialists, we performed the following procedures to assess management's identification and valuation of the intangible assets: - Evaluated the valuation methodology applied by management with reference to accepted market approaches and requirements of IFRS; - Considered whether the assumptions relating to forecasted revenue appeared reasonable against our independent expectations set for businesses of similar nature; - Assessed the reasonableness of the pre-tax royalty rates against related market transactions in the apparel sector; - Agreed the tax rates applied to those that we would expect in the relevant tax rate for that jurisdictions; - Assessed the reasonability of the remaining useful life of the relevant intangible assets and attrition rates against our expectation against our expectation which was arrived at after considering businesses of similar nature and intangible assets; - Evaluated the reasonability of managements discount rates by performing a sensitivity analysis against external market references. • We assessed the adequacy and completeness of the disclosure within note 32: Business combinations in the consolidated and separate annual financial statements relating to business combinations to determine compliance with IFRS 3.

Key audit matter	How the matter was addressed in the audit

IAS 36 Impairment Assessment

As at the 1st of April 2023, the group's goodwill and intangible assets disclosed in Note 15, amounted to R5,2bn (2022: R 2bn) and represent 18% of total assets and 38% of equity.

Management performs an annual impairment test on the recoverability of the goodwill and indefinite useful life intangible assets as required by IFRS.

The recoverable amount of goodwill and indefinite useful life intangible assets is determined by management using discounted cash flow models which are inherently complex and judgemental due to the level of estimation uncertainty associated with forecasting future cash flows.

In the current year, significant audit attention was focussed on the impairment assessment relating to Studio 88 and Yuppiechef:

- As described in the first key audit matter above, the Group acquired a 70% shareholding in Studio 88 in the current year and as part of the accounting for the acquisition raised goodwill of R1,726bn and intangible assets of R 1,505bn. Studio 88 represents a retailer of branded leisure, lifestyle and sporting apparel which is both new and unique to the Group. The following represent the key judgements applied by management in their assessment:
  - Forecasting future cash flows; generated from the opening of new stores
  - Estimates applied by management in determining the discount rate, capex requirements and working capital requirements; and
  - Assumptions relating to the gross profit and profit margin.
- In previous financial years, the Group acquired a 100% shareholding in Yuppiechef and raised goodwill of R292 million and intangible assets of R118 million relating to the acquisition. In the current year management changed the business model which impacts a number of the estimates and judgements within the forecasting model. The key changes include:
  - Forecasting future cash flows generated from the opening of new stores;
  - Estimate working capital requirements; and
  - Assumptions relating to the gross profit and profit margin.

These two impairment assessments are significant to the audit due to the additional audit effort needed and involvement of our valuation specialists required in assessing respectively the new and revised cash flow models developed by management and the estimates and judgement applied therein.

Therefore, we believed the goodwill impairment assessment to be a Key Audit Matter in the current year audit.

In previous financial years, the Group acquired a 100% shareholding in Yuppiechef and raised goodwill of R292 million and intangible assets of R118 million relating to the

We performed the following procedures, amongst others:

- We obtained managements due diligence report for Studio 88 in the current year and the earnings before interest and taxation (EBIT), revenue, capex and changes in net working capital forecasts for Studio 88 and Yuppiechef and through enquiry with management and inspection of management's assessments, obtained an understanding of management's rationale for the assumptions applied in the forecasts.
- Together with our valuation specialists we:
  - evaluated the reasonableness of managements forecasted cash flow in the context of the current economic environment based on our understanding of the entity and external industry factors.
  - evaluated the reasonability of managements discount rates used by performing a sensitivity analysis against external market references.
  - assessed the reasonability of managements forecasted capex, working capital requirements as well as the revenue and EBIT projections with reference to historic actual results adjusted for expected changes in the business.
  - evaluated the reasonableness of managements cash flow projections by performing a sensitivity analysis and adjusting for estimated store openings to assess for the possibility of any impairment.
- We assessed the adequacy and completeness of the disclosure of note 15 Intangible assets in the consolidated and separate annual financial statements relating to the impairment assessments and business combinations to determine compliance with the requirements of IFRS.

acquisition. In the current year management changed the business model which impacts a number of the estimates and judgements within the forecasting model. The key changes include:

- Forecasting future cash flows generated from the opening of new stores;
- Estimate working capital requirements; and
- Assumptions relating to the gross profit and profit margin.

These two impairment assessments are significant to the audit due to the additional audit effort needed and involvement of our valuation specialists required in assessing respectively the new and revised cash flow models developed by management and the estimates and judgement applied therein.

Therefore, we believed the goodwill impairment assessment to be a Key Audit Matter in the current year audit.

Key audit matter	How the matter was addressed in the audit

Implementation of the new Oracle system and the impact on financial reporting controls

During the current year, Mr Price migrated to Oracle as their primary enterprise resources planning system (ERP) system (previously Redworld). The go live date for Oracle was the start of their FY 23 financial year (3 April 2022). This introduced two areas where significant audit attention was required:

- The roll out introduced heightened audit and financial reporting risk as controls and processes that had been established and embedded over a number of years are updated and migrated into the new IT environments.
- This resulted in additional audit effort and involvement of our IT specialists required in assessing the new IT environments and related control framework, and the impact on our audit plan.
- There were also challenges experienced with the system implementation post the go live date which resulted in control deficiencies in key operational processes that are reliant on the IT environment – specifically inventory and creditors.
- Additional audit effort was thus also required in assessing and performing additional substantive audit procedures required to respond to challenges experienced by management with the system implementation post the go live date.

We therefore believe the ERP system migration to represent a Key Audit Matter.

We performed the following procedures, amongst others:

- We obtained an understanding of the changes in the IT environment resulting from the system change and through inquiry and inspection of supporting documentation from management, we understood the process followed by management in effecting the data migration and managing the system implementation risks.
- We obtained an understanding of the project assurance work completed by internal audit by enquiry with internal audit, and inspection of formal assurance documentation obtained from internal audit.
- Our IT specialists determined whether all data had been appropriately migrated by performing data migration verification procedures.
- Our IT specialists performed an evaluation of the design and operating effectiveness of IT controls over the significant business processes that are relevant to financial reporting, by enquiry with management, and inspection of formal assurance documentation obtained from internal audit.
- We considered the impact on our audit approach of the changes in the IT environment and the assurance work performed by internal audit, against the requirements of our audit methodology and audit standards.
- We evaluated the control deficiencies in the inventory and creditors processes identified during the execution the engagement, against the requirements of our audit methodology and audit standards.

Other information
The directors are responsible for the other information. The other information comprises the information included in the 120 page **document** titled "2023 Integrated Report 3 April 2022 to 1 April 2023 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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 one 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)

27 June 2023
Durban

Shareholder Information

for the year ended 01 April 2023

Shareholder's diary

June	Announcement of annual results, declaration of final dividend to shareholders and publication of 2023 annual integrated report
July	Settlement of final dividend to shareholders
August	Annual general meeting of shareholders
November	Publication of interim report covering the 26 weeks ended 30 September 2023 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	29 522	84.33	6 114 624	2.38	1	16.67	200	-
1 001 - 10 000	4 332	12.37	12 495 621	4.87	-	-	-	-
10 001 - 100 000	904	2.58	27 983 930	10.90	-	-	-	-
100 001 - 1 000 000	216	0.62	59 878 500	23.32	3	50.00	1 435 822	21.14
1 000 001 and over	35	0.10	150 318 821	58.54	2	33.33	5 356 764	78.86
	35 009	100	256 791 496	100	6	100	6 792 786	100

Category	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Pension funds	202	0.58	70 776 435	27.56	-	-	-	-
Unit Trusts/ Mutual Funds	542	1.55	79 124 771	30.81	-	-	-	-
Nominee companies and corporate bodies	33 982	97.07	83 909 193	32.68	1	16.67	2 555 852	37.63
Individuals and trusts	275	0.79	22 014 478	8.57	5	83.33	4 236 934	62.37
Staff share schemes	8	0.02	966 619	0.38	-	-	-	-
	35 009	100	256 791 496	100	6	100	6 792 786	100

Public and non-public shareholders

At 1 April 2023 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	%	Number of shares	%
Public shareholders	34 959	99.86	248 403 416	96.73
Non-public shareholders*	50	0.14	8 388 080	3.27
Directors of the company or its subsidiaries	12	0.03	2 021 424	0.79
Other associates restricted from trading shares in closed periods	29	0.08	548 626	0.21
Trustees of employees' share schemes or retirement benefit schemes	9	0.03	5 818 030	2.27

*Includes directors, pension/retirement funds and treasury shares

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 1 April 2023:

	Beneficial holding		Portfolio Administration Discretionary	
	%	Shares	%	Shares
Ordinary shares				
Public Investment Corporation Limited	18.81	48 303 961	15.71	40 335 420
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 6.

Consolidated Income Statements

for the year ended 01 April 2023

		Group		Company	
R'm	Notes	**2023**	2022	**2023**	2022
Revenue	3	**32 853**	28 083	**27 441**	27 060
Retail sales and other revenue excluding interest charged on debtors		**32 266**	27 553	**26 880**	26 537
Interest on debtors		**402**	312	**401**	311
Finance interest income		**185**	218	**160**	212
Costs and expenses		**27 748**	22 919	**22 888**	22 057
Cost of sales	8	**19 144**	15 820	**15 881**	15 412
Selling expenses		**6 323**	5 049	**5 108**	4 665
Administrative and other operating expenses		**2 281**	2 050	**1 899**	1 980
Profit before finance costs and finance income^	4	**4 920**	4 946	**4 393**	4 791
Finance costs		**702**	541	**600**	495
Finance interest income		**185**	218	**160**	212
Profit before taxation		**4 403**	4 623	**3 953**	4 508
Taxation	24	**1 177**	1 276	**999**	1 238
Net profit for the period		**3 226**	3 347	**2 954**	3 270
Profit attributable to:					
Owners of the parent		**3 115**	3 347	**2 954**	3 270
Non-controlling interests		**111**	-	**-**	-
		3 226	3 347	**2 954**	3 270
Earnings per share		cents per share	cents per share	% change	
Basic	7	**1 210.7**	1 298.6	**(6.8)**	
Diluted basic	7	**1 183.3**	1 270.1	**(6.8)**	
Headline earnings per share					
Headline	7	**1 205.7**	1 282.1	**(6.0)**	
Diluted headline	7	**1 178.4**	1 254.0	**(6.0)**	

* Interest charged on debtors has been separated from retail sales and other revenue to enhance disclosure.
^ The subtotal description profit from operating activities has been changed to profit before finance costs and finance income for a more concise disclosure.

Consolidated Statements of Comprehensive Income

for the year ended 01 April 2023

		Group		Company	
R'm	Notes	**2023**	2022	**2023**	2022
Profit attributable to shareholders		**3 226**	3 347	**2 954**	3 270
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Currency translation adjustments	29	**4**	(28)	**-**	-
Gain on hedge accounting		**61**	161	**61**	161
Deferred taxation thereon		**(17)**	(45)	**(17)**	(45)
Items that will not be reclassified subsequently to profit or loss:					
Defined benefit fund actuarial gain/(loss)	21.3	**2**	(1)	**2**	(1)
Deferred taxation thereon	21.3	**-***	-*	**-***	-*
Total comprehensive income for the year attributable to shareholders, net of taxation		**3 276**	3 434	**3 000**	3 385
Total comprehensive income attributable to:					
Owners of the parent		**3 165**	3 434	**3 000**	3 385
Non-controlling interest		**111**	-	**-**	-
Total comprehensive income for the year attributable to shareholders, net of taxation		**3 276**	3 434	**3 000**	3 385

* less than R1 million

Consolidated Statements of Financial Position

as at 01 April 2023

		Group		Company	
R'm	Notes	2023	2022	2023	2022
Assets					
Non-current assets		17 003	11 296	15 313	10 870
Property, plant and equipment	14	3 598	2 518	2 848	2 433
Right-of-use asset	16	7 737	6 315	6 474	5 909
Intangible assets	15	5 245	2 039	1 616	1 614
Consolidated entities	30	-	-	4 107	557
Long-term receivables and other investments	17	47	50	45	42
Defined benefit fund asset	21	85	77	85	77
Deferred taxation assets	25	291	297	138	238
Current assets		11 778	11 381	8 452	10 716
Inventories	8	7 321	3 956	4 358	3 667
Trade and other receivables	9	2 733	2 551	2 492	2 486
Derivative financial instruments	18	51	64	51	64
Reinsurance assets	11	219	190	219	189
Current amounts owing by consolidated entities	30	-	-	374	326
Taxation	24	12	8	-	-
Cash and cash equivalents	12	1 442	4 612	958	3 984
Total assets		28 781	22 677	23 765	21 586
Equity and liabilities					
Issued capital	26	-*	-*	-*	-*
Capital reserves	27	545	457	501	409
Treasury share transactions	28	(2 390)	(2 197)	(2 937)	(2 753)
Retained income		15 064	14 051	14 821	13 983
Foreign currency translation reserve	29	(228)	(232)	-	-
Defined benefit fund actuarial gains and losses	21	3	1	3	1
Cash flow hedge reserve	18	20	(24)	20	(24)
Equity attributable to equity holders of parent		13 014	12 056	12 408	11 616
Non-controlling interest		914	-	-	-
Total equity		13 928	12 056	12 408	11 616
Non-current liabilities		7 466	6 002	6 168	5 594
Lease liabilities	19	7 028	5 951	6 148	5 571
Deferred taxation liability	25	362	28	-	-
Interest-bearing loans	20	56	1	-	1
Post retirement medical benefits	21	20	22	20	22
Current liabilities		7 387	4 619	5 189	4 376
Trade and other payables	10	4 877	2 895	3 254	2 724
Derivative financial instruments	18	31	150	31	150
Reinsurance liabilities	11	44	43	44	43
Current amounts owing to consolidated entities	30	-	-	46	37
Current portion of lease liabilities	19	2 093	1 460	1 530	1 357
Current portion of interest-bearing loans	20	33	-	-	-
Taxation	24	309	71	284	65
Total liabilities		14 853	10 621	11 357	9 970
Total equity and liabilities		28 781	22 677	23 765	21 586

*less than R1 million

Consolidated Statements of Cash Flows

for the year ended 01 April 2023

		Group		Company	
R'm	Notes	2023	2022	2023	2022
Cash flows from operating activities					
Operating profit before working capital changes	13.1	6 970	6 764	5 729	6 057
Working capital changes	13.2	(710)	(1 059)	(316)	(1 066)
Cash generated from operations		6 260	5 706	5 413	4 991
Interest on trade receivables		418	312	401	311
Finance costs paid		(51)	(3)	(30)	3
Finance income received		164	195	155	212
Dividend income		-	-	160	31
Taxation paid	13.3	(851)	(1 402)	(662)	(1 353)
Net cash inflows from operating activities		5 940	4 807	5 437	4 195
Cash flows from investing activities					
Decrease/(increase) in respect of long-term receivables	13.4	11	(15)	6	(13)
Payment for acquisition of Studio 88 (2022: Yuppiechef), net of cash acquired	32	(3 465)	(326)	(3 442)	-
Payment for intangible assets acquired					
- replacement	15	-	(8)	-	(8)
- addition	15	(82)	(92)	(77)	(90)
Payment for property, plant and equipment (PPE) acquired					
- replacement	14	(272)	(259)	(245)	(253)
- addition	14	(484)	(321)	(335)	(306)
Receipts from proceeds on disposal of PPE		1	10	1	10
Proceeds from insurance relating to PPE		21	86	21	86
Net cash outflows from investing activities		(4 270)	(925)	(4 071)	(574)
Cash flows from financing activities					
Dividends paid to shareholders	13.5	(2 192)	(1 959)	(2 206)	(1 965)
Increase/(decrease) in interest-bearing loans		4	(2)	-*	(2)
Grants to staff share trusts	28	-	-	-*	(59)
Receipts relating to sale of shares by staff share trusts	28	39	25	-	-
Payment relating to share buyback		(167)	-	(167)	-
Payment relating to purchase of shares by staff share trusts		(42)	(203)	-	-
Payment relating to purchase of shares		-	(53)	-	(52)
Treasury share transactions	28	(16)	(13)	-	-
Payment relating to share hedging costs and instruments	28	(189)	(166)	(189)	(166)
Repayment of capital portion of lease liability and installment sale agreement	19&20	(1 586)	(1 298)	(1 265)	(1 191)
Repayment of interest portion of lease liability and installment sale agreement	19&20	(692)	(538)	(570)	(498)
Net cash outflows from financing activities		(4 841)	(4 207)	(4 397)	(3 933)
Net (decrease)/increase in cash and cash equivalents		(3 171)	(325)	(3 031)	(312)
Cash and cash equivalents at beginning of the year		4 612	4 949	3 984	4 274
Exchange gains/(losses)		1	(12)	5	22
Cash and cash equivalents at end of the year	12	1 442	4 612	958	3 984

*less than R1 million

Consolidated Statement of Changes in Equity

for the year ended 01 April 2023

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	Non-controlling interests	Total Equity
Group															
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	29								(28)				**(28)**		**(28)**
Net loss on hedge accounting											161		**161**		**161**
Deferred taxation thereon											(45)		**(45)**		**(45)**
Defined benefit fund actuarial losses	21									(1)			**(1)**		**(1)**
Deferred taxation thereon	21									-*			**-***		**-***
Conversion of B ordinary to ordinary share capital	26	-*	-*										**-***		**-***
Treasury shares acquired	28					(203)							**(203)**		**(203)**
Taxation relating to grants to share trusts	28							14					**14**		**14**
Effect of consolidation of staff share trusts	27			1		(1)							**-**		**-**
Deficit on treasury share transactions	28						(14)						**(14)**		**(14)**
Recognition of share-based payments	27				80								**80**		**80**
Share based equity reserve hedge cost	27				7	(166)							**(159)**		**(159)**
Share -based payments reserve released to retained income for vested options	28				(13)							13	**-**		**-**
Treasury shares sold	28					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**
Total comprehensive income		-	-	-	-	-	-	-	4	2	44	3 115	**3 165**	111	**3 276**
Profit for the year												3 115	**3 115**	111	**3 226**
Other comprehensive income		-	-	-	-	-	-	-	4	2	44	-	**50**	-	**50**
Currency translation adjustments	29								4				**4**		**4**
Net loss on hedge accounting											61		**61**		**61**
Deferred taxation thereon											(17)		**(17)**		**(17)**
Defined benefit fund actuarial gain	21									2			**2**		**2**
Deferred taxation thereon	21									-*			**-***		**-***
Treasury shares acquired	28					(36)							**(36)**		**(36)**
Taxation relating to grants to share trusts	28							21					**21**		**21**
Effect of consolidation of staff share trusts	27			6		(6)							**-**		**-**
Deficit on treasury share transactions	28						(18)						**(18)**		**(18)**
Recognition of share-based payments	26				182								**182**		**182**
Share-based equity reserve hedge cost	27					(193)							**(193)**		**(193)**
Share-based payments reserve released to retained income for vested options	27				(90)							90	**-**		**-**
Treasury shares sold	28					39							**39**		**39**
Shares issued			157										**157**		**157**
Shares cancelled			(167)										**(167)**		**(167)**
Non-controlling interest acquired	32												**-**	803	**803**
													-		**-**
2022 final dividend to shareholders	6											(1 374)	**(1 374)**		**(1 374)**
2023 interim dividend to shareholders	6											(818)	**(818)**		**(818)**
Balance as at 01 April 2023		-	**2**	**42**	**501**	**(1 134)**	**(1 640)**	**384**	**(228)**	**3**	**20**	**15 064**	**13 014**	**914**	**13 928**

*less than R1 million

Consolidated Statement of Changes in Equity

for the year ended 01 April 2023

Attributable to the Equity Holders of the Parent

R'm	Notes	Capital Reserves				Treasury Share Transactions							
		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**
Company													
Balance 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 loss										(1)			**(1)**
Deferred taxation thereon	28									-*			**-***
Net loss on hedge accounting											161		**161**
Deferred taxation thereon											(45)		**(45)**
Grants to staff share trusts	29					(58)							**(58)**
Deficit on treasury share transactions	28						(2)						**(2)**
Taxation relating to grants to share trusts								14					**14**
Recognition of share-based payments					80								**80**
Share-based equity reserve hedge cost	28				7	(166)							**(159)**
Share -based payments reserve released to retained income for vested options	27				(13)							13	**-**
2021 final dividend to shareholders	6											(1 220)	**(1 220)**
2022 interim dividend to shareholders	6											(745)	**(745)**
Balance at 2 April 2022		-	-	-	409	**(2 842)**	**(274)**	**363**	**-**	**1**	**(24)**	**13 983**	**11 616**
Total comprehensive income										2	44	2 954	**3 000**
Profit for the year												2 954	**2 954**
Other comprehensive income		-	-	-	-	-	-	-	-	2	44	-	**46**
Defined benefit fund actuarial gain										2			**2**
Deferred taxation thereon	28									-*			**-***
Net loss on hedge accounting											61		**61**
Deferred taxation thereon											(17)		**(17)**
Share-based equity reserve hedge cost						(193)							**(193)**
Recognition of share-based payments	27				182								**182**
Deficit on treasury share transactions	28						(12)						**(12)**
Taxation relating to grants to share trusts	28							21					**21**
Share -based payments reserve released to retained income for vested options	27				(90)							90	**-**
2022 final dividend to shareholders	6											(1 383)	**(1 383)**
2023 interim dividend to shareholders	6											(823)	**(823)**
Balance at 1 April 2023		-	-	-	501	**(3 035)**	**(286)**	**384**	**-**	**3**	**20**	**14 821**	**12 408**

*less than R1 million

Notes To The Financial Statements

for the year ended 1 April 2023

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, 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, 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 1 April 2023. The group reports on retail calendar 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 3 April 2022 to 1 April 2023 (2022: 52 week period from 4 April 2021 to 2 April 2022).

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. New Standards and Interpretations

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
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
Annual improvements to IFRS Standards 2018-2020 cycle	1 January 2022

The directors reviewed the impact of the above effective new statements, standards and interpretations and has determined that the above mentioned standard do not have material financial impact on the annual financial statements.

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
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 as current and non-current	1 January 2024
Lease liability in a sale and leaseback – Amendments to IFRS 16	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 needed to be kept 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.

Based on the shareholders' agreement with respect to the cell captive arrangements, 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 statement of financial position, a reinsurance asset and a reinsurance liability will be presented. Income and expenses will be presented in the relevant line items as required by IFRS 17. Income and expenses will be presented in the relevant line items as required by IFRS 17. The measurement under IFRS 4 and IFRS 17 may differ and may not necessarily give the same result.

The group will apply IFRS 17 for the first time on 2 April 2023. IFRS 17 is not expected to have a significant impact on the accounting for reinsurance contracts and is therefore not expected to have a material impact on the group's consolidated financial statements in the period of initial application.

Estimated impact of the adoption of IFRS 17
The IFRS 17 liability for Incurred Claims (LIC) with a corresponding Risk Adjustment (RA). The estimated LIC and RA is expected to increase marginally on transition to IFRS 17, with a corresponding limited impact on the cell's net asset value.

Results of Operations

3. Revenue

	Group		Company	
R'm	**2023**	2022	**2023**	2022
The disaggregated revenue is as follows:				
Revenue from contracts with customers	**31 875**	27 035	**26 233**	25 816
Retail sales	**31 498**	26 683	**25 953**	25 572
Premium income	**230**	216	**230**	216
Telecoms income (non-retail)	**147**	136	**50**	28
Interest and charges on debtors	**598**	482	**584**	468
Club fees	**27**	26	**26**	25
Income from consolidated entities	**-**	-	**286**	228
Other sundry income*	**168**	322	**152**	311
Retail sales and other revenue	**32 668**	27 865	**27 281**	26 848
Finance interest income	**185**	218	**160**	212
Revenue	**32 853**	28 083	**27 441**	27 060

*Other sundry income includes insurance proceeds R112m consisting of R103m (2022: R258m) received as a result of the civil unrest that occurred in FY2022, R4m (2022: Nil) received as a result of flood damage and other insurance proceeds R5m (2022: R26m).

Tender type retail sales^				
Cash sales	**27 494**	22 982	**21 965**	21 885
Credit sales	**4 004**	3 701	**3 988**	3 687
	31 498	26 683	**25 953**	25 572

^Retail sales has been disaggregated to reflect the cash and credit sales portions for enhanced disclosure.

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 recognised 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 before finance costs and finance income

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Arrived at after (crediting)/charging the following:				
Income from consolidated entities	**-**	-	**(285)**	(228)
Dividend income	**-**	-	**(160)**	(31)
Fees	**-**	-	**(125)**	(197)
Amortisation of intangible assets (note 15)	**105**	114	**75**	104
Associate costs	**3 601**	3 111	**2 936**	2 944
Salaries, wages and other benefits	**3 228**	2 859	**2 579**	2 699
Share-based payments (note 27)	**188**	80	**188**	80
Defined contribution pension funds expense	**192**	179	**176**	172
Defined benefit pension fund net expense	**(7)**	(7)	**(7)**	(7)
Current service cost	**2**	2	**2**	2
Interest cost	**6**	7	**6**	7
Expected return on fund assets	**(15)**	(16)	**(15)**	(16)
Auditors' remuneration	**16**	13	**10**	11
Audit fees	**16**	13	**10**	11
Other services	**-**	-	**-**	-
Consulting fees	**65**	56	**58**	52
Technical services	**59**	54	**57**	52
Administrative and other services	**6**	2	**1**	-*
Depreciation of property. plant and equipment (note 14)	**355**	320	**261**	304
Depreciation of right-of-use asset (note 16)	**1863**	1 498	**1 501**	1 388
(Reversal of impairment)/impairment of property, plant and equipment (Refer to note 14)	**1**	-	**1**	-
(Reversal of impairment)/impairment of right of use asset (Refer to note 16)	**(3)**	(4)	**(3)**	(4)
Net loss of disposal and scrapping of property, plant and equipment	**7**	31	**7**	30
Net (gain)/loss on foreign exchange	**(112)**	252	**(137)**	253
Other rental costs	**212**	87	**83**	66
Land and buildings	**185**	63	**58**	43
Equipment	**24**	22	**22**	21
Motor vehicles	**3**	2	**3**	2

* less than R1 million

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
For management reporting purposes, the group has reported business units based on how the group's chief decision makers operate the business.

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. The five reportable segments are as follows:

- The Apparel segment retails clothing, sportswear, footwear, sporting equipment and accessories. This segment includes the following divisions: Mr Price Apparel, Mr Price Sport, Miladys, Power Fashion and the Studio 88 group.
- The Home segment retails homewares and furniture. This segment includes Mr Price Home, Sheet Street and Yuppiechef.
- The Financial Services segment manages the group' 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 shared services costs which is done in proportion to their relative sales contribution to the group. All remaining center of excellence costs (corporate and governance services) which are not directly related to the running of the segments are not charged out. Segments are managed on a targeted operating margin percentage basis sufficient to cover the demand of unallocated service costs relating to these centers. Net finance income and income taxes are managed at a group level and are not allocated to operating segments.

	Apparel		Home		Financial Services		Telecoms		Central services		Eliminations		Total	
R'm	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Retail sales and other revenue	**24 250**	19 456	**6 256**	6 506	**829**	697	**1 213**	1 160	**218**	77	**(98)**	(31)	**32 668**	27 865
External	**24 250**	19 456	**6 256**	6 506	**829**	697	**1 213**	1 160	**120**	46	**-**	-	**32 668**	27 865
Internal	**-**	-	**-**	-	**-**	-	**-**	-	**98**	31	**(98)**	(31)	**-**	-
Profit before finance costs and finance income	**3 848**	3 678	**859**	1 341	**403**	465	**85**	60	**(275)**	(598)		-	**4 920**	4 946
Finance cost													**(702)**	(541)
Finance income received													**185**	218
Profit before taxation													**4 403**	4 623
Taxation													**(1 177)**	(1 276)
Profit after taxation													**3 226**	3 347
Divisional assets	**16 066**	9 358	**3 317**	2 822	**2 506**	2 308	**251**	172	**6 641**	8 017	**-**	-	**28 781**	22 677
Capital expenditure	**578**	420	**157**	122	**2**	4	**18**	14	**190**	174	**-**	-	**945**	734
Depreciation and amortisation	**1 638**	1 268	**483**	444	**13**	14	**5**	2	**186**	204	**-**	-	**2 325**	1 932

Geographical segments

	South Africa		International		Total	
R'm	**2023**	2022	**2023**	2022	**2023**	2022
Revenue	**30 945**	26 143	**1 723**	1 722	**32 668**	27 865
Assets	**11 239**	21 956	**17 542**	721	**28 781**	22 677
Capital expenditure	**918**	703	**27**	31	**945**	734

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 revenue. 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	**2023**	2022	**2023**	2022
Ordinary and B ordinary shares				
	1 374	1 218	**1 383**	1 220
Prior year final dividend: 524.9 cents per share (2022: 462.7)	**1 383**	1 220	**1 383**	1 220
Dividend paid by Partners Share Trust	**16**	16	**0**	-
Less: dividend received on shares held by staff share trusts	**(25)**	(18)	**0**	-
	818	741	**823**	745
Current year interim dividend: 312.5 cents per share (2022: 282.4 cents per share)	**825**	745	**823**	745
Dividend paid by Partners Share Trust	**9**	10	**-**	-
Less: dividend received on shares held by staff share trusts	**(16)**	(14)	**-**	-
Total net dividend to shareholders	**2192**	1 959	**2 206**	1 965

In respect of the current year, the board of directors propose that on 17 July 2023, a cash dividend of 447.1 cents per share be paid to shareholders who are registered on the "Record date" of 14 July 2023. This dividend has not been reflected as a liability in these financial statements. The total estimated dividend to be paid by the company is R1.2 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	**2023**	2022
Basic earnings - profit attributable to shareholders	**3 115**	3 347
Loss on disposal of property, plant and equipment and intangible assets	**7**	31
(Reversal of)/impairment of property, plant and equipment and right-of-use assets	**(4)**	(4)
Insurance proceeds relating to property, plant and equipment	**(21)**	(86)
Taxation	**5**	17
Headline earnings	**3 102**	3 305

7.2 Number of shares
The weighted average number of shares in issue amount to 257 274 296 (2022: 257 778 306).

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	**2023**	2022
Number of shares per basic earnings per share calculation	**257 274 296**	257 778 306
Weighted average number of ordinary shares under option deemed to have been issued for no consideration	**5 960 075**	5 785 438
Number of shares for calculation of diluted earnings per share	**263 234 371**	263 563 744

Working Capital

8. Inventories

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Merchandise purchased for resale	**7 298**	3 937	**4 335**	3 648
Consumable stores	**23**	19	**23**	19
	7 321	3 956	**4 358**	3 667
The inventory write-down provision included in the valuation of merchandise purchased for resale was:	**632**	277	**288**	269
Cost of sales	**19 144**	15 820	**15 881**	15 412

FY2022: Inventory write-offs of R159m due to the civil unrest were 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	**2023**	2022	**2023**	2022
Gross trade receivables	**2 474**	2 259	**2 467**	2 246
Less allowance for impairment of trade receivables	**(246)**	(207)	**(245)**	(200)
Net trade receivables	**2 228**	2 052	**2 222**	2 046
Right to recover product asset	**7**	7	**7**	7
Contract asset	**1**	-*	**-**	-
Prepayments	**198**	314	**102**	297
Other receivables	**299**	178	**161**	136
	2 733	2 551	**2 492**	2 486

* less than R1 million

The ageing of the gross trade receivables is as follows:

R'm	Days from transaction	2023	2022	2023	2022
Current	30	**1 852**	1 740	**1 844**	1 730
Status 1	60	**333**	281	**333**	280
Status 2	90	**115**	96	**115**	95
Status 3	120	**73**	64	**73**	63
Status 4	150	**55**	44	**56**	44
Status 5	180	**46**	34	**46**	34
		2 474	2 259	**2 467**	2 246

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 18. 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	**2023**	2022	**2023**	2022
Balance at beginning of the year	**(207)**	(263)	**(200)**	(255)
Impairment losses net of reversals	**(39)**	56	**(45)**	55
Balance at end of the year	**(246)**	(207)	**(245)**	(200)

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.

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 a slower recovery of macro-economic variables which include the 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:

1 April 2023	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 (ECL)	3.7%	11.1%	29.6%	49.3%	69.1%	79.1%	**9.9%**
Estimated total gross carrying amount at default	1 852	333	115	73	55	46	**2 474**
12 month ECL	(68)	(37)	-	-	-	-	**(105)**
Lifetime ECL	-	-	(34)	(36)	(38)	(33)	**(141)**
Total ECL	(68)	(37)	(34)	(36)	(38)	(33)	**(246)**
Net trade receivables	1 784	296	81	37	17	13	**2 228**
Company R'm							
Expected credit loss rate (ECL)	3.7%	11.1%	29.6%	49.3%	68.4%	69.6%	**9.9%**
Estimated total gross carrying amount at default	1 844	333	115	73	56	46	**2 467**
12 month ECL	(68)	(37)	-	-	-	-	**(105)**
Lifetime ECL	-	-	(34)	(36)	(38)	(32)	**(140)**
Total ECL	(68)	(37)	(34)	(36)	(38)	(32)	**(245)**
Net trade receivables	1 776	296	81	37	18	14	**2 222**

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 (ECL)	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**

The allowance for impairment of trade receivables as at 01 April 2023 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 02 April 2022	97	59	51	**207**
Amounts written off	-	-	(356)	**(356)**
Amounts recovered	(1)	(5)	(8)	**(14)**
Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement	41	-	(11)	**30**
Change in credit risk parameters	(30)	16	393	**379**
Total balance as at 1 April 2023	**107**	**70**	**69**	**246**

Company R'm	Stage 1	Stage 2	Stage 3	Total
Closing loss allowance as at 2 April 2022	94	57	49	**200**
Amounts written off	-	-	(346)	**(346)**
Amounts recovered	(1)	(5)	(8)	**(14)**
Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement	44	(1)	(18)	**25**
Change in credit risk parameters	(32)	19	393	**380**
Balance as at 1 April 2023	**105**	**70**	**70**	**245**

Group R'm	Stage 1	Stage 2	Stage 3	Total
Closing loss allowance as at 3 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 2 April 2022	**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**
Total balance as at 2 April 2022	**94**	**57**	**49**	**200**

9.3 Other receivables

	Group		Company	
R'm	**2023**	2022	**2023**	2022
The expected maturity for other receivables is as follows:				
On demand	**33**	38	**38**	36
Less than three months	**185**	99	**61**	74
Three months to one year	**81**	41	**62**	26
	299	178	**161**	136

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	**2023**	2022	**2023**	2022
Trade payables	**3 530**	1 363	**2 309**	1 350
Other payables*	**1 334**	1 519	**932**	1 361
Refund liability	**13**	13	**13**	13
	4 877	2 895	**3 254**	2 724

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

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 to 30 days from statement for foreign suppliers and 10 to 90 days from statement for local suppliers, 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 a 10 to 90 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. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method. 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		Company	
R'm	**2023**	2022	**2023**	2022
Cash and cash equivalents	**219**	190	**219**	189
	219	190	**219**	189

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

	Group and Company	
R'm	**2023**	2022
Reinsurance liability		
Unearned premium provision	-*	-*
Outstanding claims	2	2
IBNR reserve	20	19
Taxation liability	14	12
Other liabilities	8	10
	44	43
Movement in reinsurance liabilities		
Balance at beginning of the year	43	42
Outstanding claims	2	3
IBNR reserve	19	28
Other liabilities	10	-*
Taxation liability	12	11
Increase	1	1
Balance at end of the year	44	43
Outstanding claims	2	2
IBNR reserve	20	19
Taxation liability	14	12
Other liabilities	8	10
Unearned premium provision		
Balance at beginning of the year	-	3
Premium recognised	237	220
Premium received	(237)	(223)
Balance at end of the year	-	-

* 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	**2023**	2022
Impact on IBNR	(5)	(5)

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	5	6

During the year a dividend of R105 million (2022: R83 million) was paid by the cells to the company.

Premium income and claims history:

Premium income (R'm)	**237**	220
Number of claims	**5 903**	6 713
Claim costs (R'm)	**28**	29
Claim costs as a percentage of premium income	**12%**	13%

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

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Bank balances and other cash	**1 030**	1 182	**579**	586
Money market and call accounts^	**412**	3 430	**379**	3 398
Cash and cash equivalents	**1 442**	4 612	**958**	3 984

^ Cash and cash equivalents have been disaggregated to reflect the money market and call accounts for enhanced disclosure.

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, net of bank overdrafts. 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	**2023**	2022	**2023**	2022
Profit before taxation	**4 403**	4 623	**3 953**	4 508
Adjustments for:				
Depreciation of property, plant and equipment	**355**	320	**261**	304
Depreciation of right-of-use asset	**1 863**	1 498	**1 501**	1 388
Amortisation of intangible assets	**106**	114	**75**	104
Loss on disposal and scrapping of property, plant and equipment	**7**	31	**7**	30
Impairment of property, plant and equipment	**1**	-	**1**	-
Loss on stock	**-**	163	**-**	163
Interest on lease liabilities	**651**	538	**570**	498
Reversal of impairment of right-of-use assets	**(3)**	(4)	**(3)**	(4)
Proceeds from insurance relating to property, plant and equipment	**(21)**	(86)	**(21)**	(86)
Finance costs	**51**	3	**30**	(3)
Finance income received	**(185)**	(198)	**(160)**	(212)
Interest on trade receivables	**(402)**	(312)	**(401)**	(311)
Dividend income	**-**	-	**(160)**	(31)
Other non-cash items	**143**	74	**75**	(291)
Share option expenses	**188**	80	**188**	80
Other ^	**(44)**	(6)	**(112)**	(371)
	6 970	6 764	**5 729**	6 057

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

13.2 Working capital changes

	Group		Company	
R'm	**2023**	2022	**2023**	2022
(Increase)/decrease in trade and other receivables	**115**	(444)	**24**	(443)
Increase in inventories	**(847)**	(634)	**(672)**	(585)
Increase in trade and other payables	**51**	57	**359**	36
Increase in reinsurance asset	**(30)**	(36)	**(30)**	(36)
(Increase)/decrease in reinsurance liability	**1**	(2)	**1**	(2)
Decrease/(increase) in current amounts owing to consolidated entities	**-**	-	**22**	(1)
Increase in current amounts owing by consolidated entities	**-**	-	**(20)**	(35)
	(710)	(1 059)	**(316)**	(1 066)

13.3 Taxation paid

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Amounts unpaid at beginning of the year	**(206)**	(110)	**(173)**	(62)
Taxation	**63**	195	**65**	192
Deferred taxation	**(269)**	(305)	**(238)**	(254)
Amounts charged to the income statements	**1 177**	1 276	**999**	1 238
Taxation	**1 102**	1 302	**921**	1 261
Deferred taxation	**75**	(26)	**78**	(23)
Amounts charged to equity	**(19)**	2	**(18)**	4
Taxation	**(16)**	(14)	**(16)**	(14)
Deferred taxation	**(3)**	16	**(2)**	18
Taxation acquired	**23**	4	**-**	-
Deferred taxation acquired	**244**	24	**-**	-
Amounts unpaid at end of the year	**(368)**	206	**(146)**	173
Taxation	**(297)**	(63)	**(284)**	(65)
Deferred taxation	**(71)**	269	**138**	238
Amounts paid	**851**	1 402	**662**	1 353

13.4 Receipts in respect of long-term receivables

Increase in mobile debtors	**-**	(1)	**-**	-
Decrease/(increase) in other long-term receivables	**11**	(14)	**6**	(13)
Net amounts paid	**11**	(15)	**6**	(13)

13.5 Dividends to shareholders

Dividends to ordinary and B ordinary shareholders	**2 208**	1 965	**2 206**	1 965
Less: dividends on shares held by staff share trusts	**(41)**	(32)	**-**	-
Add: dividends paid by Partners Share Trust	**25**	26	**-**	-
	2 192	1 959	**2 206**	1 965

Operating Assets

14. Property, plant and equipment

	Furniture, fittings, equipment and vehicles		Computer equipment		Improvements to leasehold premises		Land		Buildings		Total	
R'm	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Group												
Net carrying amount at beginning of the year	**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)
Current year movements												
Additions	**659**	461	**108**	101	**96**	70	**-**	-	**-**	-	**863**	632
- external development/acquisition	**663**	461	**108**	101	**96**	70	**-**	-	**-**	-	**867**	632
- items capitalised to work in progress	**(4)**	-		-		-		-		-	**(4)**	-
Acquired in business combination	**486**	3	**10**	1	**-**	7			**83**	-	**579**	11
Disposals and scrapping	**(6)**	(32)	**(1)**	(7)	**-**	(2)	**-**	-	**-**	-	**(7)**	(41)
Impairments and write downs	**(1)**		**-**		**-**		**-**		**-**		**(1)**	-
Exchange differences	**2**	-*	**(1)**	-*	**-**	-	**-**	-	**-**	-	**1**	-*
Depreciation	**(245)**	(217)	**(70)**	(59)	**(28)**	(33)	**-**	-	**(12)**	(11)	**(355)**	(320)
Net carrying amount at end of the year	**2 425**	1 530	**255**	209	**274**	206	**186**	186	**458**	387	**3 598**	2 518
Made up as follows:												
Net carrying amount	**2 425**	1 530	**255**	209	**274**	206	**186**	186	**458**	387	**3 598**	2 518
Cost or carrying amount	**4 414**	3 331	**551**	483	**436**	340	**186**	186	**524**	440	**6 111**	4 780
Accumulated depreciation and impairment	**(1 989)**	(1 801)	**(296)**	(274)	**(162)**	(134)	**-**	-	**(66)**	(53)	**(2 513)**	(2 262)
Company												
Net carrying amount at beginning of the year	**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)
Current year movements												
Additions	**510**	441	**97**	100	**76**	70	**-**	-	**-**	-	**683**	611
- external development/acquisition	**514**	438	**97**	100	**76**	70	**-**	-	**-**	-	**687**	608
- items capitalised to work in progress^	**(4)**	3		-		-		-		-	**(4)**	3
Acquired in business combination		-		-		-		-		-	**-**	-
Disposals and scrapping	**(6)**	(31)	**(1)**	(6)	**-**	(2)	**-**	-	**-**	-	**(7)**	(39)
Impairments and writedowns	**(1)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(1)**	-
Transfers	**-**	-	**-**	-	**1**	-	**-**	-	**-**	-	**1**	-
Depreciation	**(160)**	(202)	**(65)**	(58)	**(26)**	(33)	**-**	-	**(10)**	(11)	**(261)**	(304)
Net carrying amount at end of the year	**1 797**	1 454	**238**	207	**250**	199	**186**	186	**377**	387	**2 848**	2 433
Made up as follows:												
Net carrying amount	**1 797**	1 454	**238**	207	**250**	199	**186**	186	**377**	387	**2 848**	2 433
Cost or carrying amount	**3 621**	3 160	**522**	472	**398**	321	**186**	186	**441**	440	**5 168**	4 579
Accumulated depreciation and impairment	**(1 824)**	(1 706)	**(284)**	(265)	**(148)**	(122)	**-**	-	**(64)**	(53)	**(2 320)**	(2 146)

Details of buildings: Remaining extent of Erf 249 Cliffdale District, KwaZulu Natal Province, in extent of 19.5 ha.
*Less than R1 million

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	Lower of lease period of the premises and 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 2023	Computer software 2022	Customer lists/supplier contracts 2023	Customer lists/supplier contracts 2022	Goodwill 2023	Goodwill 2022	Trademarks 2023	Trademarks 2022	Total 2023	Total 2022
Group										
Net carrying amount at beginning of the year	**431**	424	**24**	-*	**1 379**	1 084	**205**	133	**2 039**	1 641
Cost or carrying amount	**720#**	686	**56**	26	**1 379**	1 084	**223**	151	**2 378**	1 947
Accumulated amortisation and impairment	**(289)#**	(262)	**(32)**	(26)	**-**	-	**(18)**	(18)	**(339)**	(306)
Current year movements										
Additions arising from	**82**	115	**110**	30	**1 726**	292	**1 395**	72	**3 313**	509
external development/acquisition	**77**	86	**-**	-	**-**	-		-	**77**	86
internal development	**5**	14	**-**	-	**-**	-	**-**	-	**5**	14
acquired in business combination	**-**	15	**110**	30	**1 726**	292	**1 395**	72	**3 231**	409
items capitalised to work in progress^		-		-		-		-	**-**	-
Disposals and scrapping	**-***	-*	**-**	-	**-**	-	**-**	-	**-**	-
Impairments and write downs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Foreign exchange differences	**(2)**	-	**-**	-	**-**	3	**-**	-	**(2)**	3
Amortisation	**(80)**	(108)	**(25)**	(6)	**-**	-	**-***	-*	**(105)**	(114)
Net carrying amount at end of the year	**431**	431	**109**	24	**3 105**	1 379	**1 600**	205	**5 245**	2 039
Made up as follows:										
Net carrying amount	**431**	431	**109**	24	**3 105**	1 379	**1 600**	205	**5 245**	2 039
Cost or carrying amount	**783**	641	**166**	56	**3 105**	1 379	**1 618**	223	**5 672**	2 299
Accumulated amortisation and impairment	**(352)**	(210)	**(57)**	(32)	**-**	-	**(18)**	(18)	**(427)**	(260)
Company										
Net carrying amount at beginning of the year	**411**	417	**-**	-*	**1 070**	1 070	**133**	133	**1 614**	1 620
Cost or carrying amount	**679#**	663	**26**	26	**1 070**	1 070	**151**	151	**1 926**	1 910
Accumulated amortisation and impairment	**(268)#**	(246)	**(26)**	(26)	**-**	-	**(18)**	(18)	**(312)**	(290)
Current year movements										
Additions arising from	**77**	98	**-**	-	**-**	-	**-**	-	**77**	98
external development/acquisition	**76**	84	**-**	-	**-**	-	**-**	-	**76**	84
internal development	**1**	14	**-**	-	**-**	-	**-**	-	**1**	14
acquired in business combination	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
items capitalised to work in progress		-		-		-		-	**-**	-
Disposals and scrapping		-		-		-		-	**-**	-
Impairments and write downs	**-**	-*	**-**	-	**-**	-	**-**	-	**-**	-*
Amortisation	**(75)**	(104)	**-**	-*	**-**	-	**-***	-*	**(75)**	(104)
Net carrying amount at end of the year	**413**	411	**-**	-*	**1070**	1 070	**133**	133	**1 616**	1 614
Made up as follows:										
Net carrying amount	**413**	411	**-**	-*	**1070**	1 070	**133**	133	**1 616**	1 614
Cost or carrying amount	**739**	600	**26**	26	**1070**	1 070	**151**	151	**1 986**	1 847
Accumulated amortisation and impairment	**(326)**	(189)	**(26)**	(26)	**-**	-	**(18)**	(18)	**(370)**	(233)

* Less than R1 million
^ The cumulative balance of work in progress that is not subject to amortisation at year end amounts to R62 million (R2022: R136 million)
# A R78m reclassification has been made between the opening balance cost and accumulated amortisation and impairment due to impairments processed in prior years. The net book value was not impacted.

Goodwill in the group relates to the Zambian business (R13m) and the acquisition of Power Fashion (R1 069m), Yuppiechef (R292m) and Studio 88 (R1 726m)

Impairment testing of goodwill
Goodwill acquired through business combinations is tested annually for impairment, which was performed in February and May 2023. The company considers the relationship between the fair value less cost to sell 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 Studio 88 was determined based on a fair value less cost to sell calculation by using their discounted cash flow projections from financial budgets and strategies covering a 5 year period. A discount rate of 15.6% was used. Cash flows beyond the 5 year period are extrapolated using a 5.0% growth rate. Comparable sales growth of 6.2% was estimated, with gross profit margins estimated between 36.7% - 40.0%.

The recoverable amount of Power Fashion was determined based on a fair value less costs to sell calculation by using their discounted cash flow projections from financial budgets and strategies covering a 5 year period. A discount rate of 15.6% was used. Cash flows beyond the 5 year period are extrapolated using a 5.5% growth rate. Comparable sales growth of between 6.0% - 7.0% was estimated, with gross profit margins estimated between 34.4% - 35.3%.

The recoverable amount of Yuppiechef was determined based on a fair value less costs to sell calculation by using their discounted cash flow projections from financial budgets and strategies covering a 5 year period. A discount rate of 15.6% was used. Cash flows beyond the 5 year period are extrapolated using a 7.0% growth rate. Comparable sales growth of 5.0% was estimated, with gross profit margins estimated between 40.0%- 41.6%.

The financial budgets and strategies reflect projections based on past experiences. The calculation of fair value less cost to sell 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 loans 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. There were no changes to key assumptions from FY2022.

Significant judgements
The group acquired Studio 88 including their trademarks. The valuation of the trademarks involves judgement and estimate of key inputs being interest rates and future cash flow to measure the trademarks at their at acquisition fair value. Upon acquisition the trademarks were assessed as having an indefinite useful life. Its useful life will be reviewed each reporting period to determine whether events of circumstances continue to support an indefinite useful life assessment. The trademarks will be assessed for impairment at the end of each reporting period.

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.

Trademarks
Trademarks represents the indefinite useful life brands acquired by the group. These brands were recognised at their at acquisition fair values.

Supplier contracts
Supplier contracts were supplier contracts acquired from Studio 88 Group. They are amortised over a straight-line basis over its estimated useful life of 3 years and 3 months from the date it being commissioned into the group.

16. Right-of-use assets

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Vehicles and equipment	**36**	16	**36**	16
Cost	**74**	43	**74**	43
Accumulated depreciation	**(38)**	(27)	**(38)**	(27)
Leasehold premises	**7 701**	6 299	**6 438**	5 893
Cost	**14 217**	10 451	**11 726**	9 721
Accumulated depreciation	**(6 516)**	(4 152)	**(5 288)**	(3 828)
Movement in right-of-use asset				
Opening balance	**6 315**	5 000	**5 909**	4 630
Acquisition through business combination Studio 88 (2022: Yuppiechef)	**759**	26	**-**	-
Additions to leases and lease renewals	**1 662**	1 924	**1 280**	1 796
Lease modifications and remeasurements	**861**	859	**783**	867
Reversal of impairment of right-of-use asset	**3**	4	**3**	4
Depreciation - Leasehold premises	**(1 852)**	(1 487)	**(1 490)**	(1 377)
Depreciation - Vehicles	**(11)**	(11)	**(11)**	(11)
	7 737	6 315	**6 474**	5 909

Additions to leases includes right-of-use assets acquired through a business combination transaction during the year relating to Studio 88 group. In the prior year, the right-of-use assets acquired through a business combination related to Yuppiechef.

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 on a 5 year forecast period were used in the impairment calculation. Discount rate of 14.6% was used. Revenue growth expectations in future years (FY2024 - FY2028) 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 assets 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 for years not yet commenced amounts to R7 028m (2022: R 5 951m).

Significant accounting estimate
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.

17. Long-term receivables and other investments

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Mr Price Mobile (Pty) Ltd long-term receivables	**-**	6	**-**	-
Total receivables	**6**	18	**-**	-
Less: amount to be received in the next financial year transferred to trade and other receivables	**(6)**	(12)	**-**	-
Contract asset	**-***	1	**-**	-
Long-term loans to suppliers	**28**	33	**26**	32
Other long-term receivables and other investments	**19**	10	**19**	10
	47	50	**45**	42

*Less than R1 million

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.

18. Financial risk management

18.1 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 it is 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 group applies the economic adjustment model based on historical economic trends. The table below shows a reconciliation of the loss allowances for the year under the IFRS 9 ECL model.

	2023	Lifetime expected credit losses			2022	Lifetime expected credit losses		
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	**97**	**59**	**51**	**207**	110	81	72	263
Changes from updating the expected credit losses	**-**	**-**	**-**	**-**	-	-	-	-
Loans derecognised during the period	**(1)**	**(5)**	**(8)**	**(14)**	(25)	(11)	(8)	(44)
Newly originated / purchased loans	**41**	**-**	**(11)**	**30**	42	(3)	(19)	20
Write offs	**-**	**-**	**(356)**	**(356)**	-	-	(272)	(272)
Changes in models/risk parameters	**(30)**	**16**	**393**	**379**	(29)	(12)	281	240
Loss allowance at end of year	**107**	**70**	**69**	**246**	98	55	54	207
Company								
Loss allowance at beginning of year	**94**	**57**	**49**	**200**	107	82	66	255
Changes from updating the expected credit losses	**-**	**-**	**-**	**-**	-	-	-	-
Loans derecognised during the period	**(1)**	**(5)**	**(8)**	**(14)**	(25)	(11)	(8)	(44)
Newly originated / purchased loans	**44**	**(1)**	**(18)**	**25**	42	(7)	(25)	10
Write offs	**-**	**-**	**(346)**	**(346)**	-	-	(260)	(260)
Changes in models/risk parameters	**(32)**	**19**	**393**	**380**	(29)	(8)	276	239
Loss allowance at end of year	**105**	**70**	**70**	**245**	95	56	49	200

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	**2 007**	**173**	**79**	**2 259**	1 719	169	78	1 966
Newly originated / purchased loans	**4 743**	**94**	**27**	**4 864**	5 192	92	20	5 304
Write offs	**-**	**-**	**(346)**	**(346)**	-	-	(273)	(273)
Loans that have been derecognised during the period	**(4 190)**	**(82)**	**(69)**	**(4 341)**	(4 528)	(103)	(70)	(4 701)
Other changes	**(383)**	**14**	**407**	**38**	(376)	15	324	(37)
Gross carrying amount at end of year	**2 177**	**199**	**98**	**2 474**	2 007	173	79	2 259
Company								
Gross carrying amount at beginning of year	**2 005**	**162**	**79**	**2 246**	1 716	151	76	1 943
Newly originated/purchased loans	**4 731**	**94**	**27**	**4 852**	5 175	70	19	5 264
Write offs	**-**	**-**	**(346)**	**(346)**	-	-	(260)	(260)
Loans that have been derecognised during the period	**(4 180)**	**(82)**	**(69)**	**(4 331)**	(4 513)	(84)	(76)	(4 673)
Other changes	**(380)**	**19**	**407**	**46**	(373)	25	320	(28)
Gross carrying amount at end of year	**2 176**	**193**	**98**	**2 467**	2 005	162	79	2 246

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.

18.2 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.

18.3 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 18.8 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.

18.4 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 150bps (2022: 50bps) adjustment to the effective interest for cash and cash equivalents has been set out below:

		Group		Company	
R'm		**2023**	2022	**2023**	2022
Rate variance	+1.5%	**45**	-	**14**	-
	-1.5%	**(45)**	-	**(14)**	-
	+0.5%	**-**	24	**-**	20
	-0.5%	**-**	(24)	**-**	(20)

The prime interest rate increased 350bps during FY2023.

The applicable interest rates during the period were as follows:

	Group and Company	
R'm	**2023**	2022
Average		
Repo interest rate	**5.91%**	3.64%
Prime interest rate	**9.41%**	7.14%
Closing		
Repo interest rate	**7.75%**	4.25%
Prime interest rate	**11.25%**	7.75%

18.5 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, Mozambique and Kenya 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.

18.6 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.

18.6.1 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
2023					
- Asset	25	17.11	431	17.76	16
- Liability	21	18.39	388	17.86	(11)
	46	**17.69**	**819**	**17.81**	**5**
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)

At year end oil hedge contract commitments were:

Group and Company	Strike Price US$	Strike Price R	Fair value adjustment (loss)/ gain R'm
2023			
- Asset	770	13.74	(3)
- Liability	-	-	-
	770	**13.74**	**(3)**

At year end synthetic 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
2023					
- Asset	69	17.17	1 233	17.82	45
- Liability	4	18.20	72	17.84	(1)
	73	**17.22**	**1 305**	**17.82**	**4**
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)

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
2023					
- Asset	35	17.17	594	17.82	2
- Liability	2	18.20	36	17.84	(1)
	37	**17.22**	**630**	**17.82**	**1**
2022					
- Asset	-	-	-	-	-
- Liability	85	14.85	1 203	14.24	(52)
	85	14.85	1 203	14.24	(52)

At year end outstanding foreign creditors were:

2023					
- Asset	21	18.30	381	17.79	(11)
- Liability	17	18.11	310	0.42	(302)
	38	**18.21**	**691**	**9.97**	**(313)**
2022					
- Asset	32	15.34	484	14.72	(20)
- Liability	6	14.60	85	14.73	1
	38	15.22	569	14.72	(19)

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

	Group and Company	
R'm	**2023**	2022
USD - Average	**17.00**	14.86
USD - Closing	**17.79**	14.64

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

Opening balance	**(24)**	(140)
Mark-to-market adjustments	**61**	161
Amounts reclassified to the cost of the non-financial asset recognised	**-**	-
Deferred tax	**(17)**	(45)
Closing balance	**20**	(24)

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 FY2023 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 1 April 2023, a net unrealised gain of R61 million.

The amounts retained in OCI at 1 April 2023 are expected to mature and affect the statement of profit or loss in FY2023.

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
2023					
Forward exchange contracts accounted for as hedges	**-**	**(46)**	**-**	**-**	**(14)**
Options	**-**	**32**	**5**	**-**	**37**
Synthetic forward exchange contracts accounted for as hedges	**-**	**(56)**	**(17)**	**-**	**(73)**
Foreign trade creditors at year end	**17**	**21**	**-**	**-**	**(37)**
	17	**(49)**	**(12)**	**-**	**(44)**
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)

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		**2023**	**2023**	2022	2022
Rate variance - US$					
Forward exchange contracts accounted for as hedges	+10%	**-**	**82**	-	206
	-10%	**-**	**(82)**	-	(206)
Synthetic forward exchange contracts accounted for as hedges	+10%	**-**	**126**	-	251
	-10%	**-**	**(126)**	-	(251)
Options	+10%	**63**	**-**	126	-
	-10%	**(63)**	**-**	(126)	-
Foreign trade creditors at year end	+10%	**39**	**-**	57	-
	-10%	**(39)**	**-**	(57)	-
Total	+10%	**102**	**208**	183	457
	-10%	**(102)**	**(208)**	(183)	(457)

^(Decrease)/Increase

18.7 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		**2023**	2022	**2023**	2022
Rate variance	+1%	**24**	20	**25**	20
	-1%	**(24)**	(20)	**(25)**	(20)

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 FY2023.

		Group		Company	
R'm		**2023**	2022	**2023**	2022
Rate variance	+2%	**48**	41	**49**	40
	-2%	**(48)**	(41)	**(49)**	(40)

At 1 April 2023 the group did not consider there to be any significant concentration of credit risk for which it had not adequately provided.

18.8 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	**2023**	2022	**2023**	2022
Total lending facilities	**3 000**	500	**3 000**	500
Less: drawn down portion	**-**	-	**-**	-
Total undrawn banking facilities	**3 000**	500	**3 000**	500

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	**2023**	2022	**2023**	2022
Actual borrowings outside the group at year end were	**(56)**	(1)	**-**	(1)
At year end bank balances were	**1 442**	4 612	**958**	3 984
Net cash resources were	**1 386**	4 611	**958**	3 983

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
2023					
Trade and other payables	**540**	**3 821**	**516**	**-**	**4 877**
Interest bearing loans	**-**	**7**	**32**	**60**	**99**
	540	**3 828**	**548**	**60**	**4 976**
2022					
Trade and other payables	350	2 132	413	-	2 895
Interest bearing loans	-	-	-	1	1
	350	2 132	413	1	2 896

Company R'm	On demand	Less than three months	Three months to one year	One to five years	Total
2023					
Trade and other payables	**463**	**2 486**	**305**	**-**	**3 254**
Current amounts owing to consolidated entities	**46**	**-**	**-**	**-**	**46**
	509	**2 486**	**305**	**-**	**3 300**
2022					
Trade and other payables	334	2 021	369	-	2 724
Current amounts owing to consolidated entities	37	-	-	-	37
Interest bearing loans	-	-	-	1	1
	371	2 021	369	1	2 762

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

18.9 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

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
2023						
Financial Assets		**47**	**48**	**3**	**-**	**98**
Long-term receivables and other investments	Level 2	**47**	**-**	**-**	**-**	**47**
Derivative financial instruments	Level 2	**-**	**48**	**3**	**-**	**51**
Financial Liabilities		**-**	**31**	**-**	**89**	**120**
Interest-bearing loans	Level 2	**-**	**-**	**-**	**89**	**89**
Derivative financial instruments	Level 2	**-**	**31**	**-**	**-**	**31**
Total		**47**	**79**	**3**	**89**	**218**

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
2023						
Financial Assets		**45**	**48**	**3**	**-**	**96**
Long-term receivables and other investments	Level 2	**45**	**-**	**-**	**-**	**45**
Derivative financial instruments	Level 2	**-**	**48**	**3**	**-**	**51**
Financial Liabilities		**-**	**31**	**-**	**-**	**31**
Interest-bearing loans	Level 2	**-**	**-**	**-**	**-**	**-**
Derivative financial instruments	Level 2	**-**	**31**	**-**	**-**	**31**
Total		**45**	**79**	**3**	**-**	**127**

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	52	1	151
Interest-bearing loans	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
Interest-bearing loans	Level 2	-	-	-	1	1
Derivative financial instruments	Level 2	-	98	52	-	150
Total		61	162	52	1	276

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.

The fair value of the oil hedge contract is measured using level 2 techniques. The significant inputs into the Level 2 fair value of the oil hedge are volume (litres), daily ZAR price per litre, market foreign exchange rates and the average month/calculation period.

Financing Structure and Commitments

19. Lease obligations and lease liabilities

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Movement in lease liabilities				
Opening balance	**7 411**	5 940	**6 928**	5 504
Additions for new leases and lease renewals	**1 660**	1 922	**1 257**	1 790
Acquisition through business combination Studio 88 (2022: Yuppiechef)	**848**	31	**-**	-
Impact of lease modifications and remeasurements	**820**	816	**757**	825
Interest on lease liabilities	**651**	538	**570**	498
Repayment of interest portion of the lease	**(691)**	(538)	**(570)**	(498)
Repayment of capital portion of the lease	**(1 578)**	(1 298)	**(1 264)**	(1 191)
	9 121	7 411	**7 678**	6 928
Less: short-term portion repayable within one year	**(2 093)**	(1 460)	**(1 530)**	(1 357)
Long-term portion of lease liabilities	**7 028**	5 951	**6 148**	5 571
Contractual undiscounted cashflows				
Within one year	**2 463**	1 515	**1 806**	1 412
After one year but less than five years	**5 423**	3 993	**4 574**	3 769
More than five years	**3 617**	3 870	**3 343**	3 603
	11 503	9 378	**9 723**	8 784
Less: Unearned interest	**(2 382)**	(1 967)	**(2 045)**	(1 856)
	9 121	7 411	**7 678**	6 928

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Expense related to leases of low value items	**24**	21	**22**	21
Variable lease payments	**7**	20	**6**	20
Total cash outflow for leases	**2 300**	1 877	**1 862**	1 730

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.

Accounting policy
Lease liabilities predominantly relate to store leases and represent the financial obligation of the company and group to make lease payments to landlords to use the underlying leases premises during the lease term. The majority of leases are for 5 years with renewal options included in some instances. 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
The lease contract stipulates the fixed lease payments to be paid during the initial lease period. Management has applied judgement in determining the escalation to be applied for the renewal period where this is included in the lease term.

Subsequent to the commencement date of lease agreements, management exercises judgement to assess the likelihood of exercising the renewal option. The lease term at inception will not include any renewal options where there is no reasonable certainty that the lease will be renewed.

The lease contract stipulates the fixed lease payments to be paid during the initial lease period. Management has applied judgement in determining the escalation to be applied for the renewal period where this is included in the lease term. 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.

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.

20. Interest-bearing loans

R'm	Group 2023	Group 2022	Company 2023	Company 2022
Instalment sale agreements	**34**	1	**-**	1
Mortgage loan	**55**	-	**-**	-
	89	1	**-**	1
Current portion of interest-bearing loans	**33**	-	**-**	-
Long term portion of interest-bearing loans	**56**	1	**-**	1

Interest-bearing loans relate to motor vehicles installment sale agreements and a mortgage loan acquired from Studio 88.

At year end the installment sale agreements were:

R'm	Group 2023	Group 2022	Company 2023	Company 2022
Instalment sale agreements				
Opening balance	**1**	4	**1**	4
Current year movements	**33**	(3)	**(1)**	(3)
- Acquisition of Studio 88	**30**	-	-	-
- Additions	**11**	-	-	-
- Finance charges	**1**	-	-	-
- Repayments of capital portion of installment sale agreements	**(8)**	(3)	**(1)**	(3)
- Repayment of interest portion of installment sale agreements	**(1)**	-	**-**	-
Closing balance	**34**	1	**-**	1
Less: current portion repayable in one year	**17**	1	**-**	1
Long-term portion	**17**	-	**-**	-

Interest is charged at prime less 1% on the installment sale agreements. Refer to 14 for the inclusion of the motor vehicles under property, plant and equipment. The maturity analysis of contractual undiscounted cash flows at 1 April 2023 is as follows:

R'm	Group 2023	Group 2022	Company 2023	Company 2022
Instalment sale agreements				
Within one year	**17**	-	**-**	-
After one year but less than five years	**17**	1	**-**	1
More than five years	**-**	-	**-**	-
	34	1	**-**	1

At year end mortgage loans were:

R'm	Group 2023	Group 2022	Company 2023	Company 2022
Reconciliation of the closing balance				
Opening balance	**-**	-	**-**	-
Current year movements	**55**	-	**-**	-
- Acquisition of Studio 88	**61**	-	**-**	-
- Finance charges	**2**	-	**-**	-
- Repayments of capital portion of mortgage loan	**(6)**	-	**-**	-
- Repayment of interest portion of mortgage loan	**(2)**	-	**-**	-
Closing balance	**55**	-	**-**	-
Less: current portion repayable in one year	**16**	-	**-**	-
Long-term portion	**39**	-	**-**	-

Interest is charged at a fixed rate of 7.38% on the mortgage of property - Portion 183, Diepkloof 319. The maturity analysis of contractual undiscounted cash flows at 1 April 2023 is as follows:

R'm	Group 2023	Group 2022	Company 2023	Company 2022
Mortgage loan				
Within one year	**16**	-	**-**	-
After one year but less than five years	**39**	-	**-**	-
More than five years	**-**	-	**-**	-
	55	-	**-**	-

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.

21. Retirement benefits

21.1 Pension schemes
21.1.1 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 202 to 220 of the integrated report.

21.1.2 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%.

21.1.3 Valuations
Defined benefit pension fund

	Group and Company	
R'm	**2023**	2022
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	**(50)**	(52)
Plan assets	**135**	129
Net benefit plan asset	**85**	77

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

The following main assumptions were used in performing the calculation:
- Discount rate - 13% per annum (2022: 12.2% per annum)
- Inflation - 7.4% per annum (2022: 7.4% per annum)
- Future salary increases - 8.4% per annum (2022: 8.4% per annum)

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

	Group and Company	
R'm	**2023**	2022
Defined benefit obligation at beginning of the year	**52**	54
Current service cost	**2**	2
Contributions	**1**	1
Interest cost	**6**	7
Actuarial gain	**(5)**	(4)
Benefits paid	**(5)**	(7)
Risk premiums	**(1)**	(1)
Defined benefit obligation at end of the year	**50**	52

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	**129**	123
Expected return on assets	**15**	16
Contributions	**1**	-*
Risk premiums	**-**	-*
Benefits paid	**(5)**	(7)
Actuarial loss	**(5)**	(3)
Fair value of plan assets at end of the year	**135**	129

* less than R1 million

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

%		
Cash	**2.3**	2.8
South African equities	**41.3**	44.6
South African bonds	**18.6**	15.3
South African property and other	**7.7**	7.8
International assets	**30.1**	29.5
	100.0	100.0

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

	Group and Company	
	2023	
	+1%	**(1%)**
The effect of an increase or decrease of 1% in the assumed discount rate as follows:	**(15%)**	**19.0%**
	+1%	**(1%)**
The effect of an increase or decrease of 1% in the assumed inflation rate as follows:	**17.8%**	**(14.4%)**

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 2024 financial year is as follows; a current service cost of R180 million (2023: R 170 million), an expected return on plan assets of R17.4 million (2022: R15.7 million) and an interest cost of R6.7 million (2022: R6.5 million). The estimated contributions are R178 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 March 2023 concluded that the funding level of the Funds was within the tolerance levels set by the administrators.

21.2 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 5 April 2023. 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 1 April 2023:

Liability was based on current membership

Health care cost inflation -	8.7% per annum (2022: 9.5% per annum)
Discount rate -	12.8% per annum (2022: 13.5% per annum)
Average retirement age -	62 years (2022: 62 years)
Continuation at retirement -	100% (2022: 100%)

Activity during the year was as follows:

	Group and Company	
R'm	**2023**	2022
Benefit obligation at beginning of the year	**22**	20
Net (decrease)/increase in provision during the year	**(2)**	2
Benefit obligation at end of the year	**20**	22

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

	Group and Company	
R'm	**2023**	
	+1%	-1%
Aggregate of the current service cost and interest cost	**+12.0%**	(10.1%)
Accrued liability at year end	**+11.2%**	(9.3%)

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

Accrued liability at year end	(9.3%)	11.0%
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	**(3.0%)**	3.1%

21.3 Defined benefit fund actuarial gains and losses

Reconciliation of defined benefit fund actuarial gains and losses reserve

	Group and Company	
R'm	**2023**	2022
Beginning of the year	**1**	2
Current year actuarial (loss)/gain	**2**	(1)
Deferred taxation thereon	**-***	-*
End of the year	**3**	1

* 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.

22. Capital commitments

	Group		Company	
R'm	**2023**	2022	**2023**	2022
The capital commitments authorised by the directors of the company or its consolidated entities but not provided for in the financial statements amounts to:	**1 215**	879	**1 227**	846
of which contracts have been placed for*	**193**	197	**190**	195

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

23. Contingencies and commitments

During the 2021 financial year, the company received assessments from SARS relating to the disallowance of certain deductions claimed in the 2015 to 2017 years of assessment. In June 2022, SARS raised assessments disallowing certain deductions, 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 opinion, is in the process of legally 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

24. Taxation

24.1 South African and foreign taxation
24.1.1 South African taxation

	Group		Company	
R'm	**2023**	2022	**2023**	2022
This year	**1 115**	1 227	**980**	1 210
Current				
Normal taxation	**1 048**	1 253	**900**	1 233
Deferred				
Current year temporary differences	**67**	(44)	**80**	(41)
Effect of tax rate change	**-**	18	**-**	18
Prior years	**7**	2	**(7)**	2
Current	**(4)**	2	**(5)**	2
Deferred	**11**	-	**(2)**	-
24.1.2 Foreign taxation				
This year	**56**	48	**26**	26
Current	**56**	48	**26**	26
Deferred	**-**	-	**-**	-
Prior years	**(1)**	(1)	**-**	-
Current	**2**	(1)	**-**	-
Deferred	**(3)**	-	**-**	-
Total taxation	**1 177**	1 276	**999**	1 238

In addition to the above, current normal taxation and deferred taxation amounting to R15.7m (2022: R8.3m charged) and R4.7m (2022: R3.5m debited) respectively have been charged and credited to equity relating to the staff share schemes (refer note 28). Deferred income taxation of R17.0m (2022: R45.1m) has been debited to the statement of comprehensive income.

24.2 Reconciliation of taxation rate

	Group		Company	
%	**2023**	2022	**2023**	2022
Standard rate	**27.0**	28.0	**27.0**	28.0
Adjusted for:				
Expenses not allowed	**0.3**	0.3	**0.3**	0.2
Exempt income	**(1.0)**	(0.8)	**(2.0)**	(1.0)
Prior year under provision	**0.1**	-	**(0.2)**	0.1
Unrecognised deferred tax assets	**0.1**	-	**-**	-
Change in corporate tax rate	**-**	0.4	**-**	0.4
Other	**0.2**	(0.3)	**0.2**	(0.2)
Effective tax rate	**26.7**	27.6	**25.3**	27.5
The estimated taxation losses of consolidated entities available for set-off against future taxable income are (R'm)	**180.5**	128.7		

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.

Current taxation (payable)/receivable at 01 April 2023 were:

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Current taxation receivable	**12**	8	**-**	-
Current taxation payable	**(309)**	(71)	**(284)**	(65)
	(297)	(63)	**(284)**	(65)

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.

25. Deferred taxation

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Attributable to:				
Post retirement medical aid	**2**	2	**1**	2
Fair value adjustments on financial instruments	**(7)**	10	**(7)**	10
Prepayments	**(13)**	(63)	**(12)**	(61)
Provisions	**266**	270	**135**	262
Property, plant and equipment	**(743)**	(271)	**(306)**	(237)
Other temporary differences	**-**	11	**(37)**	(10)
Share based payments	**351**	311	**351**	311
Defined benefit fund asset	**(14)**	(14)	**(14)**	(14)
Grants to staff share trusts	**(267)**	(271)	**(267)**	(271)
Assessed loss	**9**	15	**-**	-
Lease liability	**345**	269	**294**	246
	(71)	269	**138**	238
Balance at beginning of year	**269**	305	**238**	254
Prior year adjustment	**(5)**	-	**2**	-
Acquired from Studio 88 (2022: Yuppiechef) (refer to note 32)	**(244)**	(24)	**-**	-
Movements during the year	**(91)**	(12)	**(102)**	(16)
Net adjustment due to change in corporate taxation rate	**-**	(9)	**-**	(9)
Prepayments	**52**	(8)	**50**	(9)
Provisions	**(134)**	10	**(133)**	10
Property, plant and equipment	**(64)**	(59)	**(69)**	(59)
Other temporary differences	**(23)**	32	**(25)**	34
Share based payments	**40**	22	**39**	22
Defined benefit fund actuarial gains	**-***	-*	**-***	-*
Grants to staff share trusts	**5**	(3)	**5**	(3)
Assessed losses	**(2)**	3	**-**	-
Lease liability	**53**	44	**49**	42
Fair value adjustments on financial instruments	**(17)**	(45)	**(17)**	(45)
Post retirement medical aid	**(1)**	1	**(1)**	1
End of the year	**(71)**	269	**138**	238
Deferred taxation liability	**(362)**	(28)	**-**	-
Deferred taxation assets	**291**	297	**138**	238
	(71)	269	**138**	238

*less than R1 million.

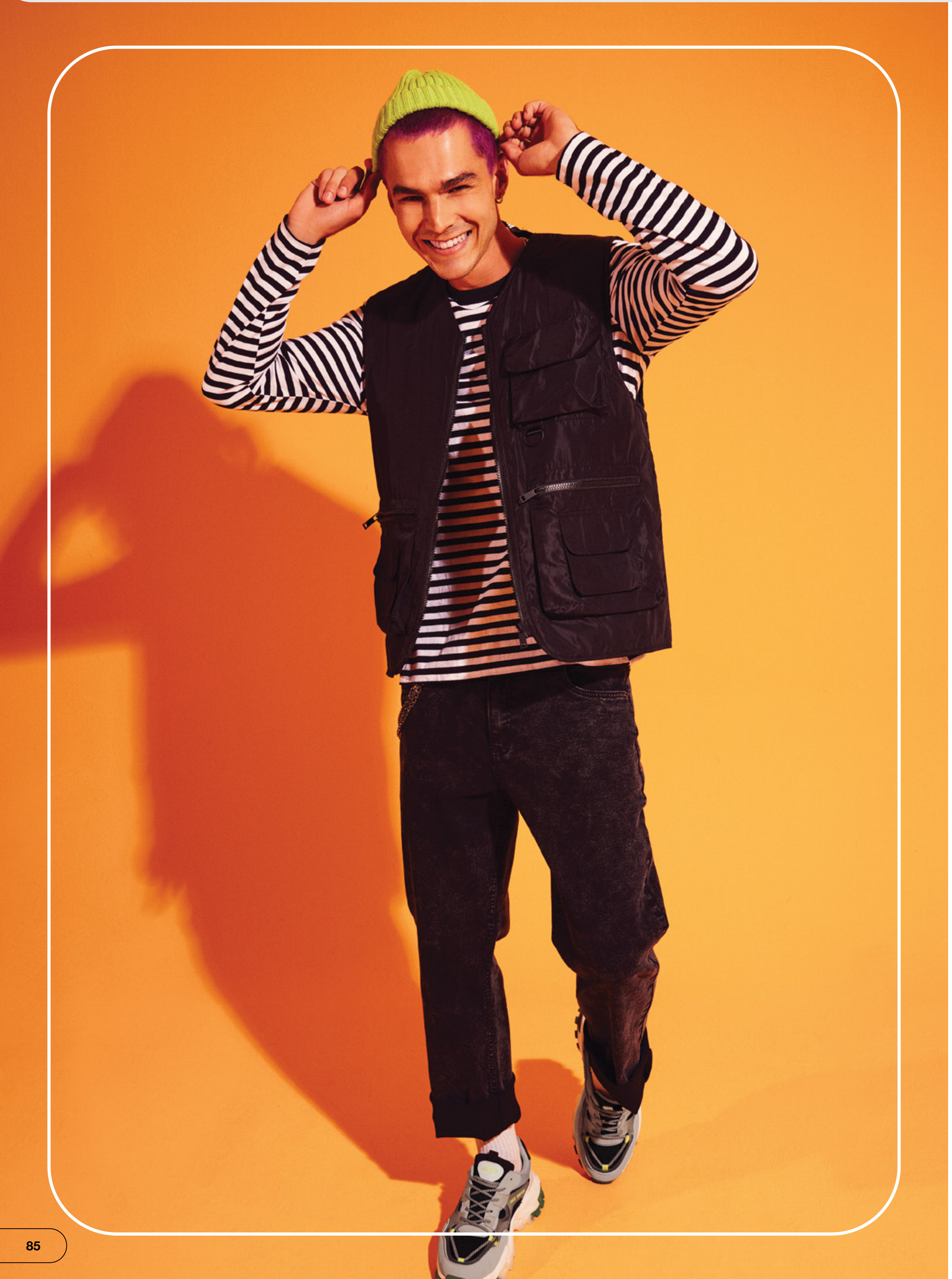
Accounting policy

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

26. Share capital

26.1 Authorised

R'000	Group 2023	Group 2022	Company 2023	Company 2022
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

26.2 Issued

R'000	Group 2023	Group 2022	Company 2023	Company 2022
Ordinary				
Ordinary 256 791 496 (2022: 256 841 654) ordinary shares of 0.025 cent each	**64**	64	**64**	64
B ordinary				
Ordinary 6 792 786 (2022: 6 792 786) B ordinary shares of 0.300 cent each	**20**	20	**20**	20
Total issued share capital	**84**	84	**84**	84

26.3 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.

26.4 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 202 to 220.

26.4.1 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/rights 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 granted*	-	-	-	-	758 993	14 537	-	785 031	718 324	718 324	**2 995 209**
Surrendered by participants	-	(15 608)	(542 449)	(792 333)	(594 408)	(16 299)	(12 552)	(131 013)	(51 411)	(51 411)	**(2 207 484)**
Options/shares exercised	-	(12 324)	-	(126 347)	(19 749)	(28 585)	(29 288)	(969)	-	-	**(217 262)**
Options/shares at 01 April 2023	1 155 647	1 115 092	1 290 707	2 057 226	4 159 348	11 774	510 017	1 756 025	1 694 195	1 694 195	**15 444 226**
New options/shares were granted during the current year at a strike price of (per share):	-	-	-	-	-	-	-	-	R170.55	-	**-**

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/rights 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**
2024	882 134	698 038	439 141	661 410	N/A	51 108	132 225	520 734	-	-	**3 384 790**
2025	273 513	417 054	851 566	1 395 816	N/A	77 238	50 380	480 970	985 704	985 704	**5 517 945**
2026	-	-	-	-	N/A	-	-	754 321	708 491	708 491	**2 171 303**
2027	-	-	-	-	N/A	25 303	171 000	-	-	-	**196 303**
2028	-	-	-	-	N/A	14 537	-	-	-	-	**14 537**
	1 155 647	1 115 092	1 290 707	2 057 226	N/A	168 186	353 605	1 756 025	1 694 195	1 694 195	**11 284 878**

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**
2024	211.58	209.27	232.54	237.56	N/A	N/A	N/A	N/A	N/A	N/A	
2025	164.83	166.06	164.83	155.58	N/A	N/A	N/A	N/A	N/A	N/A	
2026	-	-	-	-	N/A	N/A	N/A	N/A	171.2	N/A	
2027	-	-	-	-	N/A	N/A	N/A	N/A	172.0	N/A	
2028	-	-	-	-	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 38 years.

26.5 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	1 119 933	186 986	(14 094)	-	1 292 825	258 032	(9 866)	(4 228)	243 938	29
MJ Stirton^	337 993	102 346	-	-	440 339	60 277	-	-	60 277	7
Total	**1 457 926**	**289 332**	**(14 094)**	**-**	**1 733 164**	**318 309**	**(9 866)**	**(4 228)**	**304 215**	**36**

^ Share incentives issued/forfeited whilst holding the executive director position

26.5 Share-based payments (continued)

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Share-based payments relating to equity-settled share-based payment transactions in terms of the long term incentive	**182**	80	**182**	80

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	-	164.47	-	-
Expected volatility (%)	-	37.63	-	38.00
Expected option life	3 years	3 years	3 years	3 years
Risk free interest rate (%)	7.67	7.73	7.35	7.67
Expected dividend yield (%)	4.93	5.43	5.18	4.93

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%

26.6 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.

26.7 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.

27. Capital reserves

27.1 Share premium account

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Share premium account	**2**	12	**-***	-*

* less than R1 million

27.2 Participants in staff share investment trust

R'm		
Participants in staff share investment trust (note 26.6)	**42**	36
Beginning of the year	**36**	35
Net movement for the year	**6**	1

27.3 Share-based payments reserve

	Group		Company	
Share-based payments reserve	**501**	409	**501**	409
Beginning of the year	**409**	335	**409**	335
Recognition of share-based payments for the year	**92**	74	**92**	74
Share-based payments for options/shares granted in current year	**188**	80	**188**	80
Share-based payments reserve transferred to retained income for options that have vested from inception to date	**(90)**	(13)	**(90)**	(13)
Share-based equity reserve hedge cost	**(6)**	7	**(6)**	7
Total capital reserves	**545**	457	**501**	409

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 26.5. 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 27). Due to the long-term nature of these liabilities such estimates are subject to uncertainty.

28. Treasury share transactions

	Group		Company	
R'm	2023	2022	2023	2022
6 390 470 (2022: 6 370 180) ordinary shares in Mr Price Group Limited held by staff share trusts	(1 134)	(938)		
- Balance at beginning of the year	(938)	(593)		
- Share-based equity reserve hedge cost	(193)	(166)		
- Treasury shares acquired	(36)	(203)		
- Treasury shares sold	39	25		
- Mr Price Group Employees Share Investment Trust	(6)	(1)		
Deficit on treasury share transactions	(1 640)	(1 622)	(286)	(274)
- Balance at beginning of the year	(1 622)	(1 608)	(274)	(272)
- Current year movement arising from the take-up of vested options	(18)	(14)	(12)	(2)
Taxation relating to grants to share trusts	384	363	384	363
- Balance at beginning of the year	363	349	363	349
- Current year movement	21	14	21	14
Grants by company to staff share trusts			(3 035)	(2 842)
- Balance at beginning of the year			(2 842)	(2 618)
- Grants made during the year			(193)	(224)
	(2 390)	(2 197)	(2 937)	(2 753)

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.

212 024 treasury shares were acquired by the staff share trusts during the 2023 financial year at an average of R171.87.
214 188 treasury shares were sold by the staff share trusts at an average of R180.14.

As part of the purchase consideration for the acquisition of Studio 88 the company issued and alloted 834 557 shares on 4 October 2022. The company entered into a share buy-back programme and repurchased and subsequently cancelled 884 715 shares on 7 October 2022. The company acquired 884 715 shares at R165m at an average price of R186.5 per share (2022: nil).

29. Foreign currency translation reserve

	Group	
R'm	2023	2022
Beginning of the year	(232)	(204)
Currency translation adjustments for the year	4	(28)
End of the year	(228)	(232)

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 Mozambique.

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

30. Consolidated entities

	Company	
R'm	**2023**	2022
Carrying value of shares	**4 029**	439
Ordinary shares at cost	**4 029**	439
Carrying value of long-term loans	**78**	118
Long-term loans	**78**	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.		
	4 107	557
Net current amounts owing by consolidated entities	**328**	289
Current amounts owing by consolidated entities	**859**	798
Impairment of current amounts owing by consolidated entities	**(485)**	(472)
Current amounts owing to consolidated entities	**(46)**	(37)
Current accounts are interest free and are settled within 12 months, with the exception of loans to Mr Price Retail Kenya Limited (9.46%)		
	4 435	846

An analysis of the financial interest in consolidated entities is disclosed in note 31.

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' 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.

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 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.

31. Operating subsidiaries

		Issued capital		Carrying value of shares		Net indebtedness	
	Notes	**2023 Shares**	2022 Shares	**2023 R'm**	2022 R'm	**2023 R'm**	2022 R'm
Mr Price Botswana (Pty) Limited	1	**100**	100	**-**	-	**58**	55
Mr Price (Lesotho) (Pty) Limited	2	**1 000**	1 000	**-**	-	**11**	13
Mr Price Group (Namibia) (Pty) Limited	3	**100**	100	**-**	-	**39**	29
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	**5**	6
Mr Price Zambia Limited	6	**5 000**	5 000	**-**	-	**80**	45
Millews Fashions (Johannesburg) (Pty) Limited	7	**28 000**	28 000	**-**	-	**3**	13
Associated Credit Specialists (Pty) Limited	8	**100**	100	**-**	-	**1**	1
Mr Price Mobile (Pty) Limited	9	**100**	100	**-**	-	**57**	110
MRP Retail Australia (Pty) Limited	10	**100**	100	**-**	-	**-**	-
Mr Price Retail Kenya Limited	11	**100 000**	100 000	**-**	-	**64**	82
Mr Price Retail Poland Sp. z o.o	12	**100**	100	**-**	-	**-**	-
Enterprise Stores (Pty) Limited (Swaziland)	13	**6 364**	6 364	**13**	13	**6**	4
Otto Bros Lesotho Holdings (Pty) Limited	14	**1 000**	1 000	**-***	-*	**10**	8
K2018509367 (Pty) Limited	15	**912 632**	912 632	**-**	-	**-**	-
Yuppiechef Holdings (Pty) Limited		**185 203**	185 203	**-**	-	**-**	-
Edison Stone (Pty) Limited		**100**	100	**-**	-	**10**	10
Yuppiechef Online (Pty) Limited		**120**	120	**-**	-	**29**	-
Yuppiechef Digital (Pty) Limited		**100**	100	**-**	-	**-**	-
Blue Falcon 188 Trading (Pty) Limited (South Africa)	16	**98 371 744**	-	**-**	-	**-**	-
The Branded Clothing Company (Pty) Limited (Botswana)	17	**100**	-	**-**	-	**-**	-
Studio Eighty Eight (Pty) Limited (Namibia)	18	**100**	-	**-**	-	**-**	-
Studio 88 Zambia (Pty) Limited	19	**10 000**	-	**-**	-	**-**	-
Real Wise Trading (Pty) Limited (Factory outlet)	20	**100**	-	**-**	-	**-**	-
L & G Luxury Life 1988 (Pty) Limited	21	**1000**	-	**-**	-	**-**	-
Studio 88 Mozambique (Pty) Limited	22	**50 000**	-	**-**	-	**-**	-
Studio 88 Lesotho (Pty) Limited	23	**-**	-	**-**	-	**-**	-
Studio 88 eSwatini (Pty) Limited	24	**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
Mr Price Senior Management Share Trust		**-**	-	**-**	-	**2**	6
Mr Price General Staff Share Trust		**-**	-	**-**	-	**9**	18
Mr Price Partners Share Trust		**-**	-	**-**	-	**-***	-*
Dormant subsidiaries		**-**	-	**-**	-	**-**	-
Hughes Extension 17 Township (Pty) Limited		**100**	100	**-**	-	**-**	-
Total				**17**	17	**388**	407

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.
16. Operates as Studio 88 stores in South Africa.
17. Operates as Studio 88 stores in Botswana.
18. Operates as Studio 88 stores in Namibia.
19. Operates as Studio 88 stores in Zambia.
20. Real Wise Trading (Pty) Limited is a Blue Falcon 188 Trading (Pty) Limited subsidiary that operates in South Africa.
21. L & G Luxury Life 1988 (Pty) Limited is a Blue Falcon 188 Trading (Pty) Limited subsidiary that operates in South Africa.
22. Operates as Studio 88 stores in Mozambique.
23. Operates as Studio 88 stores in Lesotho.
24. Operates as Studio 88 stores in Swaziland.

The Company owns 100% of the equity and preference share capital (where applicable) of all other subsidiaries and cell captives, except for Blue Falcon 188 Trading (Pty) Limited, where the company owns 70% of the equity.

32. Business combinations

2023

Effective 4 October 2022, the group acquired 70% of the equity of Blue Falcon Trading 188 (Pty) Ltd ("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 primarily through its 778 stores. 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.

The remaining 30% equity is held by management and will be acquired over the next three years ensuring that continuity is maintained. This period can be extended my mutual agreement between the parties.

The transaction closed on 3 October 2022 with the effective date of 4 October 2022. Results have been consolidated from this date into the group's results.

Studio 88 contributed R4 243.3m in revenue and R368.4m in net profit since acquisition (NCI portion of revenue is R1 273.0m and net profit is R110.5m respectively). Reporting 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 Studio 88 has a different financial year end to the group, and reporting is based on a calendar month compared to the group which follows a retail calendar.

The group has measured the fair value of identifiable assets and liabilities of Studio 88 at their acquisition date.

The at-acquisition values are presented below.

	Studio 88 Total
R'm	2023
Assets	
Property, plant and equipment	579
Intangible assets	1 505
Right-of-use asset	759
Trade and other receivables	272
Inventories	2 530
Other	9
Liabilities	
Deferred tax liability	(244)
Long-term liabilities	(62)
Taxation	(23)
Cash and cash equivalents	(23)
Lease liabilities	(848)
Trade and other payables	(1 748)
Short-term liabilities	(30)
Total identified net assets at fair value	**2 676**
Goodwill attributable to acquisition	1 726
Total consideration	**4 402**
Non-controlling interest	803
Shares issued at fair value	157
Cash paid	3 442
Total consideration	**4 402**
Cash on hand at date of acquisition	(23)
Cash paid	**(3 442)**
Net cash outflow on acquisition	**(3 465)**

In FY2022 the purchase consideration of Studio 88 Group was anticipated to be R3.3 billion to be funded by the cash resources of the group. The acquisition was subsequently finalised on 3 October 2022 with finalised consideration and funding sources in the table above.

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 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 R11.4m in net 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.

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 liability	(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

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.

33. Related parties

33.1 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.

33.2 Directors
Refer to note 34 for directors' emoluments.

33.3 Compensation of key management personnel

	Group		Company	
R'm	**2023**	2022	**2023**	2022
Short-term employee benefits	**185**	149	**185**	149
Post employment pension benefits	**11**	8	**11**	8
Share-based payments	**38**	19	**38**	19
	234	176	**234**	176

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

33.4 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 R0.04m (2022: R0.30m). Related party Vukile Property Fund (Pty) Ltd, a company of which Mr N Payne, the chairman is a director. Store rental of R76.4m was paid.

33.5 Participants in staff share trusts
Refer to notes 26 and 27 in respect of transactions with participants in the staff share trusts.

33.6 Transactions with related parties
Refer to notes 21 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.

33.6 Transactions with related parties

	Company	
R'm	**2023**	2022
Sales	**926**	938
Mr Price Group (Namibia) (Pty) Ltd	**451**	394
Mr Price Botswana (Pty) Ltd	**270**	235
Mr Price (Lesotho) (Pty) Ltd	**80**	74
Mr Price Zambia Limited	**59**	85
Mr Price Chain Stores International Limited (Ghana)	**37**	58
Mr Price Retail Kenya Limited	**29**	92
Administration fees received from:	**125**	197
Mr Price Group (Namibia) (Pty) Ltd	**25**	47
Mr Price Botswana (Pty) Ltd	**55**	86
Mr Price (Lesotho) (Pty) Ltd	**8**	16
Mr Price Zambia Limited	**33**	38
Mr Price Chain Stores International Limited (Ghana)	**4**	10
Dividends received by:	**160**	31
Mr Price Executive Director Share Trust	**3**	1
Mr Price Executive Share Trust	**3**	2
Mr Price Senior Management Share Trust	**2**	1
Mr Price General Staff Share Trust	**3**	1
Mr Price Partners Share Trust	**4**	-
Millews Fashions (Johannesburg) (Pty) Ltd	**30**	-
Mr Price Botswana (Pty) Ltd	**71**	6
Mr Price Group Namibia (Pty) Ltd	**24**	-
Associated Credit Specialists (Pty) Ltd	**20**	20

Refer to note 30 for the amounts owing to and by consolidated entities.

34. Directors' emoluments

The emoluments received by the Directors from the company were:

R'm	Basic salary	Retirement fund contribution	Other benefits	TGP	Dividends (FSP plans)	Total 2023	Total 2022
MM Blair	7	1	1	**9**	2	**11**	57
MJ Stirton	5	1	1	**7**	-*	**7**	12
SA Ellis^	-	-	-	**-**	-	**-**	4
Total	**12**	**2**	**2**	**16**	**2**	**18**	**73**

* less than R1 million
^ Steve Ellis, an alternate executive director to the CEO, retired from his executive role in the group effective 31 December 2021

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

	Company	
Rand	**2023**	2022
SB Cohen	**908 780**	865 501
NG Payne	**1 867 120**	1 778 211
M Motanyane-Welch*	**-**	214 392
M Bowman	**1 029 900**	979 315
D Naidoo	**1 027 330**	975 263
JA Canny	**567 740**	540 708
K Getz	**731 890**	697 040
LA Swartz	**653 710**	562 632
M Chauke	**601 460**	571 278
SA Ellis	**430 300**	102 453
Total	**7 818 230**	7 286 793

*Maud Motanyane-Welch retired by rotation as a director and a member of the Social, Ethics, Transformation and Sustainability (SETS) committee during FY2022.

35. Subsequent events

Subsequent to FY2023 the following changes were made to the directorate:

- Harish Ramsumer has been appointed as an independent non-executive director of the board with effect from 1 July 2023.
- Richard Inskip has been appointed as an independent non-executive director of the board with effect from 1 July 2023.
- Keith Getz retiring by rotation as a non-executive director, chairman of the Social, Ethics, Transformation and Sustainability (SETS) and a member of the Remnomco, effective 30 August 2023.
- Steve Ellis retiring by rotation as a non-executive director, effective 30 August 2023.
- Neill Abrams will be appointed an independent non-executive director from 1 September 2023 (and steps down as alternate director to Stewart Cohen).

No other events, material to the understanding of the annual financial statements, have occurred between the financial year end and the date of this report.

36. Going concern

The directors and management have reviewed the group's budget and cash flow forecasts, and related solvency and liquidity ratios. They have also considered the current trading environment. 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 FY2024 and beyond and have continued to adopt the going concern basis in preparing these annual financial statements.

mr price group limited

Administration and Contact Details

	Address	Phone	Fax	Websites
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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
Studio 88	Aeroton Business Park, 30 O'Connor Place, Aeroton, Johannesburg, 2190	011 474 2245		studio-88.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/kpmgfair-callreport/questionnaire/main/
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Domicile and Country of Incorporation

Republic of South Africa

Sponsor

Investec Bank Limited

Registration Number

1933/004418/06

Independent Auditors

F2023 Ernst & Young Inc
F2024 Deloitte and Touche