

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

1.1 NATURE OF BUSINESS

Super Group Limited (Registration number 1943/016107/06), the holding Company (the Company) of the Group, is a company listed on the Main Board of the JSE Limited in the 'Industrial Transportation' sector and is incorporated and domiciled in the Republic of South Africa.

Super Group's registered address is 27 Impala Road, Chislehurst, Sandton, 2196. Super Group is a broad-based supply chain management and mobility business, headquartered in South Africa, with operations across Africa and businesses in Australia, New Zealand, the United Kingdom and Europe. Its principal operating activities include supply chain management, dealerships and fleet management activities.

1.2 MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Company and its subsidiaries (the Group) between 30 June 2023 and the date of the approval of these financial statements.

1.3 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently by the Group. The accounting policies are relevant to both the Group (consolidated financial statements) and Company (separate financial statements).

Basis of measurement

The financial statements of the Group and Company have been prepared on the historical cost basis, except for:

- land and buildings measured using the revaluation model;
- investment property measured using the fair value model;
- financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss; and
- financial assets and financial liabilities designated as hedging instruments measured at fair value through profit or loss or in other comprehensive income (FVOCI).

The financial statements are prepared on the going concern basis.

The financial statements are presented in Rand and all values are rounded to the nearest thousand (R'000), except when otherwise indicated.

Statement of compliance

Basis of preparation

The financial statements are prepared in compliance with the framework concepts and the measurement and recognition requirements of IFRS and interpretations of those standards as adopted by the International Accounting Standards Board and the requirements of the Companies Act, the South African Institute of Chartered Accountants' Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements of the Group and Company were approved by the directors on 29 September 2023 and were signed on their behalf by P Mountford and C Brown.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgements and assumptions that affect reported amounts. It also requires management to exercise its judgement in the process of applying the accounting policies.

Actual results may vary from these estimates. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 40. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected. At reporting date the following standards and interpretations were in issue but not yet effective:

Effective for the financial year commencing 1 July 2023:

- IFRS 17 – Insurance Contracts
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure initiative: accounting policies (IAS 1 and IFRS Practice Statement 2 amendment)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Statement of compliance continued

Effective for the financial year commencing 1 July 2024:

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Disclosures: Supplier Finance Agreements (Amendments to IAS 7 and IFRS 7)

Effective immediately upon issuance:

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

Effective at the option of the entity (effective date has been deferred indefinitely)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 applies to all types of insurance contracts (ie. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. The group considered all of the above and concluded no material impact from IFRS 17.

All Standards and Interpretations will be adopted at their effective date except for the Standards and Interpretations that are not applicable to the Group. The Board's initial view on the standards not yet effective is that the impact is not expected to be material. Standards and interpretations effective for the year commencing 1 July 2022 were adopted by the Group, the impact was not material.

Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested for impairment annually. Any gain on a bargain purchase is recognised in profit or loss immediately.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

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

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiary companies are stated at cost less accumulated impairment losses in the Company's separate financial statements.

Non-controlling interest at the acquisition date is determined as the non-controlling shareholders' proportionate share of the fair value of the net assets of subsidiaries acquired. Goodwill is excluded when allocating the non-controlling shareholders' proportionate share of the fair value of assets and liabilities acquired. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes these interests to have a deficit balance.

Changes in holdings while control is retained are accounted for as equity transactions. Any premium or discount on purchase or sale is recognised directly in equity. No adjustment is made to goodwill.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates

An associate is an entity over which the Group has the ability to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee, generally accompanying a shareholding embodying between 20% and 50% of the voting rights.

1 ACCOUNTING POLICIES *continued*

1.3 PRINCIPAL ACCOUNTING POLICIES *continued*

Basis of consolidation *continued*

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement.

Equity-accounted investees (associates and joint ventures)

The Group's share of post-acquisition recognised profits or losses of equity-accounted investees is incorporated in the financial statements, using the equity method of accounting (initially recognised at cost), from the effective dates that significant influence was obtained until the effective dates that significant influence ceased, except when classified as held-for-sale where equity accounting ceases and the investment is measured at the lower of its carrying value and fair value less costs to sell.

Adjustments are made on consolidation to bring the equity-accounted investees financial statements in line with the Group's accounting policies. Accumulated profits and movements in reserves are determined from the most recent financial statements of the equity-accounted investees and available information to the latest reporting date available.

Where the Group's share of losses of an equity-accounted investee exceeds its interest in the investment, the investment is carried at nil. Additional losses are only recognised to the extent that the Group has incurred legal or constructive obligations in respect of advances and commitments made to the equity-accounted investment.

Equity-accounted investees are carried in the statement of financial position at cost adjusted by cumulative post-acquisition changes in the Group's share of the net assets of the equity-accounted investees, less any impairment in the value of individual investments. If impaired, the carrying value of the Group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment.

The Group's investment in equity-accounted investees includes goodwill (net of any accumulated impairment losses) identified on acquisition.

Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains and losses between Group entities are eliminated on consolidation.

In respect of joint ventures and associates, unrealised gains or losses are eliminated to the extent of the Group's interest in these entities. To the extent that an unrealised loss on a transaction provides evidence of impairment, that loss is recognised in profit or loss.

Goodwill

Goodwill on acquisition is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The acquisition method of accounting is used to account for the acquisition of businesses.

The consideration transferred is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date irrespective of the extent of any non-controlling interest. Any excess of the consideration transferred over the at acquisition date fair values of the Group's share of the identifiable net assets acquired, is recognised as goodwill. If the consideration transferred is less than the fair value at acquisition date of the Group's share of the net assets of the business acquired (i.e. discount on acquisition), the difference is recognised directly in profit or loss.

At acquisition date fair values of the identifiable assets and liabilities are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows to present values using a market-related discount rate. Goodwill on acquisitions of equity-accounted investees is included in the carrying value of the investment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing.

Goodwill arising on a business combination is allocated among the Group's CGUs that are expected to benefit from synergies as a result of the business combination. This allocation is based on management's assessment of the synergies gained and is not dependent on the location of the acquired assets.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated, are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Transaction costs

Costs related to acquisitions, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Property, plant and equipment

Property, plant and equipment, excluding land, buildings and leasehold improvements, are stated at cost less accumulated depreciation and any accumulated impairment losses. Land, buildings and leasehold improvements are measured at fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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. All repairs and maintenance expenditures are charged to profit or loss during the financial year in which they are incurred.

The depreciable amount of the asset is recognised in profit or loss on a straight-line basis. The current estimated useful lives are as follows:

- Buildings – twenty to fifty years;
- Leasehold improvements – five to ten years;
- Rental and transport fleet – four to ten years;
- Computer equipment – three to five years;
- Furniture and workshop fittings – three to ten years; and
- Motor vehicles and other assets – four to seven years.

Depreciation of an asset commences when it is available for use and is in the location and condition necessary for it to be capable of operating in the manner intended by management. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Fair value of land and buildings is determined by reference to market-based evidence. This is the price that would be received to sell an asset in an orderly transaction between willing market participants at measurement date.

Any revaluation surplus is recognised in other comprehensive income and presented as a revaluation reserve included in other reserves. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve. Additionally, accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any remaining revaluation reserve relating to the particular asset being sold is transferred to distributable reserves. The revaluation surplus is transferred to retained earnings annually, based on the remaining useful life of the asset.

Revaluations are performed every year ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Independent valuations are performed at a minimum, every three years or more often if deemed necessary. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Gains or losses on the disposal of property, plant and equipment are included in profit or loss and are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss in excess of the revaluation reserve in respect of the relevant item of property, plant and equipment is recognised in profit or loss.

Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

1 ACCOUNTING POLICIES *continued*

1.3 PRINCIPAL ACCOUNTING POLICIES *continued*

Lease portfolio vehicles

Items of moveable assets which are leased to customers, but where the Group retains substantially all the risks and rewards of ownership, are accounted for as lease portfolio vehicles which are treated as owned assets rather than leased assets.

Lease portfolio vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of lease portfolio vehicles includes the purchase cost including non-refundable purchase taxes and other expenditure that is directly attributable to the acquisition of the assets to bring the assets held-for-use in the lease asset portfolio to working condition for the intended use.

Incremental initial direct costs incurred specifically to earn revenues from lease portfolio vehicles (lease originating costs) are added to the carrying amount of the leased asset. Work in progress comprises vehicles and accessories where the construction or modification process is not yet complete and where the asset has not been delivered to the customer or is not ready for its intended use in the lease portfolio vehicles.

The depreciable amount of the vehicles is recognised in profit or loss on a straight-line basis. The current estimated useful lives are four to seven years.

The vehicles' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Work in progress is not depreciated until the asset is available for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

Lease portfolio vehicles are disposed of at the end of the lease. The vehicles are reclassified to current assets when the remaining term of the lease is less than 12 months and are expected to be disposed within the next 12 months.

Lease portfolio borrowings

These borrowings relate to liabilities from financial institutions which are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective-interest basis.

Group as lessor

Lease classification

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date as to whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Various criteria are used to determine lease classification. There are three main decision criteria used. These are:

- Whether the lease term is for the major part of the economic life of the asset;
- Whether the present value of minimum lease payments amounts to at least substantially all of the fair value of the asset at the inception of the lease; and
- Whether the lease transfers ownership of the underlying asset to the lessee by the end of the lease term.

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The transaction is accounted for as a sale of an asset.

The selling price is recorded at the present value of the minimum lease payments receivable with a corresponding finance lease receivable recorded on the statement of financial position.

Lease payments received are allocated between capital repayments and interest income using the effective interest method to achieve a constant rate of interest on the remaining balance of the lease receivable.

Operating leases

Payments received under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Group as lessee

As a lessee, the Group leases many assets including property, plant and equipment. The Group recognises right-of-use assets and lease liabilities for most of these leases. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Right-of-use assets are measured at cost which includes an amount equal to the lease liability, adjusted by lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. The Group applied this approach to all leases.

All leases are recognised on the statement of financial position except for low-value leases (including certain IT equipment) or short-term leases, where the Group has elected not to recognise right-of-use assets and lease liabilities. The Group recognises these lease payments as an expense on a straight-line basis over the lease term.

Right-of-use assets are subsequently depreciated using the straight line method from the commencement date to the end of the lease term. In addition, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased. The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments);
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Payments expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise.

The lease liabilities are measured at amortised cost using the effective interest method. A lease liability is remeasured when the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised variable lease payment. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset, or is recorded in profit or loss if the carrying value of the right-of-use asset has been reduced to zero.

Intangible assets

Internally generated

No value is attributed to internally generated trademarks or similar rights and assets. Costs incurred on these items are charged to profit or loss in the year in which they are incurred.

Acquired both separately and as part of a business combination

Intangible assets acquired separately are measured initially at cost and those acquired through a business combination at the acquisition date fair value. Cost includes the fair value of the consideration given to acquire the asset. Intangible assets are carried at cost (or fair value at acquisition) less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Intangible assets are amortised unless they have an indefinite useful life.

Amortisation is recognised in profit or loss on a straight-line basis over the current expected useful life of the intangible asset.

An intangible asset has an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Indefinite useful life intangible assets are tested for impairment annually. The impairment is tested using an "umbrella" trade name and calculated using the Relief from Royalty valuation method by applying a percentage to the net sales and an applied royalty rate of revenues. The cash flows are forecasted over a 10-year period with a terminal value discounting them at the rate applicable to the cash-generated unit.

1 ACCOUNTING POLICIES *continued*

1.3 PRINCIPAL ACCOUNTING POLICIES *continued*

Intangible assets *continued*

The amortisation method and amortisation period for intangible assets with a finite useful life is reviewed annually at reporting date. The current estimated useful lives are as follows:

- Software and licences – three to nine years;
- Trade name – vary depending on trade name expected life;
- Customer relations – vary depending on assessment of relationship; and
- Customer contracts and other – vary depending on length of customer contract and other assets.

Software and licences

Purchased software, licences and the direct costs associated with the customisation and installation thereof are capitalised. Expenditure on internally developed software is capitalised if it meets the criteria for capitalising development expenditure and will probably generate economic benefits exceeding costs beyond one year. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Expenditure incurred to restore or maintain the originally assessed future economic benefits of existing software systems is recognised in profit or loss.

Trade names, customer contracts and relations

Expenditure on purchases of trade names, customer contracts and relations through a business combination is capitalised if they meet the definition of an intangible asset.

Provisions

A provision is recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in discounted provisions as a result of the passage of time is recognised as a finance cost in profit or loss.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. Where the contractual residual value for motor vehicles exceeds the anticipated proceeds from the contract at reporting date, an onerous contract provision for residual risk is recognised. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected cost of continuing with the contract.

Warranty provisions relate to after-sales costs in respect of warranties given on sale of certain vehicles. The provision has been estimated based on historical warranty data associated with similar products and services.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and transporting the inventory to its present location and condition.

Cost is determined as follows:

- New, used and demonstration vehicles – actual unit cost on a first-in-first-out basis for homogeneous vehicles.
- Consumables and other inventory – weighted average cost.
- Parts, accessories and automotive components – actual unit cost on a first-in-first-out basis.
- Retail and other inventory – actual unit cost on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories sold, including the write-down of inventory to net realisable value, is included in cost of sales in the statement of comprehensive income.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to a business combination, items recognised directly in equity or other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Income tax continued

Current tax

The current tax charge is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of prior years. In situations when there is doubt regarding the tax treatment of a transaction, the amount is recognised based on the best estimate of the amount of tax payable. The effect of the uncertainty shall be reflected in the related profits (tax loss), tax bases, unused tax losses or tax rates.

Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition; and
- temporary differences relating to interests in subsidiaries and equity-accounted investees to the extent it is probable these will not reverse in the foreseeable future.

The amount of deferred tax is determined using tax rates enacted or substantively enacted in the relevant jurisdictions at the reporting date that are expected to apply when the asset is realised or liability settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income tax levied by the same tax authority on the same taxable entity. Deferred tax assets and liabilities are not offset between different entities and jurisdictions. A deferred tax asset is recognised for all deductible temporary differences, including unused tax losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of the underlying assets and liabilities. Deferred tax liabilities have not been provided on undistributed earnings of foreign subsidiaries and associates where those earnings are not expected to be distributed.

The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to a business combination, items recognised directly in equity or other comprehensive income.

Value added tax (VAT)

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

Dividend withholding tax

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

The Company withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge, but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised as the gross amount with the related withholding tax recognised as part of the tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Rand, rounded to the nearest thousand, which is the Company's functional and Company's and Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are accounted for at rates of exchange ruling on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date.

Unrealised translation differences on such monetary assets and liabilities are recognised in profit or loss in the year in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

1 ACCOUNTING POLICIES *continued*

1.3 PRINCIPAL ACCOUNTING POLICIES *continued*

Foreign operations

The results and financial position of all the Group entities that have a functional currency different from the Group presentation currency are translated into the presentation currency.

Assets and liabilities of foreign operations are translated at rates of exchange ruling at the reporting date. Income and expenditure of foreign operations are translated at the rate of exchange at the transaction date or the average rate of exchange for the reporting period. Gains or losses arising on the translation of foreign operations are recognised in other comprehensive income and presented as foreign currency translation reserves in equity. Where the operation is not a wholly owned subsidiary, the relevant proportionate share of the translation difference is allocated to non-controlling interests.

On consolidation, exchange differences arising from the translation of a monetary item that forms part of a reporting entity's net investment in foreign operations, including the borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and presented as a foreign currency translation reserve in equity.

When a foreign operation is sold or partly sold resulting in a loss of control, the share of the related cumulative gains and losses, including taxes, previously recognised in the foreign currency translation reserve is reclassified to profit or loss on disposal as part of the gain or loss on disposal.

When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative foreign currency translation reserve is reallocated to non-controlling interests.

Impairment of assets

Non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recovered. If any such indication exists then the asset's or cash-generating unit's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows which are largely independent from other assets and groups.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are assessed for impairment using a forward-looking expected credit loss (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. The impairment model applies to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Impairment of assets continued

Financial assets continued

A default event can be identified as non-compliance with agreed credit terms. Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component. The Group has also chosen to apply this policy for trade receivables, trade finance debtors, agency debtors and contract assets with a significant financing component.

The estimated ECLs in respect of trade and sundry receivables were calculated based on actual credit loss experience over previous years. Actual credit loss experience was adjusted by entity-specific scalar factors and macroeconomic information, such as the lack of economic stimuli in South Africa, rising interest rates, the WLTP process in the European automotive market, and the Russia-Ukraine conflict was taken into account by the various divisions across the Group, but none of these were material enough to make an adjustment to the estimated ECLs to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables, including the impact of Covid-19.

A significant increase in credit risk can be identified by late or defaulted payments experienced, or corporate actions such as an entity going into business rescue. Low credit risk is identified by historical compliance with obligations and external credit ratings.

The cash and cash equivalents are held with banks and financial institution counterparties. The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment losses for financial assets measured at amortised cost is recognised in profit or loss.

Financial assets are written off only when all reasonable attempts at recovery have been taken and failed. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. The recovery of previously written off financial assets is recognised in profit or loss.

Non-controlling interest put options

Non-controlling interest put options are put options over non-controlling interests accounted for using the present access method. Written put options in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognised as financial liabilities. Under this method, the non-controlling interest is not derecognised when the financial liability in respect of the put option is recognised, as the non-controlling interest still has present access to the economic benefits associated with the underlying ownership interest. Non-controlling interest put options are initially recognised at the present value of expected future cash flows and subsequently remeasured at the present value of expected future cash flows with any changes in value (accretion and interest) through equity.

Group share-based payment transactions

Transactions in which the Company grants rights to its own equity instruments directly to the employees of its subsidiaries are classified as equity settled in the Company's separate financial statements. The Company recognises the equity-settled share-based payment in equity and recognises a corresponding increase in its investment in the subsidiary.

Where rights to the parent's (or ultimate parent) equity instruments are granted by that parent directly to the employees of the subsidiary, the subsidiary classifies the transaction as equity settled where it has no obligation to settle the share-based payment transaction. The subsidiary recognises the services acquired with the share-based payment as an expense and recognises a corresponding increase in equity as a capital contribution from its parent for those services acquired.

Broad-based black economic empowerment scheme

The Group operated a broad-based black economic empowerment equity-settled share-based compensation plan which ended after 10 years in October 2022. The scheme commenced on 2 October 2012 and had a life of 10 years. Vesting of individual options under the scheme occurred on the 10th anniversary of the scheme or upon employment termination due to death, retrenchment, retirement, or the employee no longer forming part of Super Group Holdings Proprietary Limited as a result of the business being disposed of. The fair value of the services received in exchange for the grant of the options was recognised as an expense over the vesting period. The total amount to be expensed over the vesting period was determined by reference to the financial risk pricing and valuation methodologies. A corresponding adjustment was made to equity over the remaining vesting period. The estimate of the level of vesting was reviewed at least annually, with any impact on the cumulative charge being recognised immediately.

New participants joining the scheme were treated as new grants in terms of the scheme. In terms of this scheme, participants received annual dividends. These dividend payments were recognised as employee benefit costs in profit or loss.

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Broad-based black economic empowerment scheme continued

The Group has implemented a new Employee Share Ownership Programme (ESOP) whereby permanent employees who qualify as beneficiaries of the SG Kganya Trust will share in the dividends distributed by Super Group Holdings Proprietary Limited. These dividend payments are recognised as employee benefit costs in profit or loss. The new ESOP does not fall within the scope of IFRS 2 and as such an employee provision is raised when the group has a present legal or constructive obligation to make payment once a dividend is declared in terms of IAS 19.

Group share scheme recharge arrangements

A recharge arrangement exists whereby the cost to the scheme of acquiring shares issued in accordance with certain share schemes granted by the parent company are funded by way of contributions from the subsidiary employer company in respect of participants who are their employees. The recharge arrangement is accounted for separately from the underlying equity-settled share-based payment on initial recognition. The parent company recognises a corresponding recharge asset at fair value and a corresponding adjustment to the carrying amount of its investment in the subsidiary. The subsidiary company recognises a recharge liability at fair value, determined using generally accepted valuation techniques, and a corresponding adjustment against equity for the capital contribution recognised in respect of the share-based payment.

Subsequent to initial recognition the recharge arrangement is remeasured at fair value (as an adjustment to the net capital contribution) by the parent and subsidiary companies respectively at each subsequent reporting date until settlement date to the extent vested. The amount of the recharge in excess of the capital contribution, recognised by the parent company as an increase in the investment in subsidiary, is recognised as an adjustment to the net capital contribution through a reduction in its net investment in the subsidiary. Where the recharge amount recognised is greater than the initial capital contribution recognised by the subsidiary company in respect of the share-based payment, the excess is recognised as a net capital distribution to the parent in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, short-term money market instruments and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost. Foreign cash balances are translated using the exchange rate at the reporting date.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial instruments

Non-derivative financial instruments comprise investment in equity and debt securities, trade and sundry receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value.

Classification and subsequent measurement

Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables. Trade payables are recognised at the date of when the obligation arises and measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial assets

All purchases and sales of financial assets are recognised on the trade date, being the date that the Group commits to purchase or sell the asset.

The Group classifies its financial assets into the following categories:

- Measured at fair value through profit or loss; or
- At amortised cost.

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets on initial recognition.

The amount recognised on initial recognition in respect of financial assets not subsequently measured at fair value through profit or loss includes transaction costs associated with the financial asset (such as advisors' fees, commissions, duties and levies by regulatory agencies).

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES **continued**

1.3 PRINCIPAL ACCOUNTING POLICIES **continued**

Financial instruments **continued**

Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss, if acquired principally for the purpose of selling in the short term or they form part of a portfolio with a pattern of short-term profit making for equity and non-equity financial assets.

Derivatives are also categorised as financial assets at fair value through profit or loss unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

After initial recognition, financial assets, which are classified as measured at fair value through profit or loss are measured at fair value. Gains or losses on financial assets measured at fair value through profit or loss are recognised in profit or loss.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following:

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

They are included in current assets, except for receivables with maturities greater than 12 months after the reporting date. These are classified as non-current assets. Current loans and receivables are included in trade and sundry receivables in the statement of financial position. Trade receivables, which generally have 30 to 90-day terms, are recognised and carried at amortised cost less impairment losses (generally being the original invoice amount less an allowance for any uncollectable amounts), using the effective interest method. An allowance for impairment is made based on the ECL model. Bad debts are written off when identified.

The assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, dividends and impairment are recognised in profit or loss.

Other receivables are stated at amortised cost less impairment losses using the effective interest method.

Derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments such as foreign currency contracts (FECs), cross-currency swaps and interest rate swaps to hedge its risks associated with selected foreign currency and interest-rate fluctuations. Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. The Group may from time to time replace the interest rate swap on termination. Transaction costs are recognised in profit or loss as incurred. Gains and losses arising from changes in fair value are included in profit or loss in the year in which the change arises including the impact in respect of interest rate reform.

Where a derivative is designated as a cash flow hedge, the effective part of the gains or losses from remeasuring the hedging instruments to fair value is initially recognised in other comprehensive income and presented in the hedging reserve in equity. The ineffective part of any gain or loss is immediately recognised in profit or loss.

Offset

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to cash flows expire or there is a transfer of the rights to receive contractual cash flows in a transaction in which substantially all the risks and rewards are transferred. A financial liability is derecognised when it is legally extinguished. Gains and losses are recognised in profit or loss when assets or liabilities are derecognised or impaired.

Employee benefits

Short-term employee benefits

Remuneration paid to employees for services rendered is recognised in profit or loss as the services are provided including the company contribution on behalf of the employee in respect of the respective medical aid schemes. An accrual is made for accumulated leave.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under a short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1 ACCOUNTING POLICIES *continued*

1.3 PRINCIPAL ACCOUNTING POLICIES *continued*

Employee benefits *continued*

Post-retirement benefits

The Group operates a number of defined contribution plans under which it pays fixed contributions into separate retirement funds. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The fund assets are held in separate trustee administered funds. The plans are generally funded by payments from employees and the relevant group companies, taking into account recommendations of independent qualified actuaries. Contributions to defined contribution plans are recognised in profit or loss in the year to which they relate.

Equity compensation benefits

Certain senior employees (including directors) of the Group receive remuneration in the form of share-based payment transactions whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Group has an employee share incentive scheme for the granting of non-transferable options to executives and senior employees. Shares in the Group held by the employee share incentive scheme are treated as treasury shares and presented in the statement of financial position as a deduction from equity.

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Group at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs is included in equity.

Operating segments

The Group determines and presents operating segments based on the information that is internally provided to the executive team. An operating segment is a component of the Group that:

- engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components;
- whose operating results are regularly reviewed by the executive team; and
- for which financial information is available.

This approach is based on the manner in which segments are organised, operated and managed as well as management's assessment that the risks and rates of return are affected predominantly by differences in the sale of products and services rendered taking into consideration the geographical location of their activities.

Each segment represents a strategic business unit that offers different products and serves different markets.

The principal segments of the Group have been identified by the nature of operation into the seven major areas of Supply Chain Africa, Supply Chain Europe, Fleet Africa, SG Fleet, Dealerships SA, Dealerships UK and Services.

Transfer prices between business segments are set in a manner similar to transactions with third parties, however Group admin fees, finance charges, IT charges and property rentals are based on recovery of costs.

Segment assets include all operating assets used by a segment and consist principally of property, plant and equipment, goodwill and financial assets. Segment liabilities include all operating liabilities and consist principally of financial liabilities and long-term borrowings. These assets and liabilities are all directly attributable to the segments.

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES **continued**

1.3 PRINCIPAL ACCOUNTING POLICIES **continued**

Revenue

Revenue is recognised net of indirect taxes, rebates and trade discounts and represents the fair value of amounts receivable in respect of the sale of products and services rendered. Where group companies act as agents and are remunerated on a commission or fee basis, only the commission and fee income, not the value of business handled, are recognised as revenue.

Revenue is recognised when or as the entity satisfies the performance obligations by transferring promised goods or services to a customer (i.e. an asset). An asset is transferred when the customer obtains control of that asset.

Revenue is measured at the fair value of the consideration received or receivable and is based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures in respect of revenue. The Group applies the five-step process to identify revenue, namely:

- identify the contract(s) with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to each of the performance obligations in the contract; and
- recognise the revenue when the entity satisfies the performance obligations.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as a contract liability.

Where two or more performance obligations exist for a contract, a relative stand-alone selling price is allocated to each obligation. Where the contract provides for an end-to-end solution, the contract is considered as an integrated set of obligations and accounted for as a single obligation.

Payments by customers are typically made within 30 – 60 days of revenue being recognised. Where payments are deferred for a period beyond 12 months after revenue being recognised, a significant financing component is included in the contract. Revenue is recognised at the present value of the consideration receivable over the contract period with the balance of the consideration being recognised as finance income over time.

The main sources of revenue and how they are recognised is as follows:

Revenue from Supply Chain Services

Short-haul transportation

The Group provides warehousing and logistics services for various goods where the items are transported to a predetermined location. There is a single obligation which is an integrated set of activities. The obligation is satisfied at the point in time when the goods are offloaded. This service is performed in a short period of time.

Long-haul transportation

The Group provides logistics services for various goods where the items are transported to a predetermined location. This service is performed over a longer period of time. The obligation is satisfied at the point in time when the goods are offloaded.

Leasing of specialised software and commercial vehicles

The Group acts as a lessor of customised supply chain technology, including consulting services, and commercial vehicles. The obligation is performed over time from the date of installation/delivery until the end of the contract and the customer is no longer in possession of the item. Revenue is recognised on a straight-line basis over the lease term.

Sale of goods

The Group warehouses and sells goods to top-end and forecourt customers. Revenue is recognised when the goods are delivered and accepted by customers at their premises. Certain contracts permit the customer to return an item. Revenue is recognised to the extent that it is highly probable that a material reversal in the amount of cumulative revenue recognised will not occur. The amount of revenue is adjusted for expected returns based on historical data. A corresponding refund liability is recognised in payables. The Group sells diesel to customers.

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

Revenue continued

Revenue from Supply Chain Services continued

Time-critical delivery and courier services

The Group performs time critical delivery and courier services in Europe. Due to the nature of the business the collection and delivery of the customer products are performed in a short period of time. Revenue is recognised at the point in time when offloading the goods.

Revenue from Dealerships

Sale of vehicles and parts

The Group sells passenger and commercial vehicles including parts to customers. Revenue is recognised at the point in time when the goods are delivered or accepted by the customer.

Servicing of vehicles

The Group enters into contracts to provide servicing on vehicles. Revenue is recognised at the point in time when the vehicle is ready for collection. Due to the nature of this business a typical service is completed the same day.

Revenue from Fleet Solutions

Revenue from lease portfolio assets

The Group provides partial and full maintenance lease contracts for passenger and commercial vehicles. Revenues comprise the various service components as included in the contract billings such as rental charges, maintenance and fuel management fees.

Revenue is accounted as follows:

Mobility services income

This income includes the products and services required to keep a vehicle on the road in a safe and compliant manner. This revenue category includes income from registering and insuring the vehicle, providing assistance in the event of a break-down or accident, telematics and safety inspections. It also includes income from car-share bookings. This is an annuity income stream which is primarily driven by the funded fleet size and recognised over time due to continuous performance obligations received by customers over the term of the lease.

Additional products and services

This income is generated by products that are not typically related to keeping the vehicle on the road and mobile. This revenue category includes products such as accessories, redundancy protection, Trade Advantage and rebates. This income stream is largely transactional in nature and the key driver is the volume of funded deliveries coupled with penetration rates and recognised at a point in time.

Finance commissions

This revenue is the income earned when funding has been arranged on behalf of clients. This income stream is largely transactional in nature, has no direct costs and the key driver is the volume of funded deliveries and recognised at a point in time.

Vehicle risk income

Vehicle risk income is the income earned as a result of underwriting a long-term risk position on a vehicle at lease commencement, the ultimate financial outcome of which will depend on circumstances and market conditions that occur over the life of each vehicle. Vehicle Risk income is made up of an end of lease component (profits earned from underwriting residual value risk net of amounts payable to the financier and variable payments to customers). End of Lease Income is largely transactional in nature and its primary driver is the volume of operating lease disposals that occur at a point in time. Service Risk Income is a combination of annuity and transactional income and is driven by the number of open-contract vehicles and vehicles with underwritten service risk positions.

Rental income

Rental Income is the income earned on leased vehicles funded on balance sheet. Rental Income is generated by operating lease vehicles, short-term rental vehicles as well as subscription vehicles. This is an annuity income stream and the key driver of this income stream is the size of the on balance sheet funded fleet. Rental income is recognised in profit or loss over time, on a straight-line basis over the lease term.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

The deferred maintenance revenue fund for selected customer contracts is actuarially valued annually by determining spending patterns and applying this to forecast funding requirements and discounting to determine the present value of the deferred income. Independent valuations are obtained when necessary.

Surpluses or deficits resulting from the actuarial valuation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS **continued**

1 ACCOUNTING POLICIES continued

1.3 PRINCIPAL ACCOUNTING POLICIES continued

DEFINITIONS

Net debt

Net debt is calculated as interest-bearing borrowings including lease portfolio borrowings, excluding Right-of-use (ROU), lease liabilities and securitisation warehouse debt, less cash and cash equivalents.

Total net gearing

Total net gearing is calculated as net debt divided by total equity.

Operating profit before capital items

Operating profit before capital items comprises profit before net finance costs, income from equity-accounted investees, capital items and tax.

Capital items

Capital items are income and expenses included in profit or loss which are excluded in arriving at headline earnings in accordance with the South African Institute of Chartered Accountants' (SAICA) Circular 1/2023.

Operating profit after capital items

Operating profit after capital items comprises operating profit before capital items after the effect of capital items.

EBITA

EBITA is earnings before interest, tax, amortisation of PPA intangibles and capital items.

EBITDA

EBITDA is earnings before interest, tax, depreciation, amortisation and capital items.

Net interest

Net interest is calculated as finance costs after deducting interest received, excluding ROU liability finance costs.

Interest cover

Interest cover is calculated as EBITDA divided by net interest.

Net operating assets

Net operating assets is total assets excluding ROU assets, cash and cash equivalents, deferred tax assets, equity-accounted investees, interest-bearing receivables less total liabilities excluding bank overdrafts, interest-bearing borrowings, lease portfolio borrowings, ROU lease liabilities, deferred tax liabilities and income tax payable. Net operating assets includes lease portfolio receivables and the securitisation warehouse debt.

PPA

PPA is Purchase Price Allocation arising on a business acquisition.

Fair value hierarchy

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

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

2 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements R'000	Rental and transport fleet R'000	Computer equipment R'000	Furniture and workshop equipment R'000	Motor vehicles and other assets R'000	Total R'000
30 June 2023						
Cost or valuation	4 347 995	4 789 305	524 096	1 520 671	1 846 320	13 028 387
Accumulated depreciation and impairment losses	(397 452)	(1 301 856)	(375 645)	(692 037)	(435 415)	(3 202 405)
Carrying amount at end of year	3 950 543	3 487 449	148 451	828 634	1 410 905	9 825 982
Movement summary						
Balance at beginning of year	3 253 172	2 685 239	114 160	692 463	1 184 417	7 929 451
Additions	340 668	1 405 381	105 690	277 838	597 696	2 727 273
Expand	212 570	848 768	84 419	170 001	391 443	1 707 201
Maintain	128 098	556 613	21 271	107 837	206 253	1 020 072
Acquisition of businesses (Refer note 31.1)	118 901	8 863	449	15 618	382	144 213
Transfers	72 573	–	111	5 512	(78 196)	–
Transfer from ROU assets (Refer note 3)	–	6 445	–	–	–	6 445
Disposals	(37 313)	(341 854)	(1 088)	(41 554)	(121 046)	(542 855)
Revaluation of land and buildings	9 902	–	–	–	–	9 902
Impairment	(16 958)	–	–	–	–	(16 958)
Current year depreciation (Refer note 24.1)	(48 580)	(388 717)	(78 285)	(166 219)	(182 341)	(864 142)
Translation adjustment	258 178	112 092	7 414	44 976	9 993	432 653
Balance at end of year	3 950 543	3 487 449	148 451	828 634	1 410 905	9 825 982

TRANSFER FROM ROU ASSETS

During the year, R6 445 000 (2022: R31 468 000) right-of-use assets were transferred to property, plant and equipment in line with IAS 16.

MEASUREMENT OF FAIR VALUE

In June 2023 valuations were performed on certain of the Group's land, buildings and leasehold improvements by independent valuers. The valuers are external, independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. A revaluation surplus of R9 902 000 (2022: surplus of R117 707 000) was recorded in the current year. Annual revaluations on Super Park are required by the funders of this property. It is the Group's policy to perform independent valuations on all properties every three years or more frequently, if deemed appropriate, to ensure that the fair value of revalued assets do not differ materially from their carrying values. The next revaluation of all South African properties will be performed in June 2025.

NOTES TO THE FINANCIAL STATEMENTS continued

2 PROPERTY, PLANT AND EQUIPMENT continued

VALUATION TECHNIQUE AND SIGNIFICANT UNOBSERVABLE INPUTS

The following table shows the valuation technique used in measuring the fair value of the Group's land and buildings, as well as significant inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The Income Capitalised Approach has been used to determine the fair value of the property. This comparative approach considers income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment). This is categorised as a level 3 fair value.	Occupancy rate between 97% and 99% (2022: between 97% and 99%). There were no rent-free periods included in the valuation. Yields between 10% and 10.5% (2022: between 10% and 12%) have been used. Rental growth of between 1% and 3% (2022: between 1% and 4.1%) has been used.	The estimated fair value would increase/(decrease) if: Occupancy rate was higher/(lower); The rent-free periods were (increased); The yield was lower/(higher); Rental growth was higher/(lower).

Impairment losses recognised in respect of property, plant and equipment in the current year amounted to R16 958 000 (2022: R41 531 000). These losses were attributable to the deterioration in the value of land and buildings. The recoverable amount of the relevant assets has been determined on the basis of their fair value less costs to sell. The majority of the assets were used in the Group's Dealerships segment.

Certain assets are pledged as security for borrowings of the Group (refer note 20).

CAPITAL COMMITMENTS

Capital commitments of R2 428 213 000 (2022: R1 679 956 000) (refer note 33) include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the disclosure.

2 PROPERTY, PLANT AND EQUIPMENT *continued*

	Land, buildings and leasehold improvements R'000	Rental and transport fleet R'000	Computer equipment R'000	Furniture and workshop equipment R'000	Motor vehicles and other assets R'000	Total R'000
30 June 2022						
Cost or valuation	3 563 333	3 810 762	484 538	1 256 102	1 527 999	10 642 734
Accumulated depreciation and impairment losses	(310 161)	(1 125 523)	(370 378)	(563 639)	(343 582)	(2 713 283)
Carrying amount at end of year	3 253 172	2 685 239	114 160	692 463	1 184 417	7 929 451
Movement summary						
Balance at beginning of year	2 931 756	2 574 286	96 907	650 507	758 328	7 011 784
Additions	223 220	687 693	67 044	192 212	712 400	1 882 569
Expand	194 272	439 731	48 594	145 674	422 846	1 251 117
Maintain	28 948	247 962	18 450	46 538	289 554	631 452
Acquisition of businesses (Refer note 31.1)	44 379	–	10 555	5 112	21 240	81 286
Transfers	3 323	31 469	431	1 660	(36 883)	–
Transfer from ROU assets (Refer note 3)	–	–	–	–	31 468	31 468
Transfer to inventories	–	–	295	(7 460)	(928)	(8 093)
Disposals	(726)	(345 379)	(3 575)	(19 324)	(154 561)	(523 565)
Revaluation of land and buildings	122 976	–	–	–	–	122 976
Impairment	(38 235)	–	(2 728)	(568)	–	(41 531)
Current year depreciation (Refer note 24.1)	(38 949)	(326 043)	(57 148)	(145 467)	(149 873)	(717 480)
Translation adjustment	5 428	63 213	2 379	15 791	3 226	90 037
Balance at end of year	3 253 172	2 685 239	114 160	692 463	1 184 417	7 929 451

NOTES TO THE FINANCIAL STATEMENTS continued

3 ROU ASSETS

	Land, buildings and leasehold improvements R'000	Fleet and vehicles R'000	Other ROU assets R'000	Total R'000
30 June 2023				
Cost or valuation	3 567 821	604 686	96 073	4 268 580
Accumulated depreciation and impairment losses	(1 547 260)	(337 789)	(53 231)	(1 938 280)
Carrying amount at end of year	2 020 561	266 897	42 842	2 330 300
Balance at beginning of year	1 921 037	207 921	46 955	2 175 913
Additions	376 058	137 843	12 499	526 400
Expand	127 834	130 008	599	258 441
Maintain	248 224	7 835	11 900	267 959
Acquisition of businesses (Refer note 31.1)	2 663	–	242	2 905
Disposals	(38 033)	–	(65)	(38 098)
ROU assets cancelled	(10 890)	(698)	–	(11 588)
Transfer to property, plant and equipment (Refer note 2)	–	(6 445)	–	(6 445)
Current year depreciation (Refer note 24.1)	(468 086)	(89 380)	(18 523)	(575 989)
Translation adjustment	237 812	17 656	1 734	257 202
Balance at end of year	2 020 561	266 897	42 842	2 330 300

TRANSFER TO PROPERTY, PLANT AND EQUIPMENT

During the year, R6 445 000 (2022: R31 468 000) right-of-use assets were transferred to property, plant and equipment in line with IAS 16.

	Land, buildings and leasehold improvements R'000	Fleet and vehicles R'000	Other ROU assets R'000	Total R'000
30 June 2022				
Cost or valuation	2 942 708	433 430	85 423	3 461 561
Accumulated depreciation and impairment losses	(1 021 671)	(225 509)	(38 468)	(1 285 648)
Carrying amount at end of year	1 921 037	207 921	46 955	2 175 913
Movement summary				
Balance at beginning of year	1 850 125	217 015	48 804	2 115 944
Additions	355 818	82 173	15 466	453 457
Expand	101 130	80 771	1 662	183 563
Maintain	254 688	1 402	13 804	269 894
Acquisition of businesses (Refer note 31.1)	137 306	–	404	137 710
Disposals	(21 806)	(700)	–	(22 506)
ROU assets cancelled	(4 299)	–	(624)	(4 923)
Transfer to property, plant and equipment (Refer note 2)	–	(31 468)	–	(31 468)
Current year depreciation (Refer note 24.1)	(416 750)	(59 857)	(17 266)	(493 873)
Translation adjustment	20 643	758	171	21 572
Balance at end of year	1 921 037	207 921	46 955	2 175 913

All right-of-use assets are encumbered as security for respective lease obligations. The liquidity of the lease obligations and details about encumbered assets is presented in note 38.6.

Most lease contracts are for fixed periods but in some contracts there are options to renew. When it is probable that the option to renew will be exercised the lease term will include the option to renew.

4 INVESTMENT PROPERTY

	30 June 2023 R'000	30 June 2022 R'000
Valuation	162 200	162 200
Movement summary		
Balance at beginning of year	162 200	164 200
Fair value adjustment recognised in profit or loss (Refer note 27)	–	(2 000)
Balance at end of year	162 200	162 200
The investment property comprises a commercial property occupied by a third party. The lease contained an initial non-cancellable period of 10 years that expired in August 2023. The subsequent renewal option of five years was exercised by the lessee subsequent to year end, extending the lease to August 2028. The fair value of this property remained unchanged from 30 June 2022 (2022: decreased by R2 000 000). Rental income and associated direct operating expenses from investment property, included in profit or loss, amounted to R19 748 806 (2022: R18 264 603) and nil (2022: nil) respectively. Operating leases in this regard are signed on a triple net lease basis, which implies that the tenant is responsible for insurance, maintenance and utility expenses of the property. There are no variable lease payments on the lease. Rental receivable commitments – including renewal option		
– Year one	10 911	19 731
– Year two	14 824	3 330
– Year three	16 010	–
– Year four	17 290	–
– Year five	18 674	–
– After five years	3 151	–
	80 860	23 061

MEASUREMENT OF FAIR VALUE

The fair value of the investment property was determined by external, independent property valuers, The Valuation Firm. The valuer has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The independent valuers assess the fair value of the investment property on an annual basis.

VALUATION TECHNIQUE AND SIGNIFICANT UNOBSERVABLE INPUTS

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The Income Capitalised Approach has been used to determine the fair value of the property. This comparative approach considers income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment). This is categorised as a level 3 fair value.	Through rental rate of R65.00/m ² (2022: R65.00/m ²) Expenditure ratio of 3% (2022: 3%) Actual vacancy factor of 2% (2022: 2%) Capitalisation rate of 9.50% (2022: 9.50%) applied	The estimated fair value would increase/(decrease) if: Rental rate was higher/(lower); The expenditure ratio was decreased/(increased); The vacancy factor was lower/(higher); Capitalisation rate was lower/(higher).

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
5 LEASE PORTFOLIO ASSETS AND RELATED BORROWINGS		
5.1 LEASE PORTFOLIO ASSETS		
Lease portfolio vehicles	14 199 143	12 388 106
Lease portfolio receivables	7 388 137	5 109 665
	21 587 280	17 497 771
Short-term portion reflected under current assets	6 009 051	6 283 000
Long-term portion reflected under non-current assets	15 578 229	11 214 771
Total lease portfolio assets	21 587 280	17 497 771
5.1.1 Lease portfolio vehicles		
Cost	16 389 112	13 561 429
Accumulated depreciation and impairment losses	(2 189 969)	(1 173 323)
Carrying amount at end of year	14 199 143	12 388 106
Short-term lease portfolio vehicles	3 551 572	4 352 652
Long-term lease portfolio vehicles	10 647 571	8 035 454
Total lease portfolio vehicles	14 199 143	12 388 106
Movement summary		
Balance at beginning of year	12 388 106	2 656 140
Additions	4 991 979	5 701 118
Expand	4 340 492	5 283 094
Maintain	651 487	418 024
Impairment	(2 698)	(639)
Disposals	(1 832 149)	(3 461 542)
Acquisition of business (Refer note 31.1)	–	9 390 868
Current year depreciation (Refer note 24.1)	(2 802 000)	(2 256 685)
Transfers from/(to) inventories	9 230	(17 085)
Translation adjustment	1 446 675	375 931
Balance at end of year	14 199 143	12 388 106
Analysis of balance at end of year:		
Completed vehicles	14 182 604	12 378 502
Work in progress	16 539	9 604
	14 199 143	12 388 106
Currency analysis		
Rand	1 409 767	1 443 480
Australian Dollar	8 329 374	7 195 998
Pound Sterling	1 260 728	903 694
New Zealand Dollar ¹	3 108 584	2 765 693
US Dollar and other	90 690	79 241
	14 199 143	12 388 106

¹ New Zealand Dollar shown separately from US Dollar and other.

	30 June 2023 R'000	30 June 2022 R'000
5 LEASE PORTFOLIO ASSETS AND RELATED BORROWINGS		
continued		
5.1 LEASE PORTFOLIO ASSETS continued		
5.1.2 Lease portfolio receivables		
Gross finance lease portfolio receivables	8 397 353	5 557 343
Expected credit losses	(31 329)	(34 730)
Unearned finance income	(977 887)	(412 948)
Net finance lease portfolio receivables	7 388 137	5 109 665
Current portion of lease portfolio receivables	2 457 479	1 930 348
Non-current portion of lease portfolio receivables	4 930 658	3 179 317
	7 388 137	5 109 665
Currency analysis		
Rand	4 950	10 074
Australian Dollar	7 249 257	5 003 908
New Zealand Dollar ¹	133 930	95 683
	7 388 137	5 109 665

¹ New Zealand Dollar shown separately from US Dollar and other.

Capital commitments of R3 574 442 000 (2022: R2 034 280 000) includes all projects for which specific board approval has been obtained (refer note 33).

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
5 LEASE PORTFOLIO ASSETS AND RELATED BORROWINGS		
continued		
5.2 LEASE PORTFOLIO BORROWINGS		
Loan facility for the funding of vehicles exclusively utilised for lease portfolio assets		
The facility bears interest at 185 basis points below prime (2022: 210 and 185 basis points below prime). Repayments occur monthly in arrears. Termination date is August 2027. The borrowings are secured by assets with a carrying amount of R558 747 599 (2022: R388 228 000).	752 397	1 055 443
The facility bears interest at 175 basis points below prime (2022: 175 basis points below prime). Repayments occur monthly in arrears. Termination date is September 2026. The borrowings are secured by assets with a carrying amount of R138 417 675 (2022: R126 990 000).	174 697	234 394
The facility represents the present value of the future residual value liabilities discounted at a rate of 11.5% (2022: discounted at a rate of 11.5%) and is non-interest-bearing. Termination date is from August 2024 to September 2027. The borrowings are secured by assets with a carrying value of R90 689 936 (2022: R79 241 000).	87 100	81 138
Loan facilities for the funding of vehicles in the SG Fleet management business		
The facilities bear interest at a weighted average rate of 403 basis points linked to Sterling Overnight Index Average (SONIA) (2022: fixed rates of 228 basis points, a weighted fixed rate of 319 basis points linked to the LIBOR and the AUD-BBR-BBSW). Monthly repayments are over the period of the individual lease portfolio contracts of the related vehicles and are settled on a transactional basis. The average periods of the contracts are between 24 and 60 months. The facility is secured over operating and finance lease assets, hire purchase receivables and securitised warehouse cash with carrying amount of R1 254 372 000 (2022: R1 055 835 000).	952 638	732 510
Securitised lease portfolio borrowings		
The facility bears interest at fixed and floating rates. Monthly repayments are over the period of the individual lease portfolio contracts of the related vehicles and are settled on a transactional basis. The average periods of the contracts are between 24 and 60 months. The facility is secured over operating and finance lease assets, hire purchase receivables and securitised warehouse cash with carrying amount of R17 838 593 000 (2022: R14 874 412 000).	15 333 843	12 742 388
Total lease portfolio borrowings	17 300 675	14 845 873
Short-term portion reflected under current liabilities	(6 631 764)	(5 263 094)
Long-term portion reflected under non-current liabilities	10 668 911	9 582 779
Maturity profile		
Year one	6 631 764	5 263 094
Year two to five	10 563 568	9 452 609
After five years	105 343	130 170
	17 300 675	14 845 873
Currency analysis		
Rand	927 094	1 289 832
Australian Dollar	12 732 915	10 332 026
New Zealand Dollar ¹	2 600 928	2 441 911
Pound Sterling	952 638	700 966
US Dollar and other	87 100	81 138
	17 300 675	14 845 873

¹ New Zealand Dollar shown separately from US Dollar and other.

5 LEASE PORTFOLIO ASSETS AND RELATED BORROWINGS continued

5.2 LEASE PORTFOLIO BORROWINGS continued

Lease portfolio borrowings relate to funding raised to finance revenue generating assets in the leasing businesses. These assets are directly on-leased to customers by way of lease portfolio operating and finance leases in terms of medium-term contractual arrangements. The lease portfolio liabilities are matched to customer contract terms. The cash generated by the operations is utilised to repay the obligations. Interest rate risk is passed on to customers as contracts are linked to either South African prime overdraft, Kenyan CBR or SONIA rates.

During prior years, the Group established a AUD100 million limited recourse securitisation warehouse trust with commitments from external financiers totalling AUD92.5 million.

The Group has established limited recourse securitisation warehouse trusts with total commitments from external financiers of R17 198 million (2022: R15 298 million). All amounts owing to parties to the warehouse are secured by fixed and floating charges over all assets of the warehouse, including cash balances, lease receivables and related leased motor vehicles. The financiers to the warehouse have no recourse to the Group, other than in relation to their responsibilities as originator and servicer of assets to the warehouse. As at 30 June 2023, the Group had utilised R15 339 million (2022: R12 746 million) of securitised lease portfolio borrowings.

6 INTANGIBLE ASSETS

	Software R'000	Trade names R'000	Customer relations R'000	Customer contracts and other R'000	Total R'000
30 June 2023					
Cost	701 605	517 387	919 224	2 255 869	4 394 085
Accumulated amortisation and impairment losses	(409 039)	(169 004)	(786 363)	(1 043 782)	(2 408 188)
Carrying amount at end of year	292 566	348 383	132 861	1 212 087	1 985 897
Movement summary					
Balance at beginning of year	231 363	292 288	93 173	1 279 317	1 896 141
Additions	117 313	–	–	–	117 313
Expand	51 029	–	–	–	51 029
Maintain	66 284	–	–	–	66 284
Acquisition of businesses (Refer note 31.1)	1 101	2 560	53 989	–	57 650
Current year amortisation (Refer note 24.1)	(84 345)	(1 974)	(24 379)	(192 664)	(303 362)
Disposal	(468)	–	–	–	(468)
Translation adjustment	27 602	55 509	10 078	125 434	218 623
Balance at end of year	292 566	348 383	132 861	1 212 087	1 985 897
Analysis of balance at end of year					
Purchased	292 566	348 383	132 861	1 212 087	1 985 897
Intangible assets with indefinite useful life	–	288 289	–	–	288 289
Intangible assets with definite useful life	292 566	60 094	132 861	1 212 087	1 697 608
	292 566	348 383	132 861	1 212 087	1 985 897

The balance of the trade names, customer relations and contracts relate to past business acquisitions in the Supply Chain Africa, Supply Chain Europe, SG Fleet and Dealerships UK operating segments.

NOTES TO THE FINANCIAL STATEMENTS continued

6 INTANGIBLE ASSETS continued

The indefinite useful life intangible asset relates to the inTime, Ader, T.I. and Cargo Works trade names. These trade names have been used in the European and South African marketplace respectively for over 20 years and will continue to be used into the foreseeable future. The trade names were tested for impairment at year end as an “umbrella” trade name and used the Relief from Royalty valuation method by applying 97% of net sales, 100% for T.I., and an applied royalty rate of 0.6%, 2.2%, 0.5% and 2.0% of revenues for inTime, Ader, T.I. and Cargo Works respectively. A sensitivity analysis was performed on all key assumptions, no write down was required in the current or prior year. No reasonable possible change in a key assumption would result in a write down. These are categorised as a level 3 fair value.

	Software R'000	Trade names R'000	Customer relations R'000	Customer contracts and other R'000	Total R'000
30 June 2022					
Cost	531 920	446 290	739 119	2 057 497	3 774 826
Accumulated amortisation and impairment losses	(300 557)	(154 002)	(645 946)	(778 180)	(1 878 685)
Carrying amount at end of year	231 363	292 288	93 173	1 279 317	1 896 141
Movement summary					
Balance at beginning of year	251 509	284 961	118 426	525 133	1 180 029
Additions	54 290	–	–	–	54 290
Expand	7 932	–	–	–	7 932
Maintain	46 358	–	–	–	46 358
Acquisition of businesses (Refer note 31.1)	17	8 013	21 390	870 452	899 872
Current year amortisation (Refer note 24.1)	(74 744)	(2 487)	(47 467)	(165 690)	(290 388)
Impairment through profit or loss (Refer note 27)	(8 547)	–	–	–	(8 547)
Translation adjustment	8 838	1 801	824	49 422	60 885
Balance at end of year	231 363	292 288	93 173	1 279 317	1 896 141
Analysis of balance at end of year					
Purchased	231 363	292 288	93 173	1 279 317	1 896 141
Intangible assets with indefinite useful life	–	238 207	–	–	238 207
Intangible assets with definite useful life	231 363	54 081	93 173	1 279 317	1 657 934
	231 363	292 288	93 173	1 279 317	1 896 141

7

GOODWILL

	30 June 2023 R'000	30 June 2022 R'000
Cost	12 245 306	10 688 783
Accumulated impairment losses	(1 085 440)	(1 082 440)
Carrying amount at end of year	11 159 866	9 606 343
Movement summary		
Balance at beginning of year	9 606 343	7 502 029
Acquisition of businesses (Refer note 31.1)	272 763	1 841 472
Impairment (Refer note 27)	(3 000)	–
Translation adjustment	1 283 760	262 842
Balance at end of year	11 159 866	9 606 343
Segmental goodwill per cash-generating unit		
Supply Chain	3 026 814	2 571 574
South Africa	996 462	901 317
African Logistics	85 555	73 989
Europe	1 944 797	1 596 268
Fleet Solutions	6 520 634	5 791 369
Fleet Africa	87 822	87 822
SG Fleet	6 432 812	5 703 547
Dealerships	1 612 418	1 243 400
Dealerships SA	365 964	368 964
Dealerships UK	1 246 454	874 436
	11 159 866	9 606 343

Goodwill acquired through business combinations has been attributed to individual cash-generating units (CGU). The carrying amount of goodwill is subject to annual impairment tests using forecasts of future cash flows and the value-in-use method. Impairment relating to Dealerships SA of R3 000 000 (2022: Rnil) was recognised in the current year. Write down of other assets' carrying values in the relevant cash generating units were not required. These calculations use projected earnings based on historic operating results.

A sensitivity analysis was performed on all key assumptions included in the impairment test and no additional impairments were required.

The most significant portion of the Group's goodwill, R6 432 812 000 (2022: R5 703 547 000), relates to operations in SG Fleet.

IMPAIRMENT TESTING FOR CASH GENERATING UNITS CONTAINING GOODWILL

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The impairment tests are based on a value-in-use approach.

Values-in-use are determined by discounting the forecast future cash flows generated from the continuing use of the business and were based on the following key assumptions:

SUPPLY CHAIN – SOUTH AFRICA

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth between 3.0% and 5.0% and a terminal value growth rate between 1.9% and 6.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for inflationary increases.
- A pre-tax discount rate of 16.4% (post-tax discount rate of 12%) was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the South African CGU's.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

NOTES TO THE FINANCIAL STATEMENTS **continued**

7 **GOODWILL continued**

SUPPLY CHAIN – AFRICAN LOGISTICS

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth of 6.0% and a terminal value growth rate of 2.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for inflationary increases.
- A pre-tax discount rate of 16.4% (post-tax discount rate of 12%) was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the South African CGU's.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

SUPPLY CHAIN – EUROPE

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth between 1.5% and 14.6% and a terminal value growth rate of 1.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- A pre-tax discount rate of 8.7% (post-tax discount rate of 6.1%) was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.
- Overheads were forecast based on current levels adjusted for once-off expenditure.

FLEET SOLUTIONS – FLEET AFRICA

- Cash flows were projected based on actual operating results, a five-year forecast with a revenue growth rate of 5.0% and a terminal value growth rate of 1.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- A pre-tax discount rate of 16.4% (post-tax discount rate of 12%) was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the South African CGU's.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

FLEET SOLUTIONS – SG FLEET

- Cash flows were projected based on actual operating results and the four-year business plan. Cash flow beyond year five was projected at a growth rate of 0% for both the Australian and United Kingdom CGUs.
- Revenue growth was projected at 4.8% per annum for the Australian CGU, 15.2% per annum for the United Kingdom CGU and 4.4% for the New Zealand CGU.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for inflationary increases.
- The pre-tax discount rate of 11.8% was applied in the Australian CGU, 9.4% for the United Kingdom CGU and 10.5% for the New Zealand CGU, in determining the recoverable amount.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

DEALERSHIPS – DEALERSHIPS SA

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth of 3.0% and a terminal value growth rate of 3.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on the margins historically achieved by the business adjusted for once-off expenditure required.
- A pre-tax discount rate of 16.4% (post-tax discount rate of 12%) was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the South African CGU's.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

7 GOODWILL continued

DEALERSHIPS – DEALERSHIPS UK

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth between 1.0% and 2.0% and a terminal value growth rate of 1.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for once-off expenditure.
- A pre-tax discount rate of 8.8% (post-tax discount rate of 6.7%) was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

8 INVESTMENTS AND OTHER NON-CURRENT ASSETS

	30 June 2023 R'000	30 June 2022 R'000 Restated ¹
Equity-accounted investees	34 462	10 697
Other non-current assets	729 196	672 620
	763 658	683 317
Equity-accounted investees		
Moditouch Proprietary Limited	13 893	10 697
DingGo AU Proprietary Limited	20 569	–
	34 462	10 697
Other non-current assets		
Proceeds receivable on sale of 18.13% of SG Coal Shares	148 750	148 750
Loans receivable	3 629	11 282
Investments	110 258	97 318
Sub-lease receivable (IFRS16)	158 965	104 428
Non-current portion of interest rate swap receivables ¹	307 594	310 842
	729 196	672 620
Movement summary of other non-current assets		
Balance at beginning of year	672 620	350 534
Investments acquired	40 854	54 612
Investments disposed	(10 752)	–
Sub-lease and loans receivable repaid	(43 795)	(88 835)
Receivable loans granted	58	5 334
Sub-lease receivable recognised	65 031	–
Interest rate swap receivables movement ¹	(3 248)	310 842
Sale of SG Coal shares	–	43 750
Acquisition of businesses (Refer note 31.1)	341	–
Transfer to investment in equity accounted-investees	(25 196)	–
Fair value adjustments	(595)	–
Translation adjustment	33 878	(3 617)
Balance at end of year	729 196	672 620
Currency analysis		
Rand	191 997	191 532
Australian Dollar	345 448	316 441
Euro	162 594	107 035
New Zealand Dollar ²	42 541	55 166
US Dollar and other	21 078	13 143
	763 658	683 317

¹ A portion of SG Fleet's interest rate swap contracts relating to cash flow hedges have been reclassified from current assets to non-current assets as the amounts are expected to be recovered after more than 12 months. As a result, Investments and other non-current assets have increased by R311 million, from R372 million to R683 million, with a corresponding decrease in Sundry receivables (note 11).

² New Zealand Dollar shown separately from US Dollar and other.

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
9 DEFERRED TAX (ASSETS)/LIABILITIES		
Movement summary		
Balance at beginning of year	975 004	398 505
– Deferred tax liabilities	1 161 771	477 671
– Deferred tax assets	(186 767)	(79 166)
Current year profit or loss charge	631 269	(58 198)
Revaluation of land and buildings	29 967	(2 691)
Acquisition of businesses (Refer note 31.1)	9 183	445 604
Deferred tax recorded directly in equity on movement in options	13 688	25 433
Deferred tax raised on effective portion of hedge through equity	(12 566)	144 259
Change in tax rate	–	(23 431)
Translation adjustment	113 026	45 523
Balance at end of year	1 759 571	975 004
– Deferred tax liabilities	1 945 158	1 161 771
– Deferred tax assets	(185 587)	(186 767)
Analysis of balance at end of year by type of temporary difference		
Accelerated depreciation	1 984 340	1 240 994
Tax losses	(6 153)	(2 561)
Revaluation of land and buildings and investment property fair value adjustment	111 817	112 017
Provisions and fund reserves	(370 048)	(341 919)
Working capital items	41 908	(25 435)
Unexercised options	(32 778)	(25 062)
Other	30 485	16 970
	1 759 571	975 004
Deferred tax assets have been recognised only to the extent that the amount of unused tax losses relating to the Group's operations can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise tax losses carried forward.		
The Group has not recognised a deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's foreign subsidiaries and equity-accounted investees as the Group has determined that undistributed profits of foreign subsidiaries and equity-accounted investees will not be distributed in the foreseeable future.		
Deferred tax assets not recognised		
The unrecorded deferred tax assets	141 376	146 509
– Tax losses	47 282	46 183
– Capital gains tax (CGT) and other	94 094	100 326

	30 June 2023 R'000	30 June 2022 R'000
10 INVENTORIES		
New vehicles	2 943 600	1 471 354
Used and demo vehicles	2 491 208	1 988 251
Retail inventory – SG Convenience	214 418	187 016
Consumables	114 912	101 406
Parts, accessories and automotive components	199 614	85 872
Other inventory	246 298	195 907
	6 210 050	4 029 806
Inventory expensed during the year included in cost of sales	25 445 075	20 815 035
Inventory carried at net realisable value		
Inventory carried at net realisable value included above	3 679 103	2 928 849
Write down of inventory to net realisable value recognised as an expense	98 188	5 147
Reserved inventories		
Ownership of certain inventory is reserved by the suppliers until such time as the related payables have been settled.		
Carrying value of floorplan reserved inventory	2 380 203	1 075 155
Carrying value of floorplan secured inventory	1 255 317	831 996

Reserved inventory is inventory that secures an interest-free floorplan liability.

Secured inventory is inventory that secures an interest-bearing floorplan liability.

Floorplan liabilities are reflected as trade payables in note 22.

Included in SG Fleet's inventory are end-of-term operating lease vehicles of R371 640 000 (2022: R543 809 000) which are secured over their funding.

	30 June 2023 R'000	30 June 2022 R'000 Restated ¹
11 TRADE AND SUNDRY RECEIVABLES		
Trade receivables	7 292 267	5 505 741
Sundry receivables	2 445 354	2 134 171
Prepayments	512 569	536 248
VAT receivables	17 879	10 927
Deposits	29 763	44 630
Lease straight-line debtors	6 027	6 170
Current portion of interest rate swap receivables ¹	203 584	187 766
FEC assets	88	9 423
Agency debtors	1 294 260	1 093 568
Trade finance debtors	109 511	57 339
Other receivables	271 673	188 100
	9 737 621	7 639 912

¹ A portion of SG Fleet's interest rate swap contracts relating to cash flow hedges have been reclassified from current assets to non-current assets as the amounts are expected to be recovered after more than 12 months. As a result, Sundry receivables have decreased by R311 million, from R2 445 million to R2 134 million, with a corresponding increase in Investments and other non-current assets (note 8).

Trade and sundry receivables are reported after a provision for expected credit losses of R394 271 000 (2022: R445 884 000).

Certain businesses act as agents on behalf of their customers. Being an agent, the businesses do not take title of the goods and have no responsibility in respect of goods sold. Revenue is recognised based on the fee received for services rendered. The agency debtor balance includes the net receivable outstanding in respect of services rendered and amounts due from the franchisors.

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
11 TRADE AND SUNDRY RECEIVABLES continued		
Currency analysis		
Rand	4 700 375	4 058 078
Australian Dollar	2 750 965	2 046 326
Pound Sterling	808 213	494 584
Euro	1 000 700	738 650
New Zealand Dollar ²	213 899	170 093
US Dollar and other	263 469	132 181
	9 737 621	7 639 912

² New Zealand Dollar shown separately from US Dollar and other.

Refer to note 38 for disclosure relating to the Group's interest rate, foreign exchange and credit risk.

	30 June 2023 R'000	30 June 2022 R'000
12 CASH AND CASH EQUIVALENTS		
Cash on hand and in banks, earning interest at floating rates based on daily bank deposit rates.	9 064 647	6 221 629
Analysis of cash on hand and deposits balances by class		
Cash held as collateral	161 360	32 830
Secured deposits	334 239	558 116
Securitised warehouses	1 770 862	1 341 480
Unrestricted cash including SG Fleet	6 798 186	4 289 203
	9 064 647	6 221 629
Currency analysis		
Rand	3 914 223	2 331 882
Australian Dollar	2 681 157	2 078 248
Pound Sterling	790 159	887 128
Euro	910 206	279 015
New Zealand Dollar ¹	397 848	385 510
US Dollar and other	371 054	259 846
	9 064 647	6 221 629

¹ New Zealand Dollar shown separately from US Dollar and other.

OTHER CASH

Secured deposits represent cash held by SG Fleet as required under certain funding and insurance arrangements between the Group, the financiers under its lease portfolio facilities and its insurance providers.

Cash and cash bank accounts within the securitisation warehouses is used to service obligations of the warehouse in accordance with the transaction agreements.

DEBT LISTINGS REQUIREMENTS

Refer to page 8 in the Directors' Report for additional disclosure on the JSE Debt Listings Requirements.

12 CASH AND CASH EQUIVALENTS continued

BANK GUARANTEES

Guarantees of R86 641 738 (2022: R19 750 655) have been issued by financial institutions on behalf of the Group and are unsecured.

BANK FUNDING FACILITIES

The borrowing powers of the Group are unlimited but are restricted by the covenants relating to the facilities provided by its financiers.

The Group has a general banking facility totalling R80 000 000 (2022: R80 000 000) of which R15 294 340 (2022: R15 226 347) has been utilised.

The Group has a revolving credit facility of R500 000 000 (2022: R500 000 000) for five years, which is repayable on 26 February 2025. This revolving credit facility is secured by a bond over the Super Park Property (refer note 2). The facility had R420 million available for use at 30 June 2023.

The Group has a revolving credit facility of R750 000 000 (2022: R550 000 000) that expires on 365 days' notice from the financier. This revolving credit facility is unsecured, R200 million was utilised at year end (2022: unutilised).

Ader received a COVID-19 liquidity relief package of €nil (2022: €839 410) which was 70% guaranteed by the Spanish government. This relief package expired in April 2023 and was fully repaid.

Ader, inTime and TLT have general banking facilities totalling €4 805 662 of which €2 329 756 has been utilised at year end.

SG Fleet has a revolving credit facility of AUD40 000 000 that expires on 31 August 2024 and is unutilised at year end. This revolving credit facility is secured by fixed and floating charges over selected assets of SG Fleet as well as composite guarantees and indemnities issued.

Cargo Works, SG Coal, Legend and Digistics have general banking and revolving facilities totalling R101 450 000 (2022: R101 450 000) that are repayable on demand from the financier. These facilities are unsecured, R20 839 021 has been utilised at year end.

There are two financial covenants in place for the banking facilities:

- A net interest cover ratio of 2.7 times must be maintained for the Group (excluding SG Fleet and the effects of IFRS 16).
- A net debt to EBITDA ratio of less than 2.5 times must be maintained for the Group (excluding SG Fleet and the effects of IFRS 16).

Refer to note 38.4 for the calculation of the covenants.

	30 June 2023 R'000	30 June 2022 R'000
Total banking facilities excluding the SG Fleet facilities	19 768 472	12 642 550
Utilised	(14 172 400)	(6 617 031)
Unutilised	5 596 072	6 025 519
SG Fleet banking facilities including securitised warehouse facilities	24 157 738	20 484 290
Utilised	(20 099 461)	(16 842 563)
Unutilised	4 058 277	3 641 727

Refer to note 38 for disclosure relating to the Group's liquidity, interest rate, foreign exchange and credit risk.

13 CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF SUPER GROUP

	30 June 2023 R'000	30 June 2022 R'000
Stated capital (Refer note 14)	3 004 052	3 531 888
Retained earnings	9 646 264	8 380 162
Share buyback reserve	(210 596)	(235 616)
Other reserves (Refer note 15)	3 044 117	1 810 517
	15 483 837	13 486 951

NOTES TO THE FINANCIAL STATEMENTS continued

14 STATED CAPITAL

Authorised

The Group has 700 000 000 (2022: 700 000 000) authorised ordinary shares with no par value (2022: no par value) and 54 857 377 (2022: 54 857 377) authorised redeemable preference shares with no par value (2022: no par value).

Issued

346 309 812 (2022: 364 444 630) ordinary shares of no par value (2022: no par value)

30 June 2023
R'000

30 June 2022
R'000

3 004 052

3 531 888

TRANSACTIONS RELATED TO STATED CAPITAL

During the current year 17 535 265 shares were repurchased at an average price of 3 010.14 cents. An additional 599 553 shares, that were repurchased in the prior year, were cancelled in the current year.

RIGHTS AND RESTRICTIONS RELATED TO SHARE CAPITAL

All shares rank equally with regard to the Company's residual assets. Unissued preference shares do not participate.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group as treasury shares, all rights are suspended until those shares are reissued.

Movement summary of issued shares

Balance at 30 June 2021

Ordinary share balance

Share balance held by subsidiaries

Share balance held by share option scheme

Shares (cancelled)/repurchased

Share options exercised and other treasury shares movement

Balance at 30 June 2022

Ordinary share balance

Share balance held by holding company

Share balance held by subsidiaries

Share balance held by share option scheme

Shares repurchased and cancelled

Share options exercised and other treasury shares movement

Balance at 30 June 2023

Ordinary share balance

Share balance held by subsidiaries

Share balance held by share option scheme

Number of
ordinary
shares

Number of
treasury
shares

371 507 794

11 158 936

371 507 794

–

–

289 949

–

10 868 987

(7 063 164)

599 553

–

1 453 811

364 444 630

13 212 300

364 444 630

–

–

599 553

–

289 949

–

12 322 798

(18 134 818)

(599 553)

–

(978 414)

346 309 812

11 634 333

346 309 812

–

–

1 397 987

–

10 236 346

		30 June 2023 R'000	30 June 2022 R'000
15	OTHER RESERVES		
	Translation reserve	1 816 396	549 376
	General reserve	556 036	556 036
	Revaluation reserve	492 168	512 522
	Capital redemption reserve fund	5 486	5 486
	Hedging reserve	174 031	187 097
		3 044 117	1 810 517
	Movement summary		
15.1	TRANSLATION RESERVE		
	Balance at beginning of year	549 376	389 408
	Translation adjustment	1 267 020	159 968
	Balance at end of year	1 816 396	549 376
	The translation reserve comprises all foreign exchange differences arising from the translation of entities reporting in currencies other than the presentation currency of the Group.		
15.2	GENERAL RESERVE		
	The general reserve comprises capital profits on the disposal of investments in prior years.	556 036	556 036
15.3	REVALUATION RESERVE		
	Balance at beginning of year	512 522	392 283
	Depreciation of buildings (net of tax)	(289)	(159)
	Impairment of land and buildings (net of tax)	–	(4 285)
	Revaluation of land and buildings (net of tax and tax adjustments)	(20 065)	124 683
	Balance at end of year	492 168	512 522
	The revaluation reserve relates primarily to revaluation surpluses on the revaluation of land and buildings to their fair values.		
15.4	CAPITAL REDEMPTION RESERVE FUND		
	The capital redemption reserve fund is the excess equity resulting from the conversion and redemption of the 'A' ordinary shares.	5 486	5 486
15.5	HEDGING RESERVE		
	Balance at beginning of year	187 097	(1 133)
	Effective portion of hedge (net of tax)	(13 066)	188 230
	Balance at end of year	174 031	187 097

The hedging reserve relates to fair valuing the effective portion of cash flow hedges in SG Fleet.

NOTES TO THE FINANCIAL STATEMENTS continued

16 NON-CONTROLLING INTERESTS

The following table summarises the reported information relating to each of the Group's subsidiaries that have a material NCI.

	SG Fleet R'000	inTime R'000	SG Coal R'000	Lieben Logistics R'000	Other individually immaterial subsidiaries R'000	Intergroup eliminations and reallocations R'000	Total R'000
30 June 2023							
Non-current assets	22 510 142	3 625 196	1 071 508	946 477	508 328	(21 737)	28 639 914
Current assets	13 133 919	1 890 162	1 503 392	318 013	610 079	(259 245)	17 196 320
Non-current liabilities	(16 670 710)	(3 315 756)	(444 400)	(661 154)	(249 612)	2 473 157	(18 868 475)
Current liabilities	(11 707 966)	(1 135 989)	(694 876)	(274 919)	(361 968)	408 036	(13 767 682)
Net assets	7 265 385	1 063 613	1 435 624	328 417	506 827	2 600 211	13 200 077
Revenue ¹	12 143 544	4 482 464	7 022 190	1 222 759	1 540 530	(966 465)	25 445 022
Profit	897 935	3 729	234 393	107 785	97 953		1 341 795
OCI ²	42 828	819	–	–	–		43 647
Total comprehensive income	940 763	4 548	234 393	107 785	97 953	–	1 385 442
Cash flows from operating activities	213 663	186 323	236 770	24 290	114 073	(261 258)	513 861
Cash flows from investing activities	(170 394)	(154 630)	(303 477)	(353 198)	(7 228)	–	(988 927)
Cash flows from financing activities	294 284	572 952	84 087	300 193	(29 438)	278 365	1 500 443
Net change in cash and cash equivalents	337 553	604 645	17 380	(28 715)	77 407	17 107	1 025 377
NCI percentage	46.8%	3.6%	18.1%	32.6%			
Carrying amount of NCI	3 398 021	93 170	260 207	90 066	190 818		4 032 282
Profit allocated to NCI	419 964	14 146	42 484	36 831	37 633		551 058
OCI allocated to NCI ²	373 485	16 575	–	–	6 549		396 609
Dividend paid to NCI	(303 564)	(4 408)	(8 546)	(49 566)	(16 454)		(382 538)

¹ Revenue per SG Fleet's published results is lower due to the different accounting treatment in respect of certain finance income.

² The difference between OCI in SG Fleet and inTime of R42 828 000 and R819 000 respectively and the OCI allocated to the NCI of SG Fleet and inTime of R373 485 000 and R16 575 000 respectively is due to the foreign currency translation reserve movement which arose due to the presentation currency of the Group being different to SG Fleet and inTime.

SG Fleet has a target dividend payout ratio of 60% to 70% of profit after tax.

The principal place of business and incorporation for all NCI excluding SG Fleet and inTime is South Africa. SG Fleet's place of business and incorporation is Australia, inTime's place of business is the Eurozone and incorporation is Germany.

During the year the Group purchased an additional 13.89% in inTime for 1 Euro. In addition, the Group recapitalised inTime in June 2023, resulting in a closing shareholding of 96.39%.

16 NON-CONTROLLING INTERESTS continued

	SG Fleet R'000	inTime R'000	SG Coal R'000	Lieben Logistics R'000	Other individually immaterial subsidiaries R'000	Intergroup eliminations and reallocations R'000	Total R'000
30 June 2022							
Non-current assets	17 263 020	2 774 412	896 884	677 327	426 543	(26 918)	22 011 268
Current assets	12 123 409	1 008 701	1 614 997	291 457	384 793	(211 756)	15 211 601
Non-current liabilities	(14 155 548)	(2 571 455)	(365 757)	(409 027)	(243 108)	2 022 881	(15 722 014)
Current liabilities	(9 046 629)	(858 419)	(897 488)	(199 304)	(220 533)	579 948	(10 642 425)
Net assets	6 184 252	353 239	1 248 636	360 453	347 695	2 364 155	10 858 430
Revenue ¹	9 588 023	3 448 942	4 809 084	948 836	1 095 190	(723 523)	19 166 552
Profit	669 586	(23 581)	201 431	86 416	42 343		976 195
OCI ²	257 740	–	–	–	–		257 740
Total comprehensive income	927 326	(23 581)	201 431	86 416	42 343	–	1 233 935
Cash flows from operating activities	508 501	60 869	323 061	112 843	54 539	(96 107)	963 706
Cash flows from investing activities	(5 163 374)	(14 425)	(150 982)	(114 607)	(59 432)	–	(5 502 820)
Cash flows from financing activities	4 667 244	(179 080)	8 805	25 449	20 949	518 210	5 061 577
Net change in cash and cash equivalents	12 371	(132 636)	180 884	23 685	16 056	422 103	522 463
NCI percentage	46.8%	20.0%	18.1%	32.6%			
Carrying amount of NCI	2 892 375	97 490	226 378	118 971	105 432		3 440 646
Profit allocated to NCI	308 403	(8 216)	35 482	29 174	10 113		374 956
OCI allocated to NCI ²	261 439	838	–	–	(2 449)		259 828
Dividend paid to NCI	(217 108)	(2 176)	(14 574)	(30 666)	(17 144)		(281 668)

¹ Revenue per SG Fleet's published results is lower due to the different accounting treatment in respect of certain finance income.

² The difference between OCI in SG Fleet and inTime of R257 740 000 and Rnil respectively and the OCI allocated to the NCI of SG Fleet and inTime of R261 439 000 and R838 000 respectively is due to the foreign currency translation reserve movement which arose due to the presentation currency of the Group being different to SG Fleet and inTime.

17 FUND RESERVES

	30 June 2023 R'000	30 June 2022 R'000
Balance at beginning of year	1 434 415	863 097
Movement in fund reserves	(220 888)	48 913
Acquisition of businesses (Refer note 31.1)	–	401 701
Translation adjustment	159 095	120 704
Balance at end of year	1 372 622	1 434 415

Fund reserves principally relate to amounts received in advance in respect of insurance and maintenance for lease portfolio vehicles, to be recognised in profit or loss over the period of the maintenance service of the underlying vehicles. The current portion of the fund reserves is included in trade and other payables as deferred income.

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
18 NON-CONTROLLING INTEREST PUT OPTIONS AND OTHER LIABILITIES		
The Group has entered into business combinations which includes clauses whereby the non-controlling interest equity holders are able to put 100% of their shareholding to the Group for a limited time period at the expiry date of the respective options.		
18.1 NON-CONTROLLING INTEREST PUT OPTIONS		
Lieben Logistics and GLS		
This put option is calculated as the fair value determined by using the average audited profit after tax for the two years preceding the put option exercise date at a price earnings multiple of 8.1. The put option can be exercised from 30 September 2023.		
In arriving at the option value at 30 June 2023, an average PAT of R132 719 000 and a pre-tax discount rate of 9.5% was used. This is a level 3 fair value valuation.		
	381 765	273 451
RSC and Clean Tech		
This put option is calculated as the fair value determined by using the average audited profit after tax for the two years preceding the put option exercise date at a price earnings multiple of 6.4. The put option can be exercised from 30 June 2029.		
In arriving at the option value at 30 June 2023, an average PAT of R46 592 000 and a pre-tax discount rate of 9.5% was used. This is a level 3 fair value valuation.		
	82 816	–
18.2 NON-CURRENT PORTION OF DEFERRED INCOME		
The Group recognises deferred income on servicing contracts that it has entered into. Income from these contracts is recognised over time on a straight-line basis. Payments received from the client to the extent that the income cannot be recognised is therefore deferred until the obligation has been performed.		
	12 685	4 225
18.3 DEFERRED CONTINGENT PURCHASE CONSIDERATION		
The deferred contingent purchase consideration is payable to the sellers of RSC and Clean Tech on achieving the set profit target on 30 June 2025. The fair value is determined by using the excess audited profit after tax for the two year warranty period at a price earnings multiple of 3.2.		
In arriving at the contingent consideration value at 30 June 2023, an excess PAT of R15 802 000 was used. This is a level 3 fair value valuation.		
	25 787	–
	503 053	277 676
Short-term portion reflected under current liabilities	381 765	–
Long-term portion reflected under non-current liabilities	121 288	277 676
Total non-controlling interest put options and other liabilities	503 053	277 676
Currency analysis		
Rand	490 368	273 451
Australian Dollar	12 685	4 225
	503 053	277 676

18 NON-CONTROLLING INTEREST PUT OPTIONS AND OTHER LIABILITIES *continued*

Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation from the opening to closing balances of level 3 financial instruments carried at fair value.

	30 June 2023 R'000	30 June 2022 R'000
Put option liabilities		
Balance at beginning of year	273 451	285 431
Movement of NCI liability in statement of changes in equity:	191 130	(11 980)
Acquisition of businesses - RSC and Clean Tech	82 816	–
Fair value adjustment	108 314	(11 980)
Balance at end of year	464 581	273 451
Deferred contingent purchase consideration liability		
Balance at beginning of year	–	–
Acquisition of businesses – RSC and Clean Tech	25 787	–
Balance at end of year	25 787	–

SENSITIVITY ANALYSIS:

Put options and Deferred contingent purchase consideration

The significant assumption included in the fair value measurement of the liabilities relates to the projected earnings that is not observable in the market. The following table shows how the fair value of the liabilities would change if the earnings assumption was increased by 100bps:

	Fair value R'000	Increase in liability R'000
Lieben Logistics and GLS put option	383 902	2 137
RSC and Clean Tech put option	83 644	828
Deferred contingent purchase consideration liability	27 072	1 285

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
19 ROU LEASE LIABILITIES		
Short-term ROU lease liabilities	600 589	480 133
Long-term ROU lease liabilities	2 270 977	2 142 032
	2 871 566	2 622 165
Maturity analysis		
Year one	600 589	480 133
Year two	500 169	477 657
Year three to five	1 034 999	871 504
After five years	735 809	792 871
	2 871 566	2 622 165
Currency analysis		
Rand	872 232	1 090 814
Australian Dollar	268 961	266 050
Pound Sterling	615 903	476 414
Euro	1 098 712	779 894
New Zealand Dollar ¹	15 024	7 010
US Dollar and other	734	1 983
	2 871 566	2 622 165
Payments in respect of leases		
Lease payments from low value items and short-term rentals (Refer note 24.4)	172 433	123 785
Lease payments from ROU lease liabilities (including finance cost)	759 235	700 404
	931 668	824 189

¹ New Zealand Dollar shown separately from US Dollar and other.

Refer to note 38 for disclosure relating to the Group's liquidity, interest rate and foreign exchange risk.

Finance costs on ROU lease liabilities amount to R169 276 000 (2022: R165 139 000) (refer note 25).

20 INTEREST-BEARING BORROWINGS

20.1 SECURED ASSET-BASED BORROWINGS

Asset-based borrowings bearing interest at rates fluctuating between 220 basis points below and 45 basis points above SA prime (2022: 220 basis points below and 100 basis points above SA prime) and repayable in monthly instalments, including interest, over periods up to 60 months. The liabilities are secured by vehicles with a carrying value of R722 312 000 (2022: R539 031 000).

Asset-based borrowings bearing interest at bank base rates plus 315 basis points (2022: nil) and repayable in monthly instalments, including interest, over periods up to 36 months. The liabilities are secured by vehicles with a carrying value of R73 782 582 (2022: Rnil).

Asset-based borrowings bearing interest at 125 basis points below SA prime and 115 basis points below SA prime (2022: 125 basis points below SA prime and 115 basis points below SA prime) and repayable in monthly instalments, including interest, over periods up to 60 months. The liabilities are secured by plant, equipment and vehicles with a carrying value of R847 951 000 (2022: R718 560 000).

Asset-based borrowings bearing interest at between 175 basis points below SA prime and 75 basis points below SA prime (2022: 175 basis points below SA prime and SA prime) and repayable in monthly instalments, including interest, over periods up to 60 months. The liabilities are secured by plant, equipment and vehicles with a carrying value of R717 770 000 (2022: R610 399 000).

Asset-based borrowings and finance lease obligations bearing interest at between 75 basis points below SA prime and 175 basis points below SA prime (2022: 150 basis points below SA prime and 75 basis points below SA prime) and repayable in monthly instalments. The liabilities are secured by vehicles and equipment with a carrying value of R153 649 000 (2022: R82 200 000).

Asset-based borrowings and finance lease obligations bearing interest at between 175 basis points below SA prime and 180 basis points below SA prime (2022: 175 basis points below SA prime) and repayable in monthly instalments. The liabilities are secured by vehicles and equipment with a carrying value of R543 632 000 (2022: R289 416 000).

20.2 SECURED PROPERTY BORROWINGS

Property borrowings bearing interest at three-month JIBAR plus 175 basis points (2022: three-month JIBAR plus 175 basis points) is secured by land, buildings and investment property with a carrying value of R943 562 000 (2022: R930 993 000) and are repayable in full on 26 February 2025.

Property borrowing bearing interest at three-month Sterling Overnight Index Average (SONIA) plus between 175 basis points and 215 basis points (2022: three-month SONIA plus 215 basis points) and is secured by land, buildings and property with a carrying value of R995 096 000 (2022: R825 189 000) and are repayable in quarterly payments with the final bullet payment due in August 2024.

20.3 SG FLEET INTEREST-BEARING CORPORATE BORROWINGS

The SG Fleet borrowings relate to business acquisition funding and bears interest comprising a base rate plus a variable margin linked to SONIA. The loans are secured by fixed and floating charges over the assets of SG Fleet and is repayable in full on 31 August 2024.

30 June 2023
R'000

30 June 2022
R'000

2 188 083	1 541 576
531 720	349 421
62 445	–
405 073	307 237
358 690	386 593
175 489	155 784
654 666	342 541
794 930	730 818
584 140	501 486
210 790	229 332
3 789 903	3 367 842
3 454 774	3 090 063
335 129	277 779

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
20 INTEREST-BEARING BORROWINGS continued		
20.4 CORPORATE BOND	4 019 641	2 197 988
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 200 basis points (2022: three-month JIBAR plus 200 basis points). Interest is payable quarterly. This liability matures on 27 September 2023.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 175 basis points (2022: three-month JIBAR plus 175 basis points). Interest is payable quarterly. This liability matures on 15 March 2024.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 165 basis points (2022: three-month JIBAR plus 165 basis points). Interest is payable quarterly. This liability matures on 18 June 2024.		
The listed Corporate bond was unsecured and bore interest at three-month JIBAR plus 139 basis points (2022: three-month JIBAR plus 139 basis points). Interest was payable quarterly. This liability matured on 15 October 2022.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 158 basis points (2022: three-month JIBAR plus 158 basis points). Interest is payable quarterly. This liability matures on 15 October 2024.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 173 basis points (2022: three-month JIBAR plus 173 basis points). Interest is payable quarterly. This liability matures on 1 December 2023.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 133 basis points. Interest is payable quarterly. This liability matures on 12 July 2025.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 147 basis points. Interest is payable quarterly. This liability matures on 29 March 2028.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 147 basis points. Interest is payable quarterly. This liability matures on 3 July 2028.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 110 basis points. Interest is payable quarterly. This liability matured on 12 July 2023.		
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 90 basis points. Interest is payable quarterly. This liability matures on 29 March 2024.		
	450 497	450 248
	301 316	300 815
	626 965	625 994
	–	252 865
	356 781	354 011
	214 759	214 055
	305 900	–
	549 760	–
	809 744	–
	203 971	–
	199 948	–
	687 106	14 962
20.5 REVOLVING CREDIT FACILITY AND OTHER		
The unsecured COVID-19 liquidity facility bore interest at 1.25% and was guaranteed up to 70% by the Spanish government. The facility was repaid in full in April 2023.		
The unsecured liquidity facility bears interest at EURIBOR plus 1.25% to 1.5% with monthly installments. Final maturity date in April 2025.		
The unsecured liquidity facility bears interest at EURIBOR plus 0.5% with quarterly installments. Final maturity date in April 2028.		
The secured facility up to 60 months, bears interest at EURIBOR plus 1% with monthly installments.		
The revolving credit facility is unsecured and non-interest-bearing repayable by December 2025.		
The revolving credit facility is unsecured and bears interest at EURIBOR plus 160 basis points. Interest is payable quarterly. This facility is matures on 31 December 2023.		
The revolving credit facility is unsecured and bears interest at three-month JIBAR plus 185 basis points (2022: three-month JIBAR plus 185 basis points). Interest is payable quarterly. This facility is available and expires on 365 days' notice from the lender.		
	–	14 314
	6 185	–
	14 504	–
	13 207	–
	481	648
	452 672	–
	200 057	–

20 INTEREST-BEARING BORROWINGS *continued*

	30 June 2023 R'000	30 June 2022 R'000
Total interest-bearing borrowings	11 479 663	7 853 186
Short-term portion reflected under current liabilities	(3 315 435)	(948 680)
Long-term portion reflected under non-current liabilities	8 164 228	6 904 506
Secured asset-based borrowings	1 438 598	924 197
Secured property borrowings	724 891	673 988
SG Fleet borrowings	3 789 714	3 367 673
Corporate bond	2 010 000	1 938 000
Revolving credit facility and other	201 025	648
Repayment terms		
Year one	3 315 435	948 680
Year two	5 434 852	2 092 490
Year three to five	1 909 183	4 812 016
Longer than five years	820 193	–
	11 479 663	7 853 186
Currency analysis		
Rand	6 929 957	4 241 701
Australian Dollar	3 454 774	3 090 060
Pound Sterling	545 919	507 111
Euro	33 896	14 314
US Dollar	515 117	–
	11 479 663	7 853 186

Refer to note 38 for disclosure relating to the Group's liquidity, interest rate and foreign exchange.

NOTES TO THE FINANCIAL STATEMENTS continued

21 PROVISIONS

Movement summary

	Employee-related provisions R'000	Warranty and residual value provisions R'000	Dilapidation provisions R'000	Other provisions R'000	Total 30 June 2023 R'000	Total 30 June 2022 R'000
Balance at beginning of year	255 268	158 275	99 485	332 824	845 852	605 453
Increase in and additional provisions	283 010	86 557	82 797	31 873	484 237	431 618
Provisions utilised/payments made	(258 495)	(88 937)	(5 307)	(62 533)	(415 272)	(352 492)
Acquisitions of businesses (Refer note 31.1)	4	–	–	–	4	140 965
Translation adjustment	3 222	21 340	24 389	31 016	79 967	20 308
Balance at end of year	283 009	177 235	201 364	333 180	994 788	845 852
Current	283 009	48 923	35 149	318 512	685 593	601 580
Non-current	–	128 312	166 215	14 668	309 195	244 272
Total provisions	283 009	177 235	201 364	333 180	994 788	845 852

Employee-related provisions relate to bonuses. The bonus provisions are estimated based on the expected payment which will be made in respect of the services provided in the current financial year.

Warranty provisions relate to after sales costs in respect of warranties given on sale of certain vehicles. The provision has been estimated based on historical warranty data associated with similar products and services. The residual value provision is the shortfall between the carrying and the settlement value of the vehicle at the termination date of the lease. Residual values are determined taking into account generally accepted industry-based market forecasts adjusted, where necessary, to take into account factors specific to the asset. Assumptions in these models include future projected interest rates and market value data published in the relevant countries.

The Group has entered into leases that contain clauses under which the Group has to make good any dilapidations or other damage which occurs to the property during the course of the lease or restore a property to a specified condition. The dilapidation provision is estimated based on the expected payment which will be made to ensure this clause is adhered to.

Other provisions include provisions such as long service awards earned in terms of legislation in some foreign jurisdictions, pending legal and employee claims, onerous lease, audit fee provisions and novated lease provisions. These novated lease provisions represent the potential loss arising from overdrawn vehicle running cost accounts in relation to novated leases. Other provisions are calculated based on the expected future outflow of funds from the Group.

	30 June 2023 R'000	30 June 2022 R'000
22 TRADE AND OTHER PAYABLES		
Trade payables	13 347 408	9 051 617
Leave pay accruals	300 631	230 126
Other accruals	1 764 070	1 608 787
Outstanding cheques	35 629	20 582
Deferred income	822 406	530 774
Value added tax payables	338 021	360 050
Interest rate swap payables	226 379	90 488
FEC liabilities	–	228
Sundry payables	213 087	136 985
	17 047 631	12 029 637
Currency analysis		
Rand	6 411 406	5 087 170
Australian Dollar	4 227 789	3 254 563
Pound Sterling	5 038 427	2 624 780
Euro	897 371	707 309
New Zealand Dollar ¹	308 317	243 095
US Dollar and other	164 321	112 720
	17 047 631	12 029 637

¹ New Zealand Dollar shown separately from US Dollar and other.

Refer to note 10 for inventory held as security in relation to floorplan liabilities (reserved and secured inventory).

Refer to note 38 for disclosure relating to the Group's liquidity, interest rate and foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS continued

23 REVENUE

	30 June 2023 R'000	30 June 2022 R'000 Restated ³
Supply Chain Africa	17 804 699	12 870 571
Short haul transportation – Principal	8 338 574	5 915 065
Short haul transportation – Agent	1 536 152	1 242 618
Leasing of specialised software and commercial vehicles	262 412	251 766
Long haul transportation	2 449 272	2 018 956
Sale of goods	4 615 589	3 128 844
Other	602 700	313 322
Supply Chain Europe	4 482 458	3 448 942
Time critical delivery and courier services	4 415 829	3 415 180
Other	66 629	33 762
Dealerships¹	26 349 649	20 145 286
Sale of vehicles and parts – Principal	24 839 905	18 855 418
Sale of vehicles – Agent	218 038	217 778
Servicing of vehicles	1 291 706	1 072 090
Fleet Solutions²	13 232 969	10 900 618
Vehicle risk income	5 245 121	4 270 804
Mobility services income	2 232 661	1 996 199
Additional products and services	1 249 094	1 016 576
Finance commission	399 603	354 706
Rental and other income	4 106 490	3 262 333
Services	7 033	6 961
Other	7 033	6 961
	61 876 808	47 372 378

¹ Comprises of Dealerships SA and Dealerships UK.

² Comprises of Fleet Africa and SG Fleet.

³ As part of the group's continued IFRS 15 Revenue compliance assessment the following was noted:

- Variable consideration payments to customers have been reclassified from vehicle risk cost of sales to rental and other income in SG Fleet (R281 million decrease).
- Mobility services income and expenses have been stated on a gross basis to reflect the nature of the contracts where SG Fleet acts as a principal and not the agent (R517 million increase).

As a result, comparable period revenue increased by R236 million with a corresponding increase in the comparative period cost of sales, no impact on EBITDA was noted.

Auction and trade-in revenue has been stated on a gross basis in Dealerships UK to reflect the auction and trade-in income as principal and agent. As a result, comparable period revenue increased by R898 million with a corresponding increase in the comparative period cost of sales, no impact on EBITDA was noted.

Comparative revenue has therefore been restated with an increase of R1 134 million.

Refer to the operating segments on page 106 for the geographical split of revenue.

23 REVENUE continued

	30 June 2022 R'000
Revenue as previously stated:	
Dealerships	19 246 969
Sale of vehicles and parts – Principal	17 957 101
Sale of vehicles – Agent	217 778
Servicing of vehicles	1 072 090
Fleet Solutions	10 664 253
Vehicle risk income	4 351 126
Mobility services income	1 479 292
Additional products and services	1 016 576
Finance commission	354 706
Rental and other income	3 462 553

24 OPERATING PROFIT

Operating profit is arrived at after taking into account the following:

24.1 DEPRECIATION AND AMORTISATION

	30 June 2023 R'000	30 June 2022 R'000
Depreciation on property, plant and equipment	864 142	717 480
– Buildings and leasehold improvements	48 580	38 949
– Rental and transport fleet	388 717	326 043
– Computer equipment	78 285	57 148
– Furniture and workshop equipment	166 219	145 467
– Motor vehicles and other assets	182 341	149 873
Amortisation on intangible assets	303 362	290 388
– Software	84 345	74 744
– Trade names	1 974	2 487
– Customer relations	24 379	47 467
– Customer contracts and other	192 664	165 690
Depreciation on ROU assets	575 989	493 873
– Land, buildings and leasehold improvements	468 086	416 750
– Fleet and vehicles	89 380	59 857
– Other ROU assets	18 523	17 266
Depreciation on lease portfolio vehicles	2 802 000	2 256 685
	4 545 493	3 758 426
Amortisation on PPA intangibles included in amortisation of intangible assets	225 250	222 773
– Software	6 871	7 717
– Trade names	1 974	2 487
– Customer relations	24 379	47 467
– Customer contracts and other	192 026	165 102
Depreciation on ROU assets	575 989	493 873
Other depreciation and amortisation (excluding amortisation on PPA intangibles and depreciation on ROU assets)	3 744 254	3 041 780
24.2 IMPAIRMENT OF RECEIVABLES		
Bad debts written off (no previous ECL raised)	35 460	33 324
Provision raised for expected credit losses on receivables	23 963	69 147
	59 423	102 471

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000 Restated ¹
24 OPERATING PROFIT continued		
24.3 COST OF SALES	43 250 485	32 344 919
24.4 OPERATING EXPENDITURE – EXCLUDING CAPITAL ITEMS, COST OF SALES AND IMPAIRMENT OF RECEIVABLES		
Auditors' remuneration	50 278	45 112
– Audit fees	47 192	41 287
– Expenses	713	615
– Other services	2 373	3 210
Lease expenses/(income) ²	172 433	123 785
– Buildings	37 560	23 389
– Plant and equipment	85 079	78 190
– Motor vehicles and other assets	57 963	23 341
– Lease straight-lining income	(8 169)	(1 135)
Translation gains	(89 047)	(178 413)
Translation losses	87 856	165 545
Share-based payment expense (Refer note 39)	130 867	111 555
Employee benefit costs excluding directors' emoluments and employer contributions	6 172 612	5 154 773
Employer contributions to	361 681	310 329
– Defined contribution funds	290 343	243 151
– Medical aid funds	71 338	67 178
Directors' emoluments (Refer note 41)		
Executive directors' emoluments	32 603	26 390
– Basic remuneration	11 076	10 531
– Executive director fees paid by subsidiary	1 472	1 336
– Performance bonus	18 651	13 190
– Employer contributions to defined contribution funds	700	700
– Other benefits	704	633
Non-executive directors' emoluments	4 165	4 084
– Chairman's fees	900	803
– Directors' fees	3 265	3 281
Other operating expenses	3 151 657	2 134 781
	10 075 105	7 897 941
Operating expenditure – excluding capital items and impairment of receivables	53 325 590	40 242 860

¹ Refer to note 23, comparable period Cost of Sales of R31.2 billion has increased by R1.1 billion.

² Leases consists of variable lease payments and payments in respect of low value assets.

	30 June 2023 R'000	30 June 2022 R'000
25 FINANCE COSTS, INTEREST RECEIVED AND (PROFIT)/ LOSS FROM EQUITY-ACCOUNTED INVESTEEES		
25.1 FINANCE COSTS	(1 774 592)	(1 158 608)
– Lease portfolio borrowings	(195 300)	(120 625)
– SG Fleet borrowings	(188 723)	(135 342)
– SG Fleet warehouse borrowings	(553 755)	(384 071)
– Property borrowings	(55 207)	(34 333)
– Instalment sale agreements	(156 227)	(83 211)
– Floorplan creditors	(159 393)	(64 394)
– Long-term loans	(53 695)	(20 273)
– ROU lease liabilities	(169 276)	(165 139)
– Corporate bond	(221 219)	(148 109)
– Bank accounts	(10 860)	(2 223)
– Other	(10 937)	(888)
25.2 INTEREST RECEIVED	767 902	396 689
– Bank accounts	188 175	109 920
– SG Fleet interest received	102 560	9 312
– Finance lease and long-term receivables	98 350	10 576
– Interest rate swaps	49 328	72 831
– Trade finance debtors	5 392	3 284
– Lease portfolio receivables	323 594	181 729
– Other	503	9 037
25.3 PROFIT/(LOSS) FROM EQUITY-ACCOUNTED INVESTEEES	2 685	(1 395)
	(1 004 005)	(763 314)

	30 June 2023 R'000	30 June 2022 R'000
26 INCOME TAX EXPENSE		
Income tax comprises:		
South African normal taxation		
– Current tax	331 881	311 014
– Prior year current tax	10 048	11 372
– Deferred tax	107 618	(85 499)
– Prior year deferred tax	(16 822)	4 238
Foreign taxation		
– Current tax	510 163	502 468
– Prior year current tax	(659 024)	1 879
– Deferred tax	(111 421)	(44 003)
– Prior year deferred tax	651 894	67 066
	824 337	768 535

26 INCOME TAX EXPENSE continued

The reconciliation of the rate of income tax is based on profit before income tax.

	30 June 2023 R'000	30 June 2022 R'000
Tax losses available for set off against future taxable income utilised in the deferred tax computation	6 153	2 562
Tax losses not utilised in deferred tax computation	47 282	46 183
Total tax losses	53 435	48 745

27 EARNINGS PER SHARE

Basic earnings per share is derived by dividing profit or loss attributable to the equity holders of Super Group Limited for the year by the weighted average number of shares in issue after taking treasury shares into account. Appropriate adjustments are made in calculating diluted and headline earnings per share.

No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

Headline earnings are determined as follows:

Profit attributable to equity holders of Super Group Limited

Capital items before tax and non-controlling interest

Impairment of property, plant and equipment

Impairment of intangible assets

Impairment of lease portfolio assets

Impairment of goodwill

Profit on disposal of property, plant and equipment

Fair value adjustment to investment property

Adjustments related to equity-accounted investees

Tax effect of capital items

Impairment of property, plant and equipment

Impairment of intangible assets

Impairment of lease portfolio assets

Profit on disposal of property, plant and equipment

Fair value adjustment to investment property

Non-controlling interest effect of capital items

Impairment of lease portfolio assets

Adjustments related to equity-accounted investees

Profit on disposal of property, plant and equipment

Headline earnings for the year

30 June 2023
R'000

30 June 2022
R'000

	1 597 363	1 361 298
	(30 461)	518
	16 958	36 262
	–	8 547
	2 698	639
	3 000	–
	(54 617)	(50 074)
	–	2 000
	1 500	3 144
	9 198	1 970
	(4 748)	(9 030)
	–	(2 393)
	(809)	(192)
	14 755	14 147
	–	(562)
	9 709	5 458
	(883)	(209)
	(324)	–
	10 916	5 667
	1 585 809	1 369 244

30 June 2023
Number of
shares
'000

30 June 2022
Number of
shares
'000

Weighted average number of ordinary shares in issue

Dilutionary share options

Diluted weighted average number of ordinary shares

	337 808	359 647
	3 875	4 404
	341 683	364 051

30 June 2023
Cents

30 June 2022
Cents

Earnings per share

Basic

Diluted

Headline earnings per share

Basic

Diluted

	472.9	378.5
	467.5	373.9
	469.4	380.7
	464.1	376.1

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
28 CASH GENERATED FROM OPERATIONS		
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	2 972 758	2 504 789
Interest received	(767 902)	(396 689)
Share of (profit)/loss of equity-accounted investees	(2 685)	1 395
Finance costs	1 774 592	1 158 608
Adjustments for:		
Depreciation and amortisation	4 545 493	3 758 426
Impairment of intangible assets, lease portfolio vehicles, property, plant and equipment, investments and goodwill	22 656	48 592
Fair value adjustments to investment property	–	2 000
Profit on disposal of property, plant and equipment, and other	(54 617)	(50 074)
Movement in provisions	68 965	79 126
Bad debts written off	43 607	33 324
Unrealised foreign exchange (gains)/losses	(32 716)	4 847
Net increase in receivables and inventory provision	16 871	79 532
Share-based payment expense	130 867	111 555
Other	(910)	(3 827)
Operating cash flow	8 716 979	7 331 604
Working capital inflow/(outflow) – other	517 494	(825 825)
Increase in trade and other receivables	(1 233 741)	(1 457 251)
Increase in inventories	(1 421 551)	(757 581)
Increase in trade and other payables	3 393 695	1 340 094
(Decrease)/increase in fund reserves	(220 909)	48 913
Working capital outflow – lease portfolio assets ¹	(4 786 103)	(1 748 883)
Additions to lease portfolio assets	(4 991 979)	(5 701 118)
Proceeds on disposal of lease portfolio assets	1 832 149	3 461 542
Lease portfolio current receivables (outflow)/inflow	(321 022)	109 693
Lease portfolio non-current receivables (outflow)/inflow	(1 305 251)	381 000
	4 448 370	4 756 896

¹ Shown separately in the current year.

	30 June 2023 R'000	30 June 2022 R'000
29 DIVIDENDS PAID		
Dividends declared and paid to non-controlling interests in subsidiaries	(382 538)	(281 668)
Dividends declared and paid to ordinary shareholders	(211 324)	(174 453)
	(593 862)	(456 121)

A dividend of 63 cents per share has been paid to Super Group shareholders in respect of the year ended 30 June 2022 (2021: 47 cents per share).

For the year ended 30 June 2023, a final gross dividend of 80 cents per share has been declared out of income reserves, subsequent to year end, in respect of the ordinary shares of no par value.

A dividend withholding tax of 20% or 16 cents per share will be applicable, resulting in a net dividend of 64 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

	30 June 2023 R'000	30 June 2022 R'000
30 INCOME TAX PAID		
Balance owing at beginning of year	(31 078)	(11 030)
Charge for the current year	(193 068)	(826 733)
Acquisition of businesses (Refer note 31.1)	(11 753)	(94 896)
Translation adjustment	1 306	(9 818)
Balance (receivable)/owing at end of year	(18 187)	31 078
	(252 780)	(911 399)

31 BUSINESS COMBINATIONS

31.1 ACQUISITION OF BUSINESSES (NET OF CASH ACQUIRED)

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Net effective interest in (%)	Purchase price R'000
Delgarth Limited (Delgarth Motor Group)	Dealerships	Dealerships UK	23 August 2022	100	100	272 928
Gillingham Ford	Dealerships	Dealerships UK	14 July 2022	100	100	127 475
Romford Suzuki	Dealerships	Dealerships UK	03 March 2023	100	100	47 682
Delver Logistics S.L.U. (Delver)	Logistics	Supply Chain Europe	01 July 2022	75	56	3 495
Pamplona T.I. Transporte Inmediato S.L.U. (T.I.)	Logistics	Supply Chain Europe	01 July 2022	75	56	44 985
Clean Tech 360 (Pty) Ltd (Clean Tech)	Logistics	Supply Chain Africa	01 February 2023	51	51	13 329
RSC Consulting Services (Pty) Ltd (RSC)	Logistics	Supply Chain Africa	01 February 2023	51	51	119 979
Purchase price						629 873

NOTES TO THE FINANCIAL STATEMENTS continued

31 BUSINESS COMBINATIONS continued

31.1 ACQUISITION OF BUSINESSES (NET OF CASH ACQUIRED) continued

Net cost on acquisition of businesses	Delgarth Motor Group R'000	Gillingham Ford R'000	Romford Suzuki R'000	Delver and T.I. R'000	Clean Tech and RSC R'000	30 June 2023 R'000	30 June 2022 R'000
Fair value of assets acquired and liabilities assumed at date of acquisition							
Assets							
Property, plant and equipment	89 304	6 958	33 201	13 550	1 200	144 213	81 286
ROU assets	–	–	–	–	2 905	2 905	137 710
Lease portfolio vehicles	–	–	–	–	–	–	9 390 868
Non-current receivables	–	–	–	341	–	341	3 379 588
Intangible assets	–	–	–	13 362	44 288	57 650	899 872
Goodwill	84 100	63 618	13 245	16 654	95 146	272 763	1 841 472
Inventories	140 895	56 839	2 583	–	1 938	202 255	102 626
Trade receivables	14 692	–	–	60 905	89 975	165 572	2 713 751
Sundry receivables	18 410	60	–	4 078	9 141	31 689	–
Deferred tax assets	–	–	–	–	–	–	588
Cash and cash equivalents	62 783	–	–	8 430	30 058	101 271	468 239
	410 184	127 475	49 029	117 320	274 651	978 659	19 016 000
Liabilities							
Fund reserves	–	–	–	–	–	–	(401 701)
Lease portfolio borrowings	–	–	–	–	–	–	(8 901 581)
Interest-bearing borrowings	–	–	–	–	–	–	(6 191)
ROU lease liabilities	–	–	–	–	(3 645)	(3 645)	(137 710)
Trade and other payables	(130 636)	–	(1 347)	(37 782)	(92 758)	(262 523)	(2 021 978)
Income tax payable	(6 620)	–	–	(2 867)	(2 266)	(11 753)	(94 896)
Deferred tax liabilities	–	–	–	(3 180)	(6 003)	(9 183)	(446 192)
Provisions	–	–	–	–	(4)	(4)	(140 965)
	(137 256)	–	(1 347)	(43 829)	(104 676)	(287 108)	(12 151 214)
Fair value of net assets acquired	272 928	127 475	47 682	73 491	169 975	691 551	6 864 786
Less: Non-controlling interest	–	–	–	(25 011)	(36 667)	(61 678)	(26 457)
Purchase price	272 928	127 475	47 682	48 480	133 308	629 873	6 838 329
SG Fleet shares issued	–	–	–	–	–	–	(1 374 145)
Cash acquired	(62 783)	–	–	(8 430)	(30 058)	(101 271)	(468 239)
Deferred contingent purchase consideration liability	–	–	–	–	(25 787)	(25 787)	–
Cash outflow	210 145	127 475	47 682	40 050	77 463	502 815	4 995 945

The Group purchased Delgarth Motor Group, Gillingham Ford and Romford Suzuki for R272.9 million, R127.5 million and R47.7 million respectively, in order to bolster the Dealerships UK division by adding seven dealerships. The Group has performed the PPA exercises whereby intangible assets acquired are separately valued, no intangibles have been identified to date.

The Group purchased Delver and T.I. for a total of R48.5 million in order to bolster the Supply Chain Europe division. The Group performed a PPA exercise whereby intangible assets acquired were separately valued. The valuation, using the projected financial information, led to recognition of a trade name of R2.6 million and customer relations of R10.4 million.

Clean Tech and RSC were purchased by the Group for a total of R133.3 million. The Group performed a PPA exercise whereby intangible assets acquired were separately valued. The valuation, using projected financial information, led to the recognition of customer relations of R43.6 million.

31 BUSINESS COMBINATIONS continued

31.1 ACQUISITION OF BUSINESSES (NET OF CASH ACQUIRED) continued

The non-controlling interests have been calculated using the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill has been recognised on the acquisition of Delgarth Motor Group, Gillingham Ford, Romford Suzuki, Delver and T.I., and Clean Tech and RSC amounting to R84.1 million, R63.6 million, R13.2 million, R16.7 million and R95.1 million, respectively.

The goodwill is attributable mainly to the skills and technical talent of the workforce and synergies expected to be achieved from integrating the acquired businesses into the Group's various operations. None of the goodwill is expected to be deductible for tax purposes.

The acquisition related costs of R29.5 million (R17.1 million in respect of these acquisitions) are included in profit or loss in the consolidated statement of comprehensive income.

The values identified in relation to the acquisitions are provisional as at 30 June 2023, and subject to change for a period of 12 months from the effective acquisition date. At the date of this report, there were no required adjustments identified.

Impact of the acquisitions on the results of the Group	Delgarth Motor Group R'000	Gillingham Ford R'000	Romford Suzuki R'000	Delver and T.I. R'000	Clean Tech and RSC R'000	30 June 2023 R'000	30 June 2022 R'000
From the dates of acquisition, the acquired business contributed:							
Revenue	1 458 105	739 190	18 272	366 025	296 383	2 877 975	4 591 891
Profit after tax and amortisation of PPA intangibles ¹	13 479	10 654	1 003	28 951	10 644	64 731	217 951
Attributable profit to equity holders of Super Group ¹	13 479	10 654	1 003	16 213	5 428	46 777	116 667

¹ Excluding acquisition-related costs.

Impact of the acquisitions on the results of the Group – had they occurred on 1 July 2022	Delgarth Motor Group R'000	Gillingham Ford R'000	Romford Suzuki R'000	Delver and T.I. R'000	Clean Tech and RSC R'000	30 June 2023 R'000	30 June 2022 R'000
From 1 July 2022 the businesses would have contributed:							
Revenue	1 666 406	771 329	54 817	366 025	711 318	3 569 895	5 666 205
Profit after tax and amortisation of PPA intangibles ¹	15 405	11 117	3 009	28 951	25 546	84 028	294 710
Attributable profit to equity holders of Super Group ¹	15 405	11 117	3 009	16 213	13 028	58 772	162 441

¹ Excluding acquisition-related costs.

NOTES TO THE FINANCIAL STATEMENTS continued

31 BUSINESS COMBINATIONS continued

	30 June 2023 R'000	30 June 2022 R'000
31.2 NET COSTS ON DECREASE IN EXISTING SHAREHOLDING IN SUBSIDIARIES		
Non-controlling interest	-	(1 001 675)
Effect of transactions between equity partners on equity (profit)	-	(416 220)
	-	(1 417 895)
SG Fleet shares issued in respect of acquisition of LeasePlan	-	1 374 145
Non-current receivable	-	43 750
Cash inflow	-	-

In the prior year, SG Fleet issued 44.6 million shares as part payment in respect of LeasePlan. The Group also sold an additional 3.13% in SG Coal to the Kgolo Trust, the Group's Black Women Empowerment Scheme, in the prior year.

	Fleet East Africa R'000	inTime R'000	30 June 2023 R'000	30 June 2022 R'000
31.3 NET COSTS ON INCREASE IN EXISTING SHAREHOLDING IN SUBSIDIARIES				
Non-controlling interest	(45)	(54 649)	(54 694)	(57 095)
Effect of transactions between equity partners on equity	(6 071)	54 649	48 578	(39 802)
Cash outflow	(6 116)	-	(6 116)	(96 897)

During the year the Group purchased the remaining 25% in Fleet East Africa for R6.1 million.

In December 2022 the Group purchased an additional 13.89% in inTime for 1 Euro. In addition, the Group recapitalised inTime in June 2023, resulting in a closing shareholding of 96.39%.

In the prior year, the Group purchased additional shares in SG Fleet.

	GLS Middle East R'000	30 June 2023 R'000	30 June 2022 R'000
31.4 NET COSTS ON MAINTAINING EXISTING SHAREHOLDING IN SUBSIDIARIES			
Non-controlling interest	3 235	3 235	-
Cash inflow	3 235	3 235	-

During the year, GLS Middle East was recapitalised in equal proportions by the Group and the non-controlling interest. This resulted in no impact on the effective shareholding of GLS Middle East.

32 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

30 June 2023

	Interest-bearing borrowings total R'000	ROU lease liabilities R'000	Lease portfolio borrowings total R'000	Total R'000
Balance at beginning of year	7 853 186	2 622 165	14 845 873	25 321 224
Debt raised	4 732 169	–	1 739 720	6 471 889
Interest accrued	688 458	169 276	749 055	1 606 789
Interest paid	(675 071)	(169 276)	(749 055)	(1 593 402)
ROU raised	–	586 897	–	586 897
ROU cancelled	–	(61 260)	–	(61 260)
Debt repaid	(1 633 828)	(589 959)	(1 046 276)	(3 270 063)
Acquisition of businesses (Refer note 31.1)	–	3 645	–	3 645
Translation adjustment	514 749	310 078	1 761 358	2 586 185
Balance at end of year	11 479 663	2 871 566	17 300 675	31 651 904

	Interest-bearing borrowings total R'000	ROU lease liabilities R'000	Lease portfolio borrowings total R'000	Total R'000
30 June 2022				
Balance at beginning of year	6 694 186	2 607 895	1 752 944	11 055 025
Debt raised	4 380 666	–	11 110 700	15 491 366
Interest accrued	424 049	165 139	504 696	1 093 884
Interest paid	(421 268)	(165 139)	(504 726)	(1 091 133)
ROU raised	–	432 594	–	432 594
ROU cancelled	–	(44 043)	–	(44 043)
Debt repaid	(3 321 953)	(535 265)	(7 369 230)	(11 226 448)
Acquisition of businesses (Refer note 31.1)	6 191	137 710	8 901 581	9 045 482
Translation adjustment	91 315	23 274	449 908	564 497
Balance at end of year	7 853 186	2 622 165	14 845 873	25 321 224

NOTES TO THE FINANCIAL STATEMENTS continued

	30 June 2023 R'000	30 June 2022 R'000
33 CAPITAL EXPENDITURE COMMITMENTS AND RENTAL COMMITMENTS		
33.1 CAPITAL EXPENDITURE COMMITMENTS		
Lease portfolio assets		
Contracted	–	9 688
Authorised by directors but not yet contracted	3 574 442	2 024 592
Total authorised by directors	3 574 442	2 034 280
Property, plant and equipment		
Land, buildings and leasehold improvements		
Contracted	61 469	63 922
Authorised by directors but not yet contracted	160 117	211 415
Other assets		
Contracted	416 646	196 871
Authorised by directors but not yet contracted	1 789 981	1 207 748
Total authorised by directors	2 428 213	1 679 956

This capital expenditure will be financed by proceeds on disposal of related assets, funds generated by the businesses and borrowing facilities available to the Group.

	30 June 2023 R'000	30 June 2022 R'000
33.2 OPERATING RENTAL COMMITMENTS		
Property	12 649	10 962
– less than one year	12 649	10 962
Rental and transport fleet	1 447	848
– less than one year	1 447	848
Other	19 868	16 088
– less than one year	12 804	5 966
– between one and five years	7 064	10 122
Total rental commitments	33 964	27 898
– less than one year	26 900	17 776
– between one and five years	7 064	10 122

Refer to notes 3 and 19 for disclosure relating to ROU assets and ROU lease liabilities.

34 GOING CONCERN

The directors consider that the Group has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the Group and Company financial statements. The directors have satisfied themselves that the Company and its subsidiaries are in a sound financial position and that the Group has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

35 SUBSEQUENT EVENTS

ACQUISITION BY THE GROUP

On 19 July 2023, the Group acquired 78.82% of UK-based logistics firm CBW Group Holdings Limited (trading as Amco) for GBP30.3 million (R720 million). The acquisition will significantly complement the Group's supply chain offering. The provisional fair values of identifiable assets and liabilities as at the date of acquisition have not been disclosed as reliable information is not yet available.

DIVIDENDS

Refer to note 29 for dividends declared subsequent to 30 June 2023.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the date of this Report, which will require disclosure in these results.

36 RELATED PARTIES

IDENTITY OF RELATED PARTIES

The Group has related party relationships with retirement benefit funds, equity-accounted investees, its key management personnel and non-executive directors.

"Key management personnel" has been defined as the executive directors of the Group (refer note 41). The definition of related parties includes the close members of family of key management personnel and any other entity over which key management exercises control, significant influence or joint control. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependents of the individual or the individual's domestic partner.

TRANSACTIONS WITH EQUITY-ACCOUNTED INVESTEEES

Rental paid to equity-accounted investees during the 2023 year amounted to R15 889 070 (2022: R14 577 128).

Costs paid to equity-accounted investees during the 2023 year amounted to R9 510 760 (2022: nil).

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Interest in share capital of Super Group Limited

Directors of the company control 0.4% (2022: 0.2%) of the voting shares of the company. Further details of the directors' interests in the shares of the company are disclosed in note 41 and in the Analysis of shareholders' and bondholders' report on pages 123 to 124.

Directors' remuneration

Disclosure of directors' emoluments are included in note 41.

Share options and incentive grants

Directors participate in the Group's share option and incentive programmes. Detailed disclosure is provided in note 41.

Loans to/(from) directors

There are no loans to or from directors.

Interest in contracts

The Group utilises Fluxmans Attorneys, a director-related entity, to assist with corporate law advisor services in respect of various transactions and several other corporate and labour matters. These transactions are entered into in the normal course of business under terms and conditions that are no more favourable than those arranged with third parties.

With the exception of Fluxmans Attorneys no directors have material interests in any transaction with the company or its subsidiaries (refer note 41).

NOTES TO THE FINANCIAL STATEMENTS continued

36 RELATED PARTIES continued

Other transactions with related parties

Super Group Limited and its subsidiaries have directly or indirectly entered into a limited number of immaterial transactions with related parties during the year. These transactions are entered into in the normal course of business under terms and conditions that are no more favourable than those arranged with third parties.

These transactions include:

- provision of legal services by director-related entity; and
- purchase of goods and services from Group subsidiaries.

The Group, in the ordinary course of business, entered into various sales and purchase transactions with related parties in subsidiaries.

The Group encourages its employees and key management to purchase goods and services from Group companies (refer to pages 121 to 122 for the list of subsidiaries). These transactions are generally conducted on terms no more favourable than those entered into with third parties although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year nor have they resulted in any non-performing debts at year end. Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level.

Shareholders

The company's shares are widely held, mostly by public shareholders. An analysis of major shareholders is provided on page 123.

37 RETIREMENT BENEFITS

All eligible employees are members of defined contribution schemes administered by the Group or are members of funds within the various industries in which they are employed. Contributions are paid by the members and the Group. The assets of these schemes are held in administered trust funds separated from the Group's assets. Scheme assets primarily consist of listed shares and property unit trusts and fixed income securities. South African funds are governed by the Pension Funds Act of 1956 and all other funds are governed by the respective legislation of the country concerned.

The benefits provided are determined by accumulated contributions and returns on investments. The benefits offered vary according to the legal, fiscal and economic conditions of each fund. Where required, trustees are appointed by the Group companies and representatives of the employees. The trustees monitor investment performance and portfolio characteristics on a regular basis to ensure fund managers are meeting expectations with respect to their investment approach. No fund holds a significant number of shares in Super Group Limited.

The Group has no exposure to any post-retirement benefit obligations.

	30 June 2023 R'000	30 June 2022 R'000
Contributions to defined contribution funds (Refer note 24.4)	290 343	243 851

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

38.1 INTRODUCTION

Super Group has risk management and central treasury functions that manage the financial risks relating to the Group's operations. The risk management function takes responsibility for the identification, measurement and monitoring of risk. The central treasury provides services to the businesses, co-ordinates access to domestic and international foreign markets and manages the financial risks relating to the Group's operations. The Group's credit, liquidity, foreign currency and interest rate risks are continually monitored. In order to manage these risks, the Group has developed a risk management process to facilitate management of risk. The Risk Committee meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of risks. Senior management also meet on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury strategies against revised economic forecasts.

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *continued*

38.2 RISK PROFILE

In the course of the Group's business operations, it is exposed to credit, liquidity, and market risk which includes foreign currency and interest rate risk. The risk management policy of the Group relating to each of these risks is discussed under the respective headings. Where appropriate, derivative financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates and interest rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes are generally expected to be offset by opposite effects on the items being hedged. The Group finances its operations through a mixture of retained profits, bank overdrafts, bank revolving credit borrowings, interest-bearing and lease portfolio borrowings. Long-term financing is arranged centrally by the Group treasury division.

38.3 CAPITAL MANAGEMENT

The Board's policy is to maintain healthy capital ratios so as to maintain investor, creditor and market confidence and to sustain future development of the business on a capital-efficient basis. The Board monitors its capital structure, determining the appropriate debt-to-equity ratio in light of changing economic conditions. The Group invests in growth opportunities, both organic and acquisitive, that complement its strategy applying hurdle rate methodology utilising the weighted average cost of capital (WACC). The board recognises debt as an important component of its capital structure in support of its leveraged business models. The optimal mix of debt and equity is determined in order to minimise the overall cost of capital and maximise shareholder value.

From time to time the Group purchases its own shares on the market. The timing of these purchases depends on market prices and conditions. As at the date of this report, the Group did not have a defined share buyback plan. The transactions are approved by the Board.

	30 June 2023 R'000	30 June 2022 R'000
38.4 CAPITAL STRUCTURE AND RATIOS		
Salient features		
Total equity	19 516 119	16 927 597
SG Fleet borrowings (excluding lease portfolio borrowings)	3 789 903	3 367 842
Lease portfolio borrowings (excluding securitised warehouse borrowings)	1 966 832	2 103 485
Secured asset-based borrowings	2 188 083	1 541 576
Secured property borrowings	794 930	730 818
Corporate bond	4 019 641	2 197 988
Revolving credit facility and other	687 106	14 962
Cash and cash equivalents	(9 064 647)	(6 221 629)
Net debt ¹	4 381 848	3 735 042
EBITDA	8 491 795	7 027 047
Total net gearing (%) (Net debt/Total equity)	22.5	22.1
Net interest cover (EBITDA/Net interest) (times)	10.1	11.8
Net debt to EBITDA cover (times)	0.52	0.53
Net debt to EBITDA excluding SG Fleet and IFRS 16 (times) ²	0.93	0.79
Net interest cover ratio excluding SG Fleet and IFRS 16 (times) ³	8.7	13.8

¹ Refer to accounting policy on page 36 for a definition of net debt.

² Net debt to EBITDA is defined as net debt divided by EBITDA. In accordance with certain borrowing facilities, the Group has to maintain a ratio less than 2.5 times.

³ Net interest cover is EBITDA divided by net interest paid measured after annualising the effects of business acquisitions during the year. A minimum of 2.7 times cover has to be met in terms of the certain borrowing facilities.

NOTES TO THE FINANCIAL STATEMENTS continued

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.5 CREDIT RISK

Credit risk relates to potential exposure in respect of cash and cash equivalents, other non-current assets, FEC assets, lease portfolio receivables, trade receivables, other receivables and derivative instruments. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the Group obtains collateral or credit insurance on outstanding debts to mitigate risk.

Counterparties to financial instruments consist of a large number of high credit-rated financial institutions. The Group does not expect any counterparties to fail to meet their obligations, given their high credit ratings. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Counterparty credit limits are in place which are reviewed and approved by the respective subsidiary boards. Trade accounts receivable consist of a large number of customers spread across diverse industries and geographical areas. Adequate allowance for credit losses has been made. No single customer represents more than 10% of the Group's total revenue for the years ended or total trade receivables at 30 June 2023 and 30 June 2022.

	30 June 2023 R'000	30 June 2022 R'000
The maximum exposure to credit risk at the reporting date was:		
Other non-current assets	729 196	361 778
Trade receivables – net of allowance for credit losses	7 292 267	5 505 741
Sundry receivables (excluding prepayments, lease straight-line debtors and VAT receivables) – net of allowance for credit losses	1 908 879	1 891 668
Short-term portion of lease portfolio receivables – net of allowance for credit losses	2 457 479	1 930 348
Cash and cash equivalents	9 064 647	6 221 629
	21 452 468	15 911 164
The credit risk in respect of the non-current assets, lease portfolio receivables and cash and cash equivalents is not material.		
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
South Africa	3 359 844	2 783 417
Australia	2 313 103	1 604 225
United Kingdom	680 541	415 377
Europe	916 975	697 885
New Zealand ¹	180 516	90 355
Africa and other	204 482	300 366
	7 655 461	5 891 625
Gross trade debtors by debtor type		
Wholesale and retail debtors	3 945 403	2 802 891
End-user trade debtors	724 440	405 566
Contract debtors	2 985 618	2 683 168
	7 655 461	5 891 625
Provision for expected credit losses of trade receivables and sundry receivables		
The movement in the provision for expected credit losses for trade and sundry receivables was as follows:		
Balance at beginning of year	445 884	381 330
Movement in impairment allowance	(55 764)	23 936
Acquisition of businesses (Refer note 31.1)	–	36 377
Translation adjustment	4 151	4 241
Balance at end of year	394 271	445 884
Allocated to:		
Trade receivables	363 194	384 147
Agency debtors	23 293	252
Trade finance debtors	3 775	1 485
Sundry debtors	4 009	60 000

¹ New Zealand shown separately from Africa and other.

Refer to note 5.1.2 regarding the ECL for lease portfolio receivables.

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.5 CREDIT RISK continued

30 June 2023

The following tables provide information about the credit risk exposure and expected credit losses (ECLs) for trade receivables, agency debtors and trade finance debtors.

TRADE RECEIVABLES

	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance R'000	Weighted average loss rate
0 – 30 days	5 623 092	5 442 227	180 865	17 738	0.32%
31 – 60 days	995 562	458 780	536 782	19 156	1.92%
61 – 90 days	316 278	137 290	178 988	9 678	3.06%
91 – 120 days	156 680	86 098	70 582	10 300	6.57%
>120 days	563 849	4 276	559 573	306 322	54.33%
	7 655 461	6 128 671	1 526 790	363 194	

AGENCY DEBTORS

	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance R'000	Weighted average loss rate
0 – 30 days	1 317 245	1 317 245	–	23 293	1.77%
31 – 60 days	151	–	151	–	0.00%
61 – 120 days	52	–	52	–	0.00%
>120 days	105	–	105	–	0.00%
	1 317 553	1 317 245	308	23 293	

TRADE FINANCE DEBTORS

	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance R'000	Weighted average loss rate
0 – 30 days	28 777	28 777	–	–	0.00%
31 – 60 days	28 563	28 563	–	–	0.00%
61 – 90 days	29 325	29 325	–	–	0.00%
91 – 120 days	10 429	10 429	–	–	0.00%
>120 days	16 192	–	16 192	3 775	23.31%
	113 286	97 094	16 192	3 775	

NOTES TO THE FINANCIAL STATEMENTS continued

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.5 CREDIT RISK continued

30 June 2022

The following tables provide information about the credit risk exposure and expected credit losses (ECLs) for trade receivables, agency debtors and trade finance debtors.

TRADE RECEIVABLES					
	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance R'000	Weighted average loss rate
0 – 30 days	4 297 986	3 726 863	571 123	26 312	0.61%
31 – 60 days	784 393	362 875	421 518	30 904	3.94%
61 – 90 days	248 006	115 214	132 792	16 295	6.57%
91 – 120 days	173 464	48 827	124 637	9 416	5.43%
>120 days	387 776	2 913	384 863	301 220	77.68%
	5 891 625	4 256 692	1 634 933	384 147	

The increase in the loss allowance for the debtors >120 days is due to credit risk rating amendments and defaults experienced.

AGENCY DEBTORS					
	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance R'000	Weighted average loss rate
0 – 30 days	1 093 568	1 089 631	3 937	252	0.02%

TRADE FINANCE DEBTORS					
	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance R'000	Weighted average loss rate
0 – 30 days	18 976	18 976	–	–	0.00%
31 – 60 days	12 386	12 386	–	–	0.00%
61 – 90 days	11 215	11 215	–	–	0.00%
91 – 120 days	9 857	9 857	–	–	0.00%
>120 days	4 905	–	4 905	1 485	30.28%
	57 339	52 434	4 905	1 485	

The Group uses an allowance matrix to measure the ECLs of trade receivables, agency debtors and trade finance debtors. Loss rates are based on actual credit losses over prior years. These rates take into account current conditions and the Group's view of expected economic conditions.

Expected credit losses are accounted for receivables which are still subject to enforcement activities and only written off when no longer enforceable.

The Group did not hold collateral for any credit risk exposures.

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *continued*

38.6 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. To manage this risk, Group companies manage their working capital, capital expenditure and cash flow and annually assess the financial viability of customers. In order to mitigate any liquidity risk that may arise, adequate unutilised banking facilities and reserve borrowing capacity is maintained per Group policy. The Group continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities through various committees within the Group. Cash requirements are continuously forecasted, and any shortfalls identified are managed through the Group's treasury policy. Covenant requirements are regularly reviewed and reported to the respective stakeholders. If probable future breaches of covenants are identified, corrective actions are put in place.

The following disclosure is based on the contractual maturities of the specific financial liabilities, including estimated interest payments¹ and excluding the impact of netting agreements.

	Carrying amount R'000	Within six months R'000	Six to twelve months R'000	One to two years R'000	Two to five years R'000	After five years R'000	Total contractual cash flows R'000
30 June 2023							
Non-derivative financial liabilities							
Secured asset-based borrowings	2 188 083	544 467	425 590	682 606	950 013	18 047	2 620 723
Secured property borrowings	794 930	69 387	68 344	771 927	–	–	909 658
SG Fleet interest-bearing corporate borrowings	3 789 903	119 108	119 108	3 908 819	–	–	4 147 035
Corporate bond	4 019 641	1 026 994	1 269 818	532 782	1 250 528	830 134	4 910 256
Revolving credit facility and other	687 106	469 375	15 996	208 884	17 353	–	711 608
Lease portfolio borrowings – Fleet Africa	1 014 194	125 696	143 421	289 353	646 647	–	1 205 117
Lease portfolio borrowings – SG Fleet	16 286 481	3 665 666	3 570 465	4 574 008	6 018 342	106 244	17 934 725
ROU lease liabilities	2 871 566	386 445	310 616	572 675	1 165 118	777 672	3 212 526
Trade and other payables ²	15 660 825	15 557 767	169 433	–	–	–	15 727 200
	47 312 729	21 964 905	6 092 791	11 541 054	10 048 001	1 732 097	51 378 848
Derivative financial liabilities							
NCl put option	464 581	390 905	–	–	–	153 120	544 025
Interest rate swaps	226 379	–	226 379	–	–	–	226 379
	690 960	390 905	226 379	–	–	153 120	770 404

¹ Estimated interest payments are based on the assumption that current interest rates remain unchanged.

² Trade and other payables exclude FEC's, VAT payables, deferred income, interest rate swaps and amounts payable to South African Revenue Services for customs and excise responsibilities.

NOTES TO THE FINANCIAL STATEMENTS continued

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.6 LIQUIDITY RISK continued

	Carrying amount R'000	Within six months R'000	Six to twelve months R'000	One to two years R'000	Two to five years R'000	After five years R'000	Total contractual cash flows R'000
30 June 2022							
Non-derivative financial liabilities							
Secured asset-based borrowings	1 541 576	395 700	304 490	496 927	467 703	–	1 664 820
Secured property borrowings	730 818	43 990	42 664	84 114	640 250	–	811 018
SG Fleet interest-bearing corporate borrowings	3 367 842	65 225	65 225	129 607	3 400 079	–	3 660 136
Corporate bond	2 197 988	322 264	65 240	1 682 976	361 561	–	2 432 041
Revolving credit facility and other	14 962	8 644	5 763	742	–	–	15 149
Lease portfolio borrowings – Fleet Africa	1 370 975	177 219	188 472	266 818	911 744	24 299	1 568 552
Lease portfolio borrowings – SG Fleet	13 474 898	2 664 348	2 624 101	3 565 326	5 280 573	113 730	14 248 078
ROU lease liabilities	2 622 165	289 893	282 671	527 097	998 180	805 130	2 902 971
Trade and other payables ¹	11 048 097	11 593 671	74 416	–	–	–	11 668 087
	36 369 321	15 560 954	3 653 042	6 753 607	12 060 090	943 159	38 970 852
Derivative financial liabilities							
NCI put option	273 451	–	–	330 423	–	–	330 423
FEC liabilities	228	228	–	–	–	–	228
Interest rate swaps	90 488	90 488	–	–	–	–	90 488
	364 167	90 716	–	330 423	–	–	421 139

¹ Trade and other payables exclude FEC's, VAT payables, deferred income, interest rate swaps and amounts payable to South African Revenue Services for customs and excise responsibilities.

Trade and other payables form an integral part of the day-to-day working capital structure. The maturity profile depicts the expected cash outflows excluding any increase in trade and other payables as a result of normal activity. Cash flows and timing thereof related to foreign exchange contracts cannot be determined and full repayment has been shown in the earliest cash flow period.

The capital structure of the Group includes the non-derivative financial liabilities excluding trade and other payables listed above. The maturity profile reflected excludes the normal renewal or raising of borrowings. These cash outflows also exclude the effects of cash inflows on disposal of the underlying non-financial assets.

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.7 MARKET RISK

Market risk is the risk that changes in interest rates foreign exchange rates and equity prices will affect profit or loss and the value of the holding of the financial instrument.

38.7.1 Foreign currency risk

Exchange rates to South African rand	30 June 2023		30 June 2022	
	Average rate	Closing rate	Average rate	Closing rate
Australian Dollar	11.93	12.56	11.03	11.24
Euro	18.62	20.58	17.15	17.06
Pound Sterling	21.41	23.92	20.24	19.84
US Dollar	17.76	18.83	15.22	16.29
New Zealand Dollar	10.95	11.57	10.35	10.16

Foreign currency risk exposure:

Financial instruments analysed in rand equivalent of foreign currency:

	Rand R'000	Australian Dollar R'000	Pound Sterling R'000	Euro R'000	New Zealand Dollar R'000	US Dollar and other R'000	Total R'000
30 June 2023							
Financial assets							
Other non-current financial assets	191 997	345 448	–	162 594	42 541	21 078	763 658
Trade and other receivables ¹	4 627 705	2 509 128	658 983	974 850	206 430	224 050	9 201 146
Lease portfolio receivables	4 950	7 249 257	–	–	133 930	–	7 388 137
Cash and cash equivalents	3 914 223	2 681 157	790 159	910 206	397 848	371 054	9 064 647
Financial liabilities							
Interest-bearing borrowings	6 929 957	3 454 774	545 919	33 896	–	515 117	11 479 663
ROU lease liabilities	872 232	268 961	615 903	1 098 712	15 024	734	2 871 566
Lease portfolio borrowings	927 094	12 732 915	952 638	–	2 600 928	87 100	17 300 675
Non-controlling interest put options	464 581	–	–	–	–	–	464 581
Trade and other payables ²	6 279 622	3 831 705	4 485 050	862 583	278 596	149 648	15 887 204

	Rand R'000	Australian Dollar R'000	Pound Sterling R'000	Euro R'000	New Zealand Dollar R'000	US Dollar and other R'000	Total R'000
30 June 2022							
Financial assets							
Other non-current financial assets	191 532	316 441	–	107 035	55 166	13 143	683 317
Trade and other receivables ¹	3 960 775	1 762 364	421 873	723 442	159 898	113 381	7 141 733
Lease portfolio receivables	10 074	5 003 908	–	–	–	95 683	5 109 665
Cash and cash equivalents	2 331 882	2 078 248	887 128	279 015	385 510	259 846	6 221 629
Financial liabilities							
Interest-bearing borrowings	4 241 701	3 090 060	507 111	14 314	–	–	7 853 186
ROU lease liabilities	1 090 814	266 050	476 414	779 894	7 010	1 983	2 622 165
Lease portfolio borrowings	1 289 832	10 332 026	700 966	–	2 441 911	81 138	14 845 873
Non-controlling interest put option	273 451	–	–	–	–	–	273 451
Trade and other payables ²	4 960 428	3 031 159	2 230 397	677 787	128 975	110 067	11 138 813

¹ Trade and other receivables exclude prepayments, straight-line lease debtors and VAT receivables.

² Trade and other payables exclude VAT payables and deferred income.

NOTES TO THE FINANCIAL STATEMENTS continued

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.7 MARKET RISK continued

38.7.1 Foreign currency risk continued

Sensitivity analysis:

A 10% strengthening in the South African rand against the following currencies at year end would have (decreased)/increased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Equity ¹	Profit/(loss) before tax
30 June 2023		
Australian Dollar	(235 475)	(101 441)
Pound Sterling	(258 631)	(28 866)
Euro	(202 662)	(3 177)
New Zealand Dollar	(59 431)	(15 474)
US Dollar and other	(87 378)	(6 380)
30 June 2022		
Australian Dollar	(207 520)	(89 606)
Pound Sterling	(233 067)	(49 150)
Euro	(158 185)	(519)
New Zealand Dollar	(36 009)	(14 322)
US Dollar and other	(16 933)	(5 905)

¹ Equity attributable to equity holders of the Group.

A 10% weakening in the South African rand will have an equal and opposite effect on equity and profit or loss.

Foreign currency risk management

The Group is head quartered in South Africa, with offshore operations in Africa (including Mauritius, Zimbabwe, Zambia, Kenya, Malawi and Mozambique), Europe (mainly United Kingdom and the Eurozone), Australia and New Zealand.

The Group seeks to mitigate foreign currency exposures by borrowing, where cost effective, in the same currencies as the currencies of the main operating units. In addition, the Group enters into cross currency interest rate swaps where loans are made between entities in different countries. In terms of Group policy, foreign loan liabilities are not covered using forward exchange contracts as these are covered by a natural hedge against the underlying assets.

The currency risk of the Group arises due to the fact that the Group operates and has input costs and sales in different countries.

The Group enters into various types of FECs in managing its foreign exchange risk resulting from cash flows from anticipated business activities and financing arrangements denominated in foreign currencies.

Transaction risk is calculated in each foreign currency and includes currency-denominated assets and liabilities (foreign currency creditors and debtors) and certain items not recognised in the statement of financial position such as firm and probable purchase and sales commitments. Trade-related purchase exposures are managed through the use of natural hedges arising from foreign/export revenue as well as FECs. The impact of these currency risk transactions is shown as translation gains/(losses) in profit or loss.

38.7.2 Interest rate risk

Exposure to interest rate risk on debt and investments is monitored by management. The Group borrows principally in Rand, Pound Sterling, US Dollars and Australian Dollars at both fixed and floating rates of interest. The fixing or capping of interest rates on debt to achieve improved predictability of cash flows is considered and implemented on a case-by-case basis. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. With respect to the Group's lease portfolio borrowings, the Group generally enters into back-to-back agreements with creditworthy customers. Consequently, the interest rate risk on these liabilities is largely mitigated.

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.7 MARKET RISK continued

38.7.2 Interest rate risk continued

	30 June 2023 R'000	30 June 2022 R'000
At reporting date the interest rate profile of the Group's interest-bearing financial instruments was:		
Fixed rate instruments		
Financial assets	148 750	148 750
Financial liabilities	(475 910)	(2 436 664)
	(327 160)	(2 287 914)
Non-interest-bearing instruments		
Financial assets	837 999	795 498
Financial liabilities	(6 170 990)	(4 124 413)
	(5 332 991)	(3 328 915)
Variable rate instruments		
Financial assets	17 346 327	12 100 269
Financial liabilities	(34 610 941)	(24 969 576)
	(17 264 614)	(12 869 307)
Variable rate instruments bearing interest when overdue		
Financial assets	8 586 527	6 599 309
Financial liabilities	(7 906 275)	(6 093 653)
	680 252	505 656

Sensitivity analysis:

A 100-basis point increase in the interest rate will have the following increase/(decrease) effect on profit or loss and/or equity.

The analysis assumes that all other variables, in particular currency, remain constant. The analysis is performed as follows:

	30 June 2023 R'000	30 June 2022 R'000
Variable rate instruments		
Loss before tax effect 100-basis point increase	(150 670)	(87 398)
Equity effect 100-basis point increase	(109 989)	(62 927)
Variable rate instruments bearing interest when overdue		
Loss before tax effect 100-basis point increase	5 930	7 497
Equity effect 100-basis point increase	4 329	5 398

NOTES TO THE FINANCIAL STATEMENTS continued

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.7 MARKET RISK continued

38.7.2 Interest rate risk continued

Interest rate swaps

SG Fleet – through other comprehensive income

The Group has entered into interest rate swap contracts with the following notional/principal value as at 30 June 2023:

- AUD 246 660 000 (2022: AUD 244 722 000) of bullet swaps maturing in September 2024 with a weighted average fixed rate of 0.65% (2022: 1.07%) in respect of corporate debt borrowings;
- AUD 1 328 158 000 (2022: AUD 1 174 357 000) of amortising swaps with tenors of up to 5 years and a weighted average fixed rate of 3.00% (2022: 1.31%) in relation to securitisation trusts.

Super Group Limited – through profit or loss

The Company had the following cross currency interest swaps at the reporting date:

SWAP 3 – EUR41 000 000 interest payable at three-month EURIBOR plus 145 basis points and interest receivable at three-month JIBAR plus 170 basis points. 50% capital amortisation payment semi-annually in September and March and matures on 25 June 2024.

SWAP 4 – EUR11 200 000 interest payable at three-month EURIBOR plus 162 basis points and interest receivable at three-month JIBAR plus 170 bps. 50% capital amortisation payment semi-annually in September and March and matures on 25 June 2024.

SWAP 5 – GBP5 300 000 interest payable at three-month SONIA plus 124 basis points and interest receivable at three-month JIBAR plus 166 basis points. Quarterly capital amortisation payments and matures on 30 January 2024.

SWAP 6 – USD40 000 000 interest payable at three-month USD SOFR plus 128.5 basis points (2022: three-month LIBOR plus 100 basis points) and interest receivable at three-month JIBAR plus 140 basis points. Equal capital amortisation payments semi-annually in September and March and matures on 17 March 2025.

The following table indicates the amounts outstanding and the fair value of each swap.

	Amount owing 30 June 2023 R'000	Amount receivable 30 June 2023 R'000	Fair value 30 June 2023 R'000	Fair value 30 June 2022 R'000
SWAP 3	506 244	399 370	111 648	30 977
SWAP 4	138 292	109 743	29 366	7 463
SWAP 5	32 027	28 020	4 066	(2 991)
SWAP 6	377 842	300 155	80 943	44 319
	1 054 405	837 288	226 023	79 768

38.8 DERIVATIVE INSTRUMENTS

The derivatives used by the Group are mainly over-the-counter instruments, particularly FECs, option contracts, cross currency swaps and interest rate swaps. The Group deals only with financial institutions of high credit standing. The instruments are employed according to uniform guidelines and are subject to strict internal controls. Their use is confined to the hedging of the operating business and of the related investments and financing transactions.

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS continued

38.9 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of cash and cash equivalents, trade receivables, other receivables, investments, trade payables, other payables, borrowings and derivative instruments. Financial instruments held-to-maturity in the normal course of business are recorded at amortised cost using the effective interest rate or redemption amounts as appropriate. The recorded amount is described below as the carrying amount, otherwise known as book value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

	Carrying value 30 June 2023 R'000	Fair value 30 June 2023 R'000	Carrying value 30 June 2022 R'000	Fair value 30 June 2022 R'000
Financial assets at fair value through profit or loss				
FEC assets	88	88	9 423	9 423
Interest rate swaps	511 178	511 178	498 608	498 608
Other non-current assets (Refer note 8)	80 876	80 876	73 668	73 668
Financial assets at amortised cost				
Other non-current assets (Refer note 8)	340 726	340 726	288 110	288 110
Trade receivables – net of allowance for credit losses	7 292 267	7 292 267	5 505 741	5 505 741
Sundry receivables (excluding prepayments, lease straight-line debtors, VAT receivables, interest rate swaps and FEC assets)	1 705 207	1 705 207	1 891 668	1 891 668
Lease portfolio receivables	7 388 137	7 388 137	5 109 665	5 109 665
Cash and cash equivalents	9 064 647	9 064 647	6 221 629	6 221 629
	26 383 126	26 383 126	19 598 512	19 598 512
Financial liabilities				
At amortised cost				
Non-derivative financial liabilities				
Secured asset-based borrowings	2 188 083	2 188 083	1 541 576	1 541 576
Secured property borrowings	794 930	794 930	730 818	730 818
SG Fleet interest-bearing corporate borrowings	3 789 903	3 789 903	3 367 842	3 367 842
Corporate bond	4 019 641	4 019 641	2 197 988	2 197 988
Revolving credit facility and other	687 106	687 106	14 962	14 962
Lease portfolio borrowings – Fleet Africa	1 014 194	1 014 194	1 370 975	1 370 975
Lease portfolio borrowings – SG Fleet	952 638	952 638	732 510	732 510
Securitised lease portfolio borrowings	15 333 843	15 333 843	12 742 388	12 742 388
ROU lease liabilities	2 871 566	2 871 566	2 622 165	2 622 165
Trade and other payables (excluding VAT payables, deferred income, interest rate swaps and FEC liabilities)	15 660 825	15 660 825	11 048 097	11 048 097
Derivative financial liabilities				
Fair value through other comprehensive income				
NCI put options	464 581	464 581	273 451	273 451
Interest rate swaps	356	356	7 729	7 729
Fair value through profit or loss				
FEC liabilities	–	–	228	228
Interest rate swaps	226 023	226 023	82 759	82 759
Deferred contingent purchase consideration	25 787	25 787	–	–
	48 029 476	48 029 476	36 733 488	36 733 488

NOTES TO THE FINANCIAL STATEMENTS **continued**

38 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS **continued**

38.9 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Cash and cash equivalents, investments and other non-current assets

Cash and cash equivalents

The carrying amount of cash and other financial assets approximates fair value due to the relatively short-term maturity of these financial instruments and application of market related interest rates.

Investments

The fair value of debt securities is determined using a discounted cash flow method. The fair value of unlisted equity investment is determined using a combination of discounted cash flow, net asset value and price earnings method. These investments are carried at their original cost less impairments in the statement of financial position. The fair values of publicly traded instruments are estimated based on quoted market prices for those or similar investments where there are no quoted market prices available.

Long-term receivables

The fair value of long-term receivables approximates the carrying value as market-related rates of interest are charged on these outstanding amounts.

Other

For all other instruments for which there are no quoted market prices, a reasonable estimate of fair value has been calculated based on the expected cash flows or the underlying net asset base for each instrument.

(ii) Short-term borrowings

The carrying amount approximates fair value because of the short yield to maturity of those instruments and application of market related interest rates.

(iii) Long-term borrowings

The fair value of the long-term borrowings is based on the quoted market price for the same or similar borrowings or on the current rates available for borrowings with the same maturity profile and effective interest rate with similar cash flows. The fair value of non-current borrowings and other payables with variable interest rates approximates their carrying amounts.

(iv) Derivatives

The fair value of derivatives is based upon mark-to-market valuations.

Foreign currency contracts

Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. The FEC valuations are categorised as a level 2 fair value.

Interest rate swaps

The fair value of interest rate swap contracts is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates. The interest rate swap contracts valuations are categorised as a level 2 fair value.

Cross currency swaps

Foreign currency liabilities are measured at fair value through profit or loss using available market currency rates. Bank valuation certificates are used to derive the fair value. The cross currency swap contract valuations are categorised as a level 2 fair value.

39 SHARE-BASED PAYMENTS

EQUITY-SETTLED SHARE OPTION SCHEMES

The Group currently has three share incentive schemes, namely Share Appreciation Right Scheme (SARS), Deferred Shares Plan (DSP) and the SG Fleet Share Option Plan.

SHARE APPRECIATION RIGHT SCHEME (SARS)

The underlying principle of the schemes is to provide direct linkage between the interests of the shareholders and the efforts of the executives or managers. The Share Appreciation Right Scheme 2005 incorporates performance target requirements which must be met before the exercise of the share option is permitted. The performance targets are set by the Remuneration Committee and may be varied from time to time.

Selected employees receive annual grants of SARS, which are rights to receive shares equal to the value of the difference between the exercise price and grant price less the applicable income tax payable on the difference. The performance condition imposed for all awards is that headline earnings per share must increase by 2% per annum above inflation over a three-year performance period. Certain awards have additional divisional profit before tax targets as performance conditions. Where agreed targets are not met the shares are forfeited.

The following assumptions have been used in the Black-Scholes model:

Expected option life (calculated by reference to specific allocation)	2.16 – 2.82 years
Risk-free interest rate (determined by reference to vesting date)	3.5% – 8.8%
Share volatility (determined by reference to vesting date)	24.26% – 42.51%
Dividend yield	1.51%

	SARS options 30 June 2023	SARS options 30 June 2022
Movement in number of options		
Balance at beginning of year	21 741 335	21 145 000
Options granted	4 800 000	4 550 000
Options exercised	(2 955 326)	–
Options forfeited	(240 000)	(3 953 665)
Balance at end of year	23 346 009	21 741 335
Vesting year of option granted		
Already vested	2 326 009	5 265 000
Conditional on confirmation of performance	11 940 000	–
Within year one	4 360 000	12 051 670
Within year two	4 720 000	4 424 665
	23 346 009	21 741 335
Exercise price of options		
R27.85	4 720 000	–
R31.20	4 360 000	4 424 665
R19.98	11 740 000	11 851 670
R27.97	200 000	200 000
R27.58	2 326 009	5 265 000
	23 346 009	21 741 335
	30 June 2023 Rand	30 June 2022 Rand
Weighted average share price of options exercised	27.48	–
Weighted average exercise price of options forfeited	26.36	27.37

NOTES TO THE FINANCIAL STATEMENTS continued

39 SHARE-BASED PAYMENTS continued

SHARE APPRECIATION RIGHT SCHEME (SARS) continued

	30 June 2023 R'000	30 June 2022 R'000
Share-based payment expense (SARS)	45 052	63 535

DEFERRED SHARES PLAN (DSP)

The underlying principle of the scheme is to align Executive Directors and management with shareholders' interests and retain key strategic and industry critical employees. The vesting of the Award will be subject to the employees continued employment with the Company from the Award Date until the applicable Vesting Date.

The Award shall vest in equal tranches over a period of 5 years from the Award Date. The Deferred Shares shall be held on behalf of the employee by an Escrow Agent and will be released at the respective Vesting Dates. The employee will be the beneficial owner of the Deferred Shares from the Award Date and shall be entitled to:

- (i) receive ordinary dividends declared and paid in the ordinary course of business of the Company in respect of Deferred Shares; and
- (ii) exercise voting rights in respect of Deferred Shares.

The Award Price of each Deferred Share constituting the Award is calculated at the closing share price of the date of the Award. The calculation of the cost of the Award is the number of shares granted multiplied by the number of shares which are allocated over the vesting period. No amount is payable by the employee in order to receive the Award.

The Deferred Shares are valued using the market price.

	DSP awards 30 June 2023	DSP awards 30 June 2022
Movement in number of shares		
Balance at beginning of year	1 542 500	605 000
Shares granted	1 542 913	1 058 500
Shares vested	(332 700)	(121 000)
Balance at end of year	2 752 713	1 542 500
Vesting year of shares granted		
Within year one	718 428	332 700
Within year two	718 428	332 700
Within year three	718 428	332 700
Within year four	597 429	332 700
Within year five	–	211 700
	2 752 713	1 542 500
Exercise price of shares		
R28,27	1 542 913	–
R31.05	846 800	1 058 500
R19.98	363 000	484 000
	2 752 713	1 542 500
	30 June 2023 R'000	30 June 2022 R'000
Share-based payment expense (DSPs only)	30 656	16 214

39 SHARE-BASED PAYMENTS *continued*

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) SCHEME

The Group B-BBEE scheme ended after 10 years in October 2022. As part of the scheme, the issued shares were valued using a Black-Scholes model assuming a life of 10 years. In performing the valuation, the cost of the distribution stream attached to the scheme was added to the option costs, as a traditional share option does not receive distributions. Staff retention rates were a key assumption and were modelled based on historical experience. The participants of the scheme were full time black employees and were not required to pay any consideration for the allocation. The number of shares that vested to an employee was determined with reference to length of service and the points allocated to him, which increased as the years of service increased.

The weighted average share price during the year to June 2022 was R31.21

The following assumptions were used:

Expected option life (calculated by reference to specific allocation)	10 years
Share volatility (determined by reference to vesting date)	23.3%
Dividend yield	3.0%
Risk-free interest rate	7.8%

	30 June 2023 R'000	30 June 2022 R'000
Share-based payment expense reversal (B-BBEE scheme only)	–	(4 427)

SG FLEET SHARE OPTION PLAN

Share option plan

In the 2014 financial year a share option scheme was established in SG Fleet to incentivise key management and personnel of the SG Fleet operations. The share option scheme is subject to a service condition and a performance condition. The performance condition is based on the compound annual growth rate of SG Fleet's earnings per share. The Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

The details are as follows:

Expected option life (calculated by reference to specific allocation)	1.8 to 2.8 years
Expected volatility	36.0% – 50.0%
Dividend yield	5.1% – 7.0%
Risk-free interest rate	0.11% – 0.74%
Number of options outstanding at year end	9 726 084

NOTES TO THE FINANCIAL STATEMENTS continued

39 SHARE-BASED PAYMENTS continued

SG FLEET SHARE OPTION PLAN continued

	30 June 2023	30 June 2022
Balance at beginning of year	7 785 659	6 020 631
Options granted	2 089 010	1 765 028
Options exercised	–	–
Options expired/forfeited/other	(148 585)	–
Balance at end of year	9 726 084	7 785 659
Vesting year of option granted		
Within year one	2 636 346	2 784 931
Within year two	3 235 700	3 235 700
Within year three	3 854 038	1 765 028
	9 726 084	7 785 659
Exercise price of options		
AUD 2.17	2 089 010	–
AUD 2.93	1 765 028	1 765 028
AUD 1.68	5 059 651	5 059 651
AUD 2.35	812 395	960 980
	9 726 084	7 785 659

Performance options

During the prior years SG Fleet granted performance rights to certain employees, these rights are subject to a service and performance condition. The performance condition is based on the compound annual growth rate of SG Fleet's earnings per share. Rights do not carry a right to receive any dividends. If rights vest and are exercised to receive shares, these shares will be eligible to receive dividends.

The details are as follows:

Expected option life	1.69 – 2.77 years
Share price at grant date	AUD 1.47 – AUD 2.95
Exercise price	AUD 0.00
Dividend yield	4.7% – 6.7%

Vesting date	Performance options	Fair value at grant date AUD
22 August 2023	1 130 194	AUD 1.47
12 August 2024	734 790	AUD 2.33
21 August 2025	1 257 271	AUD 1.74
1 July 2023	577 044	AUD 1.74
Total unvested performance rights – 30 June 2023	3 699 299	

None of the performance rights outstanding as at 30 June 2023 are vested and exercisable. The weighted average remaining contractual life of performance rights outstanding at 30 June 2023 was 37 months (2022: 31 months).

	30 June 2023 R'000	30 June 2022 R'000
Share-based payment expense (SG Fleet)	55 159	36 233

40 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND KEY ASSUMPTIONS

The directors and the Audit Committee have considered the Group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgments were required in applying the Group's accounting policies.

CRITICAL ACCOUNTING POLICIES

The Audit Committee is satisfied that the critical accounting policies are appropriate to the Group.

KEY SOURCES OF UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Estimates, judgments and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. The Group makes estimates, judgments and assumptions concerning the future. Those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

IMPAIRMENT OF ASSETS

The Group tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell.

INVENTORIES

Impairment provisions or write-downs to net realisable value are raised against inventory when it is considered that the amount realisable from such inventory's sale is less than its carrying amount. In determining whether a particular item of inventory could be considered to be overvalued, the following factors are taken into consideration:

- saleability;
- sub-standard quality and damage; and
- historical and forecast sales.

TRADE RECEIVABLES

Management identifies impairment of trade receivables on an on-going basis. Impairment adjustments are raised against trade receivables when their collectability is considered to be doubtful based on an expected credit loss model. Management believes that the impairment write-off is conservative and there are no significant trade receivables that are doubtful and have not been impaired. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration:

- age;
- sector;
- customer current financial status; and
- disputes with the customer.

PROPERTY, PLANT AND EQUIPMENT AND LEASE PORTFOLIO VEHICLES

The residual values of property, plant and equipment are considered significant, for certain classes of property, plant and equipment (e.g. motor vehicles) and lease portfolio vehicles. The estimation of the useful lives is based on historic performance as well as expectation about future use and therefore requires a degree of judgment to be applied by management. The depreciation rates represent management's current best estimate of the useful lives of the assets. Residual values are determined taking into account generally accepted industry-based market forecasts adjusted where necessary to take into account factors specific to the asset. Where deemed necessary, actuaries are used in determining the residual values for lease portfolio vehicles. The valuation model projects each active vehicle on a monthly basis based on an average monthly mileage for each vehicle. Assumptions in these models include future projected interest rates and market value data published in the relevant countries.

Judgement is applied in determining the presentation of cash flows on assets purchased through a financial institution. In certain cases the financial institutions are considered to be acting as a paying agent on behalf of the Group, and as a result investing outflows to the supplier and financing cash inflows from the financial institution is presented.

NOTES TO THE FINANCIAL STATEMENTS **continued**

40 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND KEY ASSUMPTIONS **continued**

INVESTMENT PROPERTIES

Investment properties are independently valued on an annual basis. The following factors are taken into account when applying the revaluation model:

- rental rate;
- expenditure ratio;
- vacancy rate; and
- capitalisation rate.

GOODWILL VALUATION

The recoverable amount of these assets is reviewed in terms of the accounting policies in note 1. When assessing the recoverable amount, the following factors are taken into consideration:

- projected cash flows;
- terminal value; and
- discount rates.

DEFERRED TAX ASSETS

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and tax rates and competitive forces.

REVENUE RECOGNITION

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of providing the services over the life of the contract to the total expected revenue arising from the contracts.

SG Fleet estimates the mobility services income to be recognised for each performance obligation at a point in time when the service is provided and the obligation fulfilled. These calculations require the use of assumptions, including an estimation of the profit margin to be achieved over the life of the contract for each performance obligation.

SG Fleet combines two or more contracts in a linked arrangement when contracts are entered into at or near the same time, contracts are negotiated as a package with a single commercial objective or there is price dependency between the contracts. Where these elements are satisfied, the Group will account for these combined agreements as one contract. The consideration and judgement regarding the linking of contracts is complex and dependent on several factors, with significant judgement required to consider the underlying exposure to residual value risk and associated price dependency within each of the linked arrangements.

The Group acts as principal or agent in its activities earning revenues. When acting as agent, revenues are recognised based on the services rendered rather than the value invoiced to the recipient of the goods. This is the case when the Group does not take title of the goods delivered and has no responsibility in respect of the goods sold. Through these trading activities, the Group facilitates its customers' purchases and sales and earns a fee for this service. Significant judgement is applied to the Group consideration of each of its performance obligations as a principal or agent within an individual contract. The determination of principal or agent impacts the presentation of each individual item within the statement of profit or loss as gross revenues or net revenues.

INCOME TAX

The Group operates in numerous tax jurisdictions and is subject to tax legislation that is open to interpretation. This requires a degree of judgment to be applied by management in determining income tax.

The accrual for potential income tax exposures are the best estimates of the tax amount expected to be paid. The best estimate amount is included as part of the income tax expense charge in the Statement of Comprehensive Income and the liability to the tax authorities. The Group reassesses its best estimates on an on-going basis based on new information that may impact these estimates. The tax amount is calculated based on a probability of the individual tax exposures present. There were no material uncertainties identified over the income tax treatment within the different tax jurisdictions of the Group.

RESIDUAL VALUE PROVISIONS

The Group has entered into various agreements with its financiers that govern the transfer of the residual value risk inherent in operating lease assets from the financier to SG Fleet at the end of the underlying lease agreement. These agreements include put/call options, sale direction deeds and guaranteed buyback arrangements. The residual value provision is raised to cover future shortfall on the disposal of these vehicles. Significant judgement is required in estimating the market value of the vehicle in its expected future condition.

40 **CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND KEY ASSUMPTIONS** continued

NON-CONTROLLING INTEREST PUT OPTIONS

The fair value of the put options over non-controlling interest in a subsidiary company is determined by using a discounted future cash flow analysis.

The Group uses its judgment to select a variety of methods and assumptions made are based on market and Group specific conditions existing at each reporting period.

RUSSIA-UKRAINE CONFLICT

The ongoing disruption of global supply chains was exacerbated by the Russia-Ukraine conflict, resulting in significant increases in the price of fuel, food and raw materials. Unemployment rates continued to trend down, with limited spare capacity in the labour market and wage pressures as a result.

The war in Ukraine negatively affected the European Union (EU) economy, setting it on a path of lower growth and higher inflation compared with initial forecasts. Russia's invasion exacerbated global supply chain disruptions and placed additional upward pressure on energy and food commodity prices, fuelling global inflationary pressures and eroding the purchasing power of households.

The effect of the current economic conditions as a result of this conflict was taken into consideration in the following judgements and assumptions:

- Goodwill impairment tests
 - The estimates in calculating the future free cash flows; and
- Provision for ECL
 - The estimates of additional risk of default.

VALUATION AND USEFUL LIVES OF SEPARATELY IDENTIFIABLE INTANGIBLE ASSETS

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and their value can be reliably estimated.

In order to determine the fair value of the separately identifiable intangible assets on a business combination, management use their best knowledge to make estimates when utilising the Group's valuation methodologies. The valuation methodologies require input based on assumptions about the future and use discounted cash flows and free cash flow forecasts.

For significant acquisitions management considers the advice of third-party independent valuers in identifying and calculating the valuation of any intangible assets arising on acquisition.

INTANGIBLE ASSETS WITH INDEFINITE LIFE

The group assesses whether an intangible purchased as part of a business combination has an indefinite useful life. The following considerations are taken into account:

- whether the Group intends to maintain the intangible;
- whether the Group has the ability to maintain the intangible;
- the level of future expenditure required to maintain the intangible; and
- the stability of the industry in which the intangible operates.

SHARE-BASED PAYMENTS

The Group considers at each grant date the following factors in determining whether the share grant should be accounted for as a cash or equity settled instrument:

- Whether the Group has an obligation to settle in cash or in equity instruments;
- If there is no obligation, is there a choice of the method of settlement;
- If there is a choice of the type of settlement, does the choice lie with the Group or the employee; and
- Previous methods of settlement of similar share grants would also be considered.

DEFERRED CONTINGENT CONSIDERATION

The Group recognises contingent considerations which result from business combinations at fair value at acquisition date. At acquisition date, contingent considerations are classified as financial asset/liability, and are subsequently re-measured at each reporting date. Management exercises judgement in the determination of the recoverability discount rate and the probability of performance targets being met.

NOTES TO THE FINANCIAL STATEMENTS continued

40 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND KEY ASSUMPTIONS continued

LEASES

Certain leases contain lease renewal options at the option of the lessee which are taken into account when measuring the ROU lease liability and ROU asset. Management judgement is required in whether these renewal options will be exercised.

The incremental borrowing rate used in the ROU lease liability calculation and ROU asset calculation is based on prevailing market rates and adjusted for conditions specific to the entity. Management exercises judgement in determining the incremental borrowing rate.

41 DIRECTORS' REMUNERATION

POLICY ON DIRECTORS' REMUNERATION

The directors are appointed to the Board to bring to the Group the skills and experience appropriate to its needs. The guaranteed remuneration is based on the median of the market, with discretion to pay a premium (typically 15% to 25%) to the median for the attraction and retention of the directors.

EXECUTIVE DIRECTORS' REMUNERATION

The Remuneration Committee (Remco) aims to align the directors' total remuneration with shareholders' interest by ensuring that a significant portion of their package is linked to the achievement of performance targets.

Executive directors' salaries comprise a cash portion which is reviewed annually by Remco. Salaries are compared to pay levels of other JSE-listed South African companies to ensure sustainable performance and market competitiveness. The individual salaries of directors are reviewed annually in light of their own performance, experience, responsibility and Group performance. The Company makes contributions to defined contribution plans on behalf of the executive directors on the basis of a percentage of cash salary. Death and disability cover provided to executive directors reflects best practice among comparable employers in South Africa. Other benefits include car and travel benefits and cover on the Group's medical healthcare scheme. These elements comprise the fixed remuneration component.

The following tables show a breakdown of the annual remuneration (excluding equity awards) of directors for the years ended 30 June 2023 and 30 June 2022.

Year ended 30 June 2023	Basic salary R	Subsidiary directors' fees R	Retirement contri- butions R	Other material benefits ¹ R	Total excluding perfor- mance R	Perfor- mance bonus ² R	Total taxable R
Executive Director							
P Mountford	7 117 442	1 472 255	349 999	512 558	9 452 254	13 100 763	22 553 017
C Brown	3 959 011	–	349 999	190 990	4 500 000	5 550 360	10 050 360
Total	11 076 453	1 472 255	699 998	703 548	13 952 254	18 651 123	32 603 377

¹ Other material benefits include entitlement to fuel, cover on the Group's medical healthcare and disability scheme, funeral benefits and travel allowances. These benefits are granted on similar terms to other senior executives.

² Performance bonuses reflect the amounts awarded and paid for the 30 June 2022 financial performance.

Year ended 30 June 2022	Basic salary R	Subsidiary directors' fees R	Retirement contri- butions R	Other material benefits ¹ R	Total excluding perfor- mance R	Perfor- mance bonus ² R	Total taxable R
Executive Director							
P Mountford	6 766 256	1 336 400	349 999	483 745	8 936 400	9 021 340	17 957 740
C Brown	3 764 775	–	349 999	149 225	4 263 999	4 168 340	8 432 339
Total	10 531 031	1 336 400	699 998	632 970	13 200 399	13 189 680	26 390 079

¹ Other material benefits include entitlement to fuel, cover on the Group's medical healthcare and disability scheme, funeral benefits and travel allowances. These benefits are granted on similar terms to other senior executives.

² Performance bonuses reflect the amounts awarded and paid for the 30 June 2021 financial performance.

41 DIRECTORS' REMUNERATION continued

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors generally receive fixed fees for their service that reflect responsibilities relating to their membership of the Board and Board committees. Non-executive directors do not receive short-term incentives, nor do they participate in any long-term incentive schemes. The fees paid to non-executive directors were approved by Remco, the Board and shareholders at the Annual General Meeting on 29 November 2022.

Non-Executive Director	Fixed directors' fees including allowances R	Meeting attendance fees R	Year ended 30 June 2023 (excl VAT) R	Year ended 30 June 2022 (excl VAT) R
P Vallet ¹	341 250	196 875	538 125	1 188 250
V Chitalu	690 165	209 475	899 640	738 750
D Cathrall	456 435	518 805	975 240	899 500
S Mehlomakulu	456 435	133 770	590 205	570 250
P Mnisi	456 435	236 355	692 790	687 500
J Phalane ²	346 185	122 430	468 615	–
Total	2 746 905	1 417 710	4 164 615	4 084 250

¹ P Vallet retired effective 1 December 2022. In appreciation of his many years of service to Super Group, the Remuneration Committee approved an award of R2.75 million, which was paid post his departure.

² J Phalane was appointed effective 30 September 2022.

DIRECTORS' SERVICE CONTRACTS

Peter Mountford, the Group CEO, has a written letter of appointment which endures indefinitely and is subject to termination on three months' notice. Colin Brown, the Group CFO and Debt Officer, has a written letter of appointment which endures indefinitely and is subject to termination on two months' notice. Both executives have change of control clauses included in their letters of appointment. The contractual relationship between the Company and its executive directors is controlled through Remco which comprises non-executive directors only.

These contracts are formulated in a manner which is consistent with the provisions of the Basic Conditions of Employment Act.

DIRECTORS' SHARE OPTION AND INCENTIVE SCHEME GRANTS

Directors participate in the Group's share option and incentive schemes, which are designed to recognise the contributions of senior employees to the growth in the value of the Group's equity and to retain key employees. Within the limits imposed by the Company's shareholders, options are allocated to the directors and senior employees in proportion to their contribution to the business as reflected by their seniority and the Group's performance. The options, which are allocated at a price determined by Remco, in terms of a resolution and the applicable JSE Listings Requirements, vest after stipulated periods and are exercisable after a three-year period in terms of the scheme rules.

Share option allocations are considered at least annually and are recommended by Remco and approved by the Board. The underlying principle of these schemes is to provide direct linkage between the interests of shareholders and the efforts of executives or managers.

Targets are linked where applicable to the Group's medium-term business plan, over rolling three-year performance periods. The SARS incorporates performance target requirements which must be met before the exercise of the share grants is permitted. Executive directors have an interest in the various share incentive schemes of the Group. The performance targets are set by Remco and may be varied from time to time.

NOTES TO THE FINANCIAL STATEMENTS continued

41 DIRECTORS' REMUNERATION continued

DIRECTORS' SHARE OPTION AND INCENTIVE SCHEME GRANTS continued

Analysis of directors' share option entitlements as at 30 June 2023

Executive Director	Allocation date	Strike price R	Balance at 01/07/2022	Awarded	Exercised	Balance at 30/06/2023	Share-based payment expenses (SARS) R'000
P Mountford	30/08/2019	27.58	1 620 000	–	(1 226 346)	393 654	
	28/09/2020	19.98	2 000 000	–	–	2 000 000	
	31/08/2021	31.20	400 000	–	–	400 000	
	8/09/2022	27.85	–	400 000	–	400 000	
Total			4 020 000	400 000	(1 226 346)	3 193 654	5 539
C Brown	30/08/2019	27.58	600 000	–	–	600 000	
	28/09/2020	19.98	800 000	–	–	800 000	
	31/08/2021	31.20	200 000	–	–	200 000	
	8/09/2022	27.85	–	200 000	–	200 000	
Total			1 600 000	200 000	–	1 800 000	2 415
Total			5 620 000	600 000	(1 226 346)	4 993 654	7 954

Analysis of directors' share option entitlements as at 30 June 2022

Executive Director	Allocation date	Strike price R	Balance at 01/07/2021	Awarded	Forfeited ¹	Balance at 30/06/2022	Share-based payment expenses (SARS) R'000
P Mountford	30/08/2019	27.58	2 700 000	–	(1 080 000)	1 620 000	
	28/09/2020	19.98	2 000 000	–	–	2 000 000	
	31/08/2021	31.20	–	400 000	–	400 000	
Total			4 700 000	400 000	(1 080 000)	4 020 000	4 598
C Brown	30/08/2019	27.58	1 000 000	–	(400 000)	600 000	
	28/09/2020	19.98	800 000	–	–	800 000	
	31/08/2021	31.20	–	200 000	–	200 000	
Total			1 800 000	200 000	(400 000)	1 600 000	1 945
Total			6 500 000	600 000	(1 480 000)	5 620 000	6 543

¹ Forfeited options have time lapsed or not met the HEPS growth requirement for vesting.

41 DIRECTORS' REMUNERATION continued

DEFERRED SHARE PLAN (DSP)

Analysis of directors' Deferred Share Plan (DSP) awards as at 30 June 2023

Executive Director	Allocation date	Purchase price ¹ R	Balance at 01/07/2022	Shares awarded	Shares vested ²	Shares not vested 30/06/2023	Share- based payment expenses (DSP) R'000
P Mountford	29/09/2020	19.98	164 000	–	(41 000)	123 000	
	31/08/2021	31.05	275 000	–	(55 000)	220 000	
	9/09/2022	28.27	–	474 209	–	474 209	
Total			439 000	474 209	(96 000)	817 209	9 038
C Brown	29/09/2020	19.98	80 000	–	(20 000)	60 000	
	31/08/2021	31.05	120 000	–	(24 000)	96 000	
	9/09/2022	28.27	–	226 279	–	226 279	
Total			200 000	226 279	(44 000)	382 279	4 220
Total			639 000	700 488	(140 000)	1 199 488	13 258

¹ In line with the 2022 DSP, the award of shares on 9 September 2022 was based on the five-day volume weighted average price of R28.27 per ordinary share. These shares will vest over the four-year period to 9 September 2026, with a vesting release of 25% per annum over that period.

² The DSP shares awarded on 29 September 2020 and 31 August 2021 vest over the five-year period to 29 September 2025 and 31 August 2026, respectively, with a vesting release of 20% per annum over that period.

³ On 30 August 2023, a further 589 379 shares were awarded to executive directors at the five-day volume weighted average price of R35.12 per share in terms of the DSP. These shares will vest over a four-year period to 30 August.

NOTES TO THE FINANCIAL STATEMENTS continued

41 DIRECTORS' REMUNERATION continued

DEFERRED SHARE PLAN (DSP) continued

Analysis of directors' Deferred Share Plan (DSP) awards as at 30 June 2022

Executive Director	Allocation date	Purchase price ¹ R	Balance at 01/07/2021	Shares awarded	Shares vested ²	Shares not vested 30/06/2022	Share- based payment expenses (DSP) R'000
P Mountford	29/09/2020	19.98	205 000	–	(41 000)	164 000	
	31/08/2021	31.05	–	275 000	–	275 000	
Total			205 000	275 000	(41 000)	439 000	3 347
C Brown	29/09/2020	19.98	100 000	–	(20 000)	80 000	
	31/08/2021	31.05	–	120 000	–	120 000	
Total			100 000	120 000	(20 000)	200 000	1 525
Total			305 000	395 000	(61 000)	639 000	4 872

¹ In line with the 2020 DSP, the award of shares on 29 September 2020 was based on the five-day volume weighted average price of R19.98 per ordinary share. In line with the 2021 DSP, the award of shares on 31 August 2021 was based on the five-day volume weighted average price of R31.05 per ordinary share.

² The DSP shares awarded on 29 September 2020 and 31 August 2021 vest over the five-year period to 29 September 2025 and 31 August 2026, respectively, with a vesting release of 20% per annum over that period.

³ On 9 September 2022, a further 700 488 shares were awarded to executive directors at the five-day volume weighted average price of R28.27 per share in terms of the DSP.

41 DIRECTORS' REMUNERATION continued

INTERESTS OF DIRECTORS IN THE SHARE CAPITAL OF SUPER GROUP

The aggregate beneficial holdings of the directors of the Company and their immediate families in the issued ordinary shares of the Company are detailed below.

Executive Director	Numbers of Shares held 30 June 2023				Numbers of Shares held 30 June 2022			
	Direct	Indirect ¹	DSP ²	Total	Direct	Indirect ¹	DSP	Total
P Mountford	200 000	–	817 209	1 017 209	100 000	–	439 000	539 000
C Brown	64 000	–	382 279	446 279	20 000	–	200 000	220 000
Total	264 000	–	1 199 488	1 463 488	120 000	–	639 000	759 000

¹ There are no associate interests or non-beneficial shareholdings for the above directors.

² On 30 August 2023, Peter Mountford and Colin Brown were awarded 410 003 shares and 179 376 shares, respectively, at the five-day volume weighted average price of R35,12 per share in terms of the DSP. These DSP shares will vest over a four-year period, with a vesting release of 25% per annum over that period.

INTEREST OF DIRECTORS IN CONTRACTS

The directors have certified that they were not materially invested or held a material interest in any transaction of material significance, and which significantly affected the business of the Group, with the Company or any of its subsidiaries. Accordingly, no conflict of interest with regard to directors' interests in contracts exists. There have been no material changes in the foregoing between 30 June 2023 and the approval date of these financial statements.