supergroup

AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

19

Super Group Limited
("Super Group" or "the Company")
Super Group Limited and Subsidiaries ("the Group")

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The Annual Financial Statements have been prepared under the supervision of the Chief Financial Officer, Colin Brown, CA(SA), BCompt (Hons), MBL. The Financial Statements have been audited in compliance with the Companies Act, 71 of 2008, as amended ("Companies Act").

Directors' responsibilities and approval

For the year ended 30 June 2019

The Board is required by the Companies Act to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements of Super Group and related financial information published on the Group's website www.supergroup.co.za. It is its responsibility to ensure that the Annual Financial Statements fairly present the financial position of the Company and the Group at the end of the financial year and the results of their operations and cash flows for the year then ended, in conformity with the International Financial Reporting Standards (IFRS) and the requirements of the Companies Act. The external auditor is engaged to express an independent opinion on the Financial Statements.

The Financial Statements have been audited by the independent accounting firm, KPMG Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the directors and its committees. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate.

The Financial Statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet this responsibility, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group.

While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year ending 30 June 2020 and, in the light of this review and the current financial position, they are satisfied that the Company and Group have or have access to adequate resources to continue in operational existence for the foreseeable future.

The Annual Financial Statements of the Group and Company, which have been prepared on the going concern basis, were approved by the directors on 26 September 2019 and were signed on their behalf by:

Peter Mountford
Chief Executive Officer

Colin Brown
Chief Financial Officer

Group Company Secretary Certificate

In terms of section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge and belief, Super Group has, in respect of the financial year ended 30 June 2019, lodged with Companies and Intellectual Property Commission all returns and notices required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

Nigel Redford
Group Company Secretary

26 September 2019

Group Audit Committee Report

The Group Audit Committee (or "the Committee") is a committee approved by the shareholders which has specific statutory responsibilities to the shareholders in terms of section 94(7) of the Companies Act. The Committee has a sub-committee, the Group Risk Committee.

Group Audit Committee	
Chairperson	David Rose (Independent Non-executive Director)
Members	Mariam Cassim (Independent Non-executive Director) Enos Banda (Independent Non-executive Director) – resigned 30 June 2019 David Cathrall (Independent Non-executive Director) – appointed 1 June 2019
Permanent invitees	Peter Mountford Group (CEO) Colin Brown Group (CFO) Dwight Thompson (The designated Audit Partner from KPMG Inc., the Independent external auditor) Nicola Bryce (The Group Audit Manager from KPMG Inc.) Zack Sieberhagen (Group Financial Controller) Elton Biljon (Group Financial Manager) Reyaaz Mahmood (Head of Group Audit Services and Risk Manager) Clive Pincus (The Group Tax Manager)
By invitation	Phillip Vallet (Independent Non-executive Chairman)
Secretary	Nigel Redford
Role and function	The Group Audit Committee assists the Board through advising and making recommendations on financial reporting, internal financial controls and risks, external and internal audit functions and statutory and regulatory compliance of the Group. The Committee executes its responsibilities according to a Board approved Charter which is regularly reviewed and updated where necessary. The terms of reference are set out in the Committee Charter and ensures that the Committee performs its duties in terms of the Companies Act and King IV.
Responsibilities	In execution of its statutory duties, the Group Audit Committee: / Nominated the reappointment of KPMG Inc. as external auditor and Mr Dwight Thompson as the individual designated auditor, after satisfying itself through enquiry that KPMG Inc. is independent as defined in terms of the Companies Act. / Determined the terms of engagement and the fees to be paid to KPMG Inc. as disclosed in note 22.4 in the Annual Financial Statements. / Approved a Non-Audit Services Policy which determines the nature and extent of any non-audit services which KPMG Inc. may provide to the Group. / Pre-approved any proposed contract with KPMG Inc. for the provision of non-audit services to the Group. An annual approval is made for certain services that are requested by management. The services rendered against this approval are reviewed at each meeting of the Committee. All other services are specifically approved by the Committee when requested. / Received no complaints relating to the accounting practices of the Group, the content or auditing of its financial statements, the internal financial controls of the Group, nor any other related matters. / Reviewed the Integrated Report, the Annual Financial Statements, the preliminary profit announcement and interim statements. / Met with the external auditor to discuss the Annual Financial Statements prior to their approval by the Board. / Reviewed the valuation of goodwill before recommending any impairment to the Board for approval. / Made submissions to the Board on matters concerning the Group's accounting policies, financial control, records and reporting. / Concurred that the adoption of the going concern premise in the preparation of the Annual Financial Statements was appropriate.
Assurance	The Committee confirms, based on the processes and assurances obtained, that it: / has executed its duties in accordance with the terms of reference during the past financial year; / believes that the significant internal financial controls are effective; / believes that the accounting practices are effective; / confirms that the external auditor has functioned in accordance with its terms of reference for the 2019 financial year; and / has complied with all applicable legal and regulatory responsibilities.

Activities undertaken by the Committee during the year

Oversight of risk management

The Group Audit Committee has satisfied itself that the following areas have been appropriately addressed:

- Financial reporting risks.
- Internal financial controls.
- Fraud risks as they relate to financial reporting.
- IT risks as they relate to financial reporting.
- Tax risks.

David Rose and Mariam Cassim are members of the Group Risk Committee, ensuring that the Group Audit Committee is an integral component of the risk management process.

Internal financial controls

The Group Audit Committee has:

- reviewed the effectiveness of the Group's system of internal financial controls including receiving assurance from management and internal audit;
- reviewed significant issues raised by the external auditor in their reports; and
- reviewed policies and procedures for preventing and detecting fraud.

Internal Audit

Super Group has a full Internal Audit Department consisting of four employees. The Head of Group Audit Services is Reyaaz Mahmood. The Group Audit Committee approves the Internal Audit Plan and any variation thereof. The chairman of the Group Audit Committee meets with the Head of Group Audit Services on a regular basis and the Head of Group Audit Services has unfettered access to all members of the Group Audit Committee.

Chief Financial Officer

The Committee is satisfied that Colin Brown has the appropriate expertise and experience to meet the responsibilities of his appointed position as CFO as required by the JSE.

The Committee is satisfied:

- with the expertise and experience of the Group Financial Controller, Zack Sieberhagen;
- with the expertise and experience of the Group Financial Manager, Elton Biljon; and
- that the resources within the finance function are adequate to provide the necessary support to the CFO.

In making these assessments, the Committee has obtained feedback from the external auditor.

External auditor

The Board, including members of the Group Audit Committee, reviewed the independence of KPMG Inc. as the Group's external auditor with Mr Dwight Thompson as the independent individual registered auditor who undertook the Group's audit for the current year.

The independent investigations into the several serious issues concerning KPMG Inc's activities in South Africa by various regulatory authorities are still ongoing and the Board indicated that the decision to retain KPMG Inc. will be reviewed following the outcome of the investigations. The results of an independent investigation by a reputable legal firm has found that no KPMG Inc. partner received any benefit from the issues under investigation. After considering all of the information currently available and the performance of KPMG Inc. during the 2019 audit, the Group Audit Committee has recommended the reappointment of KPMG Inc. as the Group's auditors to the Board.

Allen Ford (UK) Limited and its subsidiaries were audited by PricewaterhouseCoopers LLP. ABF Legend Logistics Proprietary Limited was audited by Malan Geldenhuys Auditors Incorporated. The Group Audit Committee is satisfied that these audits were completed to an acceptable standard. The Group Audit Committee reviewed the independence of PwC and Malan Geldenhuys.

Independence of the external auditor

The assessment was made after considering the following:

- Confirmation from the external auditor that they, or their immediate family, do not hold any significant direct or indirect financial interest or have any material business relationship with Super Group. The external auditor also confirmed that they have internal monitoring procedures to ensure their independence.
- The external auditor does not, other than in their capacity as external auditor or rendering permitted non-audit services, receive any remuneration or other benefits from Super Group.
- The external auditor's independence was not impaired by the non-audit work performed having regard to the quantum of audit fees relative to the total fee base and the nature of the non-audit work undertaken.
- The external auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements.

Group audit committee report (continued)

- The latest inspection report performed by the Independent Regulatory Board for Auditors (IRBA) and the criteria specified for independence by the IRBA.
- KPMG Inc. and the designated auditor are accredited with the JSE.

External auditors' fees

The Committee approved, in consultation with management, the audit fee and engagement terms for the various external auditors for the 2019 financial year, as set out below:

Description of fees	R'000	% of total
Audit fees	25 796	89.7
Non-audit fees	2 429	8.5
Expenses	529	1.8
Total fees	**28 754**	**100.0**

The Committee, in addition:

- reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit service policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External auditor's performance

The Committee:

- reviewed and approved the external audit plan, ensuring that material risk areas were included and that coverage of the significant business processes was acceptable;
- monitored the effectiveness of the external auditor in terms of audit quality and expertise; and
- reviewed the external audit reports and management's response, considered their effect on the Financial Statements and internal financial controls.

Key audit matters

The figures disclosed in the Annual Financial Statements in certain circumstances are arrived at using judgement. These are explained in detail in the accounting policies. The Committee has considered the qualitative and quantitative aspects of the information presented in the Annual Financial Statements and other items that require significant judgement and this is also noted. The Annual Financial Statements are available on the Group's website.

Annual Financial Statements

The Committee:

- reviewed the interim results and Annual Financial Statements, including the public announcements of the Group's financial results, and made recommendations to the Board for their approval. In the course of its review, the committee:
  - took appropriate steps to ensure that the Annual Financial Statements were prepared in accordance with IFRS;
  - considered the appropriateness of accounting policies and disclosures made;
  - in accordance with the JSE Listings Requirements approved the Group's financial reporting procedure;
  - completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the Annual Financial Statements; and
  - considered the JSE's Proactive Monitoring Process of Annual Financial Statements and has taken the appropriate action to apply the findings.

The Committee was not required to deal with any complaints relating to accounting practices or internal audit, nor to the content or audit of the Annual Financial Statements, nor internal financial controls and related matters.

The Committee has evaluated the Annual Financial Statements of the Company and the Group for the year ended 30 June 2019, and based on the information provided to the Group Audit committee, considers that the Group complies in all material respects, with the requirements of the Companies Act and IFRS. The Committee has recommended the Annual Financial Statements to the Board for approval.

On behalf of the Group Audit Committee

David Rose
Group Audit Committee Chairman

26 September 2019

Directors' Report

The directors present their report which forms part of the Annual Financial Statements of the Company and of the Group for the year ended 30 June 2019.

Nature of business

Super Group Limited (Registration number 1943/016107/06), the holding company of the Group, is a company listed on the Main Board of the JSE in the "Industrial Transportation" sector, incorporated and domiciled in the Republic of South Africa. Super Group is a broad-based supply chain management business, operating predominantly in South Africa, with operations across sub-Saharan Africa and businesses in Australia, Europe, New Zealand and the United Kingdom. Its principal operating activities include supply chain management, dealerships and fleet management activities.

Financial results

The results for the year are set out in the Financial Statements presented on pages 12 to 104. The Annual Financial Statements are published on the Group's website www.supergroup.co.za.

Year under review

Overview of results

Super Group reported an excellent set of results for the year ended 30 June 2019 despite the protracted poor economic climate in South Africa and political uncertainties in the various countries in which the Group operates. The results were mainly attributable to the strong performances in all the commodities businesses, locally and in the sub-Saharan territories.

The results also reflect solid performances by the industrial, technology, Digistics and vehicle rental businesses in Supply Chain Africa. The Group acquired an 80.0% interest in Cargo Works, a specialist overnight cargo business, for R49.5 million effective 2 July 2018, with the results being included in the Supply Chain Africa business segment. Super Group also acquired the minority interest in Legend Logistics (Legend) for R174.5 million, which resulted in this business becoming a wholly-owned subsidiary. As expected, the Supply Chain Europe operations performed poorly in Germany on the back of a depressed automotive market.

SG Fleet's performance for the year was under pressure as a result of some of the businesses within this Division having to negotiate a range of external and legislative challenges during 1H2019. During the year ended 30 June 2019, Super Group's effective shareholding in SG Fleet increased to 59.2% from 57.0% at 30 June 2018. The increase in the Group's shareholding in SG Fleet resulted from Super Group taking up 3 958 732 shares in the Dividend Reinvestment Plan, which amounted to R147.5 million, and purchasing an additional 4 366 928 shares for approximately R106.2 million during the financial year. Fleet Africa ended the year in a strong position, having secured new Full Maintenance Lease (FML) contracts and extended a lease contract with a large existing parastatal.

Dealerships SA outperformed the National Association of Automobile Manufacturers of South Africa (NAAMSA) statistics. Dealerships SA acquired Orbit Motors (a division of Rola Motors) effective 1 October 2018 for R1.1 million. Dealerships UK delivered a solid performance despite the ongoing Brexit uncertainty.

Financial performance

Group revenue increased by 6.2% to R37.9 billion (June 2018: R35.7 billion) primarily due to the significant volume increase in Supply Chain Africa's businesses.

Operating profit increased by 7.0% to R2 605.6 million (June 2018: R2 435.5 million), resulting in the Group's operating profit margin improving from 6.8% to 6.9%. Operating profit before capital items of R68.3 million (June 2018: R38.5 million), increased by 8.1% to R2 673.9 million from R2 474.0 million in the comparable year. The capital items mainly relate to the impairment of the nlc brand in Australia, amounting to R59 million.

Super Group reported revenue and operating profit from its non-South African businesses of 48% (June 2018: 47%) and 50% (June 2018: 60%), respectively. The weakening of the average Rand against the major currencies, namely the Australian Dollar (AUD) and Pound Sterling (GBP), had a positive impact on the results.

Net finance costs increased by 4.9% to R346.5 million (June 2018: R330.5 million). The average interest rate paid on borrowings was 6.0% (June 2018: 5.8%) and the average interest rate earned on cash was 3.4% (June 2018: 3.1%).

Profit before tax is R2 259.1 million (June 2018: R2 105.0 million), an increase of 7.3%.

Both earnings per share (EPS) and headline earnings per share (HEPS) increased by 12.5% to 360.8 cents (June 2018: 320.8 cents) and 373.8 cents (June 2018: 332.2 cents), respectively.

Total assets increased by 6.1% for the year ended 30 June 2019 to R30.3 billion from R28.5 billion at 30 June 2018. The Group's return on net operating assets (RNOA), after tax, remained stable at 12.3% with the Group's weighted average cost of capital (WACC) being 9.2% (June 2018: 8.6%).

Super Group's net debt position at 30 June 2019 is R3 042.3 million, an increase of R188.4 million, resulting in the net debt to equity ratio decreasing to 24.1% compared to 25.1% at 30 June 2018. The net asset value per share increased by 12.3% from R27.05 at 30 June 2018 to R30.37 at 30 June 2019.

Operating cash flow increased marginally by 0.4% for the year to R3 792.6 million (June 2018: R3 776.7 million). The working capital cash outflow of the Group increased significantly from R109.6 million in the prior year to R652.1 million in the current year mainly due to SG Fleet beginning the year with excess cash and increased volumes in Digistics and the commodities businesses. Super Group invested R2.1 billion in net additions and acquisitions to ensure future growth for the Group.

Directors' report (continued)

Significant events

Acquisition of Cargo Works
The Group acquired an 80% interest in Cargo Works Proprietary Limited effective 2 July 2018 for a purchase consideration of R49.5 million.

The Statement of Financial Position as at 30 June 2019 has been impacted by increases in property, plant and equipment of R26.4 million, intangible assets of R25.7 million, trade and other receivables of R19.7 million, deferred tax liability of R11.6 million and trade and other payables of R9.5 million as a result of this acquisition. Trading relating to the 12 months ended 30 June 2019 has been included in the Statement of Comprehensive Income.

Acquisition of an additional interest in SG Fleet
During the financial year ended 30 June 2019, Super Group took up 3 958 732 shares in the Dividend Reinvestment Plan, which amounted to R147.5 million, and acquired an additional 4 366 928 shares in SG Fleet for an amount of R106.2 million, increasing its effective shareholding to 59.2% (30 June 2018: 57.0%).

Acquisition of 10% interest in Legend
During the year, Super Group Holdings Proprietary Limited acquired the remaining 10% interest in Legend Logistics Proprietary Limited for an amount of R174.5 million, increasing the Group's holding to 100%.

Raising of unsecured debt notes
The JSE listed Super Group's senior unsecured notes, in terms of its DMTN Programme dated 22 October 2013 as follows:

- SPG004 was listed on 27 September 2018. The value of the SPG004 issue was R450 million with interest of three-month JIBAR plus 200 basis points, coupon rate payable quarterly on 27 March, 27 June, 27 September and 27 December of each year. The maturity date of the issue is 27 September 2023.
- SPG005 was listed on 15 March 2019. The value of the SPG005 issue was R300 million with interest of three-month JIBAR plus 175 basis points, coupon rate payable quarterly on 15 March, 15 June, 15 September and 15 December of each year. The maturity date of the issue is 15 March 2024.
- SPG006 was listed on 18 June 2019. The value of the SPG006 issue was R375 million with interest of three-month JIBAR plus 145 basis points, coupon rate payable quarterly on 18 June, 18 September, 18 December and 18 March of each year. The maturity date of the issue is 18 June 2022.
- SPG007 was listed on 18 June 2019. The value of the SPG007 issue was R625 million with interest of three-month JIBAR plus 165 basis points, coupon rate payable quarterly on 18 June, 18 September, 18 December and 18 March of each year. The maturity date of the issue is 18 June 2024.

Events subsequent to 30 June 2019

Acquisition of Lieben Logistics
Super Group Holdings Proprietary Limited acquired a 65% interest in Lieben Logistics Proprietary Limited (Lieben Logistics) and 51% interest in GLS Supply Chain Equipment Proprietary Limited (GLS) on 1 July 2019. The purchase price for Lieben Logistics was R498.8 million and the purchase price of GLS was R96.3 million. These acquisitions will form part of the Supply Chain African segment.

Acquisition of Trans-Logo-Tech (TLT) GmbH (Germany)
inTime Service GmbH acquired an 80% interest in TLT on 5 July 2019 for R184.3 million. This acquisition will form part of the Supply Chain Europe segment.

Subsequent events

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.

Share capital

The authorised and issued share capital is detailed in note 13 of the Financial Statements.

Directors and Group Company Secretary

The names of the directors and Group Company Secretary who currently hold office are as follows:

- Phillip Vallet: Independent Non-Executive Director and Chairman of the Company
- John Newbury: Independent Non-Executive Director
- David Rose: Independent Non-Executive Director
- Mariam Cassim: Independent Non-Executive Director
- David Cathrall: Independent Non-Executive Director - Appointed 1 June 2019
- Valentine Chitalu: Independent Non-Executive Director
- Oyama Andrew Mabandla: Independent Non-Executive Director - Appointed 1 September 2018
- Peter Mountford: Group CEO

- Colin Brown: Group CFO
- Nigel Redford: Group Company Secretary

Dr Enos Banda resigned on 30 June 2019

Other than the changes to the Board set out in this report, there were no other Board changes to the date of posting of these Annual Financial Statements.

As required by the Companies Act, the Board evaluated the performance of the Company Secretary and concluded that the Company Secretary's performance met the required standards.

Details of directors' remuneration, share appreciation rights and options appear on pages 88 to 91.

Dividends

The Board has resolved not to declare a dividend for the current year. The dividend policy will be reviewed in the year ahead.

Resolutions

During the year, other than the resolutions passed at the Annual General Meeting on 27 November 2018, the shareholders of the Company passed no other resolutions. No special resolutions, the nature of which might be significant to members in the appreciation of the affairs of the Group, were passed by any subsidiary companies during the year covered by these Annual Financial Statements.

Subsidiary companies

Details of the principal subsidiary companies appear on pages 103 and 104.

Share option schemes

Refer to note 37 of the Financial Statements for information relating to option schemes, share-based payments and the B-BBEE Staff Empowerment Scheme.

Litigation statement

Super Group is not involved in any material legal or arbitration proceedings or legal actions, nor are the directors aware of any proceedings that are pending or threatened, that may have, or have had, in the 12-month period preceding the date of these Annual Financial Statements, a material adverse effect on the Group's financial position.

Material changes

There have been no material changes in the financial or trading position of the Company and its subsidiaries between 30 June 2019 and the date of these Annual Financial Statements.

Going concern

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

Independent Auditor's Report

To the shareholders of Super Group Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Super Group Limited (the Group and Company) set out on pages 12 to 104, which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of principal accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Super Group Limited as at 30 June 2019, its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. No key audit matters were identified in respect of our audit of the separate financial statements. The key audit matters below relate to our audit of the consolidated financial statements.

Valuation of goodwill

Refer to page 22 relating to the accounting policy of goodwill and note 6 to the financial statements.

Key audit matter	How the matter was addressed in our audit

Included in the consolidated financial statements is goodwill amounting to R7.3 billion and it forms 24% of the total assets in the Group.
 	
Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill is subject to annual impairment tests based on the value-in-use approach.
 	
Significant judgements, assumptions and estimates are applied by the directors in determining the recoverable amount used in the value-in-use approach to test each individual cash-generating unit for impairment. The recoverable amount is based on future cash flow forecasts, applying an appropriate discount rate and estimating revenue growth.
 	
Due to the significance of goodwill at year end and the significant judgements and inherent uncertainties involved in calculating the value-in-use for each individual cash-generating unit, the valuation of goodwill was considered a key audit matter.
	Our audit work included the following procedures:
	/ We assessed the Group's determination of their cash-generating units based on our understanding of the operations of the Group's business.
	/ We challenged the assumptions used in the Group's impairment assessments by working with our internal valuation specialists and:
	  / Evaluated the consistency and appropriateness of assumptions and methodologies used by the Group, in particular those relating to revenue growth and the discount rate applied to the cash flow forecasts used in determining the recoverable amount, by comparing the Group's assumptions with our own assessment, based on historical performance or external data, in relation to key inputs into the discounted cash flow model.
	  / We compared the sensitivity analysis performed by the directors to our own sensitivity analysis in relation to the key assumptions.
	/ We assessed the appropriateness of the disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.

Revenue recognition

Refer to pages 33 to 35 relating to the accounting policy of revenue and note 21 to the financial statements.

Key audit matter	How the matter was addressed in our audit
The Group focuses on revenue as a key performance measure which may create an incentive for revenue to be recognised before the Group has met the revenue recognition requirements of IFRS 15 *Revenue from Contracts with Customers*. Particular focus was in respect of revenue in the Fleet Solutions segment where the periodic payments received from customers by the Group for maintenance services are deferred and recognised as revenue when the associated maintenance costs for the leased assets have been incurred or can be measured using the stage of completion method. Due to the significance of the revenue amount and the significant risk associated particularly with revenue recognition in relation to the maintenance services due to the timing of revenue recognition and deferral of revenue, revenue recognition was considered to be a key audit matter.	Our audit work included the following procedures: / We considered the appropriateness of the Group's revenue recognition accounting policies and assessed compliance with the policies in accordance with IFRS 15 *Revenue from Contracts with Customers* including a consideration of the five step process to identify revenue. / We tested the design, implementation and operating effectiveness of internal controls implemented by management over the recording of revenue, in particular those controls implemented when it is probable that the economic benefit will flow to the Group. / We performed predictive analytical procedures on the various revenue streams and compared our expectation to the actual revenue recorded and followed up on any exceptions. / We performed substantive test of detail vouching to supporting documentation to ensure existence and accuracy of revenue recorded. / For a sample of sales transactions selected around year end, we inspected source documents to assess whether the transactions were recorded in the correct period. / We assessed the accuracy of the Group's estimate of the stage of completion of the maintenance of leased assets by comparing historical estimates of the stage of completion ratio of the maintenance of leased assets against the actual ratio used in the current year. / We evaluated the Group's calculation of deferred maintenance income by using the estimate of the stage of completion ratio of maintenance costs.

Determination of residual values of full maintenance lease vehicles and rental and transport fleet

Refer to pages 23 and 24 relating to the accounting policies of property, plant and equipment and full maintenance lease vehicles and notes 2, 4 and 38 to the financial statements.

Key audit matter	How the matter was addressed in our audit
The residual values of full maintenance lease vehicles and rental and transport fleet are considered to be a significant area of judgement in the determination of depreciation included in profit or loss. The estimation of the useful lives is based on historic performance as well as expectation about future use and therefore requires a degree of judgement to be applied by management. 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 full maintenance lease 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 where the vehicles are leased. Due to the level of judgement required in determining the residual values, the determination of residual values of rental and transport fleet and full maintenance lease vehicles was considered a key audit matter.	Our audit work included the following procedures: / We challenged the Group's determination of residual values by evaluating the consistency and appropriateness of key assumptions and methodologies used by the Group by comparing the market conditions, environmental factors and macroeconomic factors underpinning the Group's determination of the residual risk provision against our understanding of the business, industry and economy; / We assessed the Group's ability to accurately value assets at the end of the lease term by comparing the historical residual value of a sample of vehicles to the actual sale proceeds received from previous disposals from comparable vehicle classes; / We assessed the appropriateness of the disclosures made in the financial statements in accordance with the applicable financial reporting framework.

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Super Group Annual Financial Statements for the year ended 30 June 2019", which includes the Group Company Secretary Certificate, the Group Audit Committee Report and the Directors' Report as required by the Companies Act of South Africa and the Integrated Report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Super Group Limited for 29 years.

KPMG Inc.
Registered Auditor

Per DD Thompson
Chartered Accountant CA (SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

26 September 2019

Consolidated statement of financial position

as at 30 June 2019

	Note	30 June 2019 R'000	30 June 2018 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	**6 077 255**	5 152 668
Investment property	3	**164 200**	151 000
Full maintenance lease assets	4	**1 551 641**	1 563 248
Intangible assets	5	**1 149 735**	1 327 523
Goodwill	6	**7 305 094**	7 434 221
Investments and other non-current assets	7	**209 194**	271 805
Deferred tax assets	8	**13 209**	23 099
		16 470 328	15 923 564
Current assets			
Inventories	9	**4 488 869**	4 179 607
Trade receivables	10	**3 813 236**	3 710 572
Sundry receivables	10	**1 931 015**	1 382 149
Cash and cash equivalents	11	**3 577 172**	3 351 270
		13 810 292	12 623 598
Total assets		**30 280 620**	28 547 162
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of Super Group	12	**11 008 716**	9 798 236
Non-controlling interests	15	**1 604 302**	1 578 889
Total equity		**12 613 018**	11 377 125
Non-current liabilities			
Fund reserves	16	**457 499**	497 876
Non-controlling interest put options and other liabilities	17	**101 196**	317 466
Full maintenance lease borrowings	4	**335 703**	512 935
Interest-bearing borrowings	18	**4 792 801**	4 310 029
Provisions including employee-related benefits	20	**61 951**	65 496
Deferred tax liabilities	8	**530 741**	541 948
		6 279 891	6 245 750
Current liabilities			
Full maintenance lease borrowings	4	**541 958**	338 460
Interest-bearing borrowings	18	**949 041**	1 043 781
Trade and other payables	19	**9 493 932**	9 080 580
Income tax payable		**46 321**	92 911
Provisions including employee-related benefits	20	**356 459**	368 555
		11 387 711	10 924 287
Total equity and liabilities		**30 280 620**	28 547 162

Consolidated statement of comprehensive income

for the year ended 30 June 2019

	Note	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000
Revenue	21	**37 861 772**	35 662 856
Depreciation and amortisation (excluding amortisation of PPA intangibles)	22	**(920 970)**	(857 232)
Operating expenditure – excluding capital items and impairment of trade receivables	22	**(34 086 725)**	(32 109 546)
Operating expenditure – impairment of trade receivables	22	**(11 205)**	(44 802)
Operating expenditure – capital items	25	**(68 278)**	(38 450)
EBITA		**2 774 594**	2 612 826
Amortisation of PPA intangibles	22	**(168 969)**	(177 316)
Operating profit		**2 605 625**	2 435 510
Finance costs	23	**(540 098)**	(467 196)
Interest received and income from equity-accounted investees	23	**193 585**	136 727
Profit before income tax		**2 259 112**	2 105 041
Income tax expense	24	**(636 806)**	(612 848)
Profit for the year		**1 622 306**	1 492 193
Profit for the year attributable to:			
Non-controlling interests (NCI)		**314 804**	340 612
Equity holders of Super Group		**1 307 502**	1 151 581
		1 622 306	1 492 193
Other comprehensive income (OCI) for the year			
Items which will be reclassified to profit or loss:		**(109 460)**	231 438
Translation adjustment		**(88 780)**	226 711
Effective portion of hedge		**(29 036)**	6 171
Tax effect of effective portion of hedge		**8 356**	(1 444)
Items which will not be reclassified to profit or loss:		**47 203**	59 299
Revaluation of land and buildings		**62 562**	73 987
Tax effect of revaluation of land and buildings		**(15 359)**	(14 688)
Other comprehensive income for the year (net of tax)		**(62 257)**	290 737
Total comprehensive income for the year		**1 560 049**	1 782 930
Total comprehensive income for the year attributable to:			
Non-controlling interests		**280 857**	391 109
Equity holders of Super Group		**1 279 192**	1 391 821
		1 560 049	1 782 930
Basic earnings per share (cents)	25	**360.8**	320.8
Diluted earnings per share (cents)	25	**360.4**	319.9

Additional comprehensive income information

for the year ended 30 June 2019

	Note	Year ended 30 June 2019 cents	Year ended 30 June 2018 cents
Headline earnings per share	25	**373.8**	332.2
Diluted headline earnings per share	25	**373.4**	331.3

Consolidated statement of cash flows

for the year ended 30 June 2019

	Note	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000
Cash flows from operating activities			
Cash generated from operations	26	**3 140 448**	3 667 129
Finance costs paid		**(535 029)**	(465 894)
Interest received		**170 787**	132 990
Income tax paid	28	**(663 038)**	(612 330)
Dividends paid to non-controlling interests	27	**(219 449)**	(237 081)
Net cash generated from operating activities		**1 893 719**	2 484 814
Cash flows from investing activities			
Additions to property, plant and equipment	2	**(1 578 505)**	(1 178 701)
Additions to full maintenance lease assets	4	**(739 511)**	(569 757)
Additions to intangible assets	5	**(85 552)**	(74 645)
Proceeds on disposal of property, plant and equipment		**240 144**	223 936
Proceeds on disposal of full maintenance lease assets		**398 054**	289 039
Investment acquired		**(1 946)**	(477)
Long-term receivable loans granted		**(15 129)**	(57 578)
Long-term receivable loans repaid		**62 288**	2 181
Acquisition of businesses (net of cash acquired)	29.1	**(40 796)**	(450 866)
Disposal of businesses (net of cash disposed)	29.2	**–**	(5 035)
Net cash outflow from investing activities		**(1 760 953)**	(1 821 903)
Cash flows from financing activities			
Share issues net of expenses		**–**	497 150
Cash outflow on share movements		**(393)**	(34 029)
Additional investments in existing subsidiaries	29.3, 29.4	**(277 403)**	(751 439)
Interest-bearing borrowings raised	30	**4 040 958**	1 163 138
Interest-bearing borrowings repaid	30	**(3 647 830)**	(776 230)
Full maintenance lease borrowings raised	30	**703 269**	342 157
Full maintenance lease borrowings repaid	30	**(676 381)**	(526 396)
Net cash inflow/(outflow) from financing activities		**142 220**	(85 649)
Net increase in cash and cash equivalents		**274 986**	577 262
Cash and cash equivalents at beginning of the year		**3 351 270**	2 727 133
Effect of foreign exchange on cash and cash equivalents		**(49 084)**	46 875
Cash and cash equivalents at end of the year	11	**3 577 172**	3 351 270

Consolidated statement of changes in equity

for the year ended 30 June 2019

	Stated capital R'000	Other reserves (Refer note 14) R'000	Retained earnings R'000	Share buyback reserve R'000	Total R'000	Non-controlling Interests R'000	Total equity R'000
Balance at 30 June 2017	3 256 491	847 874	4 452 645	(201 196)	**8 355 814**	1 499 521	**9 855 335**
Other comprehensive income	–	240 240	–	–	**240 240**	50 497	**290 737**
Translation adjustment	–	178 328	–	–	**178 328**	48 383	**226 711**
Effective portion of hedge	–	3 411	–	–	**3 411**	2 760	**6 171**
Tax effect of effective portion of hedge	–	(798)	–	–	**(798)**	(646)	**(1 444)**
Revaluation of land and buildings	–	73 987	–	–	**73 987**	–	**73 987**
Tax effect of revaluation of land and buildings	–	(14 688)	–	–	**(14 688)**	–	**(14 688)**
Profit for the year	–	–	1 151 581	–	**1 151 581**	340 612	**1 492 193**
Total comprehensive income for the year	–	240 240	1 151 581	–	**1 391 821**	391 109	**1 782 930**
Transactions with shareholders recognised directly in equity							
Realisation of revaluation reserve through depreciation	–	(54)	54		**–**	–	**–**
Bookbuild shares issued for cash[1]	500 000	–	–	–	**500 000**	–	**500 000**
Share issue expenses	(2 850)	–	–	–	**(2 850)**	–	**(2 850)**
Share-based payment reserve movement	–	–	42 418	–	**42 418**	5 448	**47 866**
Share options exercised – South Africa	–	–	(69 918)	–	**(69 918)**	–	**(69 918)**
Share options exercised – SG Fleet	–	–	(10 507)	–	**(10 507)**	(9 264)	**(19 771)**
B-BBEE good leaver options exercised[2]	–	–	(1 843)	–	**(1 843)**	–	**(1 843)**
Movement in treasury shares	–	–	–	37 732	**37 732**	–	**37 732**
Dividends paid to NCI	–	–	–	–	**–**	(237 081)	**(237 081)**
Deferred tax recorded directly in equity on movement in options	–	–	(8 146)	–	**(8 146)**	(81)	**(8 227)**
NCI put options movement	–	–	103 015	–	**103 015**	–	**103 015**
NCI recognised in respect of subsidiaries acquired[3]	–	–	–	–	**–**	15 788	**15 788**
Transactions with equity partners – increase in shareholdings[3]	–	–	(535 711)	–	**(535 711)**	(218 319)	**(754 030)**
Transactions with equity partners – decrease in shareholdings[3]	–	–	(3 589)	–	**(3 589)**	131 768	**128 179**
Balance at 30 June 2018	3 753 641	1 088 060	5 119 999	(163 464)	**9 798 236**	1 578 889	**11 377 125**

Consolidated statement of changes in equity (continued)

	Stated capital R'000	Other reserves (Refer note 14) R'000	Retained earnings R'000	Share buyback reserve R'000	Total R'000	Non-controlling Interests R'000	Total equity R'000
Balance at 30 June 2018	3 753 641	1 088 060	5 119 999	(163 464)	**9 798 236**	1 578 889	**11 377 125**
Adjustment on initial application of IFRS 9 and 15, net of tax	–	–	(9 514)	–	**(9 514)**	(5 125)	**(14 639)**
Restated balance as at 1 July 2018	3 753 641	1 088 060	5 110 485	(163 464)	**9 788 722**	1 573 764	**11 362 486**
Other comprehensive income	–	(28 310)	–	–	**(28 310)**	(33 947)	**(62 257)**
Translation adjustment	–	(63 317)	–	–	**(63 317)**	(25 463)	**(88 780)**
Effective portion of hedge	–	(17 134)	–	–	**(17 134)**	(11 902)	**(29 036)**
Tax effect of effective portion of hedge	–	4 938	–	–	**4 938**	3 418	**8 356**
Revaluation of land and buildings	–	62 562	–	–	**62 562**	–	**62 562**
Tax effect of revaluation of land and buildings	–	(15 359)	–	–	**(15 359)**	–	**(15 359)**
Profit for the year	–	–	1 307 502	–	**1 307 502**	314 804	**1 622 306**
Total comprehensive income for the year	–	(28 310)	1 307 502	–	**1 279 192**	280 857	**1 560 049**
Transactions with shareholders recognised directly in equity							
Realisation of revaluation reserve through depreciation	–	(109)	109	–	**–**	–	**–**
Share-based payment reserve movement	–	–	43 878	–	**43 878**	2 258	**46 136**
Share options exercised – South Africa	–	–	(10 013)	–	**(10 013)**	(154)	**(10 167)**
Share options exercised – SG Fleet	–	–	(1 888)	–	**(1 888)**	(1 394)	**(3 282)**
B-BBEE good leaver options exercised[2]	–	–	(412)	–	**(412)**	–	**(412)**
Movement in treasury shares	–	–	–	10 186	**10 186**	–	**10 186**
Dividends paid to NCI	–	–	–	–	**–**	(238 320)	**(238 320)**
Deferred tax recorded directly in equity on movement in options	–	–	(7 821)	–	**(7 821)**	(92)	**(7 913)**
NCI put option movement	–	–	141 574	–	**141 574**	–	**141 574**
NCI recognised in respect of subsidiary acquired[3]	–	–	–	–	**–**	11 213	**11 213**
Transactions with equity partners (Legend) – increase in shareholdings[3]	–	–	(137 706)	–	**(137 706)**	(36 806)	**(174 512)**
Transactions with equity partners (SG Fleet) – decrease in shareholdings[3]	–	–	44 642	–	**44 642**	125 018	**169 660**
Transactions with equity partners (SG Fleet) – increase in shareholdings[3]	–	–	(141 638)	–	**(141 638)**	(112 042)	**(253 680)**
Balance at 30 June 2019	3 753 641	1 059 641	6 348 712	(153 278)	**11 008 716**	1 604 302	**12 613 018**

[1] *A bookbuild is an offer of shares to selected investors of the company.*

[2] *A good leaver is an employee who participated in the Broad-Based Black Economic Empowerment Scheme whose employment was terminated due to their death, retirement, retrenchment or sale of the subsidiary or business which employed the participant.*

[3] *Refer to business combinations note 29.*

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, Chislehurston, 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 2019 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 Group entities. 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.

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 26 September 2019 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 38. 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 reporting periods starting on or after 1 July 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendment to IAS 28)
- Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)
- Annual Improvements to IFRS Standards 2015/2017 Cycle various standards

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

The Group will adopt the above standards and interpretations when they become effective.

The Group has held workshops and compiled calculations to determine the potential impact of the adoption of IFRS 16 on the financial statements.

IFRS 16 – Leases replaces IAS 17 – Leases, IFRIC 4 – determining whether an arrangement contains a lease, SIC –15 – operating leases – incentives and SIC – 27 – evaluating the substance of transactions involving the legal form of a lease.

The standard introduced changes to lessee accounting, in particular, the requirement to recognise leases currently classified as operating leases in the statement of financial position. The standard requires a lessee to recognise a right-of-use asset, representing its rights to use the underlying lease asset, and a lease liability representing its obligation to make lease payments, with certain exceptions for short-term leases or leases of low-value assets, on the statement of financial position. The initial assessment indicates that the right-of-use asset as at 30 June 2020 will be approximately R1.6 billion, the right-of-use liability will be approximately R1.7 billion and an opening retained earnings adjustment of approximately R0.1 billion which will affect the Consolidated Statement of Financial Position. The lease expenses will decrease by approximately R0.5 billion, the depreciation expense will increase by approximately R0.4 billion and the finance costs will increase by approximately R0.1 billion in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2020. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Transition

The Group plans to apply IFRS 16 on 1 July 2019, using the modified retrospective approach. Therefore the cumulative effect of adopting this standard will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of the comparative period presented. The Group is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 July 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgments made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The Board's initial view is that the adoption of IFRIC 23 will not have a material impact.

Effective for the financial year commencing 1 July 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

Effective for the financial year commencing 1 July 2021:

- IFRS 17 Insurance Contracts

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)

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the Group). Amendments to IFRS 9, IAS 28, IAS 19, IFRS 3, IAS 1 and IAS 8 as well as IFRS 17 are not applicable to the business of the Group and will therefore have no impact on future financial statements.

The Board's initial view on the other standards not yet effective is that the impact is not expected to be material.

Changes in significant accounting policies

The Group has initially applied IFRS 15 and IFRS 9 from 1 July 2018. A number of other news standards are also effective from 1 July 2018 but they do not have a material effect on the Group's financial results. Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 – Revenue. Under IFRS 15, revenue is recognised when a customer obtains control of the goods and services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

The Group has adopted IFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018. Therefore, the information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 18 and related interpretations. Additionally, the disclosure requirements under IFRS 15 have not generally been applied to comparative information.

The following table summarises the impact, net of tax, of the transition to IFRS 15 on retained earnings and NCI at 1 July 2018.

	Impact of adopting IFRS 15 on 1 July 2018 R'000
Retained earnings	
Profit before income tax	(6 638)
Related tax	1 993
Impact 1 July 2018	(4 645)
Non-controlling interests	
Profit before income tax	(5 008)
Related tax	1 503
Impact 1 July 2018	(3 505)

The following tables summarise the impacts of adopting IFRS 15 on the Group's statement of financial position as at 30 June 2019 and its statement of comprehensive income for the year then ended. There was no material impact on the Group's statement of cash flows for the year ended 30 June 2019.

	As reported R'000	Adjustments R'000	Amounts without adoption of IFRS 15 R'000
Assets			
Non-current assets	16 470 328	–	16 470 328
Trade and sundry receivables	5 744 251	(1 901)	5 742 350
Other current assets	8 066 041	–	8 066 041
Total assets	**30 280 620**	**(1 901)**	**30 278 719**
Equity			
Capital and reserves attributable to equity holders of Super Group	11 008 716	1 997	11 010 713
Non-controlling interests	1 604 302	1 721	1 606 023
Total equity	**12 613 018**	**3 718**	**12 616 736**
Liabilities			
Non-current liabilities	6 279 891	–	6 279 891
Trade and other payables	9 493 932	(5 955)	9 487 977
Other	1 893 779	336	1 894 115
Total liabilities	**17 667 602**	**(5 619)**	**17 661 983**
Total equity and liabilities	**30 280 620**	**(1 901)**	**30 278 719**

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

	As reported R'000	Adjustments R'000	Amounts without adoption of IFRS 15 R'000
Impact on Statement of comprehensive income			
Revenue	37 861 772	(1 980 994)	35 880 778
Cost of sales	(27 975 633)	1 983 582	(25 992 051)
Other	(7 627 027)	–	(7 627 027)
Income tax expense	(636 806)	(1 394)	(638 200)
Profit for the period	**1 622 306**	**1 194**	**1 623 500**

End of lease income – The Group is required to gross up the end of lease income as revenue and show the corresponding expense for the related end of lease cost of sale. This resulted in an increase of revenue in the current year of R2 018 816 000. There is no overall impact on profit or loss nor retained earnings. Other revenue including rental income, commissions income and long haul had no material impact on the Group.

IFRS 9 – Financial Instruments

IFRS 9 replaces IAS 39 – Financial Instruments. IFRS 9 amends the classification of financial assets and financial liabilities in addition to the calculation of impairment of financial assets.

The Group has adopted IFRS 9 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018. Therefore, the information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 39 and related interpretations. Additionally, the disclosure requirements under IFRS 9 have not generally been applied to comparative information.

Additionally the Group has adopted consequential amendments to IFRS 7 – Financial Instruments: Disclosure that are applied to disclosures about the current financial year but have not been generally applied to comparative information.

Classification – financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. There was no material impact on the current year results.

Classification – financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas under IFRS 9 these fair value changes are generally presented as follows:

(i) the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and

(ii) the remaining amount of change in the fair value is presented in profit or loss.

There was no material impact on the current year results.

Impairment – financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This requires judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. The new 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:

(i) 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

(ii) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The following table summarises the impact, net of tax, of the transition to IFRS 9 on retained earnings and NCI at 1 July 2018.

	Impact of adopting IFRS 9 on 1 July 2018 R'000
Retained earnings	
Profit before income tax	(6 610)
Related tax	1 741
Impact 1 July 2018	(4 869)
Non-controlling interests	
Profit before income tax	(2 167)
Related tax	547
Impact 1 July 2018	(1 620)

The only impact on the Statement on Financial Position in respect of financial assets and financial liabilities is a decrease in trade and sundry receivables due to an increase in the provision for doubtful debtors of R8 777 000.

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 shareholder's 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.

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

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.

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 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 (ie 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.

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 the 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 six 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.

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

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.

Full maintenance lease vehicles portfolio

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 full maintenance lease vehicles.

Full maintenance lease vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of full maintenance lease 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 a full maintenance lease (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 vehicles portfolio.

The depreciable amount of the vehicles is recognised in the 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 the profit or loss.

Full maintenance lease (FML) 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.

Lease classification

The lease classification is determined on a contract-by-contract basis taking into consideration the substance of the transaction and the specific details of each leasing contract. Extensions to and renewals of leases are treated as new leases for classification purposes. The key factor is whether substantially all of the risks and rewards incidental to ownership are transferred to the customer.

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 Group carries the residual value risk exposure of the asset.

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.

Group as lessor

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

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

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

Group as lessee

Finance leases

Leases where the Group assumes substantially all the benefits and risks of ownership incidental to ownership of the item are classified as finance leases.

Finance leases are capitalised as property, plant and equipment at the lower of fair value and the present value of the minimum lease payments at the inception of the lease with an equivalent amount being recognised as a finance lease borrowing.

The capitalised amount is depreciated over the asset's useful life. Where there is no reasonable certainty that ownership of the asset will be obtained at the end of the lease, the capitalised amount is depreciated over the shorter of the asset's useful life or the lease term.

Lease payments are allocated between capital repayments and borrowing costs using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the borrowing.

Operating leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Lease payments, net of any incentives received from the lessor under an operating lease, are recognised in profit or loss over the lease term on a straight-line basis and the leased assets are not recognised on the Group's statement of financial position.

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 100% of 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 applicable rate to the cash generated unit.

1. Accounting policies (continued)

1.3 Principal accounting policies (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 licenses – three to nine years;
- Trade name – vary depending on trade name expected life;
- Customer relations – vary depending on assessment of relationship; and
- Customer contracts – vary depending on length of customer contract.

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.

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, selling expenses and provision for obsolete and damaged inventory.

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.

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, a provision is recognised based on the best estimate of the amount of tax payable

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 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 or 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.

Subsequent to 1 July 2018, financial assets are assessed for impairment using a forward-looking 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.

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 scalar factors 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.

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.

Prior to 1 July 2018, the Group established an allowance for impairment that represented its estimate of incurred losses in respect of trade and sundry receivables. The main components of this allowance was a specific loss component that related to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that had been incurred but not yet identified. The collective loss allowance was determined based on historical data of payment statistics for similar financial assets.

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 operates a broad-based black economic empowerment equity-settled share-based compensation plan. The fair value of the services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the financial risk pricing and valuation methodologies. A corresponding adjustment is made to equity over the remaining vesting period. The estimate of the level of vesting is reviewed at least annually, with any impact on the cumulative charge being recognised immediately. The scheme commenced on 2 October 2012 and has a life of 10 years. Vesting of individual options under the scheme could occur 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.

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

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

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 net of outstanding bank overdrafts.

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.

Subsequent to 1 July 2018, 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' and agents' fees, commissions, duties and levies by regulatory agencies).

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, they form part of a portfolio with a pattern of short-term profit making, or if so designated by management.

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 conditions and is not designated as at fair value through profit or loss:

- 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.

Prior to 1 July 2018, the Group classified its financial assets into the following categories:

- Measured at fair value through profit or loss; or
- Loans and receivables

Loans and receivables

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market. They arose when the Group provided money, goods or services directly to a debtor with no intention of trading the receivable.

An allowance for impairment was made when collection of the full amount was no longer probable according to the original terms of the receivables. Bad debts were written off when identified.

Derivative financial instruments

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. 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.

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.

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.

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

Employee benefits

Short-term employee benefits

Remuneration paid to employees for services rendered is recognised in profit or loss as the services are provided. 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.

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.

Net debt

Net debt is calculated as interest-bearing borrowings including full maintenance lease borrowings less cash and cash equivalents.

Total net gearing

Total net gearing is calculated as net debt divided by total 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 on an arm's length basis in a manner similar to transactions with third parties.

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.

Revenue from contract with customers

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 it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. 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.

Subsequent to 1 July 2018, 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 2 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 and the adoption of the new standard did not have an impact on the results.

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. Previously revenue was recognised at the date of loading the products and not at the stage of offloading. The adoption of the new standard had an immaterial impact of the current year results.

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

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 and the adoption of the new standard had no impact on the results.

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 adoption of the new standard had an immaterial impact of the current year results.

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. The adoption of the new standard did not have an impact on the results.

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. The adoption of the new standard did not have an impact on the results.

Servicing of vehicles

The Group enters into contract 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 and therefore the adoption of the new standard did not have an impact on the results.

Prior to 1 July 2018, revenue was recognised when the following criteria were met:

- there was no continuing involvement in the asset;
- delivery had occurred or services had been rendered and the significant risks and rewards of ownership had been transferred to the purchaser;
- costs could be reliably measured;
- the selling price was fixed or determinable; and
- collectability was reasonably assured.

The timing of revenue recognition was as follows:

Revenue from:

- the sale of products was recognised when risks and rewards of ownership had been transferred to the buyer and the Group no longer retained continuing managerial involvement associated with ownership;
- services rendered were based on the stage of completion of the transaction, based on the proportion that costs incurred to date bore to the total cost of the project. Where the contract outcome could not be measured reliably, revenue was recognised only to the extent that expenses recognised were recoverable;
- licence fees and royalties were recognised on an accrual basis;
- dividends received were recognised when the right to receive payment was established;
- interest received was recognised on a time proportion basis using the effective interest method; and
- rental income was accounted for on a straight-line basis over the lease term on ongoing leases.

Revenue from full maintenance leases

The Group provides 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, interest and fuel management fees.

Subsequent to 1 July 2018, revenue was accounted as follows:

Management and maintenance income

Fleet management income and management fees are recognised over time on a straight-line basis over the term of the lease, due to the continuous service received by customers over the term of lease. Maintenance income is recognised for each performance obligation at the point in time when the service is provided and obligation fulfilled. Maintenance costs are expensed as and when incurred. The adoption of the new standard did not have a material impact on the results.

Additional products and services

Revenue from the sale of additional products and services is recognised when it is received or when the right to receive payment is established and the performance obligation has been satisfied. Specifically, upfront establishment fees levied to customer to establish the contract for the services to be provided for the term of the contract, are recognised over the term of the contract. Revenue related to the waiver of the lessee's wear and tear obligations is recognised at the point in time, being at the end of the lease term. Previously the upfront establishments fees revenue was recognised when the lease contracts were executed and the revenue related to the waiver of the lessee's wear and tear obligation was recognised over the term of the lease. The adoption of the new standard had an immaterial impact of the current year results.

Funding commissions

Introductory commissions earned are recognised in profit or loss in full at a point in time, being in the month in which the finance is introduced to the relevant financier. Trailing commissions earned for the collection and distribution of ongoing customer rentals to the financier are recognised over time. The adoption of the new standard did not have a material impact on the results.

End of lease income

Income earned after the expiry of the lease is recognised when it is received or when the performance obligation, being the sale of vehicle, transferring the risk and reward to the end buyer, has been satisfied and the right to receive payment is established. The gross selling price of the vehicle is recognised as end of lease income and the value of the vehicle at the end of the lease period payable to the financier, is recognised as end of lease cost of sale. Previously the net amount was recorded in revenue and not grossed up. The adoption of the new standard increased the end of lease income by R1,985,500,000 with a corresponding increase in cost of sales.

Rental income

Rental income from operating leases is recognised in profit or loss over time, on a straight-line basis over the lease term. The adoption of the new standard did not have an impact on the results.

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.

Prior to 1 July 2018, revenues comprised the various service components as included in the contract billings such as rental charge, maintenance, interest and fuel management fees.

The contract billings may have included pass-on costs such as insurance and other fixed overhead recoveries. Rental charges from full maintenance leases were recognised in profit or loss over the period of the full maintenance lease contracts on a straight-line basis.

Where vehicle maintenance was provided as part of a full maintenance lease or managed maintenance contract, the maintenance agreement was separated from the lease agreement. The maintenance portion that had been billed but where services had not yet been rendered was recorded as a deferred income liability called fund reserves in the statement of financial position. The portion that was expected to be earned in the next 12 months was recorded as deferred income in trade and other payables.

Sales of maintenance services were recognised in the accounting period in which the services were rendered by reference to completion of the specific transaction assessed on the basis of the actual cost of services provided as a proportion of the total cost of services to be provided plus a reasonable profit on those services.

The deferred maintenance revenue fund for selected customer contracts was 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 were obtained when necessary.

Surpluses or deficits resulting from the actuarial valuation were recognised in profit or loss. Contract maintenance costs were recognised in profit or loss when incurred.

1. Accounting policies (continued)

1.3 Principal accounting policies (continued)

Trading profit

Trading profit comprises operating profit before capital items.

Capital items

Capital items are income and expenses included in profit and loss which are excluded in arriving at headline earnings in accordance with the South African Institute of Chartered Accountants' (SAICA) Circular 4/2018.

Operating profit

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

EBITA

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

EBITDA

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

Net interest

Net interest is calculated as finance costs after deducting interest received.

Interest cover

Interest cover is calculated as EBITDA divided by net interest.

Net operating assets

Net operating assets is total assets excluding cash and cash equivalents, deferred tax assets, equity-accounted investees, interest-bearing receivables less total liabilities excluding bank overdrafts, interest-bearing borrowings, FML borrowings, deferred tax liabilities and income tax payable.

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 in to 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 (ie as prices) or indirectly (ie 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 2019						
Cost or valuation	**2 958 304**	**2 916 081**	**341 698**	**801 762**	**829 491**	**7 847 336**
Accumulated depreciation and impairment losses	**(148 950)**	**(817 013)**	**(263 951)**	**(350 845)**	**(189 322)**	**(1 770 081)**
Carrying amount at end of year	**2 809 354**	**2 099 068**	**77 747**	**450 917**	**640 169**	**6 077 255**
Movement summary						
Balance at beginning of year	**2 589 415**	**1 672 006**	**83 317**	**409 784**	**398 146**	**5 152 668**
Additions	**151 647**	**850 837**	**44 649**	**154 331**	**377 041**	**1 578 505**
Expand	**90 490**	**523 186**	**37 259**	**125 098**	**354 506**	**1 130 539**
Maintain	**61 157**	**327 651**	**7 390**	**29 233**	**22 535**	**447 966**
Acquisition of businesses (Refer note 29)	**454**	**–**	**82**	**964**	**28 157**	**29 657**
Transfers	**56 638**	**212**	**619**	**5 533**	**(63 002)**	**–**
Disposals	**(3 186)**	**(151 337)**	**(673)**	**(21 822)**	**(35 777)**	**(212 795)**
Revaluation of land and buildings	**62 562**	**–**	**–**	**–**	**–**	**62 562**
Impairment (Refer note 25)	**(1 083)**	**–**	**–**	**–**	**–**	**(1 083)**
Current year depreciation (Refer note 22)	**(30 753)**	**(279 231)**	**(49 555)**	**(97 125)**	**(64 960)**	**(521 624)**
Translation adjustment	**(16 340)**	**6 581**	**(692)**	**(748)**	**564**	**(10 635)**
Balance at end of year	**2 809 354**	**2 099 068**	**77 747**	**450 917**	**640 169**	**6 077 255**
Leased assets included in above comprise:						
Carrying value at end of year	**4 419**	**157 660**	**27 980**	**7 456**	**6 504**	**204 019**
Depreciation for year	**638**	**34 487**	**16 202**	**3 481**	**2 184**	**56 992**

Leased assets

The Group leases items of property, plant and equipment which are capitalised as finance leases. These leases have various interest rates, lease periods and some provide the Group the option to purchase the items at a beneficial price at the end of the contract. Certain leases contain arrangements that are not in a legal form of a lease, but is accounted for as a lease based on its terms and conditions.

Measurement of fair value

In June 2019 valuations were performed on various of the Group's land, buildings and leasehold improvements by Onyx Valuation Services and The Valuator Group. Onyx Valuation Services and The Valuator Group 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 R 62 562 000 (2018: R73 987 000) 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 2022.

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
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using a risk-adjusted yield. Among other factors, the yield estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. This is categorised as a level 3 fair value.		The estimated fair value would increase/(decrease) if:
	Occupancy rate between 97% and 99% (2018: 97%).	Occupancy rate was higher/(lower);
	There were no rent-free periods included in the valuation.	The rent-free periods were (increased);
	Yields between 9.25% and 12% (2018: 10%) have been used.	The yield was lower/(higher);
	Rental growth of 6.5% (2018: between 6.5% and 9.0%) has been used.	Rental growth was higher/(lower).

Impairment losses recognised in respect of property, plant and equipment in the current year amounted to R1 083 000 (2018: R21 183 000). 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. These assets were used in the Group's Services segment (Refer note 25).

Certain assets are pledged as security for borrowings of the Group (refer note 18).

Capital commitments

Capital commitments of R1 310 491 000 (2018: R1 105 632 000) (refer note 31) 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.

	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 2018						
Cost or valuation	2 714 712	2 411 681	312 425	737 737	549 727	6 726 282
Accumulated depreciation and impairment losses	(125 297)	(739 675)	(229 108)	(327 953)	(151 581)	(1 573 614)
Carrying amount at end of year	2 589 415	1 672 006	83 317	409 784	398 146	5 152 668
Movement summary						
Balance at beginning of year	2 120 365	1 492 249	80 444	310 519	213 160	4 216 737
Additions	124 379	561 812	44 858	173 278	274 374	1 178 701
Expand	91 614	296 551	29 465	141 821	157 197	716 648
Maintain	32 765	265 261	15 393	31 457	117 177	462 053
Acquisition of businesses (Refer note 29)	263 820	–	1 729	13 128	8 532	287 209
Disposals	(8 859)	(135 099)	(341)	(3 187)	(52 504)	(199 990)
Disposal of business (Refer note 29)	–	–	(51)	(488)	–	(539)
Revaluation of land and buildings	73 987	–	–	–	–	73 987
Impairment (Refer note 25)	(19 121)	–	–	–	(2 062)	(21 183)
Current year depreciation (Refer note 22)	(23 759)	(260 077)	(44 209)	(89 018)	(44 925)	(461 988)
Translation adjustment	58 603	13 121	887	5 552	1 571	79 734
Balance at end of year	2 589 415	1 672 006	83 317	409 784	398 146	5 152 668
Leased assets included in above comprise:						
Carrying value at end of year	1 802	124 045	27 713	9 247	16 357	179 164
Depreciation for year	605	24 842	12 151	2 781	2 299	42 678

	30 June 2019 R'000	30 June 2018 R'000
3. Investment property		
Valuation	**164 200**	151 000
Movement summary		
Balance at beginning of year	**151 000**	149 800
Fair value adjustment recognised in profit or loss (Refer note 25)	**13 200**	1 200
Balance at end of year	**164 200**	151 000

The investment property comprises a commercial property occupied by a third party. The lease contains an initial non-cancellable period of 10 years expiring in August 2023. The subsequent renewal option available to the lessee is five years. The fair value of this property was increased by R13 200 000 (2018: R1 200 000).

Rental income and associated direct operating expenses from investment property, included in profit or loss, amounted to R13 910 000 (2018: R13 428 000) and nil (2018: R22 700) 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.

Rental receivable commitments		
– Less than one year	**15 663**	14 503
– Between one and five years	**58 246**	70 342
– Thereafter	**–**	3 330
	73 909	88 175

Measurement of fair value

The fair value of the investment property was determined by external, independent property valuers, Onyx Valuation Services. 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
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using a risk-adjusted yield. Among other factors, the yield estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. This is categorised as a level 3 fair value.		The estimated fair value would increase/(decrease) if:
	Occupancy rate of 99% (2018: 90%).	Occupancy rate was higher/(lower);
	There are no rent free periods included in the valuation.	The rent free periods were (increased);
	A yield of 9.75% (2018: 9.5%) has been used.	The yield was lower/(higher);
	Rental growth of 8.0% (2018: 8.0%) has been used.	Rental growth was higher/(lower).

	30 June 2019 R'000	30 June 2018 R'000
4. Full maintenance lease assets and related borrowings		
4.1 Full maintenance lease assets		
Full maintenance lease vehicles	**1 551 641**	1 562 766
Non-current portion of finance lease receivables	**-**	482
	1 551 641	1 563 248
4.1.1 Full maintenance lease vehicles		
Cost	**2 127 925**	2 125 725
Accumulated depreciation and impairment losses	**(576 284)**	(562 959)
Carrying amount at end of year	**1 551 641**	1 562 766
Movement summary		
Balance at beginning of year	**1 562 766**	1 613 868
Additions	**739 511**	569 757
Expand	**356 382**	355 464
Maintain	**383 129**	214 293
Disposals	**(398 054)**	(289 039)
Current year depreciation (Refer note 22)	**(350 601)**	(360 805)
Translation adjustment	**(1 981)**	28 985
Balance at end of year	**1 551 641**	1 562 766
Analysis of balance at end of year:		
Completed vehicles	**1 461 328**	1 513 156
Work in progress	**90 313**	49 610
	1 551 641	1 562 766
Currency analysis		
Rand	**985 281**	880 047
Australian dollar	**55 134**	44 633
Pound Sterling	**370 653**	480 323
US dollar and other	**140 573**	157 763
	1 551 641	1 562 766
4.1.2 Non-current portion of finance lease receivables		
Gross finance lease receivables	**475**	767
Unearned finance income	**-**	(125)
Net finance lease receivables	**475**	642
Current portion included in trade and sundry receivables (Refer note 10)	**(475)**	(160)
	-	482
Receivable term analysis – Gross		
Year one	**475**	160
Year two to five	**-**	607
	475	767
Receivable term analysis – Net		
Year one	**475**	160
Year two to five	**-**	482
	475	642
Currency analysis		
Pound Sterling	**-**	482

The finance lease receivables relate to future amounts to be received in respect of vehicles sold on finance lease in the SG Fleet business.

Capital commitments of R1 335 804 000 (2018: R406 712 000) includes all projects for which specific board approval has been obtained (refer note 31).

4. Full maintenance lease assets and related borrowings (continued)

4.2 Full maintenance lease borrowings

	30 June 2019 R'000	30 June 2018 R'000
Loan facility for the funding of vehicles exclusively utilised for full maintenance leases		
The facility bears interest at 210 basis points below prime (2018: 210 basis points below prime). Repayments occur monthly in arrears. Termination date is 30 November 2019. The borrowings are secured by assets with a carrying amount of R202 212 000 (2018: R494 760 000).	**207 772**	268 726
The facility bears interest at 175 basis points below prime. Repayments occur monthly in arrears. Termination date is 31 May 2021. The borrowings are secured by assets with a carrying amount of R178 600 000.	**239 432**	–
The facility bore interest at Kenyan Central Bank Rate (CBR) plus 400 basis points. Repayments occurred quarterly in arrears. The facilities were settled on 1 April 2019.	**–**	35 205
Loan facilities for the funding of vehicles in the SG Fleet management business		
The facilities bear interest at fixed rates of 454 basis points, a weighted fixed rate of 313 basis points and a floating rate of 347 basis points linked to the London Interbank Offered Rate (LIBOR) (2018: fixed rates of 342 and 455 basis points and a floating rate of 420 basis points linked to LIBOR). Monthly repayments are over the period of the individual full maintenance contracts of the related vehicles and are settled on a transactional basis. The average periods of the contracts are between 36 and 45 months. The facility is secured over operating and finance lease assets, hire purchase receivables and restricted cash with carrying amount of R566 350 000 (2018: R648 994 000).	**430 457**	547 464
Total full maintenance lease borrowings	**877 661**	851 395
Short-term portion reflected under current liabilities	**(541 958)**	(338 460)
Long-term portion reflected under non-current liabilities	**335 703**	512 935
Maturity profile		
Year one	**541 958**	338 460
Year two to five	**335 703**	512 935
	877 661	851 395
Currency analysis – full maintenance lease borrowings		
Rand	**447 204**	268 726
Australian Dollar	**45 628**	43 567
Pound Sterling	**292 528**	403 852
US Dollar and other	**92 301**	135 250
	877 661	851 395

Full maintenance lease 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 full maintenance operating and finance leases in terms of medium-term contractual arrangements. The full maintenance 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 LIBOR rates.

5. Intangible assets

	Software R'000	Trade names R'000	Customer relations R'000	Customer contracts and other R'000	Total R'000
30 June 2019					
Cost	**404 995**	**384 843**	**613 713**	**778 440**	**2 181 991**
Accumulated amortisation and impairment losses	**(170 065)**	**(103 943)**	**(373 502)**	**(384 746)**	**(1 032 256)**
Carrying amount at end of year	**234 930**	**280 900**	**240 211**	**393 694**	**1 149 735**
Movement summary					
Balance at beginning of year	**211 165**	**332 222**	**307 930**	**476 206**	**1 327 523**
Additions	**84 791**	**–**	**–**	**761**	**85 552**
Expand	**26 537**	**–**	**–**	**761**	**27 298**
Maintain	**58 254**	**–**	**–**	**–**	**58 254**
Acquisition of businesses (Refer note 29)	**–**	**9 812**	**17 632**	**–**	**27 444**
Current year amortisation (Refer note 22)	**(55 772)**	**(2 062)**	**(85 894)**	**(73 986)**	**(217 714)**
Impairment through profit or loss (Refer note 25)	**–**	**(58 671)**	**–**	**–**	**(58 671)**
Translation adjustment	**(5 254)**	**(401)**	**543**	**(9 287)**	**(14 399)**
Balance at end of year	**234 930**	**280 900**	**240 211**	**393 694**	**1 149 735**
Analysis of balance at end of year					
Purchased	**234 930**	**280 900**	**240 211**	**393 694**	**1 149 735**
Intangible assets with indefinite useful life	**–**	**252 295**	**–**	**–**	**252 295**
Intangible assets with definite useful life	**234 930**	**28 605**	**240 211**	**393 694**	**897 440**
	234 930	**280 900**	**240 211**	**393 694**	**1 149 735**

During the year the acquisition of Cargo Works Proprietary Limited (Cargo Works) resulted in an increase in trade names and customer relations intangible assets.

During the year the Group impaired intangible assets amounting to R58 671 000 (2018: R2 635 000). The impairment was as a result of the discontinuation of the nlc trade name by SG Fleet resulting in the carrying amount exceeding its value in use. Except for the impairment recognised, no further impairments were required for the cash generating units to which the intangible assets belong.

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

The indefinite useful life intangible asset relates to the inTime, Ader and Cargo Works trade names. The inTime, Ader and Cargo Works 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 100% of net sales and an applied royalty rate of 0.6%, 2.2% and 2.0% of revenues for inTime, Ader and Cargo Works respectively.

5. Intangible assets (continued)

	Software R'000	Trade names R'000	Customer relations R'000	Customer contracts and other R'000	Total R'000
30 June 2018					
Cost	328 268	377 512	596 580	792 283	2 094 643
Accumulated amortisation and impairment losses	(117 103)	(45 290)	(288 650)	(316 077)	(767 120)
Carrying amount at end of year	211 165	332 222	307 930	476 206	1 327 523
Movement summary					
Balance at beginning of year	157 807	230 168	347 741	534 911	1 270 627
Additions	68 611	–	–	6 034	74 645
Expand	6 332	–	–	6 034	12 366
Maintain	62 279	–	–	–	62 279
Acquisition of businesses (Refer note 29)	20 492	93 538	27 385	–	141 415
Current year amortisation (Refer note 22)	(40 872)	(9 659)	(89 149)	(72 075)	(211 755)
Impairment through profit or loss (Refer note 25)	–	–	–	(2 635)	(2 635)
Translation adjustment	5 127	18 175	21 953	9 971	55 226
Balance at end of year	211 165	332 222	307 930	476 206	1 327 523
Analysis of balance at end of year					
Purchased	211 165	332 222	307 930	476 206	1 327 523
Intangible assets with indefinite useful life	–	242 483	–	–	242 483
Intangible assets with definite useful life	211 165	89 739	307 930	476 206	1 085 040
	211 165	332 222	307 930	476 206	1 327 523

	30 June 2019 R'000	30 June 2018 R'000
6. Goodwill		
Cost	**7 530 573**	7 620 795
Accumulated impairment losses	**(225 479)**	(186 574)
Carrying amount at end of year	**7 305 094**	7 434 221
Movement summary		
Balance at beginning of year	**7 434 221**	6 990 630
Acquisition of businesses (Refer note 29)	**4 685**	247 854
Impairment (Refer note 25)	**(38 905)**	(37 155)
Translation adjustment	**(94 907)**	232 892
Balance at end of year	**7 305 094**	7 434 221
Segmental goodwill per cash-generating unit		
Supply Chain	**2 480 723**	2 504 371
South Africa	**553 936**	579 251
African Logistics	**63 545**	61 878
Europe	**1 863 242**	1 863 242
Fleet Solutions	**3 499 053**	3 585 627
Fleet Africa	**87 822**	87 822
SG Fleet	**3 411 231**	3 497 805
Dealerships	**1 325 318**	1 344 223
Dealerships SA	**536 918**	545 823
Dealerships UK	**788 400**	798 400
	7 305 094	7 434 221

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. Impairments of R 38 905 000 (2018: R37 155 000) were recognised in the current year. Write down of other assets' carrying values in the relevant cash generating unit were not required. These calculations use projected earnings based on historic operating results.

The most significant portion of the Group's goodwill, R3 411 231 000 (2018: R3 497 805 000), 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 test was based on a value-in-use approach.

Values-in-use were determined by discounting the 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 4.0% and 5.5% and a terminal value growth rate between 4.0% and 5.5%.
- 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 17.9% 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.
- The Group, based on projected operating results, impaired a portion of the Goodwill relating to SG Convenience amounting to R30 000 000.

6. Goodwill (continued)

Supply Chain – African Logistics

- Cash flows were projected based on actual operating results, a five year forecast of revenue growth of 4.0% 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 17.9% 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 3.5% and 4.0% 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 once off expenditure.
- A pre-tax discount rate of 7.2% 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.

Fleet Solutions – Fleet Africa

- Cash flows were projected based on actual operating results, a five year forecast with a revenue growth rate of 4.0% and a terminal value growth rate of 4.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecasted based on current levels adjusted for once off expenditure.
- A pre-tax discount rate of 17.9% 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 4 was projected at a growth rate of 0% for both the Australian and United Kingdom CGUs.
- Revenue growth was projected at 3.9% per annum for the Australian CGU and 7.4% per annum for the United Kingdom 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 9.9% was applied in the Australian CGU and 7.1% for the United Kingdom 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 2.0% and a terminal value growth rate of 4.0%.
- 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 17.9% 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.

Due to the closure of the Land Rover and Volvo dealership in Vereeniging the Group impaired goodwill by R8 905 000.

Dealerships - Dealerships UK

- Cash flows were projected based on actual operating results, a five year forecast of revenue growth of 1.0% 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 once off expenditure.
- A pre-tax discount rate of 7.5% 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.

	30 June 2019 R'000	30 June 2018 R'000
7. Investments and other non-current assets		
Equity-accounted investees	**51 722**	65 928
Other non-current assets	**157 472**	205 877
	209 194	271 805
Equity-accounted investees		
Moditouch Proprietary Limited	**27 777**	26 228
SG Agility Proprietary Limited	**23 777**	39 673
Other	**168**	27
	51 722	65 928
Other non-current assets		
Proceeds receivable on sale of SG Coal in the prior year	**105 000**	105 000
Loans receivable	**41 089**	88 301
Investments	**11 383**	12 576
	157 472	205 877
Currency analysis		
Rand	**203 305**	264 873
Australian dollar	**2 374**	–
Euro	**2 881**	2 824
US Dollar and other	**634**	4 108
	209 194	271 805

	30 June 2019 R'000	30 June 2018 R'000
8 Deferred tax (assets)/liabilities		
Movement summary		
Balance at beginning of year	**518 849**	408 474
– Deferred tax liabilities	**541 948**	621 854
– Deferred tax assets	**(23 099)**	(213 380)
Current year profit or loss charge	**21 171**	29 774
Revaluation of land and buildings	**15 359**	14 688
Acquisition of businesses (refer to note 29)	**11 507**	40 865
IFRS 9 and 15 adjustment (refer to pages 19 to 21 in accounting policies)	**(5 784)**	–
Deferred tax recorded directly in equity on movement in options	**7 913**	8 227
Deferred tax raised on effective portion of hedge through equity	**(8 356)**	1 444
Translation adjustment	**(43 127)**	15 377
Balance at end of year	**517 532**	518 849
– Deferred tax liabilities	**530 741**	541 948
– Deferred tax assets	**(13 209)**	(23 099)
Analysis of balance at end of year by type of temporary difference		
Accelerated depreciation	**591 505**	635 123
Tax losses	**(3 688)**	(14 647)
Revaluation of land and buildings and investment property fair value adjustment	**124 390**	110 329
Provisions and fund reserves	**(180 096)**	(183 800)
Working capital items	**(8 031)**	(15 897)
Unexercised options	**19 031**	13 171
Other	**(25 579)**	(25 430)
	517 532	518 849

8. Deferred tax (assets)/liabilities (continued)

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.

	30 June 2019 R'000	30 June 2018 R'000
Deferred tax assets not recognised		
The unrecorded deferred tax assets	**133 953**	156 925
– Tax losses	**23 458**	25 640
– Capital gains tax (CGT) and other	**110 495**	131 285

9. Inventories

	30 June 2019 R'000	30 June 2018 R'000
New vehicles	**2 601 209**	2 223 362
Used and demo vehicles	**1 405 067**	1 527 385
Retail inventory – SG Convenience and SG Consumer	**282 538**	224 538
Consumables	**38 210**	19 005
Parts, accessories and automotive components	**71 852**	113 369
Other inventory	**89 993**	71 948
	4 488 869	4 179 607
Inventory carried at net realisable value		
Inventory carried at net realisable value included above	**1 523 428**	1 600 024
Write down of inventory to net realisable value recognised as an expense	**5 218**	77 559
Inventory expensed during the year included in cost of sales	**18 288 089**	19 566 571
Included in inventory is a provision for obsolete inventory	**185 376**	180 417
Reserved inventories		
Ownership of certain inventory is reserved by the suppliers until such time as the related payables have been settled.		
Carrying value of reserved inventory	**418 620**	1 623 676
Carrying value of other secured inventory	**2 655 426**	1 464 907

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 19.

	30 June 2019 R'000	30 June 2018 R'000
10. Trade and sundry receivables		
Trade receivables	**3 813 236**	3 710 572
Sundry receivables	**1 931 015**	1 382 149
Prepayments	**242 387**	257 400
Value added tax (VAT) receivables	**293 253**	90 600
Deposits	**20 169**	19 724
Lease straight-line debtors	**14 386**	15 366
Foreign Exchange Contract (FEC) assets	**1 048**	15 775
Agency debtors	**969 125**	708 774
Trade finance debtors	**157 337**	121 492
Short-term portion of finance lease receivables (Refer note 4)	**475**	160
Deferred contingent purchase consideration	**60 000**	60 000
Other receivables	**172 835**	92 858
	5 744 251	5 092 721

Trade and sundry receivables are reported after an impairment allowance of R128 118 000 (2018: R144 653 000).

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 inventory in the warehouses and in transit.

Currency analysis		
Rand	**3 559 062**	2 917 623
Australian Dollar	**622 011**	698 130
Pound Sterling	**727 256**	558 468
Euro	**590 930**	757 500
US Dollar and other	**244 992**	161 000
	5 744 251	5 092 721

Refer to note 36 for disclosure relating to the Group's interest rate, foreign exchange and credit risk.

	30 June 2019 R'000	30 June 2018 R'000
11. Cash and cash equivalents		
Cash on hand and in banks, earning interest at floating rates based on daily bank deposit rates.	**3 577 172**	3 351 270
Analysis of cash on hand balances by restriction		
Agency related cash	**27 836**	18 646
Unrestricted cash including SG Fleet[1]	**3 549 336**	3 332 624
	3 577 172	3 351 270

[1]SG Fleet's cash has been reallocated to unrestricted cash as the Group can control the distribution of dividends.

Currency analysis		
Rand	**1 619 674**	1 176 866
Australian dollar	**974 081**	962 035
Pound Sterling	**367 040**	729 280
Euro	**401 629**	247 931
US dollar and other	**214 748**	235 158
	3 577 172	3 351 270

11. Cash and cash equivalents (continued)

Restricted cash

Restricted cash is classified as cash and cash equivalents that cannot be used for the running of the day-to-day South African operations and does not impact the Group's liquidity risk.

Cash held on behalf of customers in respect of agency agreements is not available for use in day-to-day operations, and therefore is included in restricted cash.

Bank guarantees

A guarantee of R20 823 000 has been issued by financial institutions on behalf of the Group and secured by certain assets of the Group and Rnil of cash.

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 R95 000 000 of which R26 896 000 (2018: R24 015 000) has been utilised.

The Group has a revolving credit facility of R365 000 000 for five years. This revolving credit facility is secured by a bond over the Super Park Property (refer note 2). The facility is unused at year end.

The Group has a revolving credit facility of R400 000 000 that expires on 15 October 2021. This revolving credit facility is unsecured and R254 856 000 was utilised at year end.

The Group also has a revolving credit facility of R500 000 000 that expires on 11 December 2021. This revolving credit facility is unsecured and not utilised at year end.

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

*A minimum capital adequacy ratio of 18% (excluding SG Fleet).

*A net interest cover ratio of 2.7 times must be maintained for the Group (excluding SG Fleet).

*A net debt to EBITDA ratio of less than 2.5 times must be maintained for the Group (excluding SG Fleet).

Refer to note 36.4 for the calculation of the covenants.

	30 June 2019 R'000	30 June 2018 R'000
Total banking facilities excluding the SG Fleet facilities	**10 681 682**	11 882 528
Utilised	**(7 075 209)**	(7 780 691)
Unutilised	**3 606 473**	4 101 837
SG Fleet banking facilities	**2 096 481**	2 611 860
Utilised	**(1 670 025)**	(1 927 012)
Unutilised	**426 456**	684 848

Refer to note 36 for disclosure relating to the Group's liquidity, interest rate, foreign exchange and credit risk.

	30 June 2019 R'000	30 June 2018 R'000
12. Capital and reserves attributable to equity holders of Super Group		
Stated capital (Refer note 13)	**3 753 641**	3 753 641
Retained earnings	**6 348 712**	5 119 999
Share buyback reserve	**(153 278)**	(163 464)
Other reserves (Refer note 14)	**1 059 641**	1 088 060
	11 008 716	9 798 236
13. Stated Capital		
Authorised		
The Group has 700 000 000 (2018: 700 000 000) authorised ordinary shares with no par value (2018: no par value) and 54 857 377 (2018: 54 857 377) authorised redeemable preference shares with no par value.		
Issued		
371 507 794 (2018: 371 507 794) ordinary shares of no par value	**3 753 641**	3 753 641

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 to the Company's shares that are held by the Group as treasury shares, all rights are suspended until those shares are reissued.

Changes in authorised and issued share capital

In prior year the Group raised an amount of R500 000 000 through the placement of 12 422 360 ordinary shares, through an accelerated bookbuild at a price of R40.25 per share. The statement of financial position was impacted by an increase in stated capital of R497 150 000 (after share issue expenses).

	Number of ordinary shares	Number of treasury shares
Movement summary of issued shares		
Balance at 30 June 2017	359 085 434	10 071 765
Ordinary share balance	359 085 434	–
Share balance held by subsidiaries	–	289 949
Share balance held by share option scheme	–	9 781 816
Bookbuild shares	12 422 360	–
Share repurchases	–	900 000
Share options exercised and other treasury shares movement	–	(1 744 368)
Balance at 30 June 2018	**371 507 794**	**9 227 397**
Ordinary share balance	**371 507 794**	**–**
Share balance held by subsidiaries	**–**	**289 949**
Share balance held by share option scheme	**–**	**8 937 448**
Share options exercised and other treasury shares movement	**–**	**(268 097)**
Balance at 30 June 2019	**371 507 794**	**8 959 300**
Ordinary share balance	**371 507 794**	**–**
Share balance held by subsidiaries	**–**	**289 949**
Share balance held by share option scheme	**–**	**8 669 351**

	30 June 2019 R'000	30 June 2018 R'000
14 OTHER RESERVES		
Translation reserve	**130 138**	193 455
General reserve	**556 036**	556 036
Revaluation reserve	**381 133**	334 039
Capital redemption reserve fund	**5 486**	5 486
Hedging reserve	**(13 152)**	(956)
	1 059 641	1 088 060
Movement summary		
14.1 Translation reserve		
Balance at beginning of year	**193 455**	15 127
Translation adjustment	**(63 317)**	178 328
Balance at end of year	**130 138**	193 455
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.		
14.2 General reserve		
The general reserve comprises capital profits on the disposal of investments in prior years.	**556 036**	556 036
14.3 Revaluation reserve		
Balance at beginning of year	**334 039**	274 794
Depreciation of buildings (net of tax)	**(109)**	(54)
Revaluation of land and buildings (net of tax)	**47 203**	59 299
Balance at end of year	**381 133**	334 039
The revaluation reserve relates primarily to revaluation surpluses on the revaluation of land and buildings to their fair values.		
14.4 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
14.5 Hedging reserve		
Balance at beginning of year	**(956)**	(3 569)
Effective portion of hedge (net of tax)	**(12 196)**	2 613
Balance at end of year	**(13 152)**	(956)

15. 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	Other individually immaterial subsidiaries R'000	Intergroup eliminations and reallocations R'000	Total R'000
30 June 2019						
Non-current assets	**4 773 140**	**2 431 225**	**855 791**	**152 966**	**(8 017)**	**8 205 105**
Current assets	**1 913 799**	**992 743**	**1 322 871**	**200 286**	**(158 497)**	**4 271 202**
Non-current liabilities	**(2 004 897)**	**(1 799 302)**	**(389 840)**	**(39 768)**	**(1 707 906)**	**(5 941 713)**
Current liabilities	**(1 918 533)**	**(523 887)**	**(879 394)**	**(86 084)**	**(515 146)**	**(3 923 044)**
Net assets	**2 763 509**	**1 100 779**	**909 428**	**227 400**	**(2 389 566)**	**2 611 550**
Revenue[1]	**5 153 016**	**2 866 810**	**5 233 976**	**1 901 388**	**(1 821 905)**	**13 333 285**
Profit	**615 929**	**(49 212)**	**254 499**	**208 934**		**1 030 150**
OCI[2]	**(13 458)**	**–**	**–**	**–**		**(13 458)**
Total comprehensive income	**602 471**	**(49 212)**	**254 499**	**208 934**	**–**	**1 016 692**
Cash flows from operating activities	**679 980**	**110 022**	**176 961**	**128 680**	**(236 182)**	**859 461**
Cash flows from investing activities	**(153 813)**	**(28 945)**	**(371 553)**	**(249 299)**	**–**	**(803 610)**
Cash flows from financing activities	**(556 349)**	**77 920**	**150 264**	**91 496**	**(630 881)**	**(867 550)**
Net change in cash and cash equivalents	**(30 182)**	**158 997**	**(44 328)**	**(29 123)**	**(867 063)**	**(811 699)**
NCI percentage (%)	**40.8**	**25.0**	**15.0**			
Carrying amount of NCI	**1 127 512**	**290 039**	**136 414**	**50 337**	**–**	**1 604 302**
Profit allocated to NCI	**258 778**	**(11 028)**	**38 175**	**28 879**	**–**	**314 804**
OCI allocated to NCI[2]	**(34 059)**	**112**	**–**	**–**	**–**	**(33 947)**
Dividend paid to NCI	**(202 956)**	**–**	**(10 517)**	**(24 847)**	**–**	**(238 320)**

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 R13 458 000 and Rnil respectively and the OCI allocated to the NCI of SG Fleet and inTime of R34 059 000 and R112 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 yield 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 principal 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 additional shares and exercised the right to the dividend reinvestment plan in SG Fleet for increasing the Group's shareholding to 59.2% and purchased the remaining 10% non-controlling interest in Legend (Refer note 29).

15. Non-controlling interest (continued)

	SG Fleet R'000	inTime R'000	SG Coal R'000	Other individually immaterial subsidiaries R'000	Intergroup eliminations and reallocations R'000	Total R'000
30 June 2018						
Non-current assets	5 053 355	2 507 037	629 143	362 087	(22 747)	8 528 875
Current assets	2 046 889	1 002 384	951 588	335 502	(244 322)	4 092 041
Non-current liabilities	(2 032 980)	(1 746 540)	(298 566)	(89 543)	726 224	(3 441 405)
Current liabilities	(2 513 643)	(613 426)	(553 179)	(226 872)	252 798	(3 654 322)
Net assets	2 553 621	1 149 455	728 986	381 174	711 953	5 525 189
Revenue[1]	3 163 135	3 103 273	3 207 147	1 753 276	(880 871)	10 345 960
Profit	672 054	20 068	217 777	151 789	–	1 061 688
OCI[3]	20 247	–	–	–	–	20 247
Total comprehensive income	692 301	20 068	217 777	151 789	–	1 081 935
Cash flows from operating activities	1 141 583	113 399	130 609	163 271	(163 068)	1 385 794
Cash flows from investing activities	(219 493)	(189 614)	(62 588)	(214 543)	–	(686 238)
Cash flows from financing activities	(732 030)	94 112	(13 922)	98 048	554 811	1 019
Net change in cash and cash equivalents	190 060	17 897	54 099	46 776	391 743	700 575
NCI percentage (%)	43.0	25.0	15.0			
Carrying amount of NCI	1 098 057	300 956	109 348	70 528	–	1 578 889
Profit allocated to NCI	301 844	5 876	12 012	20 880	–	340 612
OCI allocated to NCI[3]	30 387	20 110	–	–	–	50 497
Dividend paid to NCI	(216 420)	–	(2 064)	(18 597)	–	(237 081)

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

3 *The difference between OCI in SG Fleet and inTime of R20 247 000 and Rnil respectively and the OCI allocated to the NCI of SG Fleet and inTime of R30 387 000 and R20 110 000 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 yield 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 principal place of business and incorporation is Australia, in Time's place of business is the Eurozone and incorporation is Germany.

During the prior year the Group purchased an additional 14 186 914 shares in SG Fleet for R551 665 000 increasing the Group's shareholding to 57% and disposed of 15% of SG Coal for R105 000 000.

During the prior year the Group acquired the remaining 45% of Digistics for R102 665 000.

16. Fund reserves

	30 June 2019 R'000	30 June 2018 R'000
Balance at beginning of year	**497 876**	523 008
Movement in fund reserves	**(30 625)**	(31 667)
Translation adjustment	**(9 752)**	6 535
Balance at end of year	**457 499**	497 876

Fund reserves principally relate to amounts received in advance in respect of maintenance for full maintenance lease 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.

	30 June 2019 R'000	30 June 2018 R'000
17. Non-controlling interest put options and other liabilities		
The Group entered into business combinations which included 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.		
17.1 Non-controlling interest put options	**36 852**	177 412
inTime Holding GmbH		
The put option available to the non-controlling interest is exercisable from 30 June 2020 to 30 June 2025. The value of the put option is based on an estimation of the enterprise value at the initial exercise date. The agreement indicates that the enterprise value is calculated by applying a price earnings multiple of 7.5 to the average of the preceding three years audited EBITDA of inTime and adjusting the result by adding cash and deducting the debt on the specific date.		
In arriving at the option value at 30 June 2020, an average EBITDA of €11 895 000 (2018: €15 180 000) and a pre-tax discount rate of 7.7% (2018: 7.7%) was used. This is a level 3 fair value valuation.		
The discount rate used is adjusted to reflect the most affordable funding available to the Group at the reporting date.	**36 852**	141 282
ABF Legend Logistics Proprietary Limited		
In the prior year the put option was calculated as the fair value of the business at exercise date of the option, by present valuing the free cash flows for a ten year period post the date of exercise.		
In arriving at the option value an average profit after tax of R51 300 000 was used for prior year and a pre-tax discount rate of 9.5% was used.		
The discount rate used was adjusted to reflect the most affordable funding available to the Group at the reporting date.		
In the current year this was settled by the purchase of the remaining 10% shareholding.	**–**	36 130
17.2 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.	**18 093**	16 001
17.3 Non-current portion of straight-line leases		
The Group recognises the non-current portion of straight-line leases as the straight-line balance which will not be recognised in profit and loss in the next 12 months.	**46 251**	61 565
17.4 Deferred contingent purchase consideration		
In the prior year an obligation existed at acquisition date resulting from the possibility of the acquiree's aggregate profit after tax for the three year period ending 30 June 2019 exceeding R155 000 000. The deferred contingent purchase consideration was calculated by applying 75% to every R1 excess over the R155 000 000 aggregate profit after tax. The present value of this obligation was determined using a pre-tax discount rate of 9.5%. No deferred contingent purchase consideration exists at year end as it was settled when the remaining 10% shareholding in ABF Legend Logistics Proprietary Limited was purchased.	**–**	62 488
Long-term non-controlling interest put options and other liabilities	**101 196**	317 466
Currency analysis		
Rand	**46 251**	160 183
Australian Dollar	**18 093**	16 001
Euro	**36 852**	141 282
	101 196	317 466

17. Non-controlling interest put options and other liabilities (continued)

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

	30 June 2019 R'000	30 June 2018 R'000
Financial liabilities – Put option liabilities		
Balance at the beginning of the year	**177 412**	270 784
Movement of NCI liability in statement of changes in equity:	**(140 560)**	(93 372)
Exercised- Digistics	**–**	(102 665)
Exercised- Legend	**(36 130)**	(18 418)
Fair value adjustment	**(105 444)**	18 068
Foreign currency translation	**1 014**	9 643
Balance at the end of the year	**36 852**	177 412
Financial liabilities – Deferred contingent purchase consideration		
Balance at the beginning of the year	**62 488**	24 501
Settled	**(62 488)**	–
Fair value adjustment through profit and loss	**–**	37 987
Balance at the end of the year	**–**	62 488

Sensitivity analysis:

Financial liabilities – Put option liabilities

The significant assumption included in the fair value measurement of the put option 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
inTime	**40 162**	3 310

	30 June 2019 R'000	30 June 2018 R'000
18. Interest-bearing borrowings		
18.1 Secured asset-based borrowings	**1 530 673**	995 590
Suspensive sale creditors and capitalised finance lease obligations bearing interest at rates fluctuating between 220 basis points (bps) below and 50 basis points above prime (2018: 220 basis points below and 150 basis points above prime) and repayable in monthly instalments, including interest. The liabilities are secured by vehicles with a carrying amount of R651 013 000 (2018: R415 468 000).	**643 068**	385 237
Asset-based borrowings bearing interest at between 125 basis points below prime and 75 basis points below prime (2018: between 175 basis points below prime and 100 basis points below prime) and repayable in monthly instalments, including interest. The liabilities are secured by plant, equipment and vehicles with a carrying amount of R749 288 000 (2018: R544 672 000).	**509 823**	360 647
Asset-based borrowings bearing interest at between 115 basis points below prime and prime (2018: 115 basis points below prime and prime) and repayable in monthly instalments, including interest. The liabilities are secured by plant, equipment and vehicles with a carrying amount of R388 186 000 (2018: R202 709 000).	**225 759**	130 752
Asset-based borrowings and finance lease obligations bearing interest at between 115 and 50 basis points below prime (2018: between 115 and 50 basis points below prime) and repayable in monthly instalments. The liabilities are secured by vehicles and equipment with a carrying amount of R56 098 000 (2018: R54 261 000).	**152 023**	118 954
18.2 Secured property borrowings	**509 423**	1 095 707
Property borrowings bearing interest at three-month JIBAR plus 190 basis points (2018: three-month JIBAR plus 225 basis points) secured by land, buildings and investment property with a carrying amount of R904 500 000 (2018: R886 200 000) and are repayable in full on 8 October 2020.	**367 795**	367 971
Property borrowings bore interest at three-month JIBAR plus 225 basis points, was secured by land and buildings and was repaid in full on 28 February 2019.	**–**	200 000
Property borrowings bearing interest at three-month LIBOR plus 175 basis points (2018: three-month LIBOR plus 175 basis points) secured by land, buildings and property with a carrying amount of R413 238 000 (2018: R418 478 000) and are repayable in quarterly payments with the final bullet payment due in December 2021.	**141 628**	165 417
Bridging finance, bore interest at three-month LIBOR plus 250 basis points was secured by shares in EAG, SMC and shareholder guarantees and was repaid in full in June 2019.	**–**	362 319
18.3 Acquisition borrowings	**221 348**	1 369 538
The credit facility bears interest at three-month LIBOR plus 300 basis points (2018: three-month LIBOR plus 300 basis points) and is repaid quarterly with the final bullet payment due in June 2023. The facility is secured by shares in Allen Ford UK and shareholder guarantees.	**221 348**	204 756
The credit facility bore interest at three-month LIBOR plus 300 basis points and was secured by shares in EAG, SMC and Allen Ford. The debt was fully repaid during June 2019.	**–**	290 321
The credit facility bore interest at three-month Euro Interbank Offered Rate (EURIBOR) plus 250 basis points. The facility was secured by shares in inTime and shareholder guarantees. The debt was fully repaid in June 2019.	**–**	180 939
The credit facility bore interest at three-month EURIBOR plus 300 basis points. The facility was secured by shares in inTime and shareholder guarantees. The debt was fully repaid in June 2019.	**–**	574 355
The credit facility bore interest at three month EURIBOR plus 300 basis points. The facility was secured by the shares in inTime and shareholder guarantees. The debt was fully repaid in June 2019.	**–**	119 167

	30 June 2019 R'000	30 June 2018 R'000
18. Interest-bearing borrowings (continued)		
18.4 SG Fleet borrowings	**1 265 861**	1 379 547
The SG Fleet borrowings relate to business acquisition funding and bears interest at a fixed rate of 379 basis points.	**791 296**	–
The SG Fleet borrowings relate to business acquisition funding and bears interest at a floating rate of 347 basis points linked to the Bank Bill Swap Bid Rate (BBSY).	**224 118**	–
The SG Fleet borrowings relate to business acquisition funding and bears interest at a fixed rate of 282 basis points.	**200 358**	–
The SG Fleet borrowings relate to business acquisition funding and bears interest at a floating rate of 250 basis points linked to LIBOR.	**50 089**	–
The liabilities are repayable in full on maturity being 14 December 2022. The borrowings are secured by guarantees and indemnities as well as the assets of SG Fleet.		
The SG Fleet borrowings related to business acquisition funding and bore interest at a fixed rate of 634 basis points.	**–**	327 744
The SG Fleet borrowings related to business acquisition funding and bore interest at fixed rates of 410 and 473 basis points.	**–**	775 082
The liabilities were repayable in quarterly instalments of AUD5 000 000 and a bullet payment of AUD79 564 000 on maturity. The borrowings were secured by guarantees and indemnities as well as the assets of SG Fleet. The debt was fully repaid in December 2018.		
The SG Fleet borrowings related to business acquisition funding and bore interest of 261 basis points. The debt was fully repaid in December 2018.	**–**	276 721
18.5 Corporate bond	**1 959 681**	206 647
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 230 basis points (2018: three-month JIBAR plus 230 basis points). Interest is payable quarterly. This liability matures on 9 September 2019.	**50 269**	50 253
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 225 basis points (2018: three-month JIBAR plus 225 basis points). Interest is payable quarterly. This liability matures on 31 October 2019.	**156 461**	156 394
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 200 basis points. Interest is payable quarterly. This liability matures on 27 September 2023.	**450 116**	–
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 175 basis points. Interest is payable quarterly. This liability matures on 15 March 2024.	**300 774**	–
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 145 basis points. Interest is payable quarterly. This liability matures on 18 June 2022.	**375 759**	–
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 165 basis points. Interest is payable quarterly. This liability matures on 18 June 2024.	**626 302**	–
18.6 Revolving credit facility and other	**254 856**	306 781
The revolving credit facility is unsecured and bears interest at three-month JIBAR plus 205 basis points (2018: three-month JIBAR plus 160 basis points). Interest is payable quarterly. This facility expires on 15 October 2021.	**254 856**	252 426
The foreign currency debt bears interest at three month Libor plus 113 basis points. The debt is secured over a non-current receivable of £3 000 000. Interest is repayable quarterly and the final bullet amount is repayable on 28 June 2022.	**–**	54 355
Total interest-bearing borrowings	**5 741 842**	5 353 810
Short-term portion reflected under current liabilities	**(949 041)**	(1 043 781)

	30 June 2019 R'000	30 June 2018 R'000
18. Interest-bearing borrowings (continued)		
Long-term portion reflected under non-current liabilities	**4 792 801**	4 310 029
Secured asset-based borrowings	**913 392**	636 414
Secured property borrowings	**506 628**	1 092 735
Acquisition borrowings	**133 214**	1 231 699
SG Fleet borrowings	**1 239 567**	1 090 826
Corporate bond	**1 750 000**	204 000
Revolving credit facility and other	**250 000**	54 355
Repayment terms		
Year one (short-term interest-bearing borrowings)	**949 041**	1 043 781
Year two	**973 738**	2 112 755
Year three to five	**3 819 063**	2 197 274
	5 741 842	5 353 810
Currency analysis		
Rand	**4 113 005**	2 022 634
Australian Dollar	**1 015 414**	1 102 826
Pound Sterling	**613 423**	1 353 889
Euro	**–**	874 461
	5 741 842	5 353 810

Refer to note 36 for disclosure relating to the Group's liquidity, interest rate and foreign exchange risk.

	30 June 2019 R'000	30 June 2018 R'000
19. Trade and other payables		
Trade payables	**7 557 037**	7 264 942
Leave pay accruals	**116 152**	115 708
Other accruals	**1 085 406**	1 077 790
Outstanding cheques	**43 447**	37 208
Deferred income	**210 593**	234 256
Value added tax payables	**258 298**	87 508
Interest rate swaps	**32 172**	14 425
FEC liabilities	**733**	2 447
Sundry payables	**190 094**	246 296
	9 493 932	9 080 580
Currency analysis		
Rand	**4 108 402**	3 518 599
Australian Dollar	**1 262 621**	1 572 825
Pound Sterling	**3 591 046**	3 311 190
Euro	**441 763**	570 340
US Dollar and other	**90 100**	107 626
	9 493 932	9 080 580

Refer to note 36 for disclosure relating to the Group's liquidity, interest rate and foreign exchange risk.

20. Provisions including employee-related benefits

	Employee-related provisions R'000	Warranty and residual value provisions R'000	Dilapidation provision R'000	Other provisions R'000	Total 30 June 2019 R'000	Total 30 June 2018 R'000
Movement summary						
Balance at beginning of year	**139 191**	**152 371**	**57 653**	**84 836**	**434 051**	322 244
Increase in and additional provisions	**147 660**	**265**	**5 351**	**120 210**	**273 486**	362 047
Provisions utilised	**(4 545)**	**(16 254)**	**–**	**(25 902)**	**(46 701)**	(43 007)
Payments against provision	**(138 205)**	**(553)**	**(1 699)**	**(97 859)**	**(238 316)**	(233 503)
Acquisitions of businesses (Refer note 29)	**400**	**–**	**–**	**–**	**400**	18 456
Disposal of business (Refer note 29)	**–**	**–**	**–**	**–**	**–**	(326)
Translation adjustment	**231**	**(2 720)**	**(773)**	**(1 248)**	**(4 510)**	8 140
Balance at end of year	**144 732**	**133 109**	**60 532**	**80 037**	**418 410**	434 051
Current	**144 732**	**83 247**	**60 532**	**67 948**	**356 459**	368 555
Non-current	**–**	**49 862**	**–**	**12 089**	**61 951**	65 496
Total provisions	**144 732**	**133 109**	**60 532**	**80 037**	**418 410**	434 051

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 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 and audit fee provisions. These provisions are calculated based on the expected future outflow of funds from the Group.

21. Revenue

	30 June 2019 R'000
Supply Chain Africa	**11 290 502**
Short haul transportation – Principal	**5 951 521**
Short haul transportation – Agent	**904 167**
Leasing of specialised software and commercial vehicles	**254 847**
Long haul transportation	**1 504 332**
Sale of goods	**2 268 622**
Other	**407 013**
Supply Chain Europe	**2 866 810**
Time critical delivery and courier services	**2 839 465**
Other	**27 345**
Dealerships	**17 838 650**
Sale of vehicles and parts – Principal	**16 709 536**
Sale of vehicles – Agent	**46 928**
Servicing of vehicles	**1 082 186**
Fleet Solutions	**5 851 103**
Management and maintenance income	**1 068 009**
Additional products and services	**1 271 362**
Funding commission	**513 519**
End of lease income	**2 268 323**
Rental income	**709 281**
Other	**20 609**
Services	
Other	**14 707**
	37 861 772

Due to the Group adopting IFRS 15 using the cumulative effect method, the disclosure requirements have not generally been applied to comparative information. Refer to pages 19 and 20 in the accounting policies for the impact of the adoption of IFRS 15.

	30 June 2018 R'000
Sale of products	22 877 843
Services rendered	12 785 013
	35 662 856

	30 June 2019 R'000	30 June 2018 R'000
21. Revenue (continued)		
Turnover	**48 872 680**	43 656 953
Costs incurred on behalf of customers or as an agent	**(11 010 908)**	(7 994 097)
	37 861 772	35 662 856

Refer to the operating segments on page 92 for the geographical split of revenue.

	30 June 2019 R'000	30 June 2018 R'000
22. Operating profit		
Operating profit is arrived at after taking into account the following:		
22.1 Depreciation and amortisation		
Depreciation of property, plant and equipment	**521 624**	461 988
– Buildings and leasehold improvements	**30 753**	23 759
– Rental and transport fleet	**279 231**	260 077
– Computer equipment	**49 555**	44 209
– Furniture and workshop equipment	**97 125**	89 018
– Motor vehicles and other assets	**64 960**	44 925
Amortisation of intangible assets	**217 714**	211 755
– Software	**55 772**	40 872
– Trade names	**2 062**	9 659
– Customer relations	**85 894**	89 149
– Customer contracts and other	**73 986**	72 075
Depreciation of full maintenance lease assets	**350 601**	360 805
	1 089 939	1 034 548
Amortisation of PPA intangibles included in amortisation of intangible assets	**168 969**	177 316
– Software	**7 383**	6 632
– Trade names	**2 062**	9 659
– Customer relations	**85 538**	89 149
– Customer contracts and other	**73 986**	71 876
Depreciation and amortisation (excluding amortisation of PPA intangibles)	**920 970**	857 232
22.2 Impairment of trade receivables		
Bad debts written off	**24 341**	17 909
Impairment (reversal)/raised against doubtful trade debtors	**(13 136)**	26 893
	11 205	44 802

	30 June 2019 R'000	30 June 2018 R'000
22. Operating profit (continued)		
22.3 Cost of sales	**27 975 633**	26 258 749
22.4 Operating expenditure – excluding capital items, impairment of trade receivables and cost of sales		
Auditors' remuneration	**28 754**	25 600
– Audit fees	**25 796**	22 239
– Expenses	**529**	570
– Other services	**2 429**	2 791
Operating leases	**509 213**	438 139
– Buildings	**383 535**	363 837
– Plant and equipment	**100 776**	50 489
– Motor vehicles and other assets	**35 306**	46 804
– Lease straight-lining income	**(10 404)**	(22 991)
Translation gains	**(27 899)**	(28 805)
Translation losses	**22 673**	6 445
Share-based payment expense (Refer note 37)	**46 136**	47 866
Employee benefit costs excluding directors' emoluments and employer contributions	**3 653 329**	3 476 044
Employer contributions to	**235 091**	221 030
– Defined contribution funds	**169 007**	153 898
– Medical aid funds	**66 084**	67 132
Directors' emoluments (Refer note 39)		
Executive directors' emoluments	**23 038**	20 435
– Basic remuneration	**8 756**	8 272
– Performance bonus	**11 795**	9 820
– Employer contributions to defined contribution funds	**700**	700
– Other benefits	**1 787**	1 643
Non-executive directors' emoluments	**4 736**	4 063
– Chairman's fees	**729**	700
– Directors' fees	**4 007**	3 363
Fair value adjustment on deferred proceeds payable	**–**	37 987
Loss on sale of business	**–**	2 623
Other operating expenses	**1 616 021**	1 599 370
	6 111 092	5 850 797
Operating expenditure – excluding capital items and impairment of trade receivables	**34 086 725**	32 109 546

	30 June 2019 R'000	30 June 2018 R'000
23. Finance cost, interest received and (loss)/income from equity-accounted investee		
23.1 Finance costs	**(540 098)**	(467 196)
– Full maintenance lease borrowings	**(54 704)**	(58 781)
– SG Fleet borrowings	**(75 412)**	(73 212)
– Property borrowings	**(49 766)**	(58 139)
– Instalment sale agreements	**(112 604)**	(76 322)
– Floorplan creditors	**(99 401)**	(87 185)
– Long tem loans	**(62 567)**	(61 909)
– Corporate bond	**(61 040)**	(19 075)
– Bank accounts	**(23 309)**	(26 528)
– Other	**(1 295)**	(6 045)
23.2 Interest received	**207 906**	132 990
– Bank accounts	**111 776**	90 832
– SG Fleet interest received	**16 565**	13 045
– Finance lease and long-term receivables	**7 999**	5 707
– Interest rate swaps	**37 119**	3 525
– Trade finance and other debtors	**20 563**	12 026
– Other	**13 884**	7 855
23.3 (Loss)/income from equity-accounted investees	**(14 321)**	3 737
	(346 513)	(330 469)
24. Income tax expense		
Income tax comprises:		
South African normal taxation		
– Current tax	**251 284**	226 513
– Prior year current tax	**9 963**	(7 966)
– Deferred tax	**77 395**	36 302
– Prior year deferred tax	**(7 341)**	(1 083)
Foreign taxation		
– Current tax	**347 310**	362 913
– Prior year current tax	**7 078**	1 614
– Deferred tax	**(44 095)**	(9 576)
– Prior year deferred tax	**(4 788)**	4 131
	636 806	612 848

	30 June 2019 %	30 June 2018 %
24. Income tax expense (continued)		
Reconciliation of rate of income tax:		
The reconciliation of the rate of income tax is based on profit before income tax.		
Standard rate of income tax	**28.0**	28.0
Adjusted for:		
Prior year under/(over) provision	**0.2**	(0.2)
Exempt export incentives	**(0.1)**	(0.2)
Loss/(profits) from equity accounted investees	**0.2**	(0.1)
Controlled Foreign Company (CFC) allocation	**0.1**	0.1
Fair value of deferred contingent purchase consideration	**–**	0.5
Goodwill impairment	**0.5**	0.5
Revaluation of investments	**0.2**	0.1
Depreciation on non-qualifying assets	**0.1**	0.1
Interest and penalties paid to revenue authorities	**(0.1)**	–
Non deductible entertainment, legal, professional and consulting fees	**–**	0.3
Finance costs not deductible	**0.4**	0.4
SG Fleet share based payment non deductible expense	**0.1**	0.5
Foreign tax rate differential	**(3.2)**	(0.7)
Unrecognised temporary difference	**1.5**	(0.9)
CGT differential and other	**0.3**	0.7
Effective income tax rate	**28.2**	29.1

	30 June 2019 R'000	30 June 2018 R'000
Tax losses available for set off against future taxable income utilised in the deferred tax computation	**13 172**	49 996
Tax losses not utilised in deferred tax computation	**118 624**	139 560
Total tax losses	**131 796**	189 556

25. 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	**1 307 502**	1 151 581
Capital items before tax and non-controlling interest	**68 278**	38 450
Impairment of property, plant and equipment	**1 083**	21 183
Impairment of intangible assets	**58 671**	2 635
Impairment of goodwill	**38 905**	37 155
Impairment of goodwill in equity-accounted investee	**10 168**	–
Profit on disposal of property, plant and equipment	**(27 349)**	(23 946)
Loss on sale of business	**–**	2 623
Fair value adjustment to investment property	**(13 200)**	(1 200)
Tax effect of capital items	**(7 289)**	2 329
Impairment of property, plant and equipment and intangible assets	**(17 906)**	(4 645)
Profit on sale of property, plant and equipment	**7 660**	6 705
Fair value adjustment to investment property	**2 957**	269
Non-controlling interest effect of capital items	**(13 795)**	363
Impairment of property, plant and equipment and intangible assets	**(16 768)**	(474)
Profit on sale of property, plant and equipment	**2 973**	837
Headline earnings for the year	**1 354 696**	1 192 723

	30 June 2019 Number of shares '000	30 June 2018 Number of shares '000
25. Earnings per share (continued)		
Weighted average number of ordinary shares in issue	**362 431**	359 012
Potential dilutive effect of share options and B-BBEE scheme	**405**	1 023
Diluted weighted average number of ordinary shares	**362 836**	360 035
	30 June 2019 Cents	**30 June 2018 Cents**
Earnings per share		
Basic	**360.8**	320.8
Diluted	**360.4**	319.9
Headline earnings per share		
Basic	**373.8**	332.2
Diluted	**373.4**	331.3
	30 June 2019 R'000	**30 June 2018 R'000**
26. Cash generated from operations		
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	**2 259 112**	2 105 041
Interest received	**(207 906)**	(132 990)
Share of loss/(profit) of equity-accounted investees	**14 321**	(3 737)
Finance costs	**540 098**	467 196
Adjustments for:		
Depreciation and amortisation	**1 089 939**	1 034 548
Impairment of intangible assets, full maintenance lease vehicles, property, plant and equipment, investments and goodwill	**98 659**	60 973
Fair value adjustments to investment property	**(13 200)**	(1 200)
Profit on disposal of property, plant and equipment	**(27 349)**	(23 946)
Movement in provisions	**(11 531)**	85 537
Bad debts written off	**24 341**	17 909
Unrealised foreign exchange losses/(gains)	**4 207**	(9 018)
Net (decrease)/increase in trade receivables and inventory provision	**(20 262)**	89 499
Share-based payment expense	**46 136**	47 866
Loss on sale of business	**–**	2 623
Unrealised fair value adjustment on deferred proceeds payable	**–**	37 987
Other	**(3 977)**	(1 560)
Operating cash flow	**3 792 588**	3 776 728
Working capital changes	**(652 140)**	(109 599)
Increase in trade and other receivables	**(651 951)**	(613 095)
Increase in inventories	**(332 994)**	(208 582)
Increase in trade and other payables	**363 430**	743 745
Decrease in fund reserves	**(30 625)**	(31 667)
	3 140 448	3 667 129
27. Dividends paid to non-controlling interests		
Dividends declared and paid to non-controlling interests in subsidiaries	**(219 449)**	(237 081)

	30 June 2019 R'000	30 June 2018 R'000
28. Income tax paid		
Balance owing at beginning of year	**(92 911)**	(112 251)
Charge for the current year	**(615 635)**	(583 074)
Acquisition of businesses (Refer note 29)	**(1 882)**	(6 643)
Translation adjustment and other movements	**1 069**	(3 273)
Balance owing at end of year	**46 321**	92 911
	(663 038)	(612 330)

29. Business combinations

29.1 Net cost on acquisition of businesses

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Purchase price R'000
Cargo Works	**Logistics**	**Supply Chain Africa**	**2 July 2018**	**80**	**49 540**
Orbit Helderberg (a division of Rola Motors Proprietary Limited)	**Dealership**	**Dealerships SA**	**1 October 2018**	**100**	**1 100**
Purchase price					**50 640**

	Cargo Works R'000	Orbit Helderberg R'000	30 June 2019 R'000	30 June 2018 R'000
Fair value of assets acquired and liabilities assumed at date of acquisition				
Assets				
Property, plant and equipment	**(28 157)**	**(1 500)**	**(29 657)**	(287 209)
Intangible assets	**(27 444)**	**–**	**(27 444)**	(141 415)
Goodwill	**(4 685)**	**–**	**(4 685)**	(247 854)
Inventories	**(238)**	**(19 090)**	**(19 328)**	(515 712)
Trade and other receivables	**(19 022)**	**(2 136)**	**(21 158)**	(213 158)
Provision for impairment of trade receivables	**–**	**–**	**–**	315
Taxation receivable	**–**	**–**	**–**	(44)
Cash and cash equivalents	**(9 844)**	**–**	**(9 844)**	(196 275)
	(89 390)	**(22 726)**	**(112 116)**	(1 601 352)
Liabilities				
Interest-bearing borrowings	**8 356**	**–**	**8 356**	1 901
Deferred tax liabilities	**11 507**	**–**	**11 507**	40 865
Trade and other payables	**6 892**	**21 226**	**28 118**	870 514
Income tax payable	**1 882**	**–**	**1 882**	6 687
Provisions	**–**	**400**	**400**	18 456
	28 637	**21 626**	**50 263**	938 423
Fair value of net assets acquired	**(60 753)**	**(1 100)**	**(61 853)**	(662 929)
Less: Non-controlling interest	**11 213**	**–**	**11 213**	15 788
Purchase price	**(49 540)**	**(1 100)**	**(50 640)**	(647 141)
Cash acquired	**9 844**	**–**	**9 844**	196 275
Cash outflow	**(39 696)**	**(1 100)**	**(40 796)**	(450 866)

29. Business combinations (continued)

29.1 Net cost on acquisition of businesses (continued)

The acquisition of Cargo Works has bolstered the Supply Chain Africa division. The Group performed a PPA exercise on Cargo Works whereby intangible assets acquired were separately valued. The valuation, using projected financial information, led to the recognition of a trade name and customer relations intangible assets of R9.8 million and R17.6 million respectively.

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.

The values identified in relation to Orbit Helderberg are provisional as at 30 June 2019.

The acquisition related costs of R0.8 million in respect of these acquisitions are included in profit and loss.

	Cargo Works 30 June 2019 R'000	30 June 2018 R'000
Impact of the acquisitions on the results of the Group		
From the dates of acquisition, the acquired businesses contributed:		
Revenue	**103 658**	3 228 149
Profit after tax and amortisation of PPA intangibles[1]	**10 683**	56 191
Attributable profit to equity holders of Super Group[1]	**8 546**	49 199
Due to the significant integration activities it is not practical to derive a meaningful contribution from Orbit Helderberg.		
Impact of the acquisitions on the results of the Group – had they occurred on 1 July 2018		
From 1 July 2018 the businesses would have contributed:		
Revenue	**103 658**	3 255 285
Profit after tax and amortisation of PPA intangibles[1]	**10 683**	58 748
Attributable profit to equity holders of Super Group[1]	**8 546**	51 501
Due to the significant integration activities it is not practical to derive a meaningful contribution from Orbit Helderberg.		

[1] *Excluding acquisition related costs.*

29.2 Disposal of businesses

	30 June 2019 R'000	30 June 2018 R'000
Fair value of assets and liabilities disposed were:		
Assets		
Property, plant and equipment	–	539
Inventories	–	10 805
Trade and other receivables	–	254
Cash and cash equivalents	–	8 809
	–	20 407
Liabilities		
Trade and other payables	–	(13 684)
Provisions	–	(326)
	–	(14 010)
Fair value of net assets disposed	–	6 397
Loss on sale of business	–	(2 623)
Selling price	–	3 774
Cash disposed	–	(8 809)
Cash outflow	–	(5 035)

29. Business combinations (continued)

29.3 Net cost on increase in existing shareholding in subsidiaries

	Legend R'000	SG Fleet R'000	30 June 2019 R'000	30 June 2018 R'000
Non-controlling interest	**(36 806)**	**(112 042)**	**(148 848)**	(218 319)
Effect of transactions between equity partners on equity	**(137 706)**	**(141 638)**	**(279 344)**	(535 711)
	(174 512)	**(253 680)**	**(428 192)**	(754 030)
Dividend Reinvestment Plan	**–**	**147 517**	**147 517**	–
Cash outflow	**(174 512)**	**(106 163)**	**(280 675)**	(754 030)

The Group purchased the remaining 10% non-controlling interest in Legend during the year.

The Group was issued 3 958 732 shares in SG Fleet as part of a Dividend Reinvestment Plan. During the year a further 4 366 928 shares were purchased in SG Fleet.

29.4 Net proceeds on decrease in existing shareholding in subsidiaries

	SG Fleet R'000	30 June 2018 R'000
Non-controlling interest	**125 018**	131 768
Effect of transactions between equity partners on equity	**44 642**	(3 589)
	169 660	128 179
Non-current receivable	**–**	(105 000)
Dividend Reinvestment Plan	**(166 388)**	(20 588)
Cash inflow	**3 272**	2 591

During the year share options in SG Fleet were issued and exercised as well as stock issued as part of a Dividend Reinvestment Plan. The Group's closing shareholding is 59.2%

30. Interest-bearing and FML borrowings roll forward

	Interest-bearing borrowings total R'000	FML total R'000	Total R'000
30 June 2019			
Balance at beginning of year	**5 353 810**	**851 395**	**6 205 205**
Debt raised	**4 040 958**	**703 269**	**4 744 227**
Interest accrued	**5 069**	**–**	**5 069**
Debt repaid	**(3 647 830)**	**(676 381)**	**(4 324 211)**
Acquisition of business (Refer to note 29)	**8 356**	**–**	**8 356**
Translation adjustment	**(18 521)**	**(622)**	**(19 143)**
Balance at end of year	**5 741 842**	**877 661**	**6 619 503**
30 June 2018			
Balance at beginning of year	4 823 663	1 009 198	5 832 861
Debt raised	1 163 138	342 157	1 505 295
Interest accrued	1 302	–	1 302
Debt repaid	(776 230)	(526 396)	(1 302 626)
Acquisition of business (Refer to note 29)	1 901	–	1 901
Translation adjustment	140 036	26 436	166 472
Balance at end of year	5 353 810	851 395	6 205 205

	30 June 2019 R'000	30 June 2018 R'000
31. Capital expenditure commitments and rental commitments		
31.1 Capital expenditure commitments		
Full maintenance lease assets		
Contracted	**182 490**	81 657
Authorised by directors but not yet contracted	**1 153 314**	325 055
Total authorised by directors	**1 335 804**	406 712
Property, plant and equipment		
Land, buildings and leasehold improvements		
Contracted	**–**	25 986
Authorised by directors but not yet contracted	**212 815**	119 745
Other assets		
Contracted	**15 610**	21 044
Authorised by directors but not yet contracted	**1 082 066**	938 857
Total authorised by directors	**1 310 491**	1 105 632
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.		
31.2 Operating rental commitments		
Property	**2 442 155**	1 624 097
– less than one year	**399 408**	309 283
– between one and five years	**1 102 363**	698 578
– thereafter	**940 384**	616 236
Rental and transport fleet	**61 093**	470 894
– less than one year	**29 035**	86 161
– between one and five years	**32 058**	295 448
– thereafter	**–**	89 285
Other	**13 961**	60 229
– less than one year	**6 759**	13 323
– between one and five years	**7 202**	38 260
– thereafter	**–**	8 646
Total rental commitments	**2 517 209**	2 155 220
– less than one year	**435 202**	408 767
– between one and five years	**1 141 623**	1 032 286
– thereafter	**940 384**	714 167

Operating rental agreements have been negotiated at market-related terms and rates with numerous suppliers.

32. 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.

33. Subsequent events

Super Group Holdings Proprietary Limited acquired 65% interest in Lieben Logistics Proprietary Limited (Lieben Logistics) and 51% interest in GLS Supply Chain Equipment Proprietary Limited (GLS) on 1 July 2019. The purchase price for Lieben Logistics was R498.8 million and the purchase price of GLS was R96.3 million. These acquisitions will form part of the Supply Chain Africa Segment.

inTime Service GmbH acquired 80% interest in TLT on 5 July 2019 for R184.3 million. This acquisition will form part of the Supply Chain Europe segment.

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 the report, which will require disclosure in these results.

34. Related parties

Identity of related parties

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

"Key management personnel" has been defined as the executive and non-executive directors (Refer note 39). 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 investees

Rental paid to equity-accounted investees during the 2019 year amounted to R11 256 000 (2018: R10 327 000).

Transactions with key management personnel

Interest in share capital of Super Group Limited
Directors and associates of the Company and their immediate relatives control 0.05% (2018: 0.04%) of the voting shares of the Company. Further details of the directors' interests in the shares of the Company are disclosed in note 39 and in the Analysis of shareholders' and bondholders' report on pages 105 to 108. Subsequent to 30 June 2019 and before the date of this report, an executive director of the Company acquired 18 000 of the voting shares of the Company.

Directors' remuneration
Disclosure of directors' emoluments are included in note 39.

Share options and incentive grants
Directors participate in the Group's share option and incentive programmes. Detailed disclosure is provided in note 39.

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 performed on an arm's length basis.

With the exception of Fluxmans Attorneys no directors have material interests in any transaction with the Company or its subsidiaries (Refer note 39).

Other transactions with key management personnel
Super Group Limited and its subsidiaries have directly or indirectly entered into a limited number of immaterial transactions with key management 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.

The Group encourages its employees and key management to purchase goods and services from Group companies (refer to pages 103 and 104 for the list of subsidiaries). These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's length basis 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 105 to 106 of the Annual Financial Statements.

35. 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. 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 2019 R'000	30 June 2018 R'000
Contributions to defined contribution funds	**169 707**	154 598

36. Financial risk management and financial instruments

36.1 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.

36.2 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 full maintenance lease borrowings. Long-term financing is arranged centrally by the Group treasury division.

36.3 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. The Group does not have a defined share buyback plan and any transaction is determined as being in the interest of ordinary shareholders. The transactions are approved by the Board.

36. Financial risk management and financial instruments (continued)

36.4 Capital structure and ratios

	30 June 2019 R'000	30 June 2018 R'000
Salient features		
Total equity	**12 613 018**	11 377 125
SG Fleet borrowings	**1 265 861**	1 379 547
Full maintenance lease borrowings	**877 661**	851 395
Asset-based finance	**1 530 673**	995 590
Property borrowings	**509 423**	1 095 707
Corporate bond	**1 959 681**	206 647
Acquisition borrowings – Allen Ford and EAG	**221 348**	495 077
Acquisition borrowings – inTime and Ader	**–**	874 461
Revolving credit facility and other	**254 856**	306 781
Cash and cash equivalents	**(3 577 172)**	(3 351 270)
Net debt	**3 042 331**	2 853 935
EBITDA before capital items	**3 763 842**	3 508 508
EBITDA	**3 695 564**	3 470 058
Total net gearing (%) (Net debt/Total equity)	**24.1**	25.1
Net interest cover (EBITDA/Net interest) (times)	**11.1**	10.4
Net debt to EBITDA before capital items cover (times)	**0.8**	0.8
Net debt to EBITDA excluding SG Fleet (times)[1]	**0.97**	0.93
Capital adequacy ratio excluding SG Fleet (%)[2]	**31.1**	29.4
Net interest cover ratio excluding SG Fleet (times)[3]	**9.7**	8.8

1 *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.*

2 *Capital adequacy ratio is defined as the tangible net asset value of the Group as a percentage of tangible asset value of the Group. Deferred tax assets and liabilities for the purpose of this ratio are viewed as intangible items. In accordance with certain borrowing facilities, the Group has to maintain a minimum of 18%.*

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.*

36.5 Credit risk

Credit risk relates to potential exposure in respect of cash and cash equivalents, other non-current assets, FEC assets, finance lease receivables, trade receivables, sundry 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 2019 and 30 June 2018.

36. Financial risk management and financial instruments (continued)

36.5 Credit risk (continued)

	30 June 2019 R'000	30 June 2018 R'000
The maximum exposure to credit risk at the reporting date was:		
Non-current portion of finance lease receivable	**–**	482
Other non-current assets	**157 472**	205 877
Trade receivables – net of allowance for credit losses	**3 813 236**	3 710 572
Sundry receivables (excluding prepayments, lease straight-line debtors, finance lease receivables, and VAT receivables)	**1 380 514**	1 018 623
Short-term portion of finance lease receivable	**475**	160
Cash and cash equivalents	**3 577 172**	3 351 270
	8 928 869	8 286 984
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
South Africa	**2 362 849**	1 998 572
Australia	**542 117**	641 860
United Kingdom	**416 399**	408 563
Europe	**560 288**	743 751
Zimbabwe	**887**	23 595
Other Africa	**23 076**	27 133
Mauritius and other	**–**	11 751
	3 905 616	3 855 225
Gross debtors by trade debtor type		
Wholesale and retail debtors	**501 487**	628 254
End user trade debtors	**1 073 793**	991 084
Contract debtors	**2 330 336**	2 235 887
	3 905 616	3 855 225
Impairment allowance of trade receivables and sundry receivables		
The movement in the impairment allowance for trade and sundry receivables was as follows. The comparative amounts for 2018 represent the impairment allowance under IAS 39.		
Balance at 30 June 2018 under IAS 39	**144 653**	131 911
Adjustment on initial application of IFRS 9	**8 777**	–
Balance at 1 July 2018 under IFRS 9	**153 430**	131 911
Movement in impairment allowance	**(26 465)**	7 813
Acquisition of businesses	**–**	315
Translation adjustment	**1 153**	4 614
Balance at end of year	**128 118**	144 653
Allocated to:		
Trade receivables	**92 380**	144 653
Agency debtors	**765**	–
Trade finance debtors[1]	**34 973**	–

[1] *In the current year the provision for doubtful debts that relates to trade finance debtors has been disclosed on the sundry debtors line. In the prior year the provision for doubtful debts that relates to trade finance debtors was disclosed in trade receivables.*

36. Financial risk management and financial instruments (continued)

36.5 Credit risk (continued)

30 June 2019

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
1 – 30 days	**2 693 252**	**1 837 722**	**855 530**	**7 699**	**0.29%**
31 – 60 days	**756 938**	**295 773**	**461 165**	**4 771**	**0.63%**
61 – 90 days	**158 550**	**42 542**	**116 008**	**2 373**	**1.50%**
91 – 120 days	**61 317**	**9 455**	**51 862**	**4 666**	**7.61%**
>120 days	**235 559**	**33 320**	**202 239**	**72 871**	**30.94%**
	3 905 616	**2 218 812**	**1 686 804**	**92 380**	

Agency debtors

	Gross carrying amount R'000	Not past due R'000	Past due R'000	Loss allowance[2] R'000	Weighted average loss rate
1 – 30 days	**969 161**	**553 025**	**416 136**	**765**	**0.08%**
31 – 60 days	**415**	**415**	**–**	**–**	**0.00%**
91 – 120 days	**19**	**–**	**19**	**–**	**0.00%**
>120 days	**295**	**–**	**295**	**–**	**0.00%**
	969 890	**553 440**	**416 450**	**765**	

[2] *The expected credit loss of R765 000 has been included in the impairment allowance of trade receivables.*

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
1 – 30 days	**51 529**	**41 637**	**9 892**	**6 772**	**13.14%**
31 – 60 days	**35 348**	**30 045**	**5 303**	**3 630**	**10.27%**
61 – 90 days	**60 577**	**57 258**	**3 319**	**2 272**	**3.75%**
91 – 120 days	**14 501**	**10 698**	**3 803**	**2 604**	**17.96%**
>120 days	**30 355**	**2 047**	**28 308**	**19 695**	**64.88%**
	192 310	**141 685**	**50 625**	**34 973**	

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.

Gross debtors	**30 June 2018 R'000**
Not past due	3 035 350
Not past due – due to renegotiation	26 646
Past due – and not impaired	648 576
Past due – and impaired	144 653
	3 855 225

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

36. Financial risk management and financial instruments (continued)

36.5 Credit risk (continued)

Agency debtor
In the prior year, other receivables included a receivable of R708 774 000 in respect of contracts between Group businesses and its clients. Certain businesses act as agents in these dealings. The agency receivables include the net receivable outstanding in respect of services rendered and inventory in the warehouse and in transit. These receivables were not considered past due, or impaired. The geographic region for these contract debtors is predominantly South Africa.

Not past due
Debtors that were not past due were considered to be recoverable as there was no indication of the deterioration of the credit quality of these debtors requiring an impairment allowance.

Not past due – due to renegotiation
Debtors who had renegotiated an extension of the contracted due date of payments were considered recoverable, as there was no indication of the deterioration of the credit quality of these debtors requiring an impairment allowance.

Past due – and not impaired
A debtor was past due when the counterparty had failed to make payment when contractually due and was based on appropriate rules and assumptions per business and product type. An impairment loss was recognised only if there was objective evidence that collection of the amount was doubtful. There had not been significant change in the credit quality of the underlying debtors and the amounts were considered recoverable.

The Group was exposed from time to time to one or more significant receivables, which fell into the category "Past due – and not impaired" as a result of the receivable moving out of its arranged trading terms.

The aging of the past due – not impaired debtors were:

	30 June 2018 R'000
Less than 60 days	363 236
Between 60 and 90 days	96 659
Between 90 and 120 days	88 159
Greater than 120 days	100 522
	648 576

Past due – and impaired
A receivable was considered to be impaired when the debtor had failed to make payment when contractually due and there had been a significant change in the credit quality of the underlying debtor.

36. Financial risk management and financial instruments (continued)

36.6 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.

The following disclosure is based on the contractual maturities of the specific financial liabilities, including estimated interest payments[1] 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 2019							
Non-derivative financial liabilities							
Secured asset-based borrowings	**1 530 673**	**369 143**	**343 800**	**471 819**	**435 336**	**51 107**	**1 671 205**
Secured property borrowings	**509 423**	**29 334**	**25 394**	**460 050**	**42 084**	**–**	**556 862**
Acquisition borrowings	**221 348**	**48 131**	**47 248**	**96 341**	**84 362**	**–**	**276 082**
SG Fleet borrowings	**1 265 861**	**22 176**	**48 467**	**44 352**	**1 306 103**	**–**	**1 421 098**
Corporate bond	**1 959 681**	**289 065**	**76 829**	**152 826**	**2 108 348**	**–**	**2 627 068**
Revolving credit facility	**254 856**	**11 458**	**11 375**	**22 688**	**261 375**	**–**	**306 896**
Full maintenance lease borrowings – South Africa	**447 204**	**240 970**	**28 271**	**116 153**	**66 275**	**–**	**451 669**
Full maintenance lease borrowings – SG Fleet	**430 457**	**129 456**	**127 438**	**121 385**	**67 122**	**–**	**445 401**
Trade and other payables[2]	**8 992 136**	**8 533 272**	**481 483**	**–**	**–**	**–**	**9 014 755**
	15 611 639	**9 673 005**	**1 190 305**	**1 485 614**	**4 371 005**	**51 107**	**16 771 036**
Derivative financial liabilities							
NCI put option	**36 852**	**–**	**–**	**39 785**	**–**	**–**	**39 785**
FEC liabilities	**733**	**733**	**–**	**–**	**–**	**–**	**733**
Interest rate swaps	**32 172**	**32 172**	**–**	**–**	**–**	**–**	**32 172**
	69 757	**32 905**	**–**	**39 785**	**–**	**–**	**72 690**

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

[2] *Trade and other payables excludes FEC's, VAT payables, deferred income, straight-line lease creditors, interest rate swaps and amounts payable to South African Revenue Services (SARS) for customs and excise responsibilities.*

36. Financial risk management and financial instruments (continued)

36.6 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	Total contractual cash flows R'000
30 June 2018						
Non-derivative financial liabilities						
Secured asset-based borrowings	995 590	239 212	189 736	375 352	328 104	1 132 404
Secured property borrowings	1 095 707	44 400	44 066	440 907	733 233	1 262 606
Acquisition borrowings	1 369 538	119 028	127 314	250 290	1 005 248	1 501 880
SG Fleet borrowings	1 379 547	187 378	158 780	1 137 785	–	1 483 943
Corporate bond	206 647	9 429	9 340	212 303	–	231 072
Revolving credit facility	252 426	252 426	–	–	–	252 426
Full maintenance lease borrowings – South Africa and Kenya	303 931	39 775	52 497	223 981	15 917	332 170
Full maintenance lease borrowings – SG Fleet	547 464	137 195	148 343	186 331	96 972	568 841
Trade and other payables[2]	8 741 944	8 675 050	185 147	–	–	8 860 197
	14 892 794	9 703 893	915 223	2 826 949	2 179 474	15 625 539
Derivative financial liabilities						
NCI put options and deferred contingent purchase consideration	239 900	–	–	111 001	145 721	256 722
FEC liabilities	2 447	2 447	–	–	–	2 447
Interest rate swaps	14 425	14 425	–	–	–	14 425
Cross currency interest rate swap	54 355	469	467	939	56 221	58 096
	311 127	17 341	467	111 940	201 942	331 690

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

[2] *Trade and other payables excludes FEC's, VAT payables, deferred income, straight-line lease creditors, interest rate swaps and amounts payable to South African Revenue Services (SARS) 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

36. Financial risk management and financial instruments (continued)

36.7 Market risk

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

36.7.1 Foreign currency risk

Exchange rates to South African rand	30 June 2019 Average rate	30 June 2019 Closing rate	30 June 2018 Average rate	30 June 2018 Closing rate
Australian Dollar	**10.14**	**9.89**	9.93	10.16
Euro	**16.18**	**16.03**	15.31	16.03
Pound Sterling	**18.35**	**17.89**	17.30	18.11
US Dollar	**14.18**	**14.09**	12.85	13.72

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	US dollar and other R'000	Total R'000
30 June 2019						
Financial assets						
Other non-current financial assets	**151 583**	**2 374**	**–**	**2 881**	**634**	**157 472**
Trade and other receivables[1]	**3 458 603**	**540 801**	**387 602**	**578 894**	**227 850**	**5 193 750**
Current portion of finance lease receivables	**–**	**–**	**475**	**–**	**–**	**475**
Cash and cash equivalents	**1 619 674**	**974 081**	**367 040**	**401 629**	**214 748**	**3 577 172**
Financial liabilities						
Interest-bearing borrowings	**4 113 005**	**1 015 414**	**613 423**	**–**	**–**	**5 741 842**
Full maintenance lease borrowings	**447 204**	**45 628**	**292 528**	**–**	**92 301**	**877 661**
Non-controlling interest put option	**–**	**–**	**–**	**36 852**	**–**	**36 852**
Trade and other payables[2]	**4 072 231**	**1 130 839**	**3 321 150**	**426 090**	**74 731**	**9 025 041**

	Rand R'000	Australian dollar R'000	Pound Sterling R'000	Euro R'000	US dollar and other R'000	Total R'000
30 June 2018						
Financial assets						
Non-current portion of finance lease receivables	–	–	482	–	–	482
Other non-current financial assets	198 945	–	–	2 824	4 108	205 877
Trade and other receivables[1]	2 834 489	620 325	399 150	746 042	129 189	4 729 195
Current portion of finance lease receivables	–	–	160	–	–	160
Cash and cash equivalents	1 176 866	962 035	729 280	247 931	235 158	3 351 270
Financial liabilities						
Interest-bearing borrowings	2 022 634	1 102 826	1 353 889	874 461	–	5 353 810
Full maintenance lease borrowings	268 726	43 567	403 852	–	135 250	851 395
Non-controlling interest put options	36 130	–	–	141 282	–	177 412
Trade and other payables[2]	3 539 956	1 429 699	3 209 312	542 599	99 738	8 821 304

[1] *Trade and other receivables exclude prepayments, straight-line lease debtors, VAT receivables and finance lease receivables.*
[2] *Trade and other payables exclude VAT payables, deferred income and straight-line lease creditors.*

36. Financial risk management and financial instruments (continued)

36.7 Market risk (continued)

36.7.1 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[3] R'000	Profit/(loss) before tax R'000
30 June 2019		
Australian Dollar	**(125 947)**	**(81 675)**
Pound Sterling	**(143 741)**	**(26 321)**
Euro	**(163 656)**	**201**
US Dollar and other	**(74 950)**	**(5 547)**
30 June 2018		
Australian Dollar	(109 595)	(90 978)
Pound Sterling	(117 046)	(19 967)
Euro	(150 932)	(10 852)
US Dollar and other	(53 993)	(4 556)

[3] *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 carried out 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.

36.7.2 Interest rate risk

Exposure to interest rate risk on debt and investments is monitored by management. The Group borrows principally in Rand, Pound Sterling 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 full maintenance lease liabilities, the Group generally enters into back-to-back agreements with creditworthy customers. Consequently, the interest rate risk on these liabilities is largely mitigated.

36. Financial risk management and financial instruments (continued)

36.7 Market risk (continued)

36.7.2 Interest rate risk (continued)

	30 June 2019 R'000	30 June 2018 R'000
At reporting date the interest rate profile of the Group's interest-bearing financial instruments was:		
Fixed rate instruments		
Financial assets	**105 000**	105 000
Financial liabilities	**(1 650 690)**	(1 883 444)
	(1 545 690)	(1 778 444)
Non-interest-bearing instruments		
Financial assets	**253 287**	188 357
Financial liabilities	**(1 435 832)**	(1 479 449)
	(1 182 545)	(1 291 092)
Variable rate instruments		
Financial assets	**3 787 456**	3 574 281
Financial liabilities	**(6 856 404)**	(6 222 369)
	(3 068 948)	(2 648 088)
Variable rate instruments bearing interest when overdue		
Financial assets	**4 783 126**	4 419 346
Financial liabilities	**(5 738 470)**	(5 618 659)
	(955 344)	(1 199 313)
Sensitivity analysis		
A 100 basis point increase in the interest rate would have increased/(decreased) equity and profit or loss by the amounts shown below.		
The analysis assumes that all other variables, in particular currency, remain constant. The analysis is performed as follows:		
Fixed rate instruments		
Profit before tax effect 100 basis point increase	**–**	–
Equity effect 100 basis point increase	**–**	–
Non-interest-bearing instruments		
Profit before tax effect 100 basis point increase	**–**	–
Equity effect 100 basis point increase	**–**	–
Variable rate instruments		
Loss before tax effect 100 basis point increase	**(28 585)**	(29 669)
Equity effect 100 basis point increase	**(20 581)**	(21 362)
Variable rate instruments bearing interest when overdue		
Loss before tax effect 100 basis point increase	**(10 773)**	(10 429)
Equity effect 100 basis point increase	**(7 757)**	(7 509)

Interest rate swaps

SG Fleet

The Group has entered into interest rate swap contracts with notional/principal value as at 30 June 2019 of R1 085 094 000 (AUD109 703 000) (2018: R898 445 000 (AUD88 407 000)). The interest rate swap contract hedges the Group's risk against an increase in variable interest rate. However, hedge accounting is not applied. The contracts mature in 2019 – 2020 financial year. Weighted average fixed rate is 1.99% (2018: 3.19%).

36. Financial risk management and financial instruments (continued)

36.7 Market risk (continued)

36.7.2 Interest rate risk (continued)

Super Group Limited

The Company entered into the following cross currency interest swaps:

SWAP 1 – GBP3 000 000 interest payable at three-month LIBOR plus 113 bps and interest receivable at three-month JIBAR plus 100 bps. Interest payments occur quarterly and matures on 28 June 2022.

SWAP 2 – GBP11 500 000 interest payable at three-month LIBOR plus 190 bps and interest receivable at three-month JIBAR plus 175 bps. Interest payments occur quarterly and matures on 3 April 2024.

SWAP 3 – EUR41 000 000 interest payable at three-month EURIBOR plus 145 bps and interest receivable at three-month JIBAR plus 170 bps. Interest payments occur quarterly and matures on 25 June 2024.

SWAP 4 – EUR11 200 000 interest payable at three-month EURIBOR plus 162 bps and interest receivable at three-month JIBAR plus 170 bps. Interest payments occur quarterly and matures on 25 June 2024.

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

	Amount owing 30 June 2019 R'000	Amount receivable 30 June 2019 R'000	Fair value 30 June 2019 R'000
SWAP 1	**53 676**	**54 276**	**(947)**
SWAP 2	**207 098**	**218 194**	**10 310**
SWAP 3	**657 172**	**666 385**	**12 095**
SWAP 4	**179 525**	**183 117**	**4 171**
	1 097 471	**1 121 972**	**25 629**

36.8 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.

36.9 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 were 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.

The carrying value of financial instruments approximates the fair value of the financial instruments as at 30 June 2019.

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.

36. Financial risk management and financial instruments (continued)

36.9 Fair value of financial instruments (continued)

(ii) Short-term borrowings

The carrying amount approximates fair value because of the short yield to maturity of these 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 are 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

The Group entered into contracts whereby Rands were swapped for Pounds Sterling and Euros requiring the Group to pay interest linked to LIBOR and EURIBOR and receive interest linked to JIBAR. The foreign currency liability is measured at fair value through profit and loss using available market currency rates. The cross currency swap contract valuations are categorised as a level 2 fair value.

37. Share-based payments

Equity-settled share option schemes

The Group currently has three share incentive schemes namely Share Appreciation Right Scheme (SARS), the Broad-Based Black Economic Empowerment (B-BBEE) Scheme and the SG Fleet Share Option Plan.

Share Appreciation Rights Scheme (SARS)

The underlying principle of the scheme is to provide direct linkage between the interests of the shareholders and the efforts of the executives or managers. The Share Appreciation Rights 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.

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

Expected option life (calculated by reference to specific allocation)	2.17 – 2.85 years
Risk-free interest rate (determined by reference to vesting date)	6.3% – 9.0%
Share volatility (determined by reference to vesting date)	23.0% – 25.3%
Dividend yield	–

37. Share-based payments (continued)

	SARS options 30 June 2019	SARS options 30 June 2018
Movement in number of options		
Balance at beginning of year	**15 105 132**	17 472 568
Options granted	**5 790 000**	4 992 000
Options exercised	**(2 002 455)**	(5 419 979)
Options forfeited	**(1 091 388)**	(1 939 457)
Balance at end of year	**17 801 289**	15 105 132
Vesting year of option granted		
Already vested	**3 911 289**	1 116 784
Conditional on confirmation of performance	**3 535 000**	5 568 348
Within year one	**4 670 000**	3 640 000
Within year two	**5 685 000**	4 780 000
	17 801 289	15 105 132
Exercise price of options		
R32.76	**400 000**	–
R35.37	**5 285 000**	–
R38.64	**4 670 000**	4 780 000
R40.20	**3 535 000**	3 640 000
R38.93	**250 000**	250 000
R31.85	**3 661 289**	5 318 348
R31.13	**–**	1 116 784
	17 801 289	15 105 132

	30 June 2019 Rand	30 June 2018 Rand
Weighted average share price of options exercised	**37.92**	40.69
Weighted average exercise price of options forfeited	**33.68**	33.15

	30 June 2019 R'000	30 June 2018 R'000
Share-based payment expense (SARS only)	**30 333**	27 711

Broad-Based Black Economic Empowerment (B-BBEE) Scheme

The Group implemented a B-BBEE scheme on 1 October 2012. An initial allocation of participation rights was made in relation to the B-BBEE scheme in South Africa. In implementing the scheme the Group has disposed of 20.04% interest in Super Group Holdings Proprietary Limited (SGH) to SG Tsogo (RF) Proprietary Limited (SGTS) in return for the issue of SGTS shares to the Group. On 1 October 2012, SGTS had issued additional shares to the SG Tsogo Empowerment Trust (the Trust) which resulted in the Trust holding 51.0%(2018: 51.0%) of the total issued share capital of SGTS. The Group holds 49.0% (2018: 49.0%) of the total issued share capital of SGTS. SGTS meets the definition of a black owned company in terms of the B-BBEE Act and codes. SGTS holds 20.04% of the shareholding in SGH through means of B Class ordinary shares issued by SGH. The B Class shares have the same rights and privileges as those attached to the ordinary shares issued by SGH, but for the fact that the B Class shares are entitled to a discretionary preferential dividend annually. At the end of the vesting period a determined number of SGTS shares will be repurchased by SGTS at R0.0001 per share. The remaining SGTS shares will be distributed by the trustees of the Trust to the employees in terms of their vesting rights. Subsequently, the remaining shares will be exchanged by the employees for Group shares.

The shares are 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 is added to the option costs, as a traditional share option does not receive distributions. Staff retention rates are a key assumption and have been modelled based on historical experience.

37. Share-based payments (continued)

The participants of the scheme are full time black employees of the SGH Group (excluding certain subsidiaries). The employees are not required to pay any consideration to the Trust for the allocation. The number of shares that vest to an employee is determined with reference to length of service with the SGH Group and the points allocated to him, which will increase as the years of service in the SGH Group increases.

The weighted average share price during the year to June 2019 was R35.80 (2018:R38.98)

The following assumptions have been 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%
Number of participants on share scheme	4 042

	30 June 2019 R'000	30 June 2018 R'000
Share-based payment expense (B-BBEE scheme only)	**10 500**	8 150

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)	4.82 – 5.81 years
Expected volatility	36.0%
Dividend yield	4.6%
Risk-free interest rate	1.88% – 2.03%
Number of options outstanding at year end	1 735 598

	30 June 2019	30 June 2018
Movement in number of options		
Balance at beginning of year	**2 044 995**	8 086 046
Options granted	**–**	1 857 990
Options exercised	**(309 397)**	(7 899 041)
Balance at end of year	**1 735 598**	2 044 995
Expiring year of option granted		
Already vested	**–**	187 005
Within year three	**596 826**	–
Within year four	**1 138 772**	638 913
Within year five	**–**	1 219 077
	1 735 598	2 044 995
Exercise price of options		
AUD 1.85	**–**	187 005
AUD 3.66	**1 735 598**	1 857 990
	1 735 598	2 044 995

37. Share-based payments (continued)

Performance options

SG Fleet grants performance rights to certain employees, these rights are subject to a service and performance condition. The performance condition is based on 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	0.84 – 2.82 years
Share price at grant date	AUD 3.29 – AUD 4.19
Exercise price	AUD 0,00
Dividend yield	4.1% – 5.2%

Vesting date	Performance options	Fair value at grant date AUD
22 August 2019	229 485	AUD 3,00
22 August 2019	48 998	AUD 3.88
18 August 2020	101 927	AUD 3.70
01 July 2019	160 047	AUD 3.50
Total unvested performance rights – 30 June 2019	540 457	

None of the performance rights outstanding as at 30 June 2019 are vested and exercisable. The weighted average remaining contractual life of performance rights outstanding at 30 June 2019 was 17 months (2018: 15 months).

	30 June 2019 R'000	30 June 2018 R'000
Share-based payment expense (SG Fleet)	**5 303**	12 005

38. 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.

Goodwill and indefinite useful life intangible assets 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;
- Discount rates; and
- Royalty rates.

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.

38. Critical accounting estimates, judgments and key assumptions (continued)

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables using the ECL model and when their collectability is considered to be doubtful based on objective evidence that a loss event has occurred. 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 full maintenance vehicles

The residual values are considered significant for certain classes of property, plant and equipment (e.g. motor vehicles) and full maintenance lease 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 full maintenance lease 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.

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 taking 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.

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, tax rates and competitive forces.

Revenue recognition

The timing of the completion of the performance obligation of contracts can be subject to judgment and assumptions. Refer to the accounting policies in note 1 for details regarding the timing of the various performance obligations.

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.

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 provision 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 ongoing 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.

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.

38. Critical accounting estimates, judgments and key assumptions (continued)

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.

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 recognised contingent consideration which resulted from business combinations at fair value at acquisition date. At acquisition date, the contingent consideration meets the definition of a financial asset/liability and is subsequently re-measured at each reporting date. Management exercises judgment in the determination of the discount rate and the probability of performance targets being met.

Onerous contracts

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 its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

39. 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 5% to 20%) 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 salary which is reviewed annually by Remco. Salaries are compared to pay levels of other 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 amongst 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 2019 and 30 June 2018.

Year ended 30 June 2019	Basic remuneration[1] R	Subsidiary directors' fees[2] R	Retirement contributions R	Other material benefits[3] R	Total excluding performance R	Performance bonus R	Total R
P Mountford	**5 511 608**	**1 191 707**	**349 999**	**437 041**	**7 490 355**	**8 176 188**	**15 666 543**
C Brown	**3 244 404**	**–**	**349 999**	**157 733**	**3 752 136**	**3 619 000**	**7 371 136**
Total	**8 756 012**	**1 191 707**	**699 998**	**594 774**	**11 242 491**	**11 795 188**	**23 037 679**

1. *Remuneration comprises gross salary.*
2. *For services as a director of SG Fleet, amounting to AUD117 502.*
3. *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.*

Year ended 30 June 2018	Basic remuneration[1] R	Subsidiary directors' fees[2] R	Retirement contributions R	Other material benefits[3] R	Total excluding performance R	Performance bonus R	Total R
P Mountford	5 201 446	1 166 855	349 999	348 555	7 066 855	6 820 000	13 886 855
C Brown	3 070 444	–	349 999	127 556	3 547 999	3 000 000	6 547 999
Total	**8 271 890**	**1 166 855**	**699 998**	**476 111**	**10 614 854**	**9 820 000**	**20 434 854**

1. *Remuneration comprises gross salary.*
2. *For services as a director of SG Fleet, amounting to AUD117 502.*
3. *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.*

39. Directors' remuneration (continued)

Non-executive directors' fees

Non-executive directors generally receive fixed fees for service on 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.

	Fixed directors' fees including allowances R	Meeting attendance fees R	Year ended 30 June 2019 (excl VAT) R	Year ended 30 June 2018 (excl. VAT) R
P Vallet[1] – South Africa	**729 167**	**405 000**	**1 134 167**	965 000
E Banda[2]	**387 500**	**170 000**	**557 500**	566 667
D Cathrall[3]	**33 333**	**20 000**	**53 333**	–
V Chitalu	**387 500**	**165 000**	**552 500**	531 667
O Mabandla[4]	**325 833**	**100 000**	**425 833**	–
J Newbury	**387 500**	**240 000**	**627 500**	626 667
D Rose	**387 500**	**400 000**	**787 500**	781 667
M Cassim	**387 500**	**210 000**	**597 500**	591 667
Total	**3 025 833**	**1 710 000**	**4 735 833**	4 063 335

1. *Billed by Fluxmans Inc. P Vallet's full-time employer.*
2. *E Banda resigned effective 30 June 2019.*
3. *D Cathrall was appointed effective 1 June 2019.*
4. *O Mbandla was appointed effective 1 September 2018.*

Directors' service contracts

Peter Mountford, the CEO, has a written letter of appointment which endures indefinitely and is subject to termination on one month's notice. Colin Brown, the CFO, 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 staff 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 staff in proportion to their contribution to the business as reflected by their seniority and the Company'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. Certain 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.

39. Directors' remuneration (continued)

Analysis of directors' share option entitlements as at 30 June 2019

Executive directors' options	Allocation date	Strike price R	Balance at 01/07/2018	Awarded	Exercised	Exercise date	Exercise price R	Balance at 30/06/2019	Share-based payment expenses R'000
Peter Mountford	19/08/2014	31.13	300 000	–	(300 000)	12/06/19	34.25	–	
	26/08/2015	31.85	1 071 370	–	–			1 071 370	
	31/08/2016	40.20	850 000	–	–			850 000	
	30/08/2017	38.64	1 200 000	–	–			1 200 000	
	28/08/2018	35.37	–	1 200 000	–			1 200 000	
Total			**3 421 370**	**1 200 000**	**(300 000)**			**4 321 370**	**8 015**
Colin Brown	26/08/2015	31.85	749 959	–	–			749 959	
	31/08/2016	40.20	500 000	–	–			500 000	
	30/08/2017	38.64	650 000	–	–			650 000	
	28/08/2018	35.37	–	650 000	–			650 000	
Total			**1 899 959**	**650 000**				**2 549 959**	**4 467**
Total directors' options			**5 321 329**	**1 850 000**	**(300 000)**			**6 871 329**	**12 482**

Analysis of directors' share option entitlements as at 30 June 2018

Executive directors' options	Allocation date	Strike price R	Balance at 01/07/2017	Awarded	Exercised	Exercise date	Exercise price R	Balance at 30/06/2018	Share-based payment expenses R'000
Peter Mountford	26/08/2013	22.33	584 546	–	(584 546)	28 /08/2017	39.83	–	
	19/08/2014	31.13	1 087 020	–	(215 454)	28/08/2017	39.83	300 000	
					(300 000)	01/09/2017	40.68		
					(271 566)	22/09/2017	43.35		
	26/08/2015	31.85	1 071 370	–				1 071 370	
	31/08/2016	40.20	850 000	–				850 000	
	30/08/2017	38.64	–	1 200 000				1 200 000	
Total			**3 592 936**	**1 200 000**	**(1 371 566)**			**3 421 370**	**6 173**
Colin Brown	19/08/2014	31.13	760 914	–	(760 914)	29/08/2017	40.02	–	
	26/08/2015	31.85	749 959	–	–			749 959	
	31/08/2016	40.20	500 000	–	–			500 000	
	30/08/2017	38.64	–	650 000	–			650 000	
Total			**2 010 873**	**650 000**	**(760 914)**			**1 899 959**	**3 627**
Total directors' options			**5 603 809**	**1 850 000**	**(2 132 480)**			**5 321 329**	**9 800**

39. Directors' remuneration (continued)

Directors' share option benefits as at 30 June

	2019 Share option gains after tax R'000	2018 Share option gains after tax R'000
Executive directors		
P Mountford	**515**	10 058
C Brown	**–**	3 720
Total	**515**	13 778

Beneficial and non-beneficial shareholding

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.

	Number of shares held			
	30 June 2019		30 June 2018	
	Direct	Indirect	Direct	Indirect
Beneficial				
J Newbury	**27 500**	**–**	–	–
P Mountford	**35 000**	**–**	–	–
Total	**62 500**	**–**	–	–

There are no associate interests for the above directors and also no non-beneficial shareholdings.

The only change between 30 June 2019 and the date of this report is that Mr Peter Mountford purchased 18 000 shares for a total consideration of R501 843.53 between 28 and 29 August 2019.

Interest of directors in contracts

Fluxmans Attorneys, a director-related entity, was appointed to assist Super Group with corporate law advisory services in respect of various transactions and several other corporate and labour matters. During the year, the Group paid Fluxmans Attorneys R6.2 million (2018: R3.9 million) for general legal services of which approximately 29.4% (2018: 36.1%) is in respect of disbursements paid by Fluxmans on behalf of Super Group.

The directors have certified that they were not materially interested 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 aforegoing since 30 June 2019 and the date of approval of these financial statements.

Operating segments

	Super Group		Supply Chain Africa		Supply Chain Europe	
	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000
Revenue	**37 861 772**	35 662 856	**11 290 502**	9 484 107	**2 866 810**	3 103 273
South Africa	**19 616 594**	18 911 963				
United Kingdom	**10 767 147**	10 496 610				
Australia	**3 927 992**	2 519 712				
Europe	**2 866 810**	3 103 273				
Africa and other	**683 229**	631 298				
Depreciation and amortisation (excluding amortisation of PPA intangibles)	**(920 970)**	(857 232)	**(426 136)**	(377 065)	**(19 428)**	(15 920)
Net operating expenditure – excluding capital items	**(34 097 930)**	(32 154 348)	**(9 852 963)**	(8 417 545)	**(2 723 463)**	(2 871 095)
Operating expenditure – capital items	**(68 278)**	(38 450)	**(12 362)**	(7 838)	**86**	(1 500)
EBITA	**2 774 594**	2 612 826	**999 041**	681 659	**124 005**	214 758
Amortisation of PPA intangibles	**(168 969)**	(177 316)	**(19 824)**	(27 041)	**(84 825)**	(80 279)
Operating profit	**2 605 625**	2 435 510	**979 217**	654 618	**39 180**	134 479
Net finance charges	**(346 513)**	(330 469)	**(90 648)**	(46 973)	**(45 240)**	(49 561)
Profit before tax	**2 259 112**	2 105 041	**888 569**	607 645	**(6 060)**	84 918
Net capex	**1 765 370**	1 310 128	**1 148 250**	732 116	**29 995**	24 779
South Africa	**1 453 137**	963 578				
United Kingdom	**48 085**	99 213				
Australia	**103 273**	104 383				
Europe	**29 995**	24 779				
Africa and other	**130 880**	118 175				

	Super Group		Supply Chain Africa		Supply Chain Europe	
	As at 30 June 2019 R'000	As at 30 June 2018 R'000	As at 30 June 2019 R'000	As at 30 June 2018 R'000	As at 30 June 2019 R'000	As at 30 June 2018 R'000
ASSETS						
Non-current assets						
Property, plant and equipment	**6 077 255**	5 152 668	**3 164 107**	2 383 179	**65 023**	61 663
Investment property	**164 200**	151 000	**–**	–	**–**	–
Full maintenance lease assets	**1 551 641**	1 563 248	**–**	–	**–**	–
Intangible assets	**1 149 735**	1 327 523	**50 223**	42 563	**492 642**	570 556
Goodwill	**7 305 094**	7 434 221	**617 481**	641 129	**1 863 242**	1 863 242
Investments and other non-current assets	**209 194**	271 805	**55 326**	74 771	**2 881**	2 824
Current assets						
Inventories	**4 488 869**	4 179 607	**401 498**	317 570	**952**	670
Trade receivables	**3 813 236**	3 710 572	**1 886 747**	1 492 215	**557 854**	736 715
Sundry receivables	**1 931 015**	1 382 149	**1 176 291**	884 938	**33 070**	20 785
Intercompany trade receivables	**–**	–	**7 083**	9 286	**–**	–
SEGMENT ASSETS	**26 690 239**	25 172 793	**7 358 756**	5 845 651	**3 015 664**	3 256 455
South Africa	**12 430 320**	10 680 233				
United Kingdom	**5 725 378**	6 036 848				
Australia	**4 638 149**	4 367 390				
Europe	**3 015 664**	3 256 455				
Africa and other	**880 728**	831 867				
LIABILITIES						
Non-current liabilities						
Long-term borrowings	**5 128 504**	4 822 964	**913 391**	636 413	**–**	874 271
Non-controlling interest put options and other liabilities	**101 196**	317 466	**6 197**	46 629	**36 852**	141 282
Fund reserves	**457 499**	497 876	**–**	–	**–**	–
Long-term provisions	**61 951**	65 496	**–**	–	**3 682**	3 241
Current liabilities						
Short-term borrowings	**1 490 999**	1 382 241	**617 282**	359 176	**–**	323
Trade and other payables and provisions	**9 850 391**	9 449 135	**2 158 998**	1 686 860	**534 820**	599 418
Intercompany trade payables	**–**	–	**45 153**	36 825	**–**	–
SEGMENT LIABILITIES	**17 090 540**	16 535 178	**3 741 021**	2 765 903	**575 354**	1 618 535
South Africa	**8 859 335**	6 222 846				
United Kingdom	**4 599 203**	5 135 796				
Australia	**2 840 425**	3 261 504				
Europe	**575 354**	1 618 535				
Africa and other	**216 223**	296 497				
Net operating assets	**15 839 716**	14 582 054	**5 038 451**	4 005 439	**2 474 283**	2 650 972

	Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services	
	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000	Year ended 30 June 2019 R'000	Year ended 30 June 2018 R'000
	698 087	621 300	**5 153 016**	3 163 135	**8 134 059**	9 356 603	**9 704 591**	9 925 263	**14 707**	9 175
	(194 197)	(183 791)	**(213 521)**	(219 513)	**(19 875)**	(19 613)	**(25 530)**	(21 953)	**(22 283)**	(19 377)
	(386 113)	(320 512)	**(3 910 284)**	(1 869 896)	**(7 794 685)**	(9 005 212)	**(9 403 933)**	(9 652 411)	**(26 489)**	(17 677)
	–	–	**(58 671)**	(139)	**(8 999)**	(9 157)	**–**	(18 427)	**11 668**	(1 389)
	117 777	116 997	**970 540**	1 073 587	**310 500**	322 621	**275 128**	232 472	**(22 397)**	(29 268)
	–	–	**(58 815)**	(64 806)	**–**	–	**(5 505)**	(5 190)	**–**	–
	117 777	116 997	**911 725**	1 008 781	**310 500**	322 621	**269 623**	227 282	**(22 397)**	(29 268)
	9 528	(8 851)	**(79 442)**	(85 227)	**(87 871)**	(91 617)	**(95 062)**	(94 420)	**42 222**	46 180
	127 305	108 146	**832 283**	923 554	**222 629**	231 004	**174 561**	132 862	**19 825**	16 912
	264 748	133 775	**155 991**	222 933	**72 303**	155 643	**41 176**	14 627	**52 907**	26 255

	Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
	As at 30 June 2019 R'000	As at 30 June 2018 R'000	As at 30 June 2019 R'000	As at 30 June 2018 R'000	As at 30 June 2019 R'000	As at 30 June 2018 R'000	As at 30 June 2019 R'000	As at 30 June 2018 R'000	As at 30 June 2019 R'000	As at 30 June 2018 R'000
	978	901	**40 536**	40 369	**962 804**	841 114	**1 015 987**	1 013 424	**827 820**	812 018
	–	–	**–**	–	**–**	–	**–**	–	**164 200**	151 000
	985 281	913 768	**566 360**	649 480	**–**	–	**–**	–	**–**	–
	–	–	**548 103**	657 738	**142**	199	**43 381**	49 366	**15 244**	7 101
	87 822	87 822	**3 411 231**	3 497 805	**536 918**	545 823	**788 400**	798 400	**–**	–
	–	–	**2 374**	–	**–**	–	**–**	–	**148 613**	194 210
	–	–	**100 202**	95 663	**1 341 685**	1 285 379	**2 644 532**	2 480 325	**–**	–
	197 835	179 121	**721 038**	778 572	**201 823**	241 401	**231 863**	269 244	**16 076**	13 304
	3 122	9 427	**98 609**	123 110	**24 045**	49 180	**323 335**	114 562	**272 543**	180 147
	27 499	30	**–**	–	**1 287**	1 762	**–**	–	**(35 869)**	(11 078)
	1 302 537	1 191 069	**5 488 453**	5 842 737	**3 068 704**	2 964 858	**5 047 498**	4 725 321	**1 408 627**	1 346 702
	154 935	242 150	**1 420 335**	1 361 610	**–**	200 000	**274 842**	885 163	**2 365 001**	623 357
	–	–	**18 093**	16 001	**23 953**	31 755	**–**	–	**16 101**	81 799
	51 838	44 066	**405 661**	453 810	**–**	–	**–**	–	**–**	–
	–	–	**58 269**	62 255	**–**	–	**–**	–	**–**	–
	292 268	61 780	**275 984**	565 402	**–**	–	**88 134**	137 649	**217 331**	257 911
	119 900	110 361	**1 586 578**	1 921 065	**1 843 563**	1 828 966	**3 452 110**	3 146 600	**154 422**	155 865
	743	1 299	**–**	–	**46**	7 784	**–**	–	**(45 942)**	(45 908)
	619 684	459 656	**3 764 920**	4 380 143	**1 867 562**	2 068 505	**3 815 086**	4 169 412	**2 706 913**	1 073 024
	1 130 182	1 035 491	**3 419 394**	3 389 454	**1 201 142**	1 096 354	**1 595 389**	1 578 721	**980 875**	825 623

Separate statement of financial position – Super Group Limited

as at 30 June 2019

	Note	30 June 2019 R'000	30 June 2018 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	1	**4 221 646**	4 071 635
Long term receivables	2	**8 675**	62 951
Deferred tax asset	3	**4 243**	6 699
		4 234 564	4 141 285
Current assets			
Amounts owing by subsidiaries	1	**3 672 538**	1 933 170
Trade and other receivables	4	**37 979**	217
Cash and cash equivalents		**5 620**	140 967
		3 716 137	2 074 354
Total assets		**7 950 701**	6 215 639
EQUITY AND LIABILITIES			
Capital and reserves attributable to the equity holders	5	**5 964 469**	5 932 179
Non-current liability			
Interest-bearing borrowings	6	**1 750 000**	258 355
Current liabilities			
Interest-bearing borrowings	6	**209 681**	2 647
Trade and other payables		**8 027**	4 808
Income tax payable		**1 793**	2 530
Provisions	7	**16 731**	15 120
		236 232	25 105
Total equity and liabilities		**7 950 701**	6 215 639

Separate statement of comprehensive income – Super Group Limited

for the year ended 30 June 2019

	Note	30 June 2019 R'000	30 June 2018 R'000
Corporate management and guarantees fees from subsidiaries		**45 474**	40 116
Recovery of share options exercised from subsidiaries		**936**	25 052
Dividends received from subsidiaries		**3 691**	5 497
Net operating expenditure	8	**(69 283)**	(53 858)
Finance costs	9	**(61 084)**	(19 075)
Investment income	9	**88 831**	37 637
Profit before income tax		**8 565**	35 369
Income tax expense	10	**(1 871)**	(11 512)
Profit for the year		**6 694**	23 857
Total comprehensive income for the year		**6 694**	23 857

Separate statement of cash flows – Super Group Limited

for the year ended 30 June 2019

	Note	30 June 2019 R'000	30 June 2018 R'000
Cash flows from operating activities			
Cash (utilised)/generated by operations	11	**(14 939)**	13 193
Investment income		**63 202**	37 637
Finance costs paid		**(61 084)**	(19 310)
Income tax paid	12	**(4 810)**	(8 162)
Net cash (outflow)/inflow from operating activities		**(17 631)**	23 358
Cash flows from investing activities			
Additional investment in an existing subsidiary		**(122 114)**	(326 069)
Amounts advanced to subsidiaries		**(1 748 557)**	(53 883)
Loan repaid/(granted)		**54 276**	(54 276)
Net cash outflow from investing activities		**(1 816 395)**	(434 228)
Cash flows from financing activities			
Share issues net of expenses		**–**	497 150
Corporate bond raised		**1 698 679**	–
Cross-currency interest rate swap raised		**–**	54 355
Net cash inflow from financing activities		**1 698 679**	551 505
Net (decrease)/increase in cash and cash equivalents		**(135 347)**	140 635
Cash and cash equivalents at beginning of year		**140 967**	332
Cash and cash equivalents at end of year		**5 620**	140 967

Separate statement of changes in equity – Super Group Limited

for the year ended 30 June 2019

	Stated share capital R'000	Retained earnings R'000	General reserve R'000	Capital redemption reserve fund R'000	Total equity R'000
Balance at 30 June 2017	3 256 491	1 908 298	278 519	5 486	5 448 794
Total comprehensive income					
Profit for the year	–	23 857	–	–	23 857
Transactions with shareholders recognised directly in equity					
Share-based payment reserve movement[1]	–	35 861	–	–	35 861
Bookbuild shares issued for cash[2]	500 000	–	–	–	500 000
Share issue expenses – bookbuild	(2 850)	–	–	–	(2 850)
Options exercised	–	(71 763)	–	–	(71 763)
Movement on deferred tax on unexercised options	–	(1 720)	–	–	(1 720)
Balance at 30 June 2018	**3 753 641**	**1 894 533**	**278 519**	**5 486**	**5 932 179**
Total comprehensive income					
Profit for the year	**–**	**6 694**	**–**	**–**	**6 694**
Transactions with shareholders recognised directly in equity					
Share-based payment reserve movement[1]	**–**	**40 833**	**–**	**–**	**40 833**
Options exercised	**–**	**(10 579)**	**–**	**–**	**(10 579)**
Movement on deferred tax on unexercised options	**–**	**(4 658)**	**–**	**–**	**(4 658)**
Balance at 30 June 2019	**3 753 641**	**1 926 823**	**278 519**	**5 486**	**5 964 469**

[1] *Included in the share-based payment reserve movement is an amount of R28 351 000 (2018: R26 061 000) which was capitalised to investment in subsidiaries.*
[2] *A bookbuild is an offer of shares to selected investors of the Company.*

Separate notes to the financial statements – Super Group Limited

1. Investment in and amounts owing by subsidiaries

	Investment in subsidiaries R'000	Amounts owing by subsidiaries (interest free) R'000	Amounts owing by subsidiaries (interest bearing) R'000
30 June 2019			
Cost	**4 221 646**	**1 679 678**	**1 992 860**
30 June 2018			
Cost	4 075 385	1 672 169	261 001
Accumulated impairment recognised	(3 750)	–	–
	4 071 635	1 672 169	261 001

Fleet Distributions Proprietary Limited was deregistered in March 2019.

The amounts owing by subsidiaries are unsecured and repayable on demand. The interest bearing amounts bear interest at:

- R895 111 000 bears interest at 3 month JIBAR plus 145 basis points, 3 month JIBAR plus 175 basis points, 3 month JIBAR plus 200 basis points, 3 month JIBAR plus 225 basis points and 3 month JIBAR plus 230 basis points (2018: R206 644 000 at 3 month JIBAR plus 225 basis points and 3 month JIBAR plus 230 basis points)
- R260 792 000 bears interest at 3 month LIBOR plus 150 basis points and 3 month LIBOR plus 192 basis points (2018: R54 357 000 at 3 month LIBOR plus 150 basis points)
- R836 957 000 at 300 basis points (2018: Rnil)

2. Long term receivables

	30 June 2019 R'000	30 June 2018 R'000
Loan to Investec Bank Limited	**–**	54 276
Loan to SG Tsogo Trust	**8 675**	8 675
	8 675	62 951

The loan to SG Tsogo Trust bears interest at 7.5% annually.

3. Deferred tax asset

Balance at beginning of year	**6 699**	9 833
Current year profit or loss charge	**2 202**	(1 414)
Amount charged directly to equity	**(4 658)**	(1 720)
Balance at end of year	**4 243**	6 699
Analysis of closing balances at end of year		
Deferred tax resulting from share-based payment reserve	**530**	1 955
Working capital and provisions	**3 713**	4 744
	4 243	6 699

4. Trade and other receivables

VAT receivable	**3 149**	–
Deposits	**8 178**	–
Interest rate swaps	**26 576**	–
Sundry receivables	**76**	217
	37 979	217

	30 June 2019 R'000	30 June 2018 R'000
5. Capital and reserves attributable to equity holders		
Stated share capital	**3 753 641**	3 753 641
Retained earnings	**1 926 823**	1 894 533
General reserves	**278 519**	278 519
Capital redemption reserve fund	**5 486**	5 486
	5 964 469	5 932 179
Ordinary share capital		
Authorised		
700 000 000 (2018: 700 000 000) ordinary shares with no par value		
54 857 377 (2018: 54 857 377) redeemable preference shares with no par value		
Issued		
371 507 794 (2018: 371 507 794) ordinary shares of no par value	**3 753 641**	3 753 641

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 to the Company's shares that are held by the Group as treasury shares, all rights are suspended until those shares are reissued.

	30 June 2019 R'000	30 June 2018 R'000
6. Interest-bearing borrowings		
Corporate Bond	**1 959 681**	206 647
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 230 basis points (2018: three-month JIBAR plus 230 basis points). Interest is payable quarterly. This liability matures on 9 September 2019.	**50 269**	50 253
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 225 basis points (2018: three-month JIBAR plus 225 basis points). Interest is payable quarterly. This liability matures on 31 October 2019.	**156 461**	156 394
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 200 basis points. Interest is payable quarterly. This liability matures on 27 September 2023.	**450 116**	–
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 175 basis points. Interest is payable quarterly. This liability matures on 15 March 2024.	**300 774**	–
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 145 basis points. Interest is payable quarterly. This liability matures on 18 June 2022.	**375 759**	–
The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 165 basis points. Interest is payable quarterly. This liability matures on 18 June 2024.	**626 302**	–
Cross-currency interest rate swap		
The cross-currency interest rate swap has a principal of £3 000 000, is unsecured and bears interest at 3 month LIBOR plus 113bps. Interest payments occur quarterly. The liability matures on 28 June 2022	**–**	54 355
	1 959 681	261 002
Short term portion reflected under current liabilities	**(209 681)**	(2 647)
	1 750 000	258 355
Repayment terms		
Year one	**209 681**	2 647
Year two to five	**1 750 000**	258 355
	1 959 681	261 002
Currency analysis		
Rand	**1 959 681**	206 647
Pound Sterling	**–**	54 355
	1 959 681	261 002

Separate notes to the financial statements – Super Group Limited (continued)

	30 June 2019 R'000	30 June 2018 R'000
7. Provisions		
Employee-related provisions		
Balance at beginning of year	**15 120**	4 900
Increase in and additional provisions	**13 406**	20 020
Payments against provisions	**(11 795)**	(9 800)
Balance at end of year	**16 731**	15 120

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

	30 June 2019 R'000	30 June 2018 R'000
8. Net operating expenditure		
Net operating expenditure includes:		
Audit fees	**(690)**	(610)
Directors' emoluments[1]		
Executive directors' emoluments	**(23 038)**	(20 435)
– Basic remuneration	**(8 756)**	(8 272)
– Performance bonus	**(11 795)**	(9 820)
– Other benefits	**(1 787)**	(1 643)
– Employer contributions to defined contribution funds	**(700)**	(700)
Executive directors fees paid by subsidiary	**1 192**	1 167
Non-executive directors – for services as directors	**(4 736)**	(4 063)
– Chairman's fees	**(729)**	(700)
– Directors' fees	**(4 007)**	(3 363)
Share-based payment expense	**(12 482)**	(9 800)
Loss on sale of subsidiary[2]	**–**	(2 623)

[1] *Refer to directors remuneration report on pages 88 to 91 for further detail.*

[2] *In the prior year Emerald Insurance Company Limited was sold for R1.*

	30 June 2019 R'000	30 June 2018 R'000
9. (Finance costs)/investment income		
Finance costs	**(61 084)**	(19 075)
– Corporate Bond	**(61 040)**	(19 075)
– Other	**(44)**	–
Investment income	**88 831**	37 637
– Interest received from subsidiaries	**28 091**	22 043
– Interest rate swaps	**25 629**	–
– Interest received from banks	**35 111**	15 546
– Other interest received	**–**	48
	27 747	18 562

	30 June 2019 R'000	30 June 2018 R'000
10. Income tax expense		
Income tax comprises:		
South African normal tax		
– Current tax	**4 375**	9 854
– Prior year current tax	**(302)**	244
– Deferred tax	**(2 202)**	1 414
	1 871	11 512
Reconciliation of income tax expense:	**%**	**%**
The reconciliation of the rate of tax is based on profit before tax		
Statutory tax rate	**28.0**	28.0
Non-deductible expenses – Penalties and interest	**0.1**	–
Non-deductible expenses – Legal and consulting fees	**1.9**	1.1
Non-deductible expenses – Listed company expenses	**0.4**	0.1
CFC calculation	**16.6**	4.9
Non taxable income – Dividends received	**(12.1)**	(4.3)
Capital nature income	**(9.2)**	2.1
Prior year (over)/under provision	**(3.5)**	0.7
Other	**(0.4)**	–
Effective tax rate	**21.8**	32.6

	30 June 2019 R'000	30 June 2018 R'000
11. Cash (utilised)/generated by operations		
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	**8 565**	35 369
Finance costs	**61 084**	19 075
Investment income	**(88 831)**	(37 637)
	(19 182)	16 807
Adjustments for:		
Share-based payment expense	**12 482**	9 800
Loss on sale of subsidiary	**–**	2 623
Increase in provisions	**1 611**	10 220
Options exercised	**(936)**	(25 052)
Operating cash (outflow)/inflow	**(6 025)**	14 398
Working capital changes	**(8 914)**	(1 205)
– Increase in trade and other receivables	**(11 186)**	(180)
– Increase/(decrease) in trade and other payables	**2 272**	(1 025)
	(14 939)	13 193
12. Income tax paid		
Balance at beginning of year	**(2 530)**	(594)
Current year profit or loss charge	**(4 073)**	(10 098)
Balance at end of year	**1 793**	2 530
	(4 810)	(8 162)

Separate notes to the financial statements – Super Group Limited (continued)

13. Related parties

Subsidiary companies

Related party transactions occur between the Company and its subsidiaries. The Company has entered into borrowing transactions at 0% interest. These borrowings are seen as equity transactions with its subsidiaries.

The Company received corporate management and guarantee fees of R45 474 000 (2018: R40 116 000), recovered costs of share options exercised of R936 000 (2018: R25 052 000) and interest income of R28 091 000 (2018: R22 043 000) from subsidiaries during the year under review.

Dividends of R3 691 000 (2018: R3 597 000) were received from SG Tsogo Proprietary Limited and Rnil (2018: R1 900 000) from Emerald Insurance Company Limited.

Refer to pages 88 to 91 for directors remuneration.

The Company has issued guarantees on behalf of subsidiary companies (Refer note 14). Refer to pages 103 to 104 for detailed disclosure of investments in and amounts owing by subsidiaries.

14. Contingent liabilities and other commitments

The Company, by the nature of its activities, will be involved in litigation from time to time to protect its business interests. No significant legal matters were pending at year-end.

The Company has issued guarantees of R910 000 000 (2018: R570 000 000) to financial institutions in respect of the continuing payment obligations of its South African full maintenance lease borrowings.

The Company has issued limited guarantees to a total of R2 079 146 000 (2018: R2 502 951 000) to financial institutions in respect of vehicle floor plan financing.

The Company has issued guarantees amounting to R2 415 176 000 (2018: R3 240 464 000) to financial institutions in respect of asset-based borrowings.

The Company has issued a limited guarantee of R400 468 000 (2018: R394 961 000) to a financial institution in respect of its Mauritian subsidiaries and operations.

The Company has issued a guarantee of R345 529 000 (2018: R807 971 000) to a financial institution in respect of the acquisition funding of Allen Ford (UK) Limited, Bestodeck Limited and Essex Auto Group Limited.

The Company has issued guarantees amounting to R650 000 000 (2018: R515 000 000) to financial institutions in respect of the revolving credit facilities.

The Company has issued guarantees and suretyships to various landlords for rental obligations related to properties including properties previously sold under sale and leaseback agreements.

15. Financial risk management and financial instruments

Risk profile

In the course of the Company's business operations it is exposed to liquidity, credit and market risk, which includes foreign currency and interest rate risk. The risk management policy of the Company relating to each of these risks is discussed under the headings below.

Credit risk

Credit risk relates to potential exposure on cash and cash equivalents and trade and other receivables including derivative instruments. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. The carrying amount of financial assets represents the maximum credit exposure.

	30 June 2019 R'000	30 June 2018 R'000
Amounts owing by subsidiaries	**3 672 538**	1 933 170
Long term receivable	**8 675**	62 951
Trade and other receivables (excluding VAT)	**34 830**	217
Cash and cash equivalents	**5 620**	140 967
	3 721 663	2 137 305

The carrying amounts of the assets disclosed above approximates the fair value.

15. Financial risk management and financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To manage this risk, the Company manages its working capital, capital expenditure and cash flow and annually assesses 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 Company policy. The Company continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments 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	Total payments R'000
30 June 2019						
Non-derivative financial liabilities						
Financial liabilities at amortised cost						
Interest-bearing borrowings	**1 959 681**	**289 065**	**76 829**	**152 826**	**2 108 348**	**2 627 068**
Trade and other payables (excluding VAT and Interest rate swaps)	**7 080**	**7 080**	**–**	**–**	**–**	**7 080**
	1 966 761	**296 145**	**76 829**	**152 826**	**2 108 348**	**2 634 148**
Derivative financial liabilities						
Interest rate swaps	**947**	**947**	**–**	**–**	**–**	**947**
30 June 2018						
Non-derivative financial liabilities						
Financial liabilities at amortised cost						
Interest-bearing borrowings	**261 002**	**9 899**	**9 807**	**213 242**	**56 221**	**289 169**
Trade and other payables (excluding VAT)	**4 541**	**4 541**	**–**	**–**	**–**	**4 541**
	265 543	**14 440**	**9 807**	**213 242**	**56 221**	**293 710**

Interest rate risk

Exposure to interest rate risk on debt and investments is monitored by management. The Company borrows principally in rand at 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.

	30 June 2019 R'000	30 June 2018 R'000
At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:		
Fixed rate instruments at 0%		
Financial assets	**1 696 607**	1 681 061
Financial liabilities	**(7 080)**	(4 541)
	1 689 527	1 676 520
Variable rate instruments		
Financial assets	**2 025 056**	456 244
Financial liabilities	**(1 960 628)**	(261 002)
	64 428	195 242
A 100 basis points increase in interest rates at year end would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.		
Equity	**935**	1 274
Profit or loss	**935**	1 274

Separate notes to the financial statements – Super Group Limited (continued)

15. Financial risk management and financial instruments (continued)

Interest rate swaps

The Company entered into the following cross currency interest swaps:

SWAP 1 – GBP3,000,000 interest payable at 3 month LIBOR plus 113 bps and interest receivable at 3 month JIBAR plus 100 bps. Interest payments occur quarterly and matures on 28 June 2022.

SWAP 2 – GBP11,500,000 interest payable at 3 month LIBOR plus 190 bps and interest receivable at 3 month JIBAR plus 175 bps. Interest payments occur quarterly and matures on 3 April 2024.

SWAP 3 – EUR41,000,000 interest payable at 3 month EURIBOR plus 145 bps and interest receivable at 3 month JIBAR plus 170 bps. Interest payments occur quarterly and matures on 25 June 2024.

SWAP 4 – EUR11,200,000 interest payable at 3 month EURIBOR plus 162 bps and interest receivable at 3 month JIBAR plus 170 bps. Interest payments occur quarterly and matures on 25 June 2024.

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

	Amount owing 30 June 2019 R'000	Amount receivable 30 June 2019 R'000	Fair value 30 June 2019 R'000
SWAP 1	**53 676**	**54 276**	**(947)**
SWAP 2	**207 098**	**218 194**	**10 310**
SWAP 3	**657 172**	**666 385**	**12 095**
SWAP 4	**179 525**	**183 117**	**4 171**
	1 097 471	**1 121 972**	**25 629**

16. Events subsequent to 30 June 2019

The directors are not aware of any matter or circumstance arising subsequent to the statement of financial position date up to the date of this report, which will require adjustment to or disclosure in these financial statements.

17. Significant shareholders

Distribution of shareholders that hold greater than 5% of the issued share capital as at 28 June 2019:

Distribution of Shareholders	Number of Shareholdings	Number of Shares	% of total shareholdings	% of issued Capital
Collective Investment Schemes	**194**	**126 832 874**	**2.89%**	**34.14%**
Retirement Benefit Funds	**251**	**110 881 274**	**3.74%**	**29.85%**
Pooled and Mutual Funds	**188**	**67 698 895**	**2.80%**	**18.22%**

Investment in operating subsidiaries and equity-accounted investees

at 30 June 2019

Company	Super Group holding %		Issued[1] share capital Rand	Shares 2019 R'000	Shares 2018 R'000	Amounts owing by subsidiaries 2019 R'000	Amounts owing by subsidiaries 2018 R'000
ABF Legend Logistics Proprietary Limited	100	***	R1 320 000				
Bluefin Investments Limited and its subsidiaries (Mauritius)*	100		$270 411 482	**3 714 004**	3 591 890	**1 097 749**	54 357
Brands Inc Group Proprietary Limited	50.1	***	R1 000				
Cargoworks Proprietary Limited	80	***	R9 999 933				
Digistics Proprietary Limited	100	***	R449				
Fleet Africa Proprietary Limited	100	***	R1 000			**6 819**	6 819
Fleet Africa (Eastern Cape) Proprietary Limited	74.5	***	R1 000				
Great Wall Motors (SA) Proprietary Limited**	25.1	***	R100 000				
Lexshell 280 Investments Proprietary Limited	100	***	R100				
MDS Collivery Proprietary Limited	90	***	R100				
MDS Outsourcing Proprietary Limited	90	***	R100				
MDS Vehicle Management Systems Proprietary Limited	90	***	R100				
MDS Visapak Proprietary Limited	90	***	R100				
Messenger and Delivery Services Technologies Proprietary Limited	90	***	R200 000				
Micor Freight Proprietary Limited	100	***	R50 000				
Moditouch Proprietary Limited **	50	***	R5 177 120				
Phola Coaches Proprietary Limited	75	***	R800				
Rentrak Proprietary Limited	80	***	R1 276 184				
SG Agility Proprietary Limited **	55	***	R19 677 778				
SG Coal Proprietary Limited	85	***	R300			**272**	1 989
SG Kgolo Proprietary Limited	79	***	R100				
SG Tsogo Proprietary Limited	49		R5 111	**–**[#]	–[#]		
Super Group Africa Proprietary Limited	100	***	R1 180 000 010			**150**	461
Super Group Holdings Proprietary Limited	80		R426 151 001	**507 642**	479 745	**2 081 280**	1 844 388
Super Group Trading Proprietary Limited	100	***	R1 521 110 200			**486 268**	25 156
Thengashep Ghana Proprietary Limited	51	***	R100				
				4 221 646	4 071 635	**3 672 538**	1 933 170

[1] *Issued share capital comprises of ordinary and preference shares*
[#] *Less than R1000*
** *Investment relates to an equity accounted investee.*
*** *Investment in subsidiaries and equity-accounted investees are indirectly held.*

Investment in operating subsidiaries and equity-accounted investees (continued)

	Super Group holding %
***Significant operating subsidiaries of Bluefin Investment Limited**	
Allen Ford (UK) Limited (United Kingdom)	**100**
GDC Logistics Limited (Mauritius)	**100**
GDC Logistics Limited (Malawi)	**100**
GDC Logistics Limited (Zambia)	**100**
Interorg Limited (Mauritius)	**100**
Super Group Trading Limited (Mauritius)	**100**
SG International Holdings Limited (United Kingdom)	**100**
SG IN tIME Holdings GmbH (Europe)	**75**
Servicios Empre-saliares Ader, S.L. (Spain)	**66**
SG Fleet Group Limited (Australia)	**59.2**
SG Fleet Holdings Proprietary Limited (Australia)	**59.2**
Super Group Australia Proprietary Limited (Australia)	**59.2**
SG Fleet Proprietary Limited (Australia)	**59.2**
Fleet Hire Holdings Limited	**59.2**
Motiva Group Limited	**59.2**

The group maintains a register of all subsidiaries, available for inspection at the registered office of Super Group Limited.

Analysis of Ordinary Shareholders

as at 28 June 2019

	Number of Shareholder Accounts	% of Total Shareholder Accounts	Number of Shares	% of Issued Shares
Shareholder Spread				
1 – 1 000	3 498	52.15%	1 027 384	0.28%
1 001 – 10 000	2 285	34.06%	7 397 254	1.99%
10 001 – 100 000	599	8.93%	19 341 346	5.21%
100 001 – 1 000 000	266	3.97%	79 148 690	21.30%
Over 1 000 000	60	0.89%	264 593 120	71.22%
Total	**6 708**	**100.00%**	**371 507 794**	**100.00%**

	Number of Shareholder Accounts	% of Total Shareholder Accounts	Number of Shares	% of Issued Shares
Shareholder Types				
Banks, Brokers & Nominees	29	0.43%	2 332 519	0.63%
Close Corporations	57	0.85%	213 475	0.06%
Collective Investment Schemes	194	2.89%	126 832 874	34.14%
Control Accounts and Unclaimed Shares	7	0.11%	852	0.00%
Employee Share Plans	1	0.01%	8 677 759	2.33%
Hedge Funds	2	0.03%	550 654	0.15%
Insurance & Assurance Corporate Funds	18	0.27%	6 956 890	1.87%
Lending, Collateral & Pledged Accounts	18	0.27%	5 679 991	1.53%
Non-SA Custodians	32	0.48%	16 111 684	4.34%
Non-SA Organs of State & Public Funds	2	0.03%	69 557	0.02%
NPO & Charity Funds	36	0.54%	1 640 343	0.44%
Organs of State & Public Entities	17	0.25%	5 787 473	1.56%
Pooled & Mutual Funds	188	2.80%	67 698 895	18.22%
Private Companies	174	2.60%	2 364 991	0.64%
Retail Individuals	5 104	76.09%	11 864 279	3.19%
Retirement Benefit Funds	251	3.74%	110 881 274	29.85%
Transformation Investments	1	0.01%	56 688	0.01%
Treasury Holdings	1	0.01%	289 949	0.08%
Trusts & Investment Partnerships	576	8.59%	3 497 647	0.94%
Total	**6 708**	**100.00%**	**371 507 794**	**100.00%**

	Number of Shareholder Accounts	% of Total Shareholder Accounts	Number of Shares	% of Issued Shares
Key Shareholders				
Non-Public Shareholders	6	0.09%	9 139 200	2.46%
Employee Share Plans	1	0.01%	8 677 759	2.34%
Treasury Holdings	1	0.01%	289 949	0.08%
Directors and Associates	4	0.06%	171 492	0.05%
Public Shareholders	6 702	99.91%	362 368 594	97.54%
Total	**6 708**	**100.00%**	**371 507 794**	**100.00%**

Analysis of Ordinary Shareholders (continued)

as at 28 June 2019

	Number of Shares	% of Issued Shares
Beneficial Shareholders Holding > 3% of Issued Shares		
Allan Gray	59 614 653	16.05%
Government Employees Pension Fund	48 444 339	13.04%
PSG	29 130 146	7.84%
Old Mutual	21 686 626	5.84%
Alexander Forbes	16 938 149	4.56%
Dimensional Fund Advisors	15 744 475	4.24%
Vanguard Group	11 806 722	3.18%
Total	**203 365 110**	**54.75%**

	Number of Shares	% of Issued Shares
Fund Managers Holding > 3% of Issued Shares		
Allan Gray	102 256 456	27.52%
Public Investment Corporation	39 110 358	10.53%
PSG Asset Management	30 213 060	8.13%
Old Mutual Investments	23 766 832	6.40%
Prudential Investment Managers	20 160 100	5.43%
Dimensional Fund Advisors	18 441 715	4.96%
Vanguard Investment Management	11 872 864	3.20%
Total	**245 821 385**	**66.17%**

	Indicator
Share Price Performance	
Opening Price 02 July 2018	R35.84
Closing Price 28 June 2019	R32.89
Closing High for period (26 September 2018)	R40.87
Closing Low for period (26 June 2019)	R31.80
Number of shares in issue	371 507 794
Volume traded during period	166 943 844
Ratio of volume traded to shares issued	44.94%
Rand value traded during the period	R5 976 455 769
Earnings yield as at 28 June 2019	10.669
Price/Earnings Ratio as at 28 June 2019	9.370
Market capitalisation at 28 June 2019	R12 218 891 345

	Number of Shares	% of Issued Shares
Non-Public Shareholder Type		
Strategic Shareholders (>10%)	**–**	**0.00%**
Government Employees Pension Fund	35 443 815	9.54%
Employee Share Plans	**8 677 759**	**2.34%**
Super Group Share Incentive Scheme	8 677 759	2.34%
Treasury Holdings	**289 949**	**0.08%**
Super Group Trading (Pty) Ltd	289 949	0.08%
Directors and Associates	**171 492**	**0.05%**
Redford Nigel Stanley Mr	74 492	0.02%
Mountford Peter William Mr	35 000	0.01%
Smith Philip Alan Mr	34 500	0.01%
Newbury John Ernest Mr	27 500	0.01%
Non-Public Shareholder Totals	**9 139 200**	**2.46%**

Bondholders' analysis

	Number of Bondholder Accounts	% of Total Bondholder Accounts	Number of Bonds	% of Issued Bonds
Bondholder Spread	51	42.15%	21 780 000	1.11%
50 000 – 1 000 000 Bonds	70	57.85%	1 932 220 000	98.89%
1 000 001 Bonds and over				
Total	**121**	**100.00%**	**1 954 000 000**	**100.00%**

	Number of Bondholder Accounts	% of Total Bondholder Accounts	Number of Bonds	% of Issued Bonds
Bondholder Types				
Banks, Brokers & Nominees	7	5.79%	839 000 000	42.94%
Collective Investment Schemes	42	34.71%	541 070 000	27.69%
Insurance & Assurance Corporate Funds	6	4.96%	65 500 000	3.35%
Non-SA Organs of State & Public Funds	1	0.83%	200 000	0.01%
NPO & Charity Funds	7	5.78%	1 190 000	0.06%
Organs of State & Public Entities	2	1.65%	1 460 000	0.08%
Pooled & Mutual Funds	22	18.18%	397 870 000	20.36%
Retirement Benefit Funds	34	28.10%	107 710 000	5.51%
Total	**121**	**100.00%**	**1 954 000 000**	**100.00%**

	Number of Bondholder Accounts	% of Total Bondholder Accounts	Number of Bonds	% of Issued Bonds
Key Bondholders				
Non-Public Bondholders	24	19.83%	1 205 400 000	61.69%
Strategic Bondholders (>10%) - Momentum Metropolitan Holdings	14	11.57%	430 900 000	22.05%
Strategic Bondholders (>10%) - Nedbank Group	2	1.65%	391 000 000	20.01%
Strategic Bondholders (>10%) - Firstrand	8	6.61%	383 500 000	19.63%
Public Bondholders	97	80.17%	748 600 000	38.31%
Total	**121**	**100.00%**	**1 954 000 000**	**100.00%**

	Number of Bonds	% of Issued Bonds
Beneficial Bondholders Holding > 3% of Issued Bonds		
Momentum Metropolitan Holdings	430 900 000	22.05%
Nedbank Group	391 000 000	20.01%
Firstrand	383 500 000	19.63%
Standard Bank	138 000 000	7.06%
Absa Group	120 000 000	6.14%
Fairtree Capital	102 500 000	5.25%
Allan Gray	97 690 000	5.00%
Anchor Group	58 800 000	3.01%
Total	**1 722 390 000**	**88.15%**

Bondholders' analysis (continued)

	Number of Bonds	% of Issued Bonds
Fund Managers Holding > 3% of Issued Bonds		
Momentum Metropolitan Holdings	431 500 000	22.08%
Nedcor Capital	391 000 000	20.01%
RMB Capital Markets	305 000 000	15.61%
Standard Bank Capital Markets	138 000 000	7.06%
Allan Gray	121 400 000	6.21%
Absa Asset Management	120 000 000	6.14%
Fairtree	104 500 000	5.35%
Mergence Investment Managers	85 000 000	4.35%
Ashburton Investments	82 000 000	4.20%
Anchor Capital	71 200 000	3.64%
Total	**1 849 600 000**	**94.65%**

Number of bonds in issue	1 954 000 000
Number of bondholder accounts	121

Shareholders' diary

Notice of AGM posted to shareholders	27 September 2019
Annual Financial Statements published and available on website	25 October 2019
2019 Integrated Report published and available on website	25 October 2019
Annual General Meeting	26 November 2019
Interim results for the six months ending 31 December 2019	February 2020
Final results for the year ending 30 June 2020	August 2020

Corporate Information

Directors

Executive: P Mountford (Chief Executive Officer) and C Brown (Chief Financial Officer)
Non-executive: P Vallet* (Chairman of the Company), M Cassim*, D Cathrall*, V Chitalu*#, O Mabandla*, J Newbury* and D Rose*

**Independent #Zambian*

Group Company Secretary

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Registered office

27 Impala Road, Chislehurston, Sandton, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive, Sandown, Sandton, 2196

Auditors

KPMG Inc.
(Registration number 1999/021543/21)
KPMG Crescent, 85 Empire Road, Parktown, 2193

Attorneys

Fluxmans Inc.
(Registration number 2000/024775/21)

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