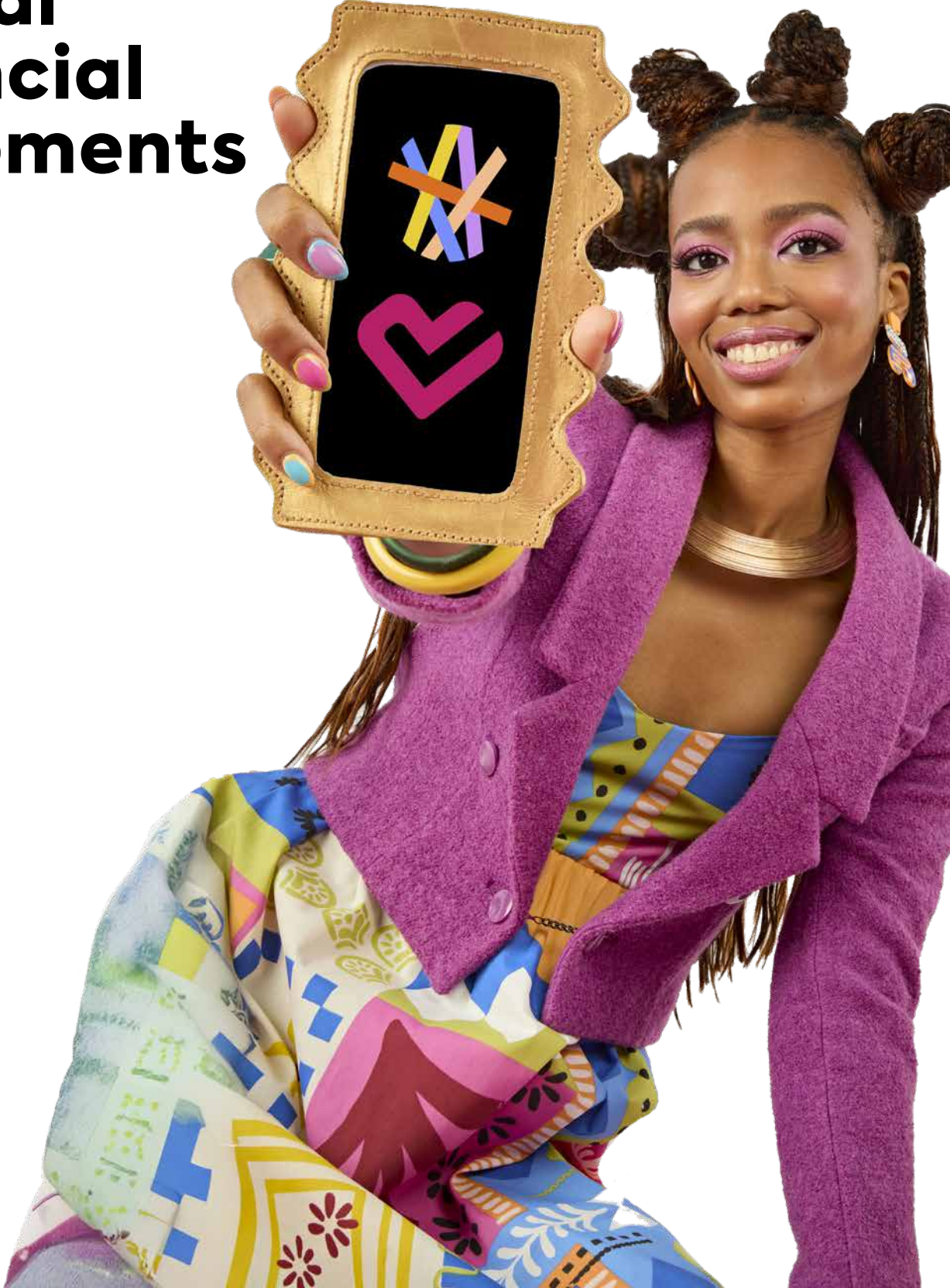




Annual Financial Statements 2024





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DIRECTORS' APPROVAL

Directors' responsibility for and approval of the group annual financial statements

The directors are required in terms of the Mauritian Companies Act 2001 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements are prepared in accordance with IFRS® Accounting Standards (IFRS®) as issued by the International Accounting Standards Board (IASB) which give a true and fair view of the state of affairs of the group and the parent company as at the 31 December 2024, the results of its operations and cash flows for the 12-month period then ended.

In preparing the financial statements the directors are also responsible for selecting and applying consistently suitable accounting policies; making accounting judgements and estimates that are reasonable in the circumstances; and ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business as a going concern.

The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

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 these responsibilities, 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. They are also responsible for safeguarding the assets of the group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 control 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 financial statements of HomeChoice International plc for the year ended 31 December 2024 are included in the annual financial statements report 2024, which is made available on the company's website at: www.homechoiceinternational.com.

The directors are responsible for the maintenance and integrity of the annual financial statements report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Mauritius.

The directors confirm that, to the best of their knowledge:

- the consolidated and separate financial statements give a true and fair view of the financial position of the group and the company as at 31 December 2024, and of the financial performance and the cash flows for the year then ended in accordance with IFRS®;
- the annual report includes a fair review of the development and performance of the business, the position of the group and the company, together with a description of the principal risks and uncertainties that the group and the company face;
- the group and the company have adequate resources to continue in operation for the foreseeable future and will therefore continue to prepare the annual financial statements on the going concern basis;
- the required solvency and liquidity tests have been satisfied for the purposes of declaring a final dividend; and
- no event, material on the going concern basis, has occurred between the financial year-end and the date of this report.

The external auditors are responsible for independently auditing and reporting on the group's and company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 10 to 15.

The financial statements set out on pages 16 to 96 which have been prepared on the going concern basis, were approved by the directors on 11 March 2025 and are signed on their behalf by:

S Wibberley
Chief Executive Officer

P Burnett
Chief Financial Officer

CEO'S AND CFO'S RESPONSIBILITY STATEMENT

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

- the annual financial statements set out on pages 16 to 96, fairly present in all material respects the financial position, financial performance and cash flows of HomeChoice International plc in terms of IFRS;
- to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to HomeChoice International plc and its consolidated subsidiaries have been provided to effectively prepare the financial statements of HomeChoice International plc;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

S Wibberley

Chief Executive Officer

P Burnett

Chief Financial Officer

AUDIT AND RISK COMMITTEE REPORT

The audit and risk committee (committee) is pleased to present its report for the 2024 financial year. This report has been prepared in accordance with the requirements of the Mauritian Companies Act 2001, King IV™ Code of Governance for South Africa (King IV™), the JSE Limited Listings Requirements, and International Financial Reporting Standards (IFRS®) Accounting Standards and other applicable regulatory requirements.

The committee provides independent oversight of the effectiveness of the group's external and internal assurance functions and services, internal financial controls and the system of internal controls. It assists the board in ensuring and monitoring the integrity of the group's annual financial statements and related external reports.

The audit and risk committee is governed by a board-approved charter that guides the committee in terms of its authority and objectives. The charter incorporates all the regulatory, statutory and compliance matters which the committee is required to address. This report provides details on the committee's composition and its processes which are considered as key enablers for the committee to fulfil its role. It also provides an overview of the way the committee carried out its various statutory and governance obligations during the year under review.

Committee composition and meetings

Meetings

The committee held four formal meetings during the year, and three ad-hoc meetings to approve the annual financial statements and the integrated annual report.

There is an established annual meeting plan agenda for the committee to ensure that it covers all the matters as required by the committee charter. The chairperson of the committee reports to the board after each committee meeting and attends the annual general meeting of shareholders to answer any questions that may arise concerning the activities of the committee.

The committee chairperson meets independently with the external and internal auditors prior to each committee meeting to discuss pertinent matters as necessary.

Committee composition and attendance

All members of the committee are independent non-executive directors and collectively have the necessary financial skills and experience to execute their duties effectively.

The composition of the audit and risk committee and members' attendance during FY2024 are set out in the table below:

Member	Formal meetings	Attendance	Ad-hoc meetings
Roderick Phillips (Chairperson) BCom, CA(SA)	4	100%	3
Marlisa Harris BBusSci (Hons), Dip Intl Tax, CA(SA)	4	100%	3
Pierre Joubert BCom, CA(SA)	4	100%	3

The board chairperson, group chief executive officer (CEO), group chief financial officer (CFO), divisional chief executive officers (CEOs), the internal auditors, external auditors, legal, compliance and information officers (CIOs) attend all committee meetings by invitation.

Appointment of committee members at annual general meeting

The board has recommended the appointment of Marlisa Harris, Pierre Joubert and Roderick Phillips as members of the audit and risk committee for FY2025. They are all independent non-executive directors and have the necessary financial literacy skills and experience to perform their duties effectively. The directors have made themselves available for re-election to the committee.

Key areas of activity during the year

During the year the committee dealt with the following:

- oversaw the group's risk management processes, identifying and reviewing the group's exposure to significant risks and its risk mitigation strategy;
- reviewed the interim reports and preliminary results announcements and recommended them to the board for approval;
- considered the JSE's report on the proactive monitoring of financial statements for compliance with IFRS Accounting Standards and ensured that appropriate action was taken;
- reviewed the group structure and confirmed it has had access to all financial information of the group;
- assessed and confirmed the appropriateness of management's assessment of the going concern and has recommended to the board that the group will be a going concern for the foreseeable future;
- considered the JSE requirement relating to the CEO and CFO sign-off on the effectiveness of the internal control environment responsibility statement for inclusion in the annual financial statements;
- reviewed the annual financial statements and any other financial information presented to shareholders, ensuring compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in accordance with the requirements of the Mauritian Companies Act 2001;
- received feedback from the CIOs on the information technology governance;
- considered and reviewed assurance on the adequacy and effectiveness of the group's systems of internal financial and operational control, and compliance with laws and procedures;
- reviewed updates with laws and regulations affecting the group and ensured the effectiveness of compliance therewith, including the company memorandum of incorporation (MOI) and the Mauritian Companies Act; and
- reviewed any material litigation in the group and the impact it may have on the group.

External audit

PricewaterhouseCoopers Mauritius (PwC) was appointed as the external auditors for HomeChoice International plc at the annual general meeting held in 2024.

During the year the committee:

- reviewed and approved the proposed audit plan, the terms of engagement and the audit fee;
- noted the materiality level used and the key audit matters considered by the external auditors in the conduct of their audit;
- discussed and considered the external auditor's opinion on the annual financial statements and considered any reports on risk exposure and weaknesses in internal controls;
- met with the external auditors without management being present;
- approved the percentage of any non-audit services, which was well below the 25% threshold;
- monitored the effectiveness of the external auditor in terms of their audit quality, expertise and independence, as well as the content and execution of the audit plan;
- received confirmation from PwC as to their internal governance processes that are in place to ensure independence and effectiveness; and
- considered the suitability and assessment of performance in line with the JSE Limited Listings Requirements.

Having considered all the related governance criteria and considering the performance of PwC in the year under review, a resolution will be tabled at the annual general meeting to be held in May 2025 to appoint PwC as the external auditors for the 2025 financial year.

Significant matters considered

Loan and trade receivables

The committee considers the carrying value of trade and loan receivables (note 3.3 on page 42) as a significant matter in the consolidated annual financial statements. This is aligned with the key audit matter of the external auditors (as reported on page 11).

The major risk relating to trade and loan receivables is the measurement of the expected credit loss (ECL) allowance, which is an area where judgement is required. The calculation of the ECL allowance requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

The committee has considered the key audit matter reported in the external audit report and, after discussions with management and the external auditors, is satisfied that the consolidated financial statements appropriately address the critical judgements and key estimates of the key audit matter.

Other

Other significant matters of focus included the valuation of inventory and the assessment of the goodwill on the purchase of PayJustNow Proprietary Limited and impairment testing

of the non-financial assets in the Retail business. They have been discussed with management and the external auditors. The committee is of the view that they are appropriately dealt with in the annual financial statements.

Internal financial controls and reporting procedures

The committee reviewed the written assessment performed by internal audit on the design, implementation and effectiveness of the group's internal financial controls and noted improvements during the financial year under review. Based on this, the committee believes the internal financial controls are adequate and effective, and form a sound basis for the preparation of reliable financial statements.

Internal audit

The committee has engaged Deloitte to provide the internal audit function to the group. The internal audit function provides assurance to the board on the adequacy and effectiveness of the group's internal controls and internal financial controls through assessments conducted throughout the year.

During the year the committee:

- reviewed and approved the annual internal audit coverage plan and charter;
- received confirmation from Deloitte that the internal audit team has conformed to the applicable ethics and independence principles;
- considered the internal audit reports on the group's systems of internal controls, including financial controls, governance and risk management;
- reviewed material issues raised by the internal audit processes and the adequacy of corrective action by management;
- met with the internal audit team independently of management; and
- assessed the performance of the internal audit function.

Expertise of the chief financial officer and finance function

The committee has considered the appropriateness of the expertise and experience of the CFO, Paul Burnett (CA)SA. The committee concluded that Paul possesses the appropriate expertise and experience to meet his responsibilities. He is supported by the collective expertise and experience of the group's finance function. Given that the group trades in multiple jurisdictions and the significant growth rate of the group, the committee is pleased that the resourcing and structure of the finance function has progressed during FY2024 with further enhancements to be made in FY2025.

Integrated annual report and King IV™

The integrated annual report is reviewed by the committee and recommended to the board for approval. The committee will in due course review the disclosures in the integrated annual report and be satisfied that it is reliable and does not conflict with the annual financial statements. The group applies the King IV™ principles and will report on the application of the principles in its 2024 integrated annual report, with expanded detail reported in

AUDIT AND RISK COMMITTEE REPORT

CONTINUED

the King IV™ application register. Both will be made available on the company's website on or about 14 April 2025.

Committee evaluation

The committee evaluation will be conducted for the 2025 financial year.

Recommendation and approval

The committee has reviewed the group's consolidated and company's annual financial statements, including the audit and risk committee report, for the year ended 31 December 2024 and recommended them to the board for approval.

The board subsequently approved the annual financial statements, which will be tabled and open for discussion at the upcoming annual general meeting, to be held in June 2025.

Roderick Phillips

Chairman of the audit and risk committee

Mauritius
11 March 2025

REPORT OF THE DIRECTORS

for the year ended 31 December 2024

Nature of business

HomeChoice International plc is a Mauritius-based group with investments in fintech business Weaver Fintech, and homeware retailer HomeChoice, primarily targeting an urban digital-savvy African woman. The group has developed considerable expertise in the provision of financial services and retail products targeted to the mass market who are increasingly adopting the use of mobile phones to engage with the group digitally.

Weaver Fintech was established to spearhead a stable of consumer fintech businesses using the strength of its digital platforms. It provides quick, seamless and secure personal lending, value-added services and insurance products using innovative mobile-first platforms through the FinChoice brand. A digital payment platform offering a Buy Now, Pay Later product through the PayJustNow brand offers customers a seamless, risk-free, interest-free digital payment process while merchants experience increased brand awareness and upliftment in sales and conversion rates.

Our omni-channel retailer, HomeChoice, delivers innovative, quality own-brand homeware merchandise directly to home with a sophisticated infrastructure. The growing showroom channel provides with a shopping experience in malls across South Africa.

Audit and risk committee

The audit and risk committee is governed by a board-approved charter that guides the committee in terms of its authority and objectives. The directors confirm that the audit and risk committee has addressed the specific responsibilities required in terms of this charter. Further details are contained within the audit and risk committee report on pages 4 to 6.

Directors and changes to board composition

The following directors held office during the year:

- Shirley Maltz – Executive Chairperson
- Sean Wibberley – Chief Executive Officer
- Paul Burnett – Chief Financial Officer
- Eduardo Gutierrez-Garcia – Non-executive Director
- Marlisa Harris – Independent Non-executive Director
- Pierre Joubert – Independent Non-executive Director
- Gregoire Lartigue – Non-executive Director
- Rod Phillips – Independent Non-executive Director
- Adefolarin Ogunsanya – Alternate Non-executive Director to Eduardo Gutierrez-Garcia

Gregoire Lartigue was appointed to the board effective 29 April 2024.

Rotation of directors

Marlisa Harris and Roderick Phillips, who retire in terms of article 34.4.1.3 of the Constitution, have made themselves available for re-election as directors at the annual general meeting.

Subsidiary companies

Details of the company's investments in subsidiaries are set out in note 1 to the company annual financial statements. The interest of the company in the aggregate profits before taxation of the subsidiary companies is R517 million (2023: R394 million).

Capital and financial risk management

The capital management strategy of the group continues to be focused on investing in growth through innovative Weaver Fintech and Retail merchandise offers to our customers, expanding the group's customer base and identifying opportunities in new markets to optimise returns to shareholders. The financial risk management of the group is disclosed in note 3 to the group annual financial statements.

Distribution to shareholders

Interim

The directors paid an interim dividend of 95.0 cents per share (2023: 70.0 cents).

Final

The directors declared a final dividend of 97.0 cents per share (2023: 83.0 cents), which will be paid on Monday, 15 April 2025, to shareholders recorded in the books of the company at the close of business on Friday, 12 April 2025.

Treasury shares and share buy-back transactions

The group has 2 073 861 treasury shares held by subsidiaries. 183 595 shares were purchased during the year in settlement of the group's share forfeiture scheme and 593 807 shares vested. Further details are contained in note 24 to the group annual financial statements. The percentage of issued shares held as treasury shares is 1.9%.

Stated share capital

The unissued shares are under the control of the directors until the next annual general meeting. Details of the authorised and issued share capital are contained in note 23.1 to the group annual financial statements.

Share incentive schemes

The group has two share incentive schemes – a share option scheme and a share forfeiture scheme. No allocations have been made from the option scheme since March 2020 – vesting is conditional on the participant remaining in the group at vesting date.

REPORT OF THE DIRECTORS

CONTINUED

During 2017 the group established a share forfeiture incentive scheme whereby shares in HomeChoice International plc have been awarded to senior employees of the group for no consideration. Shares are forfeitable should the employee leave the group before vesting date.

Borrowing powers

The borrowing powers of the group are not limited in terms of the company's constitution.

Going concern

The annual financial statements have been prepared on the going concern basis. The directors have reviewed the group's cash flow forecast for the 12 months to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

Auditors

The external auditors of the group are PricewaterhouseCoopers Inc. Mauritius, with Mr Olivier Rey as the designated audit partner. PricewaterhouseCoopers Inc. Mauritius have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the annual general meeting to be held in May 2025.

By order of the board

Sean Wibberley

Chief Executive Officer

11 March 2025

COMPANY SECRETARY'S REPORT

HomeChoice International plc

Under section 166(d) of the Companies Act 2001

We certify that, based on our records and information made available to us by the directors and shareholders of the company, the company has filed with the Registrar of Companies, for the reporting period ended 31 December 2024, all such returns as are required of the company under the Mauritian Companies Act 2001.

Sanlam Trustees International Limited

Labourdonnais Village

Mapou

Republic of Mauritius

Company Secretary

11 March 2025



INDEPENDENT AUDITOR'S REPORT

to the shareholders of HomeChoice International p.l.c

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of HomeChoice International p.l.c (the "company") and its subsidiaries (together the "group") and of the company standing alone as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of HomeChoice International p.l.c set out on pages 16 to 96 comprise:

- the group statement of financial position as at 31 December 2024;
- the company statement of financial position as at 31 December 2024;
- the group statement of profit or loss and other comprehensive income for the year then ended;
- the company statement of profit or loss and other comprehensive income for the year then ended;
- the group statement of changes in equity for the year then ended;
- the company statement of changes in equity for the year then ended;
- the group statement of cash flows for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report.

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

Independence

We are independent of the group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of HomeChoice International p.l.c (continued)

Report on the audit of the consolidated and separate financial statements (continued)

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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter – group	How our audit addressed the key audit matter
<p>Expected credit losses (ECL) on trade and loans receivables – group</p> <p>Refer to note 1.21 (Impairment of financial assets), note 1.33 (Significant accounting judgements, estimates and assumptions), note 3.3 (Credit risk management), note 7 (Credit impairment losses) and note 21 (Trade and other receivables) to the consolidated financial statements.</p> <p>The group has recognised gross trade receivables amounting to R1.617 billion and gross loan receivables amounting to R5.785 billion at reporting date.</p> <p>Included in the trade and loans receivables balances are provisions for impairment amounting to R1.305 billion.</p> <p>In calculating the ECL on trade and loans receivables, which is calculated in terms of <i>International Financial Reporting Standard 9, Financial Instruments</i> (IFRS 9), the key areas of significant management judgement and estimation included:</p> <ul style="list-style-type: none"> • determining whether there has been a significant increase in credit risk (SICR) since initial recognition of the financial instrument; • the accuracy of the inputs, assumptions and estimation techniques within the IFRS 9 ECL models; • determining the impact of forward-looking information; and • determining the write-off point. <p>In determining the ECL on trade and loans receivables, the following has been considered by management:</p> <p>Significant increase in credit risk (SICR)</p> <p>The impairment methodology applied depends on whether there has been a SICR since the time of initial recognition of the financial instrument.</p> <p>SICR is assessed on a monthly basis for all customers and the criteria used to identify SICR are monitored and reviewed periodically. A financial instrument is considered to have experienced SICR since initial recognition when one or more of the following quantitative, qualitative or backstop criteria have been met:</p> <ul style="list-style-type: none"> • the customer has not met his or her minimum contractual obligations for at least two months. This is where the instalment is 30 days past due; • the customer applies for or enters into debt review, the customer is allocated a higher risk score category based on the group's various behaviour scorecards, or where the customer has demonstrated a SICR on other group credit products; and • the borrower is more than 30 days past due on their contractual payments acting as a backstop measure. <p>Where a SICR has been identified, the ECL is measured at an amount equal to the lifetime ECL of the receivable. Where there is no SICR the ECL is measured at an amount equal to a 12-month ECL of the receivable.</p>	<p>Making use of our actuarial expertise, our audit procedures addressed the key areas of significant judgement and estimation in determining the ECL on trade and loans receivable as follows:</p> <p>We obtained an understanding of and tested the relevant controls relating to the origination and approval of trade and loans receivables, and subsequent monitoring and evaluation of credit risk.</p> <p>SICR</p> <p>Our approach involved the following procedures:</p> <ul style="list-style-type: none"> • We tested the accuracy of the model inputs used by comparing the inputs to underlying documentation or the relevant criteria to assess status. • We tested the staging of the raw data against the most recent customer payment data. • We reperformed the application of the SICR criteria and compared it to the actual exposures where SICR was triggered. • We assessed the reasonability of the SICR criteria by comparing the volume of accounts for which SICR was triggered to historical trends.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of HomeChoice International p.l.c (continued)

Report on the audit of the consolidated and separate financial statements (continued)

Key audit matters (continued)

Key audit matter – group	How our audit addressed the key audit matter
<p>The accuracy of the inputs, assumptions and estimation techniques within the IFRS 9 ECL models</p> <p>The IFRS 9 ECL models are based on a cash flow model approach. The ECLs are calculated by multiplying the Probability of a Default (PD) event happening, the Exposure of the Asset at the Default event (EAD) and the associated Loss Given the Default occurring (LGD).</p> <p>These losses include balances written off due to delinquency, retrenchments, death, fraud and debt administration. The projection of the ECL is estimated separately for accounts in Stage 1, 2 or 3 at the reporting date.</p> <p>For all Stage 1 trade and loans receivables, a recent average of a rolling 12-month history of data is used to estimate PDs.</p> <p>Further to this, the lifetime ECL is measured for an account which experienced a significant increase in credit risk or was credit impaired during the reporting period.</p> <p>The group assesses the LGD using historical data over a period that is recent enough to reflect relevant trends but long enough to assess the outcome of recoveries over a number of years after default. The cash flows recognised from the default observation to the account's conclusion are discounted by the prevailing effective interest rate (EIR) back to the observation date. The difference between the discounted cash flows and balance at observation represents the future expected losses in the event of default.</p> <p>Forward-looking information</p> <p>During the current reporting period, the impact of historic macroeconomic conditions on the observed default rates were used to adjust the impairment model PD. The correlations were used to incorporate the expectation of future economic indicators into the current risk expectation. The highest correlating factors include Gross Domestic Product, the price of fuel and the unemployment rate.</p> <p>Write-off point</p> <p>The group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. This is usually the case when the group's in-house collection department and external collection companies which supplement the group's collection activities have been unable to recover outstanding balances. Where receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due.</p> <p>The group performs an ongoing assessment of credit losses and recovery trends in accordance with IFRS 9 in order to reduce any differences between estimates and actual credit loss experience.</p> <p>We considered the impairment of trade and loans receivables to be a matter of most significance to our current year audit due to the following:</p> <ul style="list-style-type: none"> • the degree of judgement and estimation applied by management in determining the impairment; and • the magnitude of the impairment recognised in the consolidated financial statements. <p>We have determined that there are no key audit matters to communicate in our report for the separate financial statements.</p>	<p>The accuracy of the inputs, assumptions and estimation techniques within the IFRS 9 ECL models</p> <p>We inspected and assessed the methodology applied by management in their IFRS 9 model documentation which forms the basis of the ECL calculation. We made use of our actuarial expertise to assess whether the model methodology is consistent with the requirements of IFRS 9.</p> <p>We independently recalculated management's impairment estimates based on the historic account level data.</p> <p>We assessed the principles underlying the ECL calculation through independent recalculation, the practical implementation of these principles as well as consistency with current industry best practices, regulatory expectations and the requirements of IFRS 9.</p> <p>We independently extracted the data from the system and compared it to the data used by management.</p> <p>We selected a sample of accounts with various key input fields, such as customer transaction data, that included recoveries and sales transactions and other fees or charges. We compared these to relevant underlying documentation and the data used in the model.</p> <p>We independently recalculated the PD, EAD and LGD.</p> <p>Forward-looking information</p> <p>We tested the performance and sensitivity of the forward-looking model in order to evaluate whether the chosen macroeconomic factors and model structure provides a reasonable representation of the impact of macroeconomic changes on the ECL.</p> <p>Write-off point</p> <p>Through recalculation, we tested the application of the IFRS 9 write-off policy. We also evaluated the partial write-off policy and whether post write-off recoveries have been appropriately excluded from the LGD calculation and therefore do not impact on ECL.</p> <p>We have also assessed the appropriateness of management's write-off criteria by comparing the amount of historical post write-off recoveries based on the write-off criteria.</p>

INDEPENDENT AUDITOR'S REPORT

to the shareholders of HomeChoice International p.l.c (continued)

Report on the audit of the consolidated and separate financial statements (continued)**Other information**

The directors are responsible for the other information. The other information comprises information included in the document titled "Annual report" but does not include the consolidated and separate financial statements and our auditor's report thereon, which we have obtained prior to the date of this auditor's report, and the "HomeChoice International p.l.c 2024 Integrated Annual Report for the year ended 31 December 2024", which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the "HomeChoice International p.l.c 2024 Integrated Annual Report for the year ended 31 December 2024" which has not been made available to us prior to the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, 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's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the group's and company's financial reporting process.

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.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of HomeChoice International p.l.c (continued)

Report on the audit of the consolidated and separate financial statements (continued)
Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)

- 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's 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 the 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements
Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters.

We confirm that:

- (a) we have no relationship with or interests in the company or any of its subsidiaries other than in our capacity as auditor and tax advisor of the company and some of its subsidiaries;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.



INDEPENDENT AUDITOR'S REPORT

to the shareholders of HomeChoice International p.l.c (continued)

Other matter

This report, including the opinion, has been prepared for and only for the company's shareholders, as a body, in accordance with section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Olivier Rey
Licensed by FRC
11 March 2025

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Notes	2024 Rm	2023 Rm
Revenue		4 427	3 672
Fees	4	552	389
Insurance	5	390	345
BNPL* fees		188	81
Finance income		1 968	1 630
Retail sales	6	1 329	1 227
Cost of Retail sales		(722)	(699)
Other operating costs		(2 904)	(2 382)
Credit impairment losses	7	(1 430)	(1 092)
Insurance expenses		(226)	(189)
Trading expenses	8	(1 248)	(1 101)
Other net gains	9	2	4
Other income	10	17	24
Operating profit		820	619
Interest income		10	7
Interest expense	11	(313)	(232)
Profit before taxation		517	394
Taxation	12	(106)	(67)
Profit and total comprehensive income for the year		411	327
Profit and total comprehensive income for the period attributable to:			
Owners of the parent		413	335
Non-controlling interest	27	(2)	(8)
		411	327
Earnings per share (cents)			
Basic	13.1	395.2	313.4
Diluted	13.2	390.8	310.6

* Buy Now, Pay Later.

GROUP STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	Notes	2024 Rm	2023 Rm
Assets			
Non-current assets			
Property, plant and equipment	14	449	428
Intangible assets	15	244	217
Right-of-use assets	16	89	38
Insurance contract assets	17	86	86
Other investments	18	20	23
Deferred taxation	19	115	85
		1 003	877
Current assets			
Inventories	20	276	285
Trade and other receivables	21	6 249	4 773
Loans receivable – Weaver Fintech		4 890	3 529
Trade receivables – Retail		1 207	1 141
Other receivables		152	103
Cash and cash equivalents	22	144	137
		6 669	5 195
Total assets		7 672	6 072
Equity and liabilities			
Equity attributable to equity holders of the parent			
Stated and share capital	23.1	1	1
Share premium	23.2	3 039	3 039
Reorganisation reserve		(2 961)	(2 961)
Treasury shares	24	(38)	(48)
Other reserves	26	44	57
Retained earnings		3 789	3 566
Equity attributable to equity holders of the parent		3 874	3 654
Non-controlling interest	27	(17)	(15)
Total equity		3 857	3 639
Non-current liabilities			
Interest-bearing liabilities	28	2 957	1 901
Lease liabilities	16	63	24
Deferred taxation	19	–	10
Other payables	29	19	31
		3 039	1 966
Current liabilities			
Interest-bearing liabilities	28	50	43
Lease liabilities	16	31	18
Taxation payable		30	9
Trade and other payables	30	533	321
Insurance contract liabilities	31	31	22
Bank overdraft	22	101	54
		776	467
Total liabilities		3 815	2 433
Total equity and liabilities		7 672	6 072

These financial statements were approved for issue by the board of directors and authorised for issue on 11 March 2025. The directors have the power to amend and reissue the financial statements.

S Wibberley
Chief Executive Officer

P Burnett
Chief Financial Officer

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Stated and share capital Rm	Share premium Rm	Treasury shares Rm	Reorgan- isation reserve Rm	Other reserves Rm	Retained earnings Rm	Non- controlling interest Rm	Total Rm
Balance at 1 January 2023	1	3 039	(45)	(2 961)	49	3 386	(7)	3 462
Changes in equity								
Profit and total comprehensive income for the year	-	-	-	-	-	335	(8)	327
Dividends paid	-	-	-	-	-	(155)	-	(155)
Share incentive schemes	-	-	-	-	13	-	-	13
Forfeitable shares vested	-	-	5	-	(5)	-	-	-
Shares purchased	-	-	(8)	-	-	-	-	(8)
Total changes	-	-	(3)	-	8	180	(8)	177
Balance at 1 January 2024	1	3 039	(48)	(2 961)	57	3 566	(15)	3 639
Changes in equity								
Profit and total comprehensive income for the year	-	-	-	-	-	413	(2)	411
Dividends paid	-	-	-	-	-	(190)	-	(190)
Transfer to share incentive scheme liability	-	-	-	-	(12)	-	-	(12)
Share incentive schemes	-	-	-	-	13	-	-	13
Shares purchased	-	-	(4)	-	-	-	-	(4)
Forfeitable shares vested	-	-	14	-	(14)	-	-	-
Total changes	-	-	10	-	(13)	223	(2)	218
Balance at 31 December 2024	1	3 039	(38)	(2 961)	44	3 789	(17)	3 857
Notes	23.1	23.2	24		26			

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Notes	2024 Rm	2023 Rm
Cash flows from operating activities			
Operating cash flows before working capital changes	32	912	686
Movements in working capital	32	(1 268)	(430)
Cash (used)/generated in operations	32	(356)	256
Interest received		10	7
Interest paid	11	(307)	(215)
Taxation paid	33	(125)	(86)
Net cash outflow from operating activities		(778)	(38)
Cash flows from investing activities			
Additions of property, plant and equipment	14	(52)	(36)
Additions of intangible assets	15	(74)	(63)
Insurance contract assets		24	–
Net cash outflow from investing activities		(102)	(99)
Cash flows from financing activities			
Purchase of shares to settle forfeiture share scheme obligations		(4)	(8)
Proceeds from interest-bearing liabilities	28	1 880	742
Repayments of interest-bearing liabilities	28	(819)	(343)
Cash flows from transaction costs		–	(2)
Principal elements of lease payments	34	(27)	(28)
Dividends paid		(190)	(155)
Net cash inflow from financing activities		840	206
Net (decrease)/increase in cash and cash equivalents and bank overdrafts		(40)	69
Cash and cash equivalents and bank overdrafts at the beginning of the year		83	14
Cash and cash equivalents and bank overdrafts at the end of the year	22	43	83

Cash and cash equivalents comprise cash balances of R144 million and an overdraft balance of R101 million.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2024

Group segmental information

	2024				
	Total Rm	Retail Rm	Weaver Fintech Rm	Other Rm	Intragroup Rm
Total revenue	4 427	1 909	2 524	–	(6)
Digital technology platforms	2 625	382	2 243	–	–
Showrooms and contact centre	1 802	1 527	281	–	(6)
% revenue earned					
Digital technology platforms (%)	59	20	89		
Showrooms and contact centre (%)	41	80	11		
Segmental revenue	4 427	1 909	2 524	–	(6)
Fees	552	179	373	–	–
Insurance	390	40	350	–	–
BNPL fees	188	–	188	–	–
Finance income	1 968	355	1 613	–	–
Retail sales	1 329	1 329	–	–	–
Intergroup rental income	–	6	–	–	(6)
EBITDA	925	144	879	(94)	(4)
Depreciation and amortisation	(107)	(70)	(39)	(1)	3
Net impairment reversal of assets	2	2	–	–	–
Segmental operating profit/(loss)²	820	76	840	(95)	(1)
Interest income	10	4	6	3	(3)
Interest expense	(313)	(30)	(285)	–	2
Profit/(loss) before taxation	517	50	561	(92)	(2)
Taxation	(106)	(10)	(116)	20	–
Profit/(loss) after taxation	411	40	445	(72)	(2)
Segmental assets	7 672	2 306	6 223	116	(973)
Segmental liabilities	3 815	1 306	3 259	129	(879)
Gross profit margin (%)	45.7	45.7			
Segmental results margin (%)	18.5	4.0	33.3		
Capital expenditure					
Property, plant and equipment	52	49	3	–	–
Intangible assets	74	16	58	–	–
Credit impairment losses	1 430	386	1 044	–	–
Marketing costs	241	200	56	–	(15)
Staff costs	700	417	221	62	–
Insurance expenses	226	40	186	–	–

¹ The Property segment has been included as part of the Retail segment from 1 January 2024. In 2023 the segmental report reflected the property segment (loss after tax R4 million) and retail segment (profit after tax R52 million) separately. The prior year segmental report has been restated as reflected. Refer to note 1.32.

The Weaver segment operating profit definition has changed to exclude interest paid. In 2023 the Weaver segment reflected an operating profit of R420 million. The 2023 segment has been restated as reflected.

² Refer to note 1.32 for further details on segments and segmental results.

Group segmental information (continued)

		Total Rm	Retail Rm	Weaver Fintech Rm	Other Rm	Intragroup Rm
				Restated ¹ 2023		
Total revenue		3 672	1 789	1 886	–	(3)
Digital technology platforms		2 095	473	1 622	–	–
Showrooms and contact centre		1 577	1 316	264	–	(3)
% revenue earned						
Digital technology platforms	(%)	57	26	86		
Showrooms and contact centre	(%)	43	74	14		
Segmental revenue		3 672	1 789	1 886	–	(3)
Fees		389	124	268	–	(3)
Insurance		345	57	288	–	–
BNPL fees		81	–	81	–	–
Finance income		1 630	381	1 249	–	–
Retail sales		1 227	1 227	–	–	–
Intergroup rental income		–	–	–	–	–
EBITDA		708	152	649	(48)	(45)
Depreciation and amortisation		(95)	(96)	(27)	–	28
Net impairment reversal of assets		6	6	–	–	–
Segmental operating profit/(loss)²		619	62	622	(48)	(17)
Interest income		7	1	6	–	–
Interest expense		(232)	(36)	(202)	(5)	11
Profit/(loss) before taxation		394	27	426	(53)	(6)
Taxation		(67)	7	(77)	2	1
Profit/(loss) after taxation		327	34	349	(51)	(5)
Segmental assets		6 072	2 296	4 719	99	(1 042)
Segmental liabilities		2 433	1 331	2 045	–	(943)
Gross profit margin	(%)	43.0	43.0			
Segmental results margin	(%)	16.9	3.5	33.0		
Capital expenditure						
Property, plant and equipment		36	26	10	–	–
Intangible assets		63	22	41	–	–
Credit impairment losses		1 092	332	760	–	–
Marketing costs		245	198	47	–	–
Staff costs		527	334	176	17	–
Insurance expenses		189	52	137	–	–

¹ The Property segment has been included as part of the Retail segment from 1 January 2024. In 2023 the segmental report reflected the property segment (loss after tax R4 million) and retail segment (profit after tax R52 million) separately. The prior year segmental report has been restated as reflected. Refer to note 1.32.

The Weaver segment operating profit definition has changed to exclude interest paid. In 2023 the Weaver segment reflected an operating profit of R420 million. The 2023 segment has been restated as reflected.

² Refer to note 1.32 for further details on segments and segmental results.

1. Accounting policies

1.1 Presentation of annual financial statements

The consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards, the IFRS Interpretations Committee interpretations, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the exchange operated by the JSE Limited (JSE) and the requirements of the Mauritian Companies Act 2001.

Note 2.2 sets out standards and interpretations that are not yet effective in terms of IFRS® issued by the International Accounting Standards Board (IASB) but relevant to the group.

The significant accounting policies applied in the preparation of the separate and consolidated financial statements are set out below:

1.2 Basis of consolidation

The consolidated annual financial statements include those of the company, its subsidiaries and trusts over which the company exerts control.

1.3 Basis of preparation

These annual financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss. The consolidated and separate financial statements are presented in South African Rand and all values are rounded to the nearest million (Rm) except when otherwise indicated. The principal accounting policies applied in the preparation of these annual financial statements have been consistently applied to all the years presented, unless otherwise stated.

1.4 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal. All intergroup transactions, balances, income and expenses are eliminated on consolidation. In the company's financial statements, investments in subsidiaries are carried at cost less any impairment.

1.5 Investment in en-commandite partnerships

The group entered into en-commandite partnerships established for the purposes of investing in a data specialist company listed on the Johannesburg Stock

Exchange. The group's financial exposure to the partnerships is limited to the capital contribution made. The partnerships are accounted for under IFRS 9 at fair value through profit and loss.

1.6 Cell captive insurance contracts

The group has an arrangement with Guardrisk, a licensed insurance company, in insurance cells within South Africa and Mauritius. These "cells" issue certain contracts that transfer insurance risk. The risks and rewards associated with these contracts are transferred to the company through a cell agreement. Weaver Fintech PCC is able to recapitalise the cell if required.

Mauritian insurance cell

The group entered into a shareholders' agreement for insurance cells domiciled in Mauritius. In terms of the shareholders' agreement, the Mauritian cells are protected (all assets and liabilities are protected from all other cells and the promoter's non-cellular assets cannot be used to settle cell liabilities). However, in terms of the Protected Cell Companies Act 1999, to the extent that the cellular assets attributable to a cell may be insufficient, the protected cell company's non-cellular assets shall be secondarily liable. The likelihood of non-cellular assets becoming secondarily liable is remote as the cell has been consistently profitable and the promoter, i.e. Guardrisk, has since incorporation of the cell maintained an insignificant value of non-cellular assets. Thus, in substance, the cell meets the definition of a "deemed separate entity" per IFRS 10 and, as such, the results of the insurance cells are included in the consolidated annual financial statements.

If at any point the minimum capital adequacy ratio or solvency ratio of the cell is not met, Weaver Fintech PCC (previously HomeChoice Mauritius PCC) is required to recapitalise the cell by taking up additional shares until the situation is remedied.

South African insurance cell

The group has an economic interest in insurance cells domiciled in South Africa. The net investment in the cells is shown under insurance contract assets in the statement of financial position. In determining the net insurance result from the cell captive contracts, the group insurance accounting policies are applied.

Profits earned are disclosed as insurance revenue and insurance expenses based on the underlying results of the cell captive. The underlying results of the cell captives are prepared on an IFRS 17 basis.

The net result takes into account insurance premium revenue, insurance claims, salvage and recoveries, acquisition costs, reinsurance and taxes as accounted for by the insurance cell. Dividends are payable to the group in terms of the contract subject to certain liquidity and solvency requirements of the insurance cell.

The group has determined that it does not have control of its short-term or life insurance cell captive arrangements as the current insurance legislative framework regards all the assets and liabilities in the cell as that of the insurer. Therefore the cell captive is not considered to be a silo in accordance with IFRS 10. The group has therefore not consolidated the cell captives.

Basis of accounting for underwriting activities

Insurance contract classification

Insurance contracts are contracts under which the group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder on the occurrence of an insured event in terms of the cover offered, if a specified uncertain future event adversely affects the policyholder. All insurance contracts issued by the group meet this definition.

Contracts entered into by the group which compensate another insurer for losses on insurance contracts issued and that meet the requirements to be defined as insurance contracts, are classified as inwards reinsurance contracts issued.

In the normal course of business, the group uses reinsurance to mitigate its risk exposures through the use of catastrophe cover and classifies these contracts as outwards reinsurance contracts held.

All references to insurance contracts in these financial statements apply to reinsurance contracts issued or acquired. Where the group reinsures to mitigate its risk, the contracts are referred to as reinsurance contracts held.

Initial recognition

The group recognises groups of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date; and
- for a group of onerous contracts, when the group becomes onerous.

Contract boundary

The group uses the concept of contract boundary to determine all future cash flows to be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the group has a substantive obligation to provide the policyholder with insurance contract services.

Measurement under the premium allocation approach (PAA)

IFRS 17 allows insurers to use the PAA for contracts with a coverage period of one year or less or if the group reasonably expects that such a simplification would produce a measurement of the insurance contract asset that would not differ materially from the one that would be produced by the general measurement model (GMM). The group has adopted the PAA as all groups and portfolios of insurance contracts issued by the group were assessed for eligibility and it was concluded that the measurement of the insurance contract asset under the PAA was not materially different from the GMM.

South African insurance cell

The group has adopted the PAA as all groups and portfolios of insurance contracts issued by the group were assessed for eligibility and it was concluded that the measurement of the insurance contract asset under the PAA was not materially different from the GMM.

Mauritian insurance cell

The group has adopted the PAA as all insurance contracts issued by the group are for a coverage period of one year or less.

Consequently, insurance contract (assets)/liabilities are measured as follows:

At initial recognition:

- premiums received at initial recognition; and
- minus the insurance acquisition cash flows at that date.

At the end of each subsequent reporting period:

- opening balance as per the previous reporting period;
- plus premiums received in the period;
- minus the amount recognised as insurance revenue for the services provided in the period;
- minus insurance acquisition cash flows;
- plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense; and
- minus the capital account of the South African cell captive which is being treated as an in-substance reinsurance arrangement (reinsurance contract issued).

Insurance expenses

These are insurance acquisition cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued).

The cost structure of the intermediaries (group operating subsidiaries) is analysed to determine the insurance expenses through a detailed cost allocation model, which determines for each expense account, the insurance expense element using appropriate cost drivers.

The insurance expense is then further analysed into various intermediary, binder, administrative and other functions.

Insurance contract liabilities – liability for incurred claims (LIC)

The group estimates the LIC (previously referred to as outstanding claims and incurred but not reported (IBNR) under IFRS 4) as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the group and include an explicit adjustment for non-financial risk (the risk adjustment). The group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of LIC that are expected to be paid within one year of being incurred.

1.7 Property, plant and equipment

Property, plant and equipment are initially recognised at cost. The cost of an asset comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management. Property, plant and equipment are subsequently stated at cost, less accumulated depreciation and accumulated impairment losses. Freehold land is stated at cost less any accumulated impairment in value and is not depreciated. 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 other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred. Depreciation commences when the assets are available for their intended use.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the various classes of assets, after taking into account residual values. Useful lives of property, plant and equipment and residual values are reviewed on an annual basis. The effect of changes to useful lives or residual values will be accounted for prospectively in profit or loss. The annual rates applied for depreciation are as follows:

Buildings*	0.0%
Furniture and fittings	10% – 20%
Office equipment	10% – 33.3%
Computer equipment	15.85% – 33.3%
Plant and machinery	10% – 20%

* Main building components are not depreciated as their residual value exceeds cost.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 1.9).

1.8 Intangible assets

Intangible assets are initially recognised at cost. All of the group's intangible assets are assessed as having finite useful lives and are amortised over their useful economic life using a straight-line basis and tested for impairment if there is an indication that it may be impaired. The amortisation period and the amortisation method are reviewed annually. The amortisation expense is recognised in profit or loss. Intangible assets include licences and computer software (including development costs). The annual amortisation rates applied are as follows:

Licences	10.04% – 100%
Computer software	11.29% – 33.3%

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include employee costs and an appropriate portion of relevant overheads. Gains or losses arising from derecognition of an intangible asset are measured as the difference between disposal proceeds, if any, and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Goodwill is measured as described in note 1.13. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is

carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. Only the Weaver Fintech segment currently benefits from the business combination and as such goodwill has been allocated to the Weaver Fintech segment.

1.9 Impairment of non-financial assets

At each reporting date the group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount, being the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, with the impairment loss being recognised in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss.

Goodwill is considered to have an indefinite useful life and is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

1.10 Impairment reversal of non-financial assets

Assets or parts thereof, which were previously impaired, where there is evidence of a reversal of the impairment, or part thereof, may be reinstated to the extent of the historical impairment after allowing for any amortisation thereof.

1.11 Inventory

Inventory is valued at the lower of cost, determined on the first-in-first-out basis and net realisable value. Cost consists of all costs of purchase and other costs

incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

1.12 Leases – lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Assets and liabilities arising from the lease are initially measured on a present value basis of the contractual lease payments, including any payments to be made under reasonably certain extension options.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the expected useful lives of the asset. The annual rates applied for depreciation are as follows:

Buildings	20% – 33.33%
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The group subsequently measures right-of-use assets at cost, less any accumulated depreciation and any accumulated impairment losses.

1.13 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

1.14 Financial instruments

Initial recognition and measurement

Financial instruments recognised on the statement of financial position include trade and other receivables, cash and cash equivalents, financial assets at fair value through profit or loss, trade and other payables and interest-bearing borrowings. Trade receivables are defined as sales made through the retail channel whilst loan receivables are defined as loans granted through fintech. Financial instruments are initially measured at fair value, including transaction costs, when the group becomes a party to the contractual arrangements. However, transaction costs in respect of financial assets classified as fair value through profit or loss are expensed.

Derecognition

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have been transferred or have expired or when substantially all the risks and rewards of ownership have passed. A financial liability is derecognised when the relevant obligation has either been discharged or cancelled or has expired. Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a current legally enforceable right to set off

recognised amounts and there is an intention to realise the assets and settle the liabilities on a net basis. Subsequent to initial recognition, these instruments are measured as set out below.

Loan consolidations are treated as a derecognition of the loans as the contractual cash flows from the financial asset expire. In instances where the group reschedules a credit agreement, the cash flows are renegotiated with the client and the effective interest rate is affected by the modification of the agreement.

Modifications

If the contractual cash flows of a financial asset measured at amortised cost are modified (renegotiated or rescheduled), the group considers whether this is a substantial modification to the original terms or if the modification is merely an attempt to recover the original contractual amounts outstanding as part of a distressed modification. If changes are made as part of such distressed modification, the group does not derecognise the original financial asset.

The group recalculates the gross carrying amount of the financial asset as the present value of the modified contractual cash flows discounted at the loan's original effective interest rate. The difference between the recalculated gross carrying amount and the gross carrying amount before the modification is recognised as a modification gain or loss.

If the changes are considered to be a substantial modification the group derecognises the original financial asset and recognises a "new" asset at fair value and recalculates the effective interest rate for the asset. Differences in the carrying amount are recognised in profit or loss as a gain or loss on derecognition.

In instances where the group reschedules a credit agreement the cash flows are renegotiated with the client and, in some instances, the internal rate of return is affected by the modification of the agreement.

When a client goes into debt review, cash flows are renegotiated and, in some instances, the internal rate of return is affected by the modification of the agreement.

The modification gain or loss is disclosed in note 7.

Classification and subsequent measurement

(i) *Financial assets*

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost

These are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. Interest income from these financial assets is included in finance charges earned using the effective interest rate method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For these financial assets the group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition; and
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For these financial assets the group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Initiation fees which are considered to be an integral part of the effective interest rate are accounted for over the shorter of the original contractual term and the actual term of the loan or credit sale using the effective interest rate. Trade receivables are reduced by the deferred portion of these fees.

Any gain or loss arising on derecognition is recognised directly in profit or loss.

Fair value through profit or loss

These are assets that do not meet the criteria for amortised cost or fair value through other comprehensive income and are measured at fair value through profit or loss.

(ii) Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost.

1.15 Trade and other receivables

Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment.

1.16 Cash and cash equivalents

Cash and cash equivalents, consisting of cash on hand, cash in banks, short-term deposits and bank overdrafts, are subsequently measured at amortised cost.

Bank overdrafts which are repayable on demand and which form an integral part of an entity's cash management are also included as a component of cash and cash equivalents in the statement of cash flows.

1.17 Trade and other payables

Liabilities for trade and other payables are classified as financial liabilities and are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and the interest through the amortisation process. The group has no obligation to fulfil warranties for products sold to customers.

Merchant payables are included in trade and other payables and relate to the amount owed to the merchant from orders.

1.18 Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

1.19 Derivative financial instruments

All derivative financial instruments are classified as financial assets or financial liabilities at fair value through profit or loss unless they are designated as a hedging instrument in an effective hedge.

1.20 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the debt instrument.

Financial guarantee contracts issued by the company are initially measured at their fair values and are subsequently measured at the higher of:

- the expected credit loss (ECL) in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15.

The ECLs are a probability weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the company expects to receive from the holder, debtor or any other party.

Where guarantees in relation to loans to related parties are provided for no compensation, the fair values are accounted for as capital contributions and recognised as part of the cost of the investment.

1.21 Impairment of financial assets

The group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The group applies the general impairment approach as trade and loan receivables contain a significant financing component with terms of business varying from 1 to 36 months. The group assesses at the end of each reporting period whether the credit risk on a financial instrument has increased significantly since initial recognition.

Where there has been a significant increase in credit risk since initial recognition the group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECLs. Where there has not been a significant increase in credit risk since initial recognition the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. The group recognises in profit or loss, as an impairment gain or loss, the amount of ECLs (or reversal) that is required to adjust the loss allowance at the end of the reporting period.

Note 1.33 provides more detail of how the group determines a significant increase in credit risk and how the ECL allowance is measured.

1.22 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Stated and share capital

Share capital represents the par value of ordinary shares issued, being classified as equity. If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs, are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Share premium

Share premium represents the excess consideration received by the company over the par value of ordinary shares issued and was classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from share premium, net of any taxation effect.

Reorganisation reserve

On 28 November 2014 a new entity, HomeChoice International plc, was placed on top of the existing group, HomeChoice Holdings Limited, by issuing shares to the existing group shareholders. This transaction was not a business combination and has been accounted for as a reorganisation of an existing group that has not changed the substance of the reporting entity. No capital was raised as part of the reorganisation. At the time of the reorganisation the shareholders of HomeChoice Holdings became the new shareholders in HomeChoice International plc.

At the time of the reorganisation the consolidated financial statements of the new entity, HomeChoice International plc, were presented using the values from the consolidated financial statements of the previous group holding company. The equity structure – that is, the issued share capital, share premium and treasury shares – reflected that of the new company, with other amounts in equity (such as retained earnings and other reserves) being those from the consolidated financial statements of the previous group holding company. The resulting difference that arose was recognised as a component of equity, called reorganisation reserve.

Treasury shares

Shares in the company held by a share trust are classified as treasury shares. Treasury shares are treated as a deduction from equity and the cost price of these shares is deducted in arriving at group equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. The sales consideration from any subsequent resale of the shares, net of any directly attributable transaction costs, is credited to retained earnings.

1.23 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the group's financial statements in the period in which dividends are approved by the company's shareholders.

1.24 Share-based payments

Equity-settled share-based compensation plan

The group operates equity-settled share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted excluding the impact of any service and non-market performance vesting conditions (for example, profitability growth targets and remaining an employee of the entity over a specified time period).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the entity revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. When the equity instruments are exercised the company issues new shares or settles through releasing existing treasury shares. If issuing new shares the proceeds received, net of any directly attributable transaction costs, are credited to stated capital when the options are exercised. If settling through the release of existing treasury shares the proceeds received, net of any directly attributable transaction costs, are credited to retained earnings, with the resulting decrease in treasury shares being debited to same.

The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent stand-alone accounts.

Cash-settled incentive compensation plan

The group operates cash-settled incentive compensation plans under which the entity rewards employees for delivering services at or above performance expectations. The value of the employee services received in exchange for the cash award is recognised as an expense over the life of the award. The total amount to be expensed is determined by reference to the fair value of the cash award over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period the entity revises its estimates of the cash awards that are expected to vest based on vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the cash liability. When cash awards vest, the company recognises the payment against the accrued cash liability.

Share awards granted by the company over its equity instruments to the employees of subsidiary undertakings in the group are treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary and a corresponding credit to equity.

Other long-term benefits

The group provides certain long-term incentive programmes (LTIPs) to attract, retain, motivate and reward eligible senior employees. LTIP payments are determined by the outcome of a balanced scorecard and then reduced by any amounts received under medium-term incentive (MTI) for the LTIP period. The cost of those benefits is accrued over the period

of service when management determines that it is probable that the performance condition will be achieved. The past service costs are recognised as an expense on a straight-line basis over the period until the benefits vest.

1.25 Provisions and contingencies

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.26 Revenue recognition

The group earns revenue from the following revenue streams:

- Retail sales (in the scope of IFRS 15)
- Finance income (in the scope of IFRS 9)
- Service fees (in the scope of IFRS 15)
- Insurance fees (in the scope of IFRS 17)
- Dividends (in the scope of IFRS 9)
- Buy Now, Pay Later fees (in the scope of IFRS 9)
- Late payment fees (in the scope of IFRS 15)
- Merchant account subscription fees (in the scope of IFRS 15)
- Transaction fees (in the scope of IFRS 9)
- Commission – insurance fees (in the scope of IFRS 15)

Revenue is recognised at the amount of the transaction price that is allocated to that performance obligation excluding amounts collected on behalf of third parties. Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Contract liabilities are not recognised as the group does not have an unconditional right to receive consideration for orders (in advance of performance) at year-end.

The transaction price of contracts with customers is the selling price of merchandise disclosed via our catalogue or digital channels. The only variable consideration is the refund liability which has been separately accounted for under note 1.33.

The following specific criteria must be met before revenue is recognised:

Retail sales

Retail sales comprise revenue from the sale and delivery of merchandise and are recognised when control of the merchandise has transferred, usually on delivery of the merchandise to the customer. Customers have a right to return goods within 14 days and the group records a liability for estimated returns. The group does not operate any loyalty programmes.

Finance income

Finance income includes finance charges and delinquent interest earned on trade receivables for all credit sales made and on loans receivable for all loans disbursed to customers. Finance charges and delinquent interest are recognised on the time-proportionate basis using the effective interest rate implicit in the instrument. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the group estimates cash flows and includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Initiation fees are charged upfront and are capitalised on initiation of a loan or credit sale. In accordance with IFRS 9, *Financial Instruments* these initiation fees are considered an integral part of the effective interest rate and are accounted for over the shorter of the original contractual term and the actual term of the loan or credit sale, using the effective interest rate. Trade receivables are reduced by the deferred portion of these fees.

Fees

Fees include revenue earned for administration of transactions with customers and value-added services. These fees are recognised in revenue in the accounting period in which the services are rendered.

BNPL fees (Buy Now, Pay Later fees)

BNPL fees are derived from the difference between a customer's underlying order value processed and the amount paid to merchants. Merchants are paid upfront the net amount of orders less the merchant transaction fee which consists of fixed and variable rates set per merchant agreements. The group assumes all non-repayment risk from the customer. There is no interest or fees charged to customers, other than late fees, which are incurred as described below.

BNPL fees are recognised in the consolidated statement of comprehensive income using the effective interest rate (EIR) method in accordance with IFRS 9, discounting the merchant fees over the average period from initial payment to the merchant to the final instalment paid by the customer. Merchant fees are deferred over the average time it takes for the collection of the receivables to occur, with the average weighted duration to collect end-customer payments being approximately 55 days.

Late payment fees

Late payment fees are charged to compensate for the costs incurred in the continuous attempts to collect the outstanding amounts due from customers who have missed agreed instalments due to PJN. Late fees are

applied after the customer misses a scheduled instalment. Late payment fees are recognised when they become payable (at a point in time) and it is probable the fee will be recovered.

Insurance revenue

Insurance revenue reflects the amount of expected premium receipts to which the insurer expects to be entitled in exchange for services provided on credit life, funeral and product protection products. The group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

Dividends received

Dividends received on equity instruments are recognised when the right to receive payment is established.

Commission – insurance fees

Commission received by the group in its capacity as an intermediary in terms of insurance binder agreements is earned when the insurance premium is collected by the group or new business is generated by the group.

1.27 Insurance expenses

Insurance expenses are derived through a cost allocation model by reallocating attributable operating costs to insurance expenses.

Insurance expenses include the following:

- incurred claims and benefits. This includes the costs of administering claims; and
- other incurred directly attributable expenses being reflected as insurance maintenance expenses.

1.28 Inventories

When inventories are sold the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. Cost of sales includes costs of purchase, warehousing and subsequent distribution, including staff costs. Costs of purchase include the purchase price, import duties, non-recoverable taxes and transport costs. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs. Costs directly related to the provision of services recognised as revenue in the current period are included in cost of sales.

1.29 Employee benefits

Retirement obligations

The group operates a defined contribution retirement provident fund scheme which is funded through payments to insurance companies, determined by periodic actuarial calculations. A defined contribution plan is a retirement plan under which the group pays fixed contributions into

a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Bonus scheme

The group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the group's shareholders, after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.30 Taxation

The income tax expense is determined based on taxable income for the year and includes deferred tax and capital gains tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current taxation

Management periodically evaluates positions taken in tax returns with respect to situations in which tax regulation is subject to interpretation. Management considers uncertain tax positions and tax-related contingencies in accordance with IFRIC 23. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred taxation is recognised using the liability method on temporary differences at the reporting date between the carrying amounts for financial reporting purposes and the tax bases of assets and liabilities. However, the deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation assets are recognised to the extent that it is probable that the related taxation benefit will be realised in the foreseeable future against future taxable profit. Deferred taxation is calculated using the taxation rates that have been enacted at the reporting date that are expected to apply when the asset is realised or the liability settled. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all to be utilised, the carrying value of the deferred tax asset is reduced. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by

the group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are off-set when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Withholding tax on dividends

Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

1.31 Foreign currency transactions

Items included in the annual financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated annual financial statements are presented in South African Rand, which is the company's functional and the group's presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.32 Segmental reporting

The group has three reportable operating segments: Weaver Fintech, Retail and Other. The segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, being HomeChoice International plc's directors. They are separately monitored by the chief operating decision-maker for the purposes of decision-making for capital allocation and assessing performance against operating profit.

Weaver Fintech is a rapidly growing diversified digital fintech provider. The fintech ecosystem consists of payments, personal loans and insurance products for customers and services to merchants in the Buy Now, Pay Later solutions sold under the PayJustNow (PJNI) brand. Personal loans, insurance products and value-added services are sold under the FinChoice brand.

The Weaver segment operating profit definition has changed to exclude interest paid. The Weaver segment 31 December 2023 operating profit has been amended to reflect this change.

PJNI has been included under the Weaver Fintech segment as, like FinChoice, it operates digital technology platforms to provide financial services to new and existing

Weaver Fintech customers, earning revenue digitally from fees and credit services.

Retail trades under the HomeChoice brand. Focused on the sale of homeware categories, it is an omni-channel retailer with a rapidly growing physical footprint.

On 1 January 2024 the Retail and the Property segments were amalgamated to appropriately reflect that the Retail segment uses the properties as part of their business operations. Consequently, the Retail segment has been restated for 31 December 2023.

The Other segment includes performance of holding companies, group management staff and the HomeChoice Development Trust.

Intercompany loans are shown on a net basis. Intersegmental interest income and expenses are not included in the segmental operating profit/(loss).

Eliminations include all intergroup transactions, balances, income and expenses as eliminated on consolidation.

The group has a large, widespread customer base and no individual customer contributes a significant portion of revenue. Sales outside of South Africa are less than 10% of total sales based on the domicile of the customer.

The reportable segments are separately monitored by the chief operating decision-maker for the purposes of decision-making for capital allocation and assessing performance. All segments are measured against operating profit.

1.33 Significant accounting judgements, estimates and assumptions

The preparation of the group's annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the asset or liability affected in the future. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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.

Estimation of liability for merchandise returns

Retail customers have the right to return merchandise within 14 days. The group records a refund liability for expected returns using a six-month rolling historical return rate for each major product category. The rates used to estimate the underlying refund liability are reassessed at each reporting date. There has not been a significant change in the return rate over the reporting period. The refund liability has been included in trade and other

payables. Refer to note 30 for the liability for expected returns at year-end.

Measurement of expected credit loss (ECL) allowance

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Refer to note 3.3 for detailed movements in the loss allowance for the year. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed below.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- establishing groups of similar financial assets for the purposes of measuring ECL.

The key judgements and assumptions adopted by the group in addressing the accounting requirements of the standard for ECL measurement are discussed below:

(a) Significant increase in credit risk (SICR)

The group considers a financial instrument to have experienced a SICR since the time of initial recognition when one or more of the following quantitative, qualitative or backstop criteria has been met:

Quantitative criteria

- Where a customer has not met his or her minimum contractual obligations for at least two months. This is where the instalment is 30 days past due

Qualitative criteria

- Where a customer applies for or enters into debt review; where a customer is allocated a higher risk score category based on the group's various behaviour scorecards; or where the customer has demonstrated a significant increase in credit risk on other group credit products

Backstop

- A backstop is applied if the borrower is more than 30 days past due on its contractual payments

The assessment of SICR happens monthly at a portfolio level for both Retail and Weaver Fintech. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the credit risk team.

- (b) *Definition of default and credit-impaired assets*
The group defines a financial instrument as in default when a customer has not met his or her minimum contractual obligation for a period of four months. A customer is considered credit impaired when meeting one or more of the following criteria:

Retail

- Where a customer has not met his or her minimum contractual obligations for a period of four months. Default occurs when the instalment is 90 days past due

Weaver Fintech

- Where a customer has not met his or her minimum contractual obligations for two consecutive months

The above past due terms are considered to be an appropriate indicator of default when considered against the group's customer base and the repayment terms of trade and loan receivables. This is also informed by the group's extensive experience with its customer base.

- (c) *Measuring ECL – Explanation of inputs, assumptions and estimation techniques*
The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired.

The group applies a cash flow model approach for measuring impairment in loans and receivables. The ECL is calculated by multiplying the Probability of a Default event happening (PD), the Exposure of the asset At the Default event (EAD) and the associated Losses Given the Default occurring (LGD). These losses include balances written off due to delinquency, retrenchments, death, fraud and debt administration. The projection of the ECL is estimated separately for accounts in Stage 1, 2 or 3 at the reporting date.

For all Stage 1 trade and loans receivables, a recent average of a rolling 12-month history of data is used to estimate PDs. The PD is determined by the probability that any account which is not in default will reach a default state over the next 12 months and reflects recent performance of the book. Further to this, the lifetime ECL is measured for an account which experienced a significant increase in credit risk or was credit impaired during the reporting period.

The group assesses the LGD using historical data over a period that is recent enough to reflect relevant trends but long enough to assess the outcome of recoveries over a number of years after default. During the observation period each default event is considered and the related outstanding balance in the month of default is determined. The cash flows recognised from the point of default to the account's conclusion are discounted by the prevailing effective interest rate (EIR) back to the origination

date. The difference between the discounted cash flows and balance at default represents the future expected losses in the event of default.

- (d) *Forward-looking information incorporated in the ECL models*

It is one of the fundamental principles of IFRS 9 that the ECL impairment provision for potential future losses takes into account changes in the economic environment in the future. These economic indicators are sourced from the Bureau of Economic Research (BER) on a quarterly basis.

During the current reporting period the impact of historic macroeconomic conditions on the observed default rates were used to adjust the impairment model PD. The correlations were used to incorporate the expectation of future economic indicators into the current risk expectation. The highest correlating factors include gross domestic product and expenditure, the price of fuel and the unemployment rate.

Using a weighted average of the base, upside and downside scenarios, an overall ECL impact is determined based on the future economic variables mentioned above.

Scenario	Probability	PD adjustment*	ECL adjustment** Rm
Baseline	59%	98%	(2)
Downside	17%	100%	–
Upside	24%	97%	(1)
Total	100%	98%	(3)

* *Scalar applied to PD percentage.*

** *Only applicable to Stage 1. There is no future-looking information adjustment for Stages 2 and 3 as these stages are considered to be at 100% PD.*

- (e) *Write-off policy*

The group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. This is usually the case when the group's in-house collection department and external collection companies which supplement the group's collection activities have been unable to recover outstanding balances. Where receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. The group's write-off policy by segment is as follows:

Retail

- Where the customer has not met his or her minimum contractual obligations for eight months and has not made any payment at all within the last 90 days; or

Weaver Fintech

- Where the debtor has not met his or her minimum contractual obligations for at least seven months and has not made any payment at all within the last seven months.

If one or more of the above-mentioned conditions are met, the accounts are handed over to recoveries collection agencies. In this case Weaver Fintech would write off 80% (2023: 80%) of the outstanding balance. Retail writes off 75% (2023: 80%) of the outstanding balance. The remaining balance is written off in full if there is no reasonable expectation of future recovery.

The group performs an ongoing assessment of credit losses and recoveries trends in accordance with IFRS 9 in order to reduce any differences between estimates and actual credit loss experience.

Leases

When the entity has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

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

Refer to note 16 for movements in the right-of-use assets and lease liabilities for the year.

Assessment of control and significant influence

The group has considered whether it controls certain entities, despite not owning a majority of shareholder rights, in accordance with the requirements of *IFRS 10, Consolidated Financial Statements*. The board has determined that the group controls the HomeChoice Development Trust.

The HomeChoice Development Trust was established in 2005. The Trust is a benevolent foundation and registered Public Benefit Organisation in South Africa established for the upliftment of underprivileged communities through focusing on early childhood development. The Trust has developed and maintains long-standing partnerships with non-profit organisations with a sustainable track record in the early childhood development sector. Whilst the Trust is governed by independent trustees and no group company has any right to appoint or remove trustees, the Trust receives administrative support from the group and its activities have been funded exclusively by the group to date. On this basis, management has assessed that the economic dependence of the Trust on the group results in effective control over the key activities of the Trust which

affect the intangible returns for the group arising from the Trust's activities.

Recognition of deferred tax assets on assessed losses

Deferred taxation assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable profits are estimated based on business plans that include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces. Refer to note 19.

Impairment of intangible assets

Goodwill and intangible assets that have an indefinite useful life, or are not yet ready for use, are assessed annually for impairment. Investments, property, plant and equipment, right-of-use assets and finite intangibles are only tested if an impairment indicator is identified. Refer to notes 14 and 15 for detail of impairment of assets where applicable. The impairment review requires estimation uncertainty (refer to note 15). The group evaluates, among other things, losses incurred, duration and the extent of losses and near-term business outlook.

Mauritian insurance cell

The group entered into a shareholders' agreement for insurance cells domiciled in Mauritius. In terms of the shareholders' agreement, the Mauritian cells are protected (all assets and liabilities are protected from all other cells and the promoter's non-cellular assets cannot be used to settle cell liabilities). However, in terms of the Protected Cell Companies Act 1999, to the extent that the cellular assets attributable to a cell may be insufficient, the protected cell company's non-cellular assets shall be secondarily liable. The likelihood of non-cellular assets becoming secondarily liable is remote as the cell has been consistently profitable and the promoter, i.e. Guardrisk, has since incorporation of the cell maintained an insignificant value of non-cellular assets. Thus, in substance, the cell meets the definition of a "deemed separate entity" per IFRS 10 and, as such, the results of the insurance cells are included in the consolidated annual financial statements.

If at any point the minimum capital adequacy ratio or solvency ratio of the cell is not met, Weaver Fintech is required to recapitalise the cell by taking up additional shares until the situation is remedied.

Insurance contracts

Measurement under the premium allocation approach (PAA)

IFRS 17 allows insurers to use the PAA for contracts with a coverage period of one year or less or if the group reasonably expects that such a simplification would produce a measurement of the insurance contract asset that would not differ materially from the one that would be produced by the general measurement model

(GMM). The group has adopted the PAA as all groups and portfolios of insurance contracts issued by the group were assessed for eligibility and it was concluded that the measurement of the insurance contract asset under the PAA was not materially different from the GMM.

South African insurance cell

The group has adopted the PAA as all groups and portfolios of insurance contracts issued by the group were assessed for eligibility and it was concluded that the measurement of the insurance contract asset under the PAA was not materially different from the GMM.

Mauritian insurance cell

The group has adopted the PAA as all insurance contracts issued by the group are for a coverage period of one year or less.

(a) *Liability for remaining coverage*

Insurance acquisition cash flows

The group is eligible and chooses to recognise insurance acquisition cash flows as an expense immediately as incurred. This is because all insurance contracts issued have a coverage period of approximately one year or less.

(b) *Liability for incurred claims*

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques.

The main assumption underlying these techniques is that a group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims-handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development

data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims-handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

(c) *Risk adjustment for non-financial risk*

- The risk adjustment for non-financial risk is the compensation that the group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.
- The group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile for short-term insurance. For Guardrisk Life the risk adjustment was derived by adjusting the South African regulatory capital requirements to the 85th percentile on a diversified basis. That is, the group has assessed its indifference to uncertainty for all insurance contracts (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th and 85th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.
- The risk adjustment for non-financial risk is not material for the group.

1.34 Restatement of prior year amounts

1.34.1 Modification losses on financial assets

In the previous year the gross carrying amount was not recalculated to account for the modification of the revised contractual cash flows associated with revised terms for customers entering the debt review process. Consequently, the gross carrying amount and the loss allowance were erroneously not adjusted to reflect the modification loss of R85 million.

The restatement has had no impact on the primary financial statements, loan receivables net carrying amount or profit and loss.

The restatement has had the following impact on the prior year financial statement disclosures:

Note 3.3 Credit risk management

2023

Weaver Fintech

	Expected credit loss rate		Gross carrying amount at 31 December		Credit loss allowance at 31 December 2023	
	Previously reported %	Restated %	Previously reported Rm	Restated Rm	Previously reported Rm	Restated Rm
Performing	3.90	3.90	3 127	3 127	123	123
Underperforming	47.00	43.00	653	607	307	261
Non-performing	68.00	65.58	559	520	380	341
Total			4 339	4 254	810	725
Non-performing comprises:						
- Active	67.90	64.94	464	425		
- Handed over to recoveries collection agencies	68.40	68.42	95	95		

Loans receivable	Gross loans receivable		Provision as a % of gross loans receivable	
	Previously reported Rm	Restated Rm	Previously reported %	Restated %
Recency				
Weaver Fintech				
Current	3 550	3 472	9.2	7.0
Not paid 1 – 30 days	250	245	39.6	39.2
Not paid 31 – 60 days	117	115	54.7	54.8
Not paid more than 61 days	422	422	76.3	76.3
	4 339	4 254	18.7	17.0
Loans receivable gross, net (Rm)	4 339	4 254	(810)	(725)

Most of the customers moving into debt review are classified as current.

	Previously reported %	Restated %
Loan product weighting		
1 – 3-month loan	15.6	15.9
6-month loan	6.1	6.2
12-month loan	17.3	17.7
24-month loan	25.7	26.2
36-month loan	24.2	24.7
Other	11.1	9.3
	100.0	100.0

The total loss allowance as a percentage of the trade and loans receivable books in Stage 2 and Stage 3 at the reporting date is:

Weaver Fintech	66.8	64.3
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Note 21 Trade and other receivables

	Previously reported Rm	Difference Rm	Restated Rm
Group			
Trade and loan receivables	5 955	(85)	5 870
Provision for impairment	(1 285)	85	(1 200)
	4 670	–	4 670

1.34.2 Other policy changes and reclassification

- a) Group segmental report: The Property segment has been included as part of the Retail segment from 1 January 2024. The prior year's segmental report has been restated for the same reason. Refer to note 1.32.
- b) Group segmental report: The Weaver segment operating profit definition has changed to exclude interest paid. The Weaver segment 31 December 2023 operating profit has been amended to reflect this change. Refer to the segmental report.
- c) Trade and other receivables: Other receivables have been expanded to separately disclose merchant receivable and value-added taxation. Refer to note 21.
- d) Trade and other payables: Incentive schemes payable (STI, MTI and LTIP), value-added taxation and merchant payables are now separately disclosed. Refer to note 30.
- e) Related party transactions: There was a policy change during 2024 where LTIP costs are now presented in the key management personnel compensation note on the accrual basis rather than on the cash basis when paid. Refer to note 37.
- f) Directors' remuneration: There was a policy change during 2024 where long-term remuneration now reflects the fair value of awards granted during the year rather than the cumulative fair value of all outstanding awards. Refer to note 38.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current period

In the current year the group has adopted the following standards and interpretations issued by the IASB that are effective for the current financial year and are relevant to its operations:

New standard	Nature of the change	Impact
Amendments to IAS 1, Presentation of Financial Statements: Non-current Liabilities with Covenants	These amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	The adoption has not had any impact on the disclosures or on the amounts reported in these annual financial statements.
Amendment to IFRS 16, Leases: Sale and Leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	The adoption has not had any impact on the disclosures or on the amounts reported in these annual financial statements.
Amendments to Supplier Finance Arrangements (IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosure)	<i>These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.</i>	The adoption has not had any impact on the disclosures or on the amounts reported in these annual financial statements.

2.2 Standards and interpretations not yet effective but relevant

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2025 or later periods:

New standard	Nature of the change	Impact
Amendment to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments	<p>These amendments:</p> <ul style="list-style-type: none"> clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). 	<p>The amendments are not expected to have a material impact on future financial statements.</p> <p>Transition is expected on 1 January 2025.</p>

2.2 Standards and interpretations not yet effective but relevant (continued)

New standard	Nature of the change	Impact
IFRS 18, Presentation and Disclosure in Financial Statements	<p>The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.</p> <p>IFRS 18 replaces <i>IAS 1, Presentation of Financial Statements</i> and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</p> <p>Many of the other existing principles in IAS 1 are retained with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss".</p>	<p>The amendments are expected to have an impact on future financial statements and are currently under consideration.</p> <p>Transition is expected on 1 January 2027.</p>
IFRS 19, Subsidiaries without Public Accountability	<p>The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the accounting standards in its consolidated financial statements.</p> <p>IFRS 19 is a voluntary accounting standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.</p>	<p>The amendments are not expected to have a material impact on future financial statements.</p> <p>Transition is expected on 1 January 2027.</p>

2.3 Standards and interpretations not yet effective or relevant

The group has not applied the following new and amended standards and interpretations that have been issued but are not yet effective, nor relevant, to the group's operations:

- Amendments to *IAS 21, Lack of Exchangeability* (amendments to IAS 21)

3. Risk management and financial instrument disclosure

The board is accountable for the process of risk management, establishing appropriate risk and control policies, and communicating these throughout the group. The group's risk management policies are designed to identify risks faced by the group and establish appropriate controls and limits to mitigate the risk to acceptable levels. The audit and risk committee oversees how management monitors compliance with these risk and control policies.

This note discloses information about the group's capital risk management and exposure to risks from its use of financial instruments.

3.1 Capital risk management

The group's objectives in managing capital is to sustain its ability to continue as a going concern while enhancing returns to shareholders. The group primarily makes use of equity for capital management purposes. Equity consists of ordinary share capital and reserves as disclosed in the statement of changes in equity.

The capital structure of the group also consists of debt, which includes the borrowings disclosed in note 28 and cash and cash equivalents disclosed in note 22.

The directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding within the group to fund its capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital. The board monitors the return on equity and seeks to maintain a balance between the higher returns that may be possible with higher levels of borrowings, and the security and other benefits afforded by a sound capital position. The group's medium-term target is for net debt to remain below 60% of total equity.

In order to maintain or adjust the capital structure the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or increase or reduce debt. The group does not have a defined share buy-back plan.

There were no changes in the group's approach to capital maintenance during the year. During the current and prior years there were no defaults or breaches of any of the group's agreements with its lenders.

3. Risk management and financial instrument disclosure (continued)

3.2 Financial risk management

The group's activities expose it to a variety of financial risks arising from the use of financial instruments, including credit risk, liquidity risk and market risk.

The group's financial assets and liabilities, as well as non-financial assets and liabilities, can be summarised as follows:

	Notes	At fair value through profit or loss Rm	At amortised cost Rm	Non- financial assets Rm	Total Rm
Assets					
2024					
Non-current assets					
Insurance contract assets	17	–	–	86	86
Other investments	18	20	–	–	20
Current assets					
Loans receivable – Weaver Fintech	21	–	4 890	–	4 890
Trade receivables – Retail	21	–	1 207	–	1 207
Other receivables	21	4	20	128	152
Cash at bank	22	–	144	–	144
Total		24	6 261	214	6 499
Maximum exposure to credit risk		24	6 261		
2023					
Non-current assets					
Insurance contract assets	17	–	–	86	86
Other investments	18	23	–	–	23
Current assets					
Loans receivable – Weaver Fintech	21	–	3 529	–	3 529
Trade receivables – Retail	21	–	1 141	–	1 141
Other receivables	21	1	40	62	103
Cash at bank	22	–	137	–	137
Total		24	4 847	148	5 019
Maximum exposure to credit risk		24	4 847		

3. Risk management and financial instrument disclosure (continued)

3.2 Financial risk management (continued)

	Notes	At amortised cost Rm	Non- financial liabilities Rm	Total Rm
Liabilities				
2024				
Non-current liabilities				
Mortgage bonds	28	83	–	83
Suspensive sale agreements	28	47	–	47
Commercial term loan facilities	28	2 827	–	2 827
Non-current other payables	29	2	17	19
Current liabilities				
Trade payables	30	306	–	306
Other payables	30	79	148	227
Mortgage bonds	28	33	–	33
Suspensive sale agreements	28	17	–	17
Insurance contract liability		31	–	31
Bank overdraft	22	101	–	101
Total		3 526	165	3 691
2023				
Non-current liabilities				
Mortgage bonds	28	117	–	117
Suspensive sale agreements	28	9	–	9
Commercial term loan facilities	28	1 775	–	1 775
Non-current trade and other payables	29	4	27	31
Current liabilities				
Trade payables	30	189	–	189
Other payables	30	46	86	132
Mortgage bonds	28	31	–	31
Suspensive sale agreements	28	12	–	12
Insurance contract liability		22	–	22
Bank overdraft	22	54	–	54
Total		2 259	113	2 372

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management

The group uses credit to facilitate merchandise sales which enables customers in the mass middle-income market to purchase higher-value products on credit. Credit is offered for Retail purchases in South Africa, Botswana, Namibia, Lesotho and the Kingdom of eSwatini, while Weaver Fintech loans are available to customers in South Africa and Botswana.

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the group. There is no concentration of credit risk as the group has a large, widespread customer base. Credit risk consists principally of trade and loan receivables and short-term cash deposits. The group's maximum exposure to credit risk at year-end in respect of financial assets is shown in note 3.2.

Credit risk is managed through a process of continued multiple-level risk filtering. The group customer base has a strong female bias. Females have proven better credit risk than their male counterparts.

In assessing applications for credit, affordability criteria are applied together with in-house developed scorecards based on credit bureau data. Fraud detection tools are used to identify potentially fraudulent applications. New customers are granted a low credit exposure relative to their affordability. This allows the group to monitor payment behaviour with low exposure risk. As a customer demonstrates good payment performance and the behaviour scorecards identify her as a better risk, the purchase limit is raised closer to the maximum affordability level.

Behaviour scorecards are used to determine credit extension to good-paying customers, to drive repurchase rates and repeat loans, and reduce average bad debt. These scorecards are regularly reviewed and upgraded to ensure the group's credit policy remains in line with an acceptable level of risk for repeat business.

All group data is taken into account when a customer is considered for credit extension. In this way a customer in arrears with any group product will not be granted further credit for Retail or Weaver Fintech. The quality of the customer base is closely monitored and early default models are maintained to detect any signs of early customer default.

The group operates dedicated collections call centres with predictive dialling technology to optimise customer contact. External collection agents are used to supplement collections activities to recover outstanding balances. The group does not hold any collateral against receivable balances.

The group assesses on a forward-looking basis the ECLs associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The group applies the general impairment approach. The group assesses at the end of each reporting period whether the credit risk on a financial instrument has increased significantly since initial recognition.

Note 1.33 provides more detail of how the group determines significant increase in credit risk, forward-looking and event-driven management credit estimates on the ECL model.

The group establishes an allowance for impairment that represents its estimate of incurred losses using cash flow models. The estimation of credit losses makes use of detailed models that are used to determine credit impairments. These are complex data-driven models based on account performance over a period of time. A committee consisting of credit risk, finance and company directors reviews the output of the models to ensure that a consistent and rigorous approach is followed.

No security is obtained for trade and loans receivables, and accordingly the entire balance as per the statement of financial position is exposed to credit risk.

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

Company internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision (lifetime vs 12 months)	Gross carrying amount at 31 Dec Rm	Net carrying amount at 31 Dec Rm	Basis for calculation of interest revenue
2024					
Retail					
Performing	9.7%	12-month expected credit loss	1 005	907	Gross carrying amount
Underperforming	38.4%	Lifetime expected credit loss	225	139	Gross carrying amount
Non-performing	58.3%	Lifetime expected credit loss	387	161	Net carrying amount
Totals			1 617	1 207	
Non-performing comprises:					
Active*	55.1%	Lifetime expected credit loss	288	129	Net carrying amount
Handed over to recoveries collection agencies	67.7%	Lifetime expected credit loss	99	32	Net carrying amount
Weaver Fintech					
Performing	3.9%	12-month expected credit loss	4 508	4 332	Gross carrying amount
Underperforming	44.4%	Lifetime expected credit loss	608	339	Gross carrying amount
Non-performing	67.3%	Lifetime expected credit loss	669	219	Net carrying amount
Totals			5 785	4 890	
Non-performing comprises:					
Active*	66.7%	Lifetime expected credit loss	496	165	Net carrying amount
Handed over to recoveries collection agencies	68.8%	Lifetime expected credit loss	173	54	Net carrying amount

* Pre-legal accounts that have not been partially written off.

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

Company internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision (lifetime vs 12 months)	Gross carrying amount at 31 Dec Rm	Net carrying amount at 31 Dec Rm	Basis for calculation of interest revenue
2023					
Retail					
Performing	11.1%	12-month expected credit loss	893	794	Gross carrying amount
Underperforming	37.5%	Lifetime expected credit loss	244	152	Gross carrying amount
Non-performing	59.3%	Lifetime expected credit loss	479	195	Net carrying amount
Totals			1 616	1 141	
Non-performing comprises:					
Active*	59.8%	Lifetime expected credit loss	368	148	Net carrying amount
Handed over to recoveries collection agencies	57.7%	Lifetime expected credit loss	111	47	Net carrying amount
Weaver Fintech**					
Performing	3.9%	12-month expected credit loss	3 127	3 004	Gross carrying amount
Underperforming	43.0%***	Lifetime expected credit loss	607	346	Gross carrying amount
Non-performing	65.6%***	Lifetime expected credit loss	520	179	Net carrying amount
Totals			4 254	3 529	
Non-performing comprises:					
Active*	64.9%***	Lifetime expected credit loss	425***	149	Net carrying amount
Handed over to recoveries collection agencies	68.4%	Lifetime expected credit loss	95	30	Net carrying amount

* Pre-legal accounts that have not been partially written off.

** In the previous year the gross carrying amount was not recalculated to account for the modification of the revised contractual cash flows. Consequently, the gross carrying amount and the loss allowance were erroneously not adjusted to reflect the debt review modification loss of R85 million. Refer to note 1.34.

*** Restated.

The company uses three categories for trade and loan receivables which reflect their credit risk and how the loss provision is determined for each of these categories. A summary of the assumptions underpinning the company's ECL model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision
Performing	All accounts that have not had a significant increase in credit risk since initial recognition	12-month expected credit loss
Underperforming	Accounts that have had a significant increase in credit risk since initial recognition	Lifetime expected credit loss
Non-performing	Accounts that have objective evidence of impairment at the reporting date	Lifetime expected credit loss

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

The loss allowance for trade and loan receivables reconciles to the opening loss allowance for that provision as follows:

Description	Performing		Underperforming		Non-performing		Total	
	Retail Rm	Weaver Fintech Rm	Retail Rm	Restated* Weaver Fintech Rm	Retail Rm	Restated* Weaver Fintech Rm	Retail Rm	Restated* Weaver Fintech Rm
Opening loss allowance as at 1 January 2023	127	114	160	68	405	326	692	508
New financial assets originated or purchased ¹	46	36	33	185	82	72	161	293
Movement between stages ²								
Remain in same stage	(11)	17	(10)	(2)	(11)	–	(32)	15
Stage 1 to Stage 2	(13)	(9)	37	125	–	–	24	116
Stage 1 to Stage 3	(18)	(4)	–	–	132	85	114	81
Stage 2 to Stage 1	3	2	(14)	(18)	–	–	(11)	(16)
Stage 2 to Stage 3	–	–	(37)	(14)	64	19	27	5
Stage 3 to Stage 1	1	–	–	–	(5)	(7)	(4)	(7)
Stage 3 to Stage 2	–	–	4	3	(9)	(4)	(5)	(1)
Loans and advances settled in the current year ³	(23)	(26)	(24)	(13)	(21)	(17)	(68)	(56)
Change in risk ⁴	–	(3)	–	(10)	–	(47)	–	(60)
Write-off point adjustment	–	–	–	–	–	82	–	82
Debt review portfolio sold	–	–	–	–	–	(28)	–	(28)
Net debt review modification impact ⁵	–	–	–	(46)	–	(39)	–	(85)
Write-offs ⁶	(12)	(4)	(56)	(17)	(347)	(100)	(415)	(121)
Other ⁷	(1)	–	(1)	–	(6)	(1)	(8)	(1)
Closing loss allowance as at 31 December 2023	99	123	92	261	284	341	475	725

* In the previous year the gross carrying amount was not recalculated to account for the modification of the revised contractual cash flows. Consequently, the gross carrying amount and the loss allowance were erroneously not adjusted to reflect the debt review modification loss of R85 million. Refer to note 1.34.

¹ Include closing balances for advances to customers who were not on book at the beginning of the year and reflected in the respective stages at the end of the year.

² Balances move out of a stage based on the opening balance on the book at the start of the year and move into a stage based on the closing balance on the book at the end of the year.

³ Includes the reversal of opening balances for trade and loans receivable repaid during the year.

⁴ Includes transfers out of the respective stages at the start of the year into debt review and other extended payment terms. This applies to Weaver Fintech only. For Retail transfer to debt review is included in movements between stages and therefore a customer can start in a specific category and move into debt review.

⁵ Includes movements in the loss allowance from the start to the end of the year, resulting from changes in the activity of debt review modification loss.

⁶ Includes the release of opening balances for accounts that were written off during the year. These write-offs were included based on the stage of the receivable at the beginning of the year.

⁷ Includes movements in the loss allowance at the start of the year resulting from changes in the activity of debtors due to retrenchments, disabilities, debt administration, death, fraud, cancellations and deferred fee liability.

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

Description	Performing		Underperforming		Non-performing		Total	
	Retail Rm	Weaver Fintech Rm	Retail Rm	Weaver Fintech Rm	Retail Rm	Weaver Fintech Rm	Retail Rm	Weaver Fintech Rm
New financial assets originated or purchased ¹	52	56	37	135	58	100	147	291
Movement between stages ²								
Remain in same stage	(10)	38	(1)	(4)	(20)	(2)	(31)	32
Stage 1 to Stage 2	(9)	(7)	29	131	–	–	20	124
Stage 1 to Stage 3	(14)	(3)	–	–	78	86	64	83
Stage 2 to Stage 1	3	3	(10)	(32)	–	–	(7)	(29)
Stage 2 to Stage 3	–	–	(26)	(29)	44	41	18	12
Stage 3 to Stage 1	2	–	–	–	(8)	(2)	(6)	(2)
Stage 3 to Stage 2	–	–	5	1	(9)	(3)	(4)	(2)
Loans and advances settled in the current year ³	(18)	(25)	(13)	(24)	(14)	(6)	(45)	(55)
Change in risk ⁴	–	(6)	–	(63)	–	21	–	(48)
Write-off point adjustment	–	–	–	–	–	27	–	27
Debt review portfolio sold	–	–	–	–	–	(92)	–	(92)
Net debt review modification impact ⁵	–	–	–	(14)	–	5	–	(9)
Write-offs ⁶	(6)	(4)	(26)	(91)	(182)	(65)	(214)	(160)
Other ⁷	(1)	–	(1)	(1)	(5)	(1)	(7)	(2)
Closing loss allowance as at 31 December 2024	98	175	86	270	226	450	410	895

- ¹ Include closing balances for advances to customers who were not on book at the beginning of the year and reflected in the respective stages at the end of the year.
- ² Balances move out of a stage based on the opening balance on the book at the start of the year and move into a stage based on the closing balance on the book at the end of the year.
- ³ Includes the reversal of opening balances for trade and loans receivable repaid during the year.
- ⁴ Includes transfers out of the respective stages at the start of the year into debt review and other extended payment terms. This applies to Weaver Fintech only. For Retail transfer to debt review is included in movements between stages and therefore a customer can start in a specific category and move into debt review.
- ⁵ Includes movements in the loss allowance from the start to the end of the year, resulting from changes in the activity of debt review modification loss.
- ⁶ Includes the release of opening balances for accounts that were written off during the year. These write-offs were included based on the stage of the receivable at the beginning of the year.
- ⁷ Includes movements in the loss allowance at the start of the year resulting from changes in the activity of debtors due to retrenchments, disabilities, debt administration, death, fraud, cancellations and deferred fee liability.

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

The significant changes in the gross carrying amount of trade and loan receivables are explained below:

Description	Performing		Underperforming		Non-performing		Total	
	Retail Rm	Weaver Fintech Rm	Retail Rm	Restated* Weaver Fintech Rm	Retail Rm	Restated* Weaver Fintech Rm	Retail Rm	Restated* Weaver Fintech Rm
Opening gross balance as at 1 January 2023	1 004	2 553	371	215	658	522	2 033	3 290
New financial assets originated or purchased ¹	430	1 122	92	344	89	110	611	1 576
Movement between stages ²								
Remain in same stage	(19)	430	(14)	(5)	(56)	–	(89)	425
Stage 1 to Stage 2	(105)	(199)	103	290	–	–	(2)	91
Stage 1 to Stage 3	(141)	(92)	–	–	144	129	3	37
Stage 2 to Stage 1	34	39	(33)	(41)	–	–	1	(2)
Stage 2 to Stage 3	–	–	(87)	(31)	69	29	(18)	(2)
Stage 3 to Stage 1	10	6	–	–	(9)	(11)	1	(5)
Stage 3 to Stage 2	–	–	10	5	(15)	(6)	(5)	(1)
Loans and advances settled in the current year ³	(181)	(578)	(55)	(40)	(33)	(28)	(269)	(646)
Change in risk ⁴	–	(62)	–	(33)	–	(75)	–	(170)
Write-off point adjustment	–	–	–	–	–	111	–	111
Debt review portfolio sold	–	–	–	–	–	(45)	–	(45)
Net debt review modification impact ⁵	–	–	–	(46)	–	(39)	–	(85)
Write-offs ⁶	(99)	(85)	(130)	(50)	(351)	(175)	(580)	(310)
Other ⁷	(40)	(7)	(13)	(1)	(17)	(2)	(70)	(10)
Gross carrying amount as at 31 December 2023	893	3 127	244	607	479	520	1 616	4 254

* In the previous year the gross carrying amount was not recalculated to account for the modification of the revised contractual cash flows. Consequently, the gross carrying amount and the loss allowance were erroneously not adjusted to reflect the debt review modification loss of R85 million. Refer to note 1.34.

¹ Include closing balances for advances to customers who were not on book at the beginning of the year and reflected in the respective stages at the end of the year.

² Balances move out of a stage based on the opening balance on the book at the start of the year and move into a stage based on the closing balance on the book at the end of the year.

³ Includes the reversal of opening balances for trade and loans receivable repaid during the year.

⁴ Includes transfers out of the respective stages at the start of the year into debt review and other extended payment terms. This applies to Weaver Fintech only. For Retail transfer to debt review is included in movements between stages and therefore a customer can start in a specific category and move into debt review.

⁵ Includes movements in the loss allowance from the start to the end of the year, resulting from changes in the activity of debt review modification loss.

⁶ Includes the release of opening balances for accounts that were written off during the year. These write-offs were included based on the stage of the receivable at the beginning of the year.

⁷ Includes movements in the loss allowance at the start of the year resulting from changes in the activity of debtors due to retrenchments, disabilities, debt administration, death, fraud, cancellations and deferred fee liability.

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

Description	Performing		Underperforming		Non-performing		Total	
	Retail Rm	Weaver Fintech Rm	Retail Rm	Weaver Fintech Rm	Retail Rm	Weaver Fintech Rm	Retail Rm	Weaver Fintech Rm
New financial assets originated or purchased ¹	562	1 458	96	280	74	150	732	1 888
Movement between stages ²								
Remain in same stage	(19)	989	(3)	(9)	(57)	(3)	(79)	977
Stage 1 to Stage 2	(83)	(179)	78	296	–	–	(5)	117
Stage 1 to Stage 3	(127)	(85)	–	–	98	128	(29)	43
Stage 2 to Stage 1	31	84	(24)	(72)	–	–	7	12
Stage 2 to Stage 3	–	–	(69)	(65)	55	61	(14)	(4)
Stage 3 to Stage 1	13	7	–	–	(13)	(3)	–	4
Stage 3 to Stage 2	–	–	13	2	(16)	(4)	(3)	(2)
Loans and advances settled in the current year ³	(162)	(635)	(36)	(55)	(23)	(9)	(221)	(699)
Change in risk ⁴	–	(143)	–	(147)	–	32	–	(258)
Write-off point adjustment	–	–	–	–	–	38	–	38
Debt review portfolio sold	–	–	–	–	–	(141)	–	(141)
Net debt review modification impact ⁵	–	–	–	(14)	–	5	–	(9)
Write-offs ⁶	(54)	(105)	(67)	(212)	(197)	(104)	(318)	(421)
Other ⁷	(49)	(10)	(7)	(3)	(13)	(1)	(69)	(14)
Gross carrying amount as at 31 December 2024	1 005	4 508	225	608	387	669	1 617	5 785

- ¹ Include closing balances for advances to customers who were not on book at the beginning of the year and reflected in the respective stages at the end of the year.
- ² Balances move out of a stage based on the opening balance on the book at the start of the year and move into a stage based on the closing balance on the book at the end of the year.
- ³ Includes the reversal of opening balances for trade and loans receivable repaid during the year.
- ⁴ Includes transfers out of the respective stages at the start of the year into debt review and other extended payment terms. This applies to Weaver Fintech only. For Retail transfer to debt review is included in movements between stages and therefore a customer can start in a specific category and move into debt review.
- ⁵ Includes movements in the loss allowance from the start to the end of the year, resulting from changes in the activity of debt review modification loss.
- ⁶ Includes the release of opening balances for accounts that were written off during the year. These write-offs were included based on the stage of the receivable at the beginning of the year.
- ⁷ Includes movements in the loss allowance at the start of the year resulting from changes in the activity of debtors due to retrenchments, disabilities, debt administration, death, fraud, cancellations and deferred fee liability.

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

Trade receivables

The group manages the ageing of trade receivables on a contractual basis. Trade receivables classified as “satisfactory paid” includes current receivables and amounts past due less than 30 days. Past experience has shown that a significant portion of amounts past due less than 30 days carry credit risk similar to that of current receivables, and accordingly these balances are reviewed together. The ageing of customers, as presented below, are expressed as a % of the value of outstanding balances, based on both the gross trade receivables book before provisions and the net trade receivables book after provisions.

	Gross trade receivables		Net trade receivables		Provision as a % of gross trade receivables	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 %	2023 %
Contractual						
Retail						
Satisfactory paid	1 063	954	938	821	11.8	13.9
Current	893	763	810	680	9.3	10.9
Past due less than 30 days	170	191	128	141	24.7	25.9
Past due 31 – 60 days	95	103	67	78	29.6	24.3
Past due 61 – 90 days	73	78	42	45	41.6	42.1
Past due more than 91 days	386	481	160	197	58.5	59.1
	1 617	1 616	1 207	1 141	25.4	29.4
Trade receivables gross, net (Rm)	1 617	1 616	1 207	1 141	(410)	(475)

3. Risk management and financial instrument disclosure (continued)

3.3 Credit risk management (continued)

Loans receivable

The group manages the ageing of loans receivable on a recency basis. Recency refers to the number of payment cycles that have elapsed since the last qualifying payment was received.

The ageing of customers, as presented below, are expressed as a percentage of the value of outstanding balances, based on both the gross loans receivable book before provisions and the net loans receivable book after provisions.

	Gross loans receivable		Net loans receivable		Provision as a % of gross loans receivable	
	2024 Rm	Restated* 2023 Rm	2024 Rm	2023 Rm	2024 %	Restated* 2023 %
Recency						
Weaver Fintech						
Current	4 804	3 472	4 515	3 225	6.0	7.0
Not paid 1 – 30 days	253	245	159	151	37.2	39.2
Not paid 31 – 60 days	117	115	53	53	54.7	54.8
Not paid more than 61 days	611	422	163	100	73.3	76.3
	5 785	4 254	4 890	3 529	15.5	17.0
Loans receivable gross, net (Rm)	5 785	4 254	4 890	3 529	(895)	(725)

* Refer to note 1.34.

	2024 %	Restated 2023 %
Loan product weighting		
Weaver Fintech		
1 – 3-month loan	17.5	15.9
6-month loan	4.9	6.2
12-month loan	21.3	17.7
24-month loan	20.5	26.2
36-month loan	28.9	24.7
Other	6.9	9.3
	100.0	100.0

The total loss allowance as a percentage of the trade and loans receivable books in Stage 2 and Stage 3 at the reporting date is:

	2024 %	2023 %
Retail	67.0	65.7
Weaver Fintech	70.1	64.3*

* Refer to note 1.34.

The group did not consider there to be any significant credit risk exposure which has not been adequately provided for.

Cash and cash equivalents

The group invests surplus cash only with investment-grade rated financial institutions.

3. Risk management and financial instrument disclosure (continued)

3.4 Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the group's reputation. The risk is managed through optimisation of daily cash management and regular reviews of cash flow projections to ensure that appropriate borrowing facilities are in place.

The following table details the group's undiscounted contractual maturities for its financial liabilities and includes contractually charged interest cash flows.

	Weighted average interest rate %	On demand Rm	1 year Rm	2 years Rm	3 years Rm	4 years Rm	Over 4 years Rm	Total Rm	Carrying value Rm
2024									
Non-interest-bearing liabilities									
Non-current trade and other payables		–	–	1	1	–	–	2	2
Trade and other payables		138	247	–	–	–	–	385	385
Insurance contract liabilities		–	31	–	–	–	–	31	31
Interest-bearing liabilities									
Mortgage bonds	10.50	–	93	29	7	–	–	129	116
Suspensive sale agreements	10.88	–	23	18	16	15	10	82	64
Commercial term loan facilities	11.35	–	318	2 118	1 558	–	–	3 994	2 827
Lease liabilities	11.08	–	37	32	23	17	8	117	94
Bank overdraft	10.61	101	–	–	–	–	–	101	101
		239	749	2 198	1 605	32	18	4 841	3 620
2023									
Non-interest-bearing liabilities									
Non-current trade and other payables		–	–	1	1	1	1	4	4
Trade and other payables		103	132	–	–	–	–	235	235
Insurance contract liabilities		–	22	–	–	–	–	22	22
Interest-bearing liabilities									
Mortgage bonds	11.03	–	46	94	29	7	–	176	148
Suspensive sale agreements	12.05	–	14	8	3	1	–	26	21
Commercial term loan facilities	11.40	–	191	207	1 138	765	–	2 301	1 775
Lease liabilities	9.34	–	18	17	7	3	2	47	42
Bank overdraft	10.30	54	–	–	–	–	–	54	54
		157	423	327	1 178	777	3	2 865	2 301

3. Risk management and financial instrument disclosure (continued)

3.4 Liquidity risk management (continued)

The group has the following borrowing facilities available:

	2024 Rm	2023 Rm
General banking facilities available	365.0	370.0
Guarantees	14.5	14.5
Suspensive sale agreements facility available	85.0	105.0
	464.5	489.5
Amounts drawn against these facilities	(203.9)	(91.6)
Unutilised banking and other facilities at 31 December 2024	260.6	397.9
Commercial term loan facilities available	3 750.0	3 000.0
Amounts drawn against these facilities	(2 827.0)	(1 775.0)
Unutilised borrowing facilities at 31 December 2024	923.0	1 225.0

The group upsized its interest-bearing loans and borrowings facilities from R3.00 billion to R3.75 billion during the year. The facilities consist of a revolving credit facility and bullet term loan facilities. Please refer to note 28 for further details.

The refinanced commercial loan is subject to the following covenants:

	Default limit %	Actual 2024 %	Restated 2023 %	Previously reported 2023 %
Covenant				
Net debt (including property debt) to net receivables plus property value	52.5	46.63	38.00	
Retail debtors cost as a % of average gross debtors	30	23.88	18.20	
Weaver Fintech debtors cost as a % of average gross debtors	25	20.80	20.15	19.92
Retail adjusted non-performing loan (NPL) ratio	35	20.76	26.70	
Weaver Fintech adjusted NPL ratio	20	9.71	10.87	11.60
Handed over book	5	1.16	1.33	1.30

* The debt covenants have been restated due the impact of the debt review modification loss. Refer to note 1.34.

The board is satisfied that there is significant headroom between the covenant default limits and actual performance.

3.5 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, currency risk and interest rate risk. Financial instruments affected by market risk include trade and other receivables, interest-bearing liabilities, trade and other payables and cash and cash equivalents.

Other price risk management

The group is exposed to other price risk due to en-commandite partnerships entered into, established for the purposes of investing in listed shares which are classified as fair value through profit and loss investments.

The sensitivity of the group's profit after taxation due to a change in equity price is immaterial to the group financial statements.

Foreign currency risk management

The group undertakes transactions in foreign currencies, hence exposure to exchange rate fluctuations arises. The majority of these transactions are purchases of inventory from Asia and are denominated in US Dollar. When deemed appropriate by the directors, the group enters into forward exchange contracts to assist in managing its foreign currency exposure and economically hedge the exchange risk.

Derivatives and hedging activities

The group does not currently apply hedge accounting and continues to account for forward exchange contracts at fair value through profit and loss.

The group had foreign liabilities at 31 December 2024 amounting to R42 million (2023: R21 million).

The group measures sensitivity to foreign exchange rates as the effect of a change in the US Dollar on profit after taxation based on the group's exposure at 31 December 2024. The group regards a 15% change in exchange rates as being reasonably possible at the reporting dates.

3. Risk management and financial instrument disclosure (continued)

3.5 Market risk management (continued)

The sensitivity of the group's profit after taxation due to a reasonably possible change in exchange rates, with all other variables held constant, at year-end is as follows:

	Effect on profit after taxation	
	2024 Rm	2023 Rm
15% appreciation in ZAR/USD exchange rates	4.5	2.3
15% depreciation in ZAR/USD exchange rates	(4.5)	(2.3)

The following line items on the group's statement of financial position include balances denominated in US Dollar:

	2024 Rm	2023 Rm
Trade and other payables	36.0	–
Bank overdraft	6.0	21.0

Interest rate risk management

At year-end the group's interest-bearing assets and liabilities comprised trade and loan receivables, cash and cash equivalents, borrowings from the bank and suspensive sale agreements. All interest-bearing assets and liabilities are sensitive to fluctuations in interest rates, except for loan receivables, where the interest rate is fixed at the time of entering into an agreement with the customer.

The group measures sensitivity to interest rates as the effect of a change in the Reserve Bank repo rate on the profit after taxation based on the group's exposure at 31 December 2024. The group regards a 100 basis point (2023: 100 basis point) change in the Reserve Bank repo rate as being reasonably possible at the reporting dates.

	Movement in basis points	Effect on profit after taxation	
		2024 Rm	2023 Rm
Retail trade debtors	+100	10.2	9.7
	-100	(10.2)	(9.7)
Cash and cash equivalents	+100	1.0	1.0
	-100	(1.0)	(1.0)
Bank overdraft	+100	(0.7)	(0.4)
	-100	0.7	0.4
Borrowings from the bank	+100	(0.8)	(1.1)
	-100	0.8	1.1
Suspensive sale agreement	+100	(0.5)	(0.2)
	-100	0.5	0.2
Commercial term loan facilities	+100	(20.4)	(12.8)
	-100	20.4	12.8

The South African Reserve Bank (SARB) embarked on a process to replace the Johannesburg Interbank Average Rate (JIBAR) in response to global reforms of interbank rates. JIBAR is a core component of many instruments in the cash and derivative markets including retail and commercial loans, corporate debt, lease contracts, vanilla and complex derivatives contracts.

In November 2022 the SARB began publishing the South African Rand Overnight Index Average (ZARONIA). Until recently, ZARONIA was published for observation purposes only and was designated by the SARB as the preferred unsecured successor rate that will most likely replace JIBAR. In early November 2023 the SARB designated ZARONIA as the successor rate to replace JIBAR. The observation period for ZARONIA ended on 3 November 2023 and the SARB has indicated that market participants may use the published ZARONIA as a reference rate in pricing financial contracts going forward. The SARB has indicated that the transition from JIBAR to ZARONIA is a multi-year initiative and has not yet communicated a cessation date for JIBAR.

The group's interest-bearing liabilities continue to reference JIBAR and the use of the ZARONIA rate is not expected to have a material impact on the group's assessment of interest rate risk.

3. Risk management and financial instrument disclosure (continued)

3.6 Fair value of financial instruments

The fair values of financial instruments are measured in accordance to the following fair value measurement hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes observable inputs requires significant judgement by the entity. The entity considers observable data to be such market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

A comparison by category of carrying amounts and fair values of the group's financial instruments carried at fair value is set out below:

	Fair value hierarchy	Valuation techniques and key inputs	Carrying amount		Fair value	
			2024 Rm	2023 Rm	2024 Rm	2023 Rm
Other investments	Level 2	Investment in en-commandite partnership based on the underlying investment in a listed company.	20	23	20	23

The fair values of the following items are not disclosed as these assets and liabilities closely approximate their carrying amount:

- Cash and cash equivalents, trade and other payables: The carrying amounts reported in the statement of financial position approximate fair values because of the short-term maturities of these assets and liabilities.
- Borrowings: Fair values of debt instruments issued by the group and other borrowings are estimated using discounted cash flow models based on prevailing market rates for similar types of borrowings, with maturities consistent with those remaining for the debt instruments being valued.
- Trade and loan receivables: Discounted cash flow models are used for trade and loan receivables. The discount yields in these models use calculated rates that reflect the return a market participant would expect to receive on instruments with similar remaining maturities, cash flow patterns, credit risk, collateral and interest rates.

There have been no transfers between the levels during the year.

3.7 Insurance risk

Insurance risk is the possibility that the insured event occurs and that benefit payments and expenses exceed the carrying amount of insurance liabilities. The group manages this risk through its arrangement with Guardrisk.

Mauritian insurance cell

The group underwrites insurance products with the following terms and conditions:

- Credit life covering the risk of the customer being unable to settle the terms of the credit agreement as a result of death, disability or qualifying retrenchment.
- Funeral products covering the death of the insured and, where applicable, specified insured family members.
- Product protection covering the replacement of customers' devices in the event of theft or damage beyond repair. Where the goods are replaced, the cost of the claim is determined with reference to the cost of the device.

The group is exposed to insurance risk through its investment in insurance cell captive arrangements. The insurance risk relates to the risk that there will be insufficient capital available to honour the claims made by the policyholders in the insurance cell captive arrangements.

3. Risk management and financial instrument disclosure (continued)

3.7 Insurance risk (continued)

The risk under any one insurance contract is the possibility that an insured event occurs as well as the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and unpredictable. The frequency and severity of claims can be affected due to unforeseen factors such as pandemics and employment trends.

Underwriting risk is the risk that the group's actual exposure to short-term risks in respect of policy-holding benefits will exceed prudent estimates established using historical claims patterns and actuarial techniques. Insurance events are random and the actual number of claims will vary from year to year from the estimated claims provision established using historical claims patterns and actuarial techniques. The development of insurance claims provisions provides a measure of the group's ability to estimate the ultimate value of the claims. The group does not underwrite long-term risks and, consequently, the uncertainty about the amount and timing of claim payments is limited. Regular estimates of claims are performed in reviewing the adequacy of the insurance claims provisions. Claims development is reviewed by management on a regular basis. Insurance claim provisions will generally be settled within one year. The frequency and severity of claims can be affected due to unforeseen factors such as patterns of crime, pandemic and employment trends. The group manages these risks through its underwriting strategy and proactive claims handling. Where appropriate, the above risks are managed by senior management and directors. The geographical spread of the group ensures that the underwritten risks are well diversified. The group does not only sell credit life insurance products, but funeral policies too which also adds diversification to the portfolio. No significant concentrations of insurance risk exist.

In determining the value of insurance liabilities, assumptions need to be made regarding future rates of mortality and morbidity, termination rates, expenses and investment performance. The investment in insurance assets is more sensitive to the rates of the mortality and termination applied in the valuation of the underlying insurance liabilities. The assumptions are informed by past claims experience and by Guardrisk's extensive industry-level insight and experience, and are assessed annually.

The uncertainty of these rates may result in actual experience being different from that assumed and hence actual cash flows being different from those projected. In the extreme, actual claims and benefits may exceed liabilities.

In estimating the provision for claims reported but not yet paid, the notified claims at balance sheet date are reviewed and predetermined formulae based on experience are applied.

The sensitivity analysis on net profit after tax should the insurance contract liabilities increase or decrease by 10% is immaterial to the group's financial statements and illustrated below.

	2024 Rm	2023 Rm
Insurance contract liabilities increase by 10 basis points	3.1	2.2
Insurance contract liabilities decrease by 10 basis points	(3.1)	(2.2)

4. Fees

	2024 Rm	2023 Rm
Service fees	359	276
Arrear collection fees	122	59
Commission – insurance fees	67	54
Other	4	–
	552	389

Fees are earned monthly on agreed terms with customers.

Fees are recognised over time as services are transferred.

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	2024 Rm	2023 Rm
5. Insurance		
Credit life	250	220
Funeral	140	125
	390	345

The group recognises insurance revenue at the amount of expected premium receipts allocated based on the passage of time over the coverage period for a group of insurance contracts.

	2024 Rm	2023 Rm
6. Retail sales		
Disaggregation of retail sales by product type is as follows:		
Homeware	870	793
Appliances and electronics	361	318
Fashion and footwear	20	30
Furniture	78	86
	1 329	1 227
Disaggregation of retail sales by channel is as follows:		
Contact centre	724	677
Digital	266	324
Showroom	315	207
Sales agents	24	19
	1 329	1 227

Retail sales are settled at a point in time.

	2024 Rm	2023 Rm
7. Credit impairment losses		
Loans receivable – Weaver Fintech	1 044	760
Trade receivables – Retail	386	332
Total credit impairment losses	1 430	1 092

Loans receivable – Weaver Fintech includes modification losses of R94 million (2023: R85 million).

There were no significant recoveries in the current or prior period.

	2024 Rm	2023 Rm
8. Trading expenses		
<i>Expenses by nature</i>		
Auditor's remuneration	10	8
Audit-related services	8	6
Other non-audit services	2	2
Amortisation of intangible assets	49	39
Depreciation of property, plant and equipment and right-of-use assets	53	52
Total depreciation of property, plant and equipment and right-of-use assets	58	56
Less: disclosed under insurance expenses	(5)	(4)
Marketing costs	241	245
Customer operations and support	180	119
IT costs	39	41
Facility expenses	43	39
Staff costs: short-term employee benefits	591	527
Total staff costs	700	618
Less: disclosed under cost of Retail sales	(25)	(28)
Less: staff costs capitalised to intangible assets	(54)	(28)
Less: disclosed under insurance expenses	(30)	(35)
Other costs	42	31
Total other costs	324	282
Less: warehouse and fulfilment cost disclosed under cost of Retail sales	(121)	(116)
Less: disclosed under insurance expenses	(161)	(135)
Total other trading expenses	1 248	1 101

	2024 Rm	2023 Rm
9. Other net gains		
Impairment of intangible assets	(1)	(8)
Intangible asset impairment reversal	3	14
Foreign exchange gains	3	5
Fair value (loss)/gain	(3)	(7)
	2	4

	2024 Rm	2023 Rm
10. Other income		
Prescription of trade and loans receivables	7	3
VAT refund recovery	10	19
Other	–	2
	17	24

	2024 Rm	2023 Rm
11. Interest expense		
Bank borrowings	10	8
Mortgage bonds	14	17
Suspensive sale agreements	5	4
Lease liabilities	8	3
Commercial term loan facilities	267	189
Other	9	11
Total interest expense	313	232
<i>For cash flow purposes</i>	313	232
Interest paid	307	215
Deal origination costs amortised	6	–
Interest accrued and amortisation of transaction costs	–	17
	2024 Rm	2023 Rm
12. Taxation		
Income taxation		
Current year	(146)	(83)
Adjustments for current tax of prior periods	–	6
Deferred taxation		
Increase/(decrease) in deferred tax assets	30	(30)
Decrease in deferred tax liabilities	10	40
	(106)	(67)
	%	%
Reconciliation of effective taxation rate:		
Standard rate	15.0	15.0
Amendment for prior periods	–	(0.9)
Exempt income ¹	(9.8)	(10.5)
Non-deductible expenditure ²	1.4	1.4
Deferred tax asset not realised	0.4	2.0
Effect of foreign income tax rates ³	13.5	10.0
Effective taxation rate	20.5	17.0

¹ Includes profits recognised net of taxation through equity accounting and insurance income subject to a partial exemption in the Republic of Mauritius.

² Comprises impairment of non-financial assets, IFRS 2 share-based payment costs, and corporate and other investor relations expenditure.

³ Includes effect on withholding tax on interest in the Republic of South Africa.

13. Earnings per share

13.1 Basic and headline earnings per share

The calculation of basic and headline earnings per share is based upon profit for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue as follows:

	2024 Rm	2023 Rm
Earnings and headline earnings attributable to owners of the parent		
Profit for the year	411	335
Attributable to non-controlling interests	2	(8)
Earnings attributable to ordinary shareholders	413	327
Adjusted for the after-tax effect of:		
Impairment of intangible assets	1	8
Impairment of intangible asset reversal	(3)	(14)
Taxation effect	1	2
Headline earnings for the year	412	323
Weighted average number of ordinary shares in issue ('000)	104 506	104 329
Earnings per share (cents)		
Basic	395.2	313.4
Headline	393.9	309.3

13.2 Diluted and diluted headline earnings per share

The calculation of diluted and diluted headline earnings per share is based upon profit for the year attributable to owners of the parent divided by the fully diluted weighted average number of ordinary shares in issue as follows:

	2024	2023
Weighted average number of ordinary shares in issue ('000)	104 506	104 329
Number of shares issuable under share-based remuneration schemes for no consideration ('000)	1,163	966
Weighted average number of diluted shares in issue ('000)	105 669	105 295
Earnings per share (cents)		
Diluted	390.8	310.6
Diluted headline	389.5	306.5

14. Property, plant and equipment

	2024			2023		
	Cost Rm	Accumulated depreciation Rm	Carrying value Rm	Cost Rm	Accumulated depreciation Rm	Carrying value Rm
Land and buildings	353	(12)	341	353	(12)	341
Computer equipment	116	(93)	23	109	(84)	25
Equipment	57	(49)	8	53	(44)	9
Furniture and fittings	167	(96)	71	128	(84)	44
Plant and machinery	76	(70)	6	74	(65)	9
Total	769	(320)	449	717	(289)	428

Analysis of movements

	Opening balance Rm	Additions Rm	Depreciation Rm	Closing balance Rm
2024				
Land and buildings	341	–	–	341
Computer equipment	25	7	(9)	23
Equipment	9	4	(5)	8
Furniture and fittings	44	39	(12)	71
Plant and machinery	9	2	(5)	6
Total	428	52	(31)	449
2023				
Land and buildings	341	–	–	341
Computer equipment	14	17	(6)	25
Equipment	11	1	(3)	9
Furniture and fittings	40	18	(14)	44
Plant and machinery	15	–	(6)	9
Total	421	36	(29)	428

Land and buildings comprise:

- land and buildings, being remainder erf 66592 Cape Town at Wynberg situated in the City of Cape Town, South Africa in extent of 2 858 square metres (acquired in 2007);
- land and buildings, being remainder erf 91380 Cape Town at Wynberg situated in the City of Cape Town, South Africa in extent of 4 936 square metres (acquired in 2011);
- erf 66592 and erf 91380 were consolidated on 6 November 2015 to form erf 160341, Wynberg, City of Cape Town, South Africa; and
- industrial-site land and building, being remainder of portion 240 of the farm Wimbledon Number 454 situated in the City of Cape Town, South Africa and measuring 33 140 square metres (acquired in 2005).

The carrying value of property, plant and equipment subject to suspensive sale agreements (refer note 28) as at 31 December 2024 was R56 million (2023: R20 million).

Included in property, plant and equipment are assets with a cost of R156 million (2023: R183 million) that are in use but fully depreciated.

Land and buildings include a carrying value of R341 million (2023: R341 million) currently encumbered as shown in note 28.

Included in furniture and fittings are leasehold improvements of R31.6 million (2023: R14.3 million).

15. Intangible assets

	2024			2023		
	Cost Rm	Accumulated amortisation and impairment Rm	Carrying value Rm	Cost Rm	Accumulated amortisation and impairment Rm	Carrying value Rm
Licences	18	(17)	1	18	(16)	2
Computer software	484	(274)	210	410	(228)	182
Goodwill	33	-	33	33	-	33
Total	535	(291)	244	461	(244)	217

Analysis of movements

	Opening balance Rm	Additions Rm	Amortisation Rm	Impairment Rm	Impairment reversal Rm	Closing balance Rm
2024						
Licences	2	-	(1)	-	-	1
Computer software	182	74	(48)	(1)	3	210
Goodwill	33	-	-	-	-	33
Total	217	74	(49)	(1)	3	244
2023						
Licences	2	-	-	-	-	2
Computer software	152	63	(39)	(8)	14	182
Goodwill	33	-	-	-	-	33
Total	187	63	(39)	(8)	14	217

Additions are split between the following categories:

	2024 Rm	2023 Rm
Internal development	57	37
Third-party acquisitions	17	26
Total	74	63

Included in intangibles is internally generated software with a carrying value of R185 million (2023: R162 million). Included in intangible assets are assets with a cost of R79 million (2023: R105 million) that are in use but fully amortised.

During the year an impairment reversal of R3 million was recognised. The reversal relates to information technology legacy software in the Retail segment that was reinstated during the year.

During the year a derecognition of R6 million (2023: R8 million) was recognised. Derecognition includes information technology legacy software that is no longer fit for purpose and does not generate future value for the group.

Included in the gross amount of software is R14 million (2023: R14 million) relating to costs capitalised for software not yet available for use. The gross amount of software not yet in use was evaluated for impairment at the reporting date.

15. Intangible assets (continued)

Impairment of goodwill assessment

HomeChoice International plc acquired an 85% interest in the issued share capital of a fintech company, PayJustNow Proprietary Limited (PJN), for a consideration of R45 million on 1 March 2021. R33 million goodwill was recognised as part of the business combination.

The group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 reporting period, the recoverable amount of the cash-generating unit (PJN) was determined based on a value-in-use calculation which requires the use of assumptions. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the four-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which PJN operates.

The following are key assumptions used in the valuation of PJN for purposes of testing whether goodwill has suffered impairment at 31 December 2024:

	2024 Rm	2023 Rm
Customer growth rate	3.0	2.9
Long-term growth rate	6.0	4.5
Discount rate	29.1	30.3

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Customer growth rate	Average monthly growth rate over the four-year forecast period; based on past performance and management's expectations of growth.
Long-term growth rate	Cash flows beyond the four-year period are extrapolated into the future using a steady long-term growth rate which is derived from inflation forecasts by recognised bodies and does not exceed the long-term average growth rate for the industry and country in which the cash-generating units (CGUs) operate.
Pre-tax discount rates	The pre-tax discount rates are derived from the group's weighted average cost of capital, taking into account the cost of capital, lease liabilities and borrowings, to which specific market-related premium adjustments are made.

Management incorporated the cash flow benefit from cost synergies that will realise for the Weaver Fintech business cross-selling into the PJN customer base.

Management has performed sensitivity analyses on the key assumptions used in the impairment model using reasonable changes in these key assumptions based on recent market movements including discount rates, customer growth rates and long-term growth rates:

- An increase of one percentage point in the discount rate would have no impact on the impairment for the current or prior year.
- A decrease of one percentage point in the long-term growth rate would have no impact on the impairment for the current or prior year.
- A decrease of one percentage point in the customer growth rate would have no impact on the impairment for the current or prior year.

15. Intangible assets (continued)

Impairment of other financial assets assessment

The group has tested whether non-financial assets relating to the Retail business have suffered any impairment. The recoverable amount of the CGU (Retail business) was determined based on a value-in-use calculation which requires the use of assumptions. The calculation uses cash flow projections based on financial budgets approved by management covering a four-year period.

Cash flows beyond the four-year period are extrapolated into the future over the useful life of the CGU, using a steady long-term growth rate which is derived from inflation forecasts by recognised bodies and does not exceed the long-term average growth rate for the industry and country in which the CGU operates.

The following are key assumptions used in the valuation of Retail for purposes of testing whether the non-financial assets have suffered impairment at 31 December 2024:

Revenue growth rate: 6.8% (FY2023: 6.0%) over the four-year period was applied.

Growth in cash receipts (debtor collections and cash sales): 7.4% (FY2023: 5.0%) over the four-year period was applied.

Growth in expense cash flows: 6.0% (FY2023: 4.7%) over the four-year period was applied.

Long-term growth rate: 4.5% (FY2023: 4.5%).

Discount rate: 21.1% (FY2023: 22.8%).

Management has performed sensitivity analyses on the key assumptions used in the impairment model using reasonable changes in these key assumptions based on recent market movements including discount rates, customer growth rates and long-term growth rates:

- An increase of one percentage point in the discount rate would result in an R47 million impairment for the current year while a 0.5% increase would not result in an impairment.
- A decrease of one percentage point in the long-term growth rate would result in a R11 million impairment for the current year and no impairment in the prior year.
- A decrease of one percentage point in the revenue growth rate would have no impact on the impairment for the current or prior year.

16. Right-of-use assets and lease liabilities

The group has lease contracts for various land and buildings consisting mainly of showroom leases and a distribution centre used in its operations. Leases for land and buildings have, on average, a lease term of five years. The majority of the leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. The group includes extension options when determining the lease term when it is reasonably certain that the renewal option will be exercised.

	2024 Rm	2023 Rm
Right-of-use assets		
Buildings	89	38
Lease liabilities		
Current	31	18
Non-current	63	24
	94	42
Analysis of movements – Right-of-use assets		
Opening balance on 1 January	38	32
Additions	78	33
Depreciation	(27)	(27)
Closing balance on 31 December	89	38
Analysis of movements – Lease liabilities		
Opening balance on 1 January	42	38
Additions for new leases	80	33
Remeasurement due to lease modification	(1)	–
Interest on lease liabilities	8	3
Lease payments	(35)	(32)
Closing balance on 31 December	94	42
The statement of comprehensive income shows the following amounts relating to leases:		
Depreciation charge of right-of-use assets	27	27
Interest expense (included in finance cost)	7	3
	34	30
The group is exposed to the following potential future undiscounted cash outflows which are not included in the measurement of lease liabilities:		
Extension and termination options not reasonably assured	165	124

No significant leases are due to contractually terminate in the next 12-month period.

There were no expenses incurred relating to short-term leases, low-value assets or variable lease payments expensed.

17. Insurance contract assets

The group has an economic interest in insurance cells. The interest in the insurance cells is represented by investments in A class ordinary shares in Guardrisk Insurance Company Limited and L class ordinary shares in Guardrisk Life Limited, entitling the group to the profits of the cell.

The group is required to ensure that the insurance cells remain at all times in a financially sound condition and maintains capital adequacy requirements (CAR) as determined by regulatory bodies and Guardrisk. If the group fails to maintain CAR it will be required to subscribe to further shares at such premium sufficient to restore the insurance cell to a financially sound condition. The insurance cells have been valued at their net asset value at the reporting date.

	2024 Rm	2023 Rm
Opening balance	86	63
Insurance service result	24	23
Insurance revenue	124	104
Insurance expenses	(100)	(81)
Dividends received	(24)	–
Closing balance	86	86
Premiums received	(124)	(104)
Insurance expenses	100	81

18. Other investments

The group entered into en-commandite partnerships established for the purposes of investing in a data specialist company listed on the Johannesburg Stock Exchange. The group's financial exposure to the partnerships is limited to the capital contribution made. The investments are summarised below as follows:

	2024 Rm	2023 Rm
Investment in partnerships		
Opening balance	23	30
Loss on investment	(3)	(7)
Closing balance	20	23

The loss from the investments in the partnerships amounted to R3 million (2023: R7 million) and is recognised in profit or loss.

The fair value of the investments are derived from the fund's unit value, as determined by the fund manager and equals HIL's proportionate share of the total net asset value of the en-commandite partnerships.

19. Deferred taxation

	2024 Rm	2023 Rm
The analysis of deferred tax assets and liabilities is as follows:		
Deferred tax assets	115	85
Deferred tax liabilities	–	(10)
Net deferred tax asset	115	75
The gross movements on the deferred income tax account are as follows:		
At 1 January	75	65
Charged to profit or loss	40	10
At 31 December	115	75

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Provisions Rm	Tax loss carry- forward Rm	Other Rm	Total Rm
Deferred tax assets				
At 1 January 2023	14	96	2	112
Charged to profit or loss	5	36	(2)	39
At 31 December 2023	19	132	–	151
Charged to profit or loss	6	50	6	62
At 31 December 2024	25	182	6	213

	Accelerated tax wear and tear allowances Rm	Debtors' provisions and allowances Rm	Other Rm	Total Rm
Deferred tax liabilities				
At 1 January 2023	(37)	(10)	–	(47)
Charged to profit or loss	(12)	(13)	(4)	(29)
At 31 December 2023	(49)	(23)	(4)	(76)
Charged to profit or loss	(6)	(20)	4	(22)
At 31 December 2024	(55)	(43)	–	(98)

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefits through future taxable profits are probable. Deferred tax assets include an amount of R182 million (FY2023: R132 million) recognised for carried-forward tax losses of a subsidiary, HomeChoice Proprietary Limited, incurred over the last five financial years. The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on budgets for the subsidiary. The losses have no expiry date.

20. Inventories

	2024 Rm	2023 Rm
Merchandise for resale	204	269
Provision for inventory obsolescence	(24)	(19)
Goods in transit	96	35
	276	285

The total amount of inventories expensed to Retail cost of sales during the year ended 31 December 2024 was R576 million (31 December 2023: R555 million). Inventory sold at less than cost during the year ended 31 December 2024 amounted to R16 million (31 December 2023: R15 million) and Inventory write-downs recognised as an expense during the year ended 31 December 2024 amounted to R4 million (31 December 2023: R4 million).

21. Trade and other receivables

	2024 Rm	Restated* 2023 Rm
Group		
Trade and loan receivables*	7 402	5 870
Provision for impairment*	(1 305)	(1 200)
Merchant receivable*	29	18
Value-added taxation	40	24
Legal book sale receivable	18	38
Other receivables*	65	23
	6 249	4 773

* The prior year has been restated to separately disclose value-added taxation (previously included under other receivables) and merchant receivable (previously included under trade and loan receivables). In the previous year the gross carrying amount was not recalculated to account for the modification of the revised contractual cash flows. Consequently, the gross carrying amount and the loss allowance were erroneously not adjusted to reflect the debt review modification loss of R85 million. Refer to note 1.34.

Refer to note 3.3 for detailed credit risk disclosure and a reconciliation of the movement in the provision for impairment for the year.

Trade and loan receivables have repayment terms of between 1 and 36 months and attract interest based on rates as determined by the National Credit Act. Included in trade and loan receivables are amounts approximating R1 789 million (2023: R1 329 million) that contractually fall due in excess of one year. These amounts are reflected as current as they form part of the normal operating cycle.

Weaver Fintech Loans receivable are secured under the commercial term loan facilities as described in note 28.

Other receivables include stock prepayments, staff debtors and foreign exchange contracts receivable.

22. Cash and cash equivalents

	2024 Rm	2023 Rm
Cash at bank	144	137
Bank overdraft	101	54
Cash at bank earns interest based on daily bank deposit rates.		
Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
Cash	144	137
Bank overdraft	(101)	(54)
	43	83

The group is not entitled to set off the bank overdraft with cash and cash equivalents.

Group cash and cash equivalents are secured under the commercial term loan facilities as described in note 28.

Included in cash and cash equivalents is restricted cash of R79 million (2023: R76 million).

Restricted cash includes insurance cell captive cash balances that are consolidated in the group's statement of financial position but not available to the group, as well as insurance premiums collected from customers that are payable to the underlying insurance provider.

23. Stated capital, share capital and share premium

23.1 Stated and share capital

	2024 Rm	2023 Rm
Authorised		
200.0 million (2023: 200.0 million) ordinary shares at one cent par value	2	2
Issued		
106.7 million (2023: 106.7 million) ordinary shares at one cent par value	1	1
Stated and share capital	1	1

	2024 Millions	2023 Millions
Reconciliation of movement in issued shares:		
Number of issued shares at the beginning of the year	106.7	106.7
Shares issued	–	–
Sub-total	106.7	106.7
Treasury shares held within the group	(2.1)	(2.5)
Number of issued shares, net of treasury shares	104.6	104.2
Treasury shares as a % of issued shares	2.0	2.3

Upon HIL's incorporation on 22 July 2014, 72 900 000 HIL shares were issued at a subscription price equal to 25% of the par value thereof, i.e. R0.183 million. Pursuant to the implementation of the above reorganisation:

- 101 379 351 HIL shares were issued to the scheme participants in the ratio of 1 (one) HIL share for every 1 (one) HomeChoice Holdings share held; and
- the 72 900 000 HIL shares issued on incorporation were repurchased by HIL at the subscription price paid for such HIL shares at incorporation and cancelled.

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

23. Stated capital, share capital and share premium (continued)

23.2 Share premium

	2024 Rm	2023 Rm
Balance at the beginning of the year	3 039	3 039
Share issue	–	–
Balance at the end of the year	3 039	3 039

24. Treasury shares

Reconciliation of movement in treasury shares:

	2024 Rm	2023 Rm
Balance at the beginning of the year	(48)	(45)
Purchase of shares to settle forfeiture share scheme obligations	(4)	(8)
Forfeitable shares vested	14	5
Balance at the end of the year	(38)	(48)

	Millions	Millions
Number of shares:		
Balance at the beginning of the year	2.5	2.4
Purchase of shares to settle share incentive scheme obligations	0.2	0.1
Purchase of shares in terms of general buy-back on the open market	–	0.4
Shares vested and exercised under share incentive schemes	(0.6)	(0.4)
Balance at the end of the year	2.1	2.5

183 595 shares (2023: 477 290) were acquired by HomeChoice Proprietary Limited, a subsidiary of the issuer, on the market at an average price of R22.63 (2023: R20.20) per share.

25. Share incentive schemes

25.1 Share option incentive scheme (equity settled)

The group has established a share option incentive scheme in which options to acquire shares in HomeChoice International plc have been granted to employees of the group. All options are conditional on the participant remaining in service with the group. The group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related average exercise prices are as follows:

	2024		2023	
	Average exercise price per share (cents)	Number of options	Average exercise price per share (cents)	Number of options
At 1 January	3 156	558 600	2 957	728 700
Options forfeited during the year	2 800	(4 500)	3 533	(70 100)
Options exercised during the year	–	–	1 444	(100 000)
At 31 December	3 159	554 100	3 156	558 600

Share options outstanding at the end of the year have the following vesting dates and exercise prices:

	2024		2023	
	Average exercise price per share (cents)	Number of options	Average exercise price per share (cents)	Number of options
2016	1 064	4 000	1 064	4 000
2018	1 444	–	1 444	–
2019	3 370	155 750	3 370	155 750
2020	2 800	211 800	2 800	216 300
2021	3 500	29 000	3 500	29 000
2022	4 414	15 050	4 414	15 050
2023	3 500	57 400	3 500	57 400
2024	3 199	81 100	3 199	81 100
	3 159	554 100	3 156	558 600

Analysis of options outstanding:

Date of offer	Vesting date	Grant price (cents)	Fair value at grant date (cents)	Number of options	
				2024	2023
31 March 2012	Vested	1 064	82	4 000	4 000
20 March 2015	Vested	3 370	663	155 750	155 750
1 May 2016	Vested	2 800	598	211 800	216 300
22 March 2017	Vested	3 500	789	29 000	29 000
31 March 2018	Vested	4 414	1 009	15 050	15 050
15 May 2019	Vested	3 500	741	57 400	57 400
31 March 2020	31 March 2024	3 199	646	81 100	81 100
Balance at the end of the year				554 100	558 600

No options were issued during 2024 or 2023.

25. Share incentive schemes (continued)

25.2 Share forfeiture incentive scheme

The group established a share forfeiture incentive scheme during 2017 whereby shares in HomeChoice International plc have been awarded to senior employees of the group for no consideration. Shares are forfeitable should the employee leave the group before vesting date.

	2024		2023	
	Average market value per share (cents)	Number of shares	Average market value per share (cents)	Number of shares
At 1 January	2 454	1 689 603	2 454	1 731 400
Forfeitable shares awarded during the year	2 365	692 502	2 264	218 203
Forfeitable shares vested during the year	2 558	(593 807)	3 560	(260 000)
Forfeitable shares forfeited during the year	2 480	(217 784)	–	–
At 31 December	2 189	1 570 514	2 454	1 689 603

Analysis of shares outstanding:

Date of offer	Vesting date	Market value (cents)	Fair value at grant date (cents)	Number of shares	
				2024	2023
31 March 2020	31 March 2024	3 199	3 199	–	166 400
1 June 2021	31 March 2024	2 000	2 000	–	250 000
1 June 2021	31 March 2025	2 000	2 000	540 000	540 000
31 March 2022	31 March 2024	2 761	2 761	–	65 000
31 March 2022	31 March 2025	2 761	2 761	100 000	100 000
17 June 2022	31 March 2025	1 703	1 703	75 000	75 000
17 June 2022	31 March 2026	1 703	1 703	75 000	75 000
31 December 2022	31 March 2025	2 500	2 500	–	100 000
31 December 2022	31 March 2026	2 500	2 500	–	100 000
31 March 2022	31 March 2024	2 987	2 987	–	2 182
31 March 2022	31 March 2025	2 987	2 987	2 182	2 182
31 March 2023	31 March 2024	2 249	2 249	–	10 225
31 March 2023	31 March 2025	2 249	2 249	10 225	10 225
31 March 2023	31 March 2026	2 249	2 249	175 605	193 389
31 March 2024	31 March 2025	2 154	2 154	12 812	–
31 March 2024	31 March 2026	2 154	2 154	189 844	–
31 March 2024	31 March 2027	2 154	2 154	189 846	–
16 August 2024	30 September 2024	2 778	2 778	–	–
16 August 2024	31 March 2025	2 778	2 778	100 000	–
16 August 2024	30 September 2025	2 778	2 778	100 000	–
Balance at the end of the year				1 570 514	1 689 603

Total expenses of R13 million (2023: R13 million) relating to equity-settled share-based payments were recognised during the year. Refer to note 26 for disclosure of the share-based payment reserve.

26. Other reserves

	Share-based payment reserve Rm
Balance at 1 January 2023	49
Share-based payment charge to profit or loss	13
Forfeitable shares vested	(5)
Transfer to cash-settled incentive compensation plan	–
Balance at 31 December 2023	57
Transfer to share scheme liability	(12)
Share-based payment charge to profit or loss	13
Forfeitable shares vested	(14)
Balance at 31 December 2024	44

27. Non-controlling interest (NCI)

HomeChoice International plc acquired an 85% interest in the issued share capital of PJN on 1 March 2021.

PJN comprises less than 6% (FY2023: 4%) of the group's total assets, less than 15% (FY2023: 12%) of the group's total liabilities and less than 7% (FY2023: 4%) of the group's total revenue.

28. Interest-bearing liabilities

	2024 Rm	2023 Rm
Long-term portion		
Mortgage bonds	83	117
Suspensive sale agreements	47	9
Commercial term loan facilities	2 827	1 775
Total non-current interest-bearing liabilities	2 957	1 901
Short-term portion payable within one year		
Mortgage bonds	33	31
Suspensive sale agreements	17	12
Total current interest-bearing liabilities	50	43
Total interest-bearing liabilities	3 007	1 944
Mortgage bonds		
Mortgage bonds include Standard Bank of South Africa Limited facilities, secured by general covering bonds over erf 160341, Wynberg, South Africa and a FirstRand Bank facility secured by a general covering bond over portion 240 of the farm Wimbledon Number 454, Cape Town, South Africa.		
The Standard Bank of South Africa Limited mortgage bond carries interest at prime less 0.75% and has a remaining repayment term of two years (2023: three years). The FirstRand mortgage bond is repayable over one year (2023: two years) at the one-month JIBAR rate plus 2.80%.		
<i>Movements in mortgage bonds were as follows:</i>		
Opening balance	148	178
Interest and administration fees	14	17
Capital payments made	(32)	(30)
Interest payments made	(14)	(17)
Closing balance	116	148

28. Interest-bearing liabilities (continued)

Suspensive sale agreements

Suspensive sale agreements are instalment sale agreements which the group has entered into in respect of certain property, plant and equipment where the assets purchased are encumbered as security for the outstanding liability until such time that the liability is discharged. The suspensive sale agreements are repayable in monthly instalments of R1.9 million (2023: R1.7 million) including interest and capital.

Interest rates are linked to the prime overdraft rate and varied between 10.75% and 11.75% (2023: 11.75% and 12.25%) during the year. There were no breaches in payments during the current or prior year. The suspensive sale agreements are secured over various items of property, plant and equipment as indicated in note 14.

Movements in suspensive sale agreements were as follows:

	2024 Rm	2023 Rm
Opening balance	21	36
Borrowings raised	57	3
Interest and administration fees	5	4
Capital payments made	(14)	(18)
Interest payments made	(5)	(4)
Closing balance	64	21

Commercial term loan facilities

During the year the group upsized its interest-bearing loans and borrowings facilities from R3 billion to R3.75 billion. The facilities consist of a revolving credit facility and bullet term loan facilities. The upsizing of the facilities resulted in a non-cash repayment of R750 million on the revolving credit facility and created a new bullet term loan facility D of R750 million. The upsizing was sourced from the existing group of lenders.

The revolving credit facility and term loan facility are secured by:

- First ranking cession of cash (excluding restricted cash as disclosed under note 22), cash equivalents, bank accounts insurance policies and insurance proceeds from credit life insurance policies in respect of the book debts claims, book debts that the obligors have against its debtors in relation to Weaver Fintech.
- Pledge and cession of share and claims that Weaver Fintech holds in PJN.
- Intergroup cross-guarantees.
- Subordination of intergroup loans.
- The revolving credit facility carries interest at the three-month JIBAR rate plus 3% and has quarterly interest payments.
- The bullet term loan facility A carries interest at the three-month JIBAR rate plus 2.95% and has quarterly interest payments.
- The bullet term loan facility B carries interest at the three-month JIBAR rate plus 3.15% and has quarterly interest payments.
- The bullet term loan facility D carries interest at the three-month JIBAR rate plus 3% and has quarterly interest payments.
- The facilities mature in 2026 and 2027.

28. Interest-bearing liabilities (continued)

Movements in commercial term loan facilities were as follows:

	2024 Rm	2023 Rm
Opening balance	1 775	1 313
Borrowings raised	1 823	739
Non-cash borrowings raised	750	–
Interest and administration fees	261	189
Capital payments made	(773)	(295)
Non-cash capital payments	(750)	–
Interest payments made	(261)	(175)
Deal origination costs raised (cash)	–	(2)
Deal origination costs raised (non-cash)	(4)	–
Deal origination costs amortised	6	6
Closing balance	2 827	1 775

Total interest-bearing liabilities movement 31 December:

	Mortgage bond Rm	Suspensive sale agreement Rm	Commercial term loan Rm	Total Rm
2024				
Opening balance	148	21	1 775	1 944
Borrowings raised	–	57	1 823	1 880
Interest and administration fees	14	5	261	280
Capital payments made	(32)	(14)	(773)	(819)
Interest payments made	(14)	(5)	(261)	(280)
Deal origination costs raised (non-cash)	–	–	(4)	(4)
Deal origination costs amortised	–	–	6	6
Closing balance	116	64	2 827	3 007
2023				
Opening balance	178	36	1 313	1 527
Borrowings raised	–	3	739	742
Interest and administration fees	17	4	189	210
Capital payments made	(30)	(18)	(295)	(343)
Interest payments made	(17)	(4)	(175)	(196)
Deal origination costs raised (cash)	–	–	(2)	(2)
Deal origination costs amortised	–	–	6	6
Closing balance	148	21	1 775	1 944

29. Other payables

	2024 Rm	2023 Rm
Non-current		
Amounts owed to customer prize winners payable in excess of 12 months	2	4
Long-term incentive scheme and medium-term incentive scheme payable*	17	27
	19	31

* Refer to note 25.2 for details.

30. Trade and other payables

	2024 Rm	Restated* 2023 Rm
Current		
Trade payables	193	130
Merchant payable	113	59
Annual leave pay accrual and employee-related accruals	20	23
Value-added taxation	14	10
Incentive scheme payable (STI, MTI and LTIP)	103	46
Accrued expenses	79	46
Refund liability	11	7
	533	321

* In the previous year merchant payables were included in trade payables (R189 million). 2023 has been restated to reflect the new categories.

In the previous year annual leave pay accrual was disclosed separately (R12 million), value-added taxation and employee-related accruals were grouped together (R59 million) and medium-term incentive scheme payable (R8 million) was disclosed separately. 2023 has been restated to reflect the new categories.

31. Insurance contract liabilities

The breakdown of groups of insurance issued are set out in the table below:

	2024 Rm	2023 Rm
Best estimate liability/Liability for incurred claims	31	22
Reconciliation of the movement in the liability:		
Opening balance at 1 January	22	25
Insurance service result	140	132
Insurance revenue	266	241
Insurance expenses and incurred claims	(126)	(109)
Premiums received	(266)	(241)
Claims and other expenses paid	135	106
Closing balance at 31 December	31	22

The group is not required to adjust future cash flows for the liability of incurred claims for the time value of money as those cash flows are expected to be paid in less than one year.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2024 continued

	2024 Rm	2023 Rm
32. Reconciliation of cash generated from operations		
Profit before taxation	517	394
Deduct finance income earned	(1 968)	(1 630)
Add back finance income received	1 920	1 585
Profit from insurance cells	(24)	(23)
Depreciation and amortisation	107	95
Net reversal of impairment of intangible assets and property, plant and equipment	(2)	(6)
Cash and equity-settled compensation plan expense	56	39
Fair value loss	3	7
Interest expense	313	232
Interest income	(10)	(7)
Operating cash flows before working capital changes	912	686
Movements in working capital	(1 268)	(430)
Decrease in inventories	9	118
Increase in loans receivable – Weaver Fintech	(1 339)	(730)
(Increase)/decrease in trade receivables – Retail	(40)	228
Increase in other receivables	(49)	(14)
Increase/(decrease) in trade and other payables	142	(29)
Increase/(decrease) in insurance contract liability	9	(3)
	(356)	256

	2024 Rm	2023 Rm
33. Taxation paid		
Amounts owing at the beginning of the year	(9)	(18)
Amounts charged to profit or loss	(106)	(67)
Current taxation	(146)	(77)
Deferred taxation	40	10
Deferred taxation movement	(40)	(10)
Amounts owing at the end of the year	30	9
	(125)	(86)

	2024 Rm	2023 Rm
34. Net debt reconciliation		
Cash and cash equivalents	144	137
Bank overdraft	(101)	(54)
Interest-bearing liabilities	(3 007)	(1 944)
Lease liabilities	(94)	(42)
	(3 058)	(1 903)
Net debt reconciliation		
Net debt at the beginning of the year	1 903	1 551
Movement in interest-bearing loans and borrowings		
Cash flows	1 061	399
Accrued interest and administration fees	2	18
Movement in lease liabilities		
Cash flows	(27)	(28)
Remeasurement due to lease modification	(1)	(1)
New leases	80	33
Net movement in cash and cash equivalents	(7)	(21)
Net movement in bank overdrafts	47	(48)
Net debt at the end of the year	3 058	1 903

	2024 Rm	2023 Rm
35. Distributions per share		
Distributions proposed/paid (cents per share)	192.0	153.0
Interim	95.0	70.0
Final	97.0	83.0

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2024 continued

	2024 Rm	2023 Rm
36. Commitments		
Capital commitments for property, plant and equipment and intangible assets:		
Approved by the directors	1	11
	1	11

37. Related party transactions

Ultimate parent

Maynard Trust

Parent

GFM Holdings

Holding company

At the reporting date the group's ultimate controlling party is the Maynard Trust.

Subsidiaries and related trusts

In the ordinary course of business certain companies within the group entered into certain intragroup transactions which have been eliminated on consolidation. For a list of the group's subsidiaries and related trusts, refer to note 1 to the company annual financial statements.

Consulting arrangement

Richard Garratt, the founder of HomeChoice and a former director of HomeChoice International plc, has been engaged to provide consulting services in support of group management. Fees paid for these services and related fringe benefits were R5.6 million (2023: R10.5 million). Business and shareholder engagement travel required to discharge the agreed consulting services amounted to R6 million (2023: R10.2 million).

Other related party

Travel paid indirectly to an associate of the company was R7.4 million (2023: R8.2 million), of which R3.8 million (2023: R4.4 million) is included in the consulting arrangement above.

The group provides retirement benefits for its permanent employees through a defined contribution plan.

	2024 Rm	2023 Rm
Contributions to the provident fund	31	30

37. Related party transactions (continued)

HomeChoice Development Trust

The group's social investment strategy is managed through the HomeChoice Development Trust and is designed to promote early childhood development (ECD) in underprivileged communities in the Western Cape. The group's current intention is to make annually similar donations to the Development Trust.

	2024 Rm	2023 Rm
Annual donation made to the Trust	1	1

The amount has been eliminated for group reporting purposes.

Interest of directors in the share capital of the company

GFM Limited is an associate (as contemplated in the Listings Requirements) of Shirley Maltz (an executive director of HIL), because she is a potential discretionary beneficiary of the Maynard Trust, which is the indirect holder of 100% of the shares in GFM Limited.

Shirley Maltz, an executive director of HIL, has a beneficial interest in 670 621 shares (including 514 769 forfeitable shares) (2023: 304 898 shares).

Sean Wibberley, an executive director of HIL, has a beneficial interest in 770 370 shares (including 196 115 forfeitable shares) (2023: 705 375 shares).

Paul Burnett, an executive director of HIL, has a beneficial interest in 240 987 shares (including 138 637 forfeitable shares) (2023: 200 123 shares).

Pierre Joubert, an independent non-executive director of HIL, has a direct beneficial interest in 100 000 shares (2023: 100 000 shares).

There have been no changes to the above since the end of the financial year and date of approval of the annual financial statements.

Interest of directors in contracts

None of the directors have indicated that they have a material interest in contracts of any significance with the company or any of its subsidiaries.

Share-based incentives

Share-based incentives have been granted to certain executive directors of HomeChoice International plc and employees of its subsidiaries (refer to note 38).

Executive contracts and notice periods

- The notice period is three months for executives. Key executives have contracts that include restraint of trade conditions.
- Executive directors' agreements do not provide for ex-gratia or other lump sum payments on retirement or severance from the group.

Key management personnel

Key management personnel* are those persons having authority for planning, directing and controlling activities directly or indirectly, including any director of the holding company or main operating subsidiaries. Statutory directors of the group's main operating subsidiaries have been classified as key management personnel. Emoluments paid are summarised below:

	2024 Rm	Restated** 2023 Rm
Remuneration	44	62
Share-based payment cost	10	9
Other long-term benefits**	21	13
Retirement and other benefits	2	3
	77	87

* The definition of key management personnel above was updated in 2024 to align with changes in the group.

** There was a policy change during 2024 where long-term incentive programme (LTIP) costs are presented in this note on the accrual basis rather than on the cash basis when paid. This resulted in an increase of R9 million of long-term costs disclosed in this note for 2023.

38. Remuneration

The total remuneration, benefits and fees paid to each of the directors, for the company and its subsidiaries, in respect of the year ended 31 December are as follows:

		<u>Short-term remuneration</u>					
	Notes	Directors' fees R'000	Salary R'000	Benefits ¹ R'000	Guaranteed pay R'000	Short-term incentive ² R'000	Remuneration R'000
2024							
Executive directors							
Shirley Maltz	6	1 175	5 000	409	5 409	2 200	8 784
Sean Wibberley		–	4 353	2 409	6 762	–	6 762
Paul Burnett		–	3 193	1 842	5 035	–	5 035
		1 175	12 546	4 660	17 206	2 200	20 581
Non-executive directors							
Eduardo Gutierrez-Garcia	7	–	–	–	–	–	–
Gregoire Lartigue	8	–	–	–	–	–	–
Pierre Joubert		797	–	–	–	–	797
Marlisa Harris		787	–	–	–	–	787
Roderick Phillips		727	–	–	–	–	727
		2 311	–	–	–	–	2 311
Total		3 486	12 546	4 660	17 206	2 200	22 892
2023							
Executive directors							
Shirley Maltz	6	1 157	4 743	390	5 133	3 500	9 790
Sean Wibberley		–	4 184	1 938	6 122	2 000	8 122
Paul Burnett		–	3 002	1 453	4 455	1 350	5 805
		1 157	11 929	3 781	15 710	6 850	23 717
Non-executive directors							
Eduardo Gutierrez-Garcia		–	–	–	–	–	–
Pierre Joubert		794	–	–	–	–	794
Marlisa Harris		699	–	–	–	–	699
Roderick Phillips		705	–	–	–	–	705
		2 198	–	–	–	–	2 198
Total		3 355	11 929	3 781	15 710	6 850	25 915

Notes

- ¹ Benefits include retirement fund contributions and benefits appropriate to expatriate staff employed in Mauritius operations.
- ² STI payments based on FY2024 performance.
- ³ Value of medium-term incentive or forfeitable shares granted during the year based on the share price on date of grant and assuming 100% vesting over vesting period.
- ⁴ Previous FY2023 disclosure was based on the cumulative fair value of all outstanding awards (R13 132 000). FY2023 revised disclosure now reflects the fair value of awards granted during FY2023 (R2 189 000) and is line with FY2024 disclosure.
- ⁵ Long-term incentives paid in cash are shown at cash value and those paid in shares are shown at fair value using the share price on the date of payment. It also includes dividends on unvested shares.
- ⁶ Shirley Maltz receives directors' fees of \$61 500 in respect of her role as Chairperson.
- ⁷ Eduardo Gutierrez-Garcia, as a representative of ADP II Holdings 3 Limited, does not earn any directors' fees.
- ⁸ Gregoire Lartigue was appointed to the board on 29 April 2024. As a representative of GFM Limited, he does not earn any directors' fees.

Medium and long-term remuneration

Value of shares granted during the year^{3,4} R'000	Other long-term incentives⁵ R'000	Single figure remuneration R'000
--	---	---

12 343	7 188	28 315
1 950	7 229	15 941
1 226	2 287	8 548
15 519	16 704	52 804

-	-
-	-
-	-
-	-
-	-
-	-
15 519	16 704

1 142	462	11 394
666	289	9 077
381	88	6 274
2 189	839	26 745

-	-
-	-
-	-
-	-
-	-
2 189	839

38. Remuneration (continued)

Share-based incentives outstanding as at 31 December 2024 have the following vesting dates and exercise prices:

Director	Award date	Vesting date	Expiry date	As at 1 January 2024	Issue price (Rand)
Shirley Maltz					
Options					
	20 March 2015	20 March 2019	20 March 2025	40 500	33.70
	1 May 2016	1 May 2020	1 May 2026	52 000	28.00
Shares					
FSP	31 March 2020	31 March 2024	31 March 2024	101 550	–
FSP	30 June 2021	31 March 2025	31 March 2025	150 000	–
MTI/FSP	30 March 2023	31 March 2026	31 March 2026	53 349	–
MTI/FSP	31 March 2024 ²	Various – see note 2	31 March 2027	–	–
FSP	16 August 2024 ³	Various – see note 3	30 September 2025	–	–
				397 399	
Paul Burnett					
Options					
	20 March 2015	20 March 2019	20 March 2025	12 000	33.70
	1 May 2016	1 May 2020	1 May 2026	12 000	28.00
Shares					
FSP	31 March 2020	31 March 2024	31 March 2024	14 850	–
FSP	1 June 2021	31 March 2025	31 March 2025	80 000	–
MTI/FSP	30 March 2023	31 March 2026	31 March 2026	17 783	–
MTI/FSP	31 March 2024 ²	Various – see note 2	31 March 2027	–	–
				136 633	
Sean Wibberley³					
Shares					
FSP	16 March 2022	31 March 2024	31 March 2024	65 000	–
FSP	16 March 2022	31 March 2025	31 March 2025	100 000	–
MTI/FSP	30 March 2023	31 March 2026	31 March 2026	31 120	–
MTI/FSP	31 March 2024 ²	Various – see note 2	31 March 2027	–	–
				196 120	

Notes

FSP Forfeiture share plan shares.

MTI/FSP On receipt of medium-term incentive (MTI) awards, executive directors are required to convert them to FSP shares.

¹ Fair value is calculated using the spot rate at 31 December 2024 of R30.00 and assumes a 100% vesting probability.

² Vesting in two equal tranches – 31 March 2026 and 31 March 2027.

³ Vesting in three equal tranches – 30 September 2024, 31 March 2025 and 30 September 2025.

39. Going concern

The board has reviewed the cash flow forecast for the next 12 months and is of the opinion that the group has sufficient liquidity to adequately support its working capital requirements and is satisfied that the group will continue as a going concern for the foreseeable future.

As at the reporting date the group had unutilised banking and overdraft facilities of R1.2 billion (2023: R1.5 billion) and is well within the financial covenants with its financiers. Refer to note 3.4.

40. Events after the reporting date

No material events occurred between the year ended 31 December 2024 and the date of approval of these consolidated group financial statements.

				As at 31 December 2024		
Awarded	Value of award/grant	Number	Market price on date ownership passed (Rand)	Vested and not exercised	Unvested	Fair value (Rand) ¹
-	-	-	-	40 500	-	-
-	-	-	-	52 000	-	104 000
-	-	101 550	22.50	-	-	-
-	-	-	-	-	150 000	4 500 000
-	-	-	-	-	53 349	1 600 470
111 420	3 342 600	-	-	-	111 420	3 342 600
300 000	9 000 000	100 000	38.00	-	200 000	6 000 000
411 420	12 342 600	201 550		92 500	514 769	15 547 070
-	-	-	-	12 000	-	-
-	-	-	-	12 000	-	24 000
-	-	14 850	22.50	-	-	-
-	-	-	-	-	80 000	2 400 000
-	-	-	-	-	17 783	533 490
40 854	1 225 620	-	-	-	40 854	1 225 620
40 854	1 225 620	14 850		24 000	138 637	4 183 110
-	-	65 000	22.50	-	-	-
-	-	-	-	-	100 000	3 000 000
-	-	-	-	-	31 120	933 600
64 995	1 949 850	-	-	-	64 995	1 949 850
64 995	1 949 850	65 000		-	196 115	5 883 450





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COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Notes	2024 Rm	2023 Rm
Dividend revenue		240.0	230.0
Operating expenses	8	(23.9)	(28.2)
Profit before taxation		216.1	201.8
Taxation	9	–	–
Profit and total comprehensive income for the year		216.1	201.8

COMPANY STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	Notes	2024 Rm	2023 Rm
Assets			
Non-current assets			
Investment in subsidiaries	1	244.3	235.4
Intercompany loans	2	325.4	217.9
		569.7	453.3
Current assets			
Other receivables		0.9	0.3
Cash and cash equivalents	3	2.2	0.7
		3.1	1.0
Total assets		572.8	454.3
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	4.1	1.3	1.3
Share premium	4.2	3 038.5	3 038.5
Reorganisation reserve	4.3	(2 837.3)	(2 837.3)
Other reserves	5	95.0	86.2
Retained earnings		184.9	158.3
Total equity		482.4	447.0
Current liabilities			
Other payables	6	1.5	1.3
Intercompany loans	2	82.9	–
Financial guarantee contracts	7	6.0	6.0
Total liabilities		90.4	7.3
Total equity and liabilities		572.8	454.3

These financial statements were approved by the board of directors on 11 March 2025 and signed on its behalf by:

S Wibberley
Chief Executive Officer

P Burnett
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital Rm	Share premium Rm	Reorganisa- tion reserve Rm	Other reserves Rm	Retained earnings Rm	Equity attribu- table to owners of the parent Rm
Balance at 1 January 2023	1.3	3 038.5	(2 837.3)	74.7	113.2	390.4
Changes in equity	-	-	-	11.5	45.1	56.6
Profit and total comprehensive income for the year	-	-	-	-	201.8	201.8
Share incentive schemes	-	-	-	11.5	-	11.5
Dividends paid	-	-	-	-	(156.7)	(156.7)
Balance at 1 January 2024	1.3	3 038.5	(2 837.3)	86.2	158.3	447.0
Changes in equity	-	-	-	8.8	26.6	35.4
Profit and total comprehensive income for the year	-	-	-	-	216.1	216.1
Share incentive schemes	-	-	-	8.8	-	8.8
Dividends paid	-	-	-	-	(189.5)	(189.5)
Balance at 31 December 2024	1.3	3 038.5	(2 837.3)	95.0	184.9	482.4
Notes	4.1	4.2	4.3	5		

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Notes	2024 Rm	2023 Rm
Cash flows from operating activities			
Operating cash flows before working capital changes	14	(11.8)	(28.1)
Decrease in other receivables		(0.6)	0.9
Decrease in other payables		0.1	(0.4)
Intercompany loans repaid		–	(6.4)
Net cash outflow from operations		(12.3)	(34.0)
Dividends received		50.0	150.0
Net cash inflow from operating activities		37.7	116.0
Cash flows from investing activities			
Intercompany loans repaid		82.5	41.0
Net cash inflow from investing activities		82.5	41.0
Cash flows from financing activities			
Intercompany loans repaid		(50.0)	–
Intercompany loans advanced		120.8	–
Dividends paid		(189.5)	(156.7)
Net cash outflow from financing activities		(118.7)	(156.7)
Net increase in cash and cash equivalents		1.5	0.3
Cash and cash equivalents at the beginning of the year		0.7	0.4
Cash and cash equivalents at the end of the period		2.2	0.7

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. Investment in subsidiaries

	2024 Rm	2023 Rm
Wholly-owned subsidiaries' shares at cost		
HomeChoice South Africa Limited (incorporated in Malta)	143.3	143.3
Weaver Fintech PCC (incorporated in Mauritius)	–	–
Share incentives issued in subsidiary companies	95.0	86.1
Financial guarantee contract	6.0	6.0
	244.3	235.4

The company measures its investment in subsidiaries at cost less accumulated impairment losses.

	% interest held	Number of company shares issued and held	
		2024	2023
HomeChoice South Africa Limited operating subsidiary companies			
HomeChoice (Pty) Limited (incorporated in South Africa)	100%	2	2
HomeChoice Property Company (Pty) Limited (incorporated in South Africa)	100%	–	61
HSA Debt Solutions (Pty) Limited (incorporated in South Africa)	100%	–	120
Related entities			
The HomeChoice Share Trust (incorporated in South Africa)	100%	–	–
The HomeChoice Development Trust (incorporated in South Africa)	100%	–	–
HomeChoice South Africa Limited dormant companies			
HomeChoice Nominees (Pty) Limited (incorporated in South Africa)	100%	120	120
HomeChoice (Pty) Limited (incorporated in Namibia)	100%	1	1
HomeChoice (Pty) Limited (incorporated in Botswana)	100%	100	100
HomeChoice Retail (Pty) Limited (previously K2020690686 (South Africa) (Pty) Limited) (incorporated in South Africa)	100%	100	100
In terms of the investment in HomeChoice South Africa Limited, unless otherwise specified, all companies have been incorporated in South Africa.			
Weaver Fintech PCC operating subsidiary companies			
Finchoice Africa Limited (incorporated in Mauritius)	100%	100	100
FinChoice (Pty) Limited (incorporated in Botswana)	100%	100	100
FinChoice Personal Finance (Pty) Limited (incorporated in Namibia)	100%	100	100
Guardrisk International Limited – Weaver Fintech PCC Group Insurance Cell Captive	100%	–	–
Guardrisk Life International Limited – Weaver Fintech PCC Group Insurance Cell Captive	100%	–	–
PayJustNow (Pty) Limited (incorporated in South Africa)	85%	8 500 000	8 500 000
FinChoice SA (Pty) Limited (incorporated in South Africa)	100%	100	100
Weaver Fintech PCC dormant companies			
Weaver Ventures Limited (incorporated in Mauritius)	100%	100	100

	2024 Rm	2023 Rm
2. Intercompany loans		
Wholly-owned subsidiaries' loans		
HomeChoice (Pty) Limited	33.4	33.4
Weaver Fintech PCC	292.0	115.2
FinChoice Africa Limited	–	69.3
Intercompany loans receivable	325.4	217.9
FinChoice Africa Limited	(82.9)	–
Intercompany loans payable	(82.9)	–

The loans receivable are unsecured, interest-free and repayable on demand and secured under the group's commercial term loan facilities (refer to note 28 of the group annual financial statements). There is no intention to recall the loans within the next 12 months.

The intercompany loans payable is unsecured, interest-free and payable on demand.

As at the reporting date the subsidiaries have sufficient liquid assets and therefore sufficient resources to repay the loans if demanded. The expected credit losses are not considered significant.

	2024 Rm	2023 Rm
3. Cash and cash equivalents		
Cash at bank	2.2	0.7

	2024 Rm	2023 Rm
4. Share capital, share premium and reorganisation reserve		
4.1 Share capital		
Authorised		
200.0 million (2023: 200.0 million) ordinary shares at one cent par value	2.0	2.0
Issued		
106.7 million (2023: 106.7 million) ordinary shares at one cent par value	1.3	1.3
Reconciliation of movement in issued shares:		
Number of issued shares at the beginning of the year	106.7	106.7
Total	106.7	106.7
4.2 Share premium		
Balance at the beginning of the year	3 038.5	3 038.5
Balance at the end of the year	3 038.5	3 038.5
4.3 Reorganisation reserve		
Reorganisation of HomeChoice Holdings Limited into HomeChoice International plc during 2014	(2 837.3)	(2 837.3)

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2024 continued

	2024 Rm	2023 Rm
5. Other reserves		
Share incentive schemes	95.0	86.2

The group has established a share option incentive scheme and a share forfeiture incentive scheme. Refer to note 1.24 in the annual consolidated financial statements.

No options were issued during the year or the prior year.

	2024 Rm	2023 Rm
6. Other payables		
Other payables	1.5	1.3

Other payables are unsecured, interest-free and repayable on demand.

7. Financial guarantee contracts

The company along with subsidiaries in the group have guaranteed the commercial term loan facilities of Finchoice Africa Limited, HomeChoice (Pty) Limited, HomeChoice South Africa Limited and PayJustNow (Pty) Limited. At year-end R2.80 billion was drawn against available facilities of R3.75 billion. Under the terms of the guarantee, the company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due.

A financial liability was recognised at the fair value of the guarantees issued. The benefit provided by the company to its subsidiaries was recognised as a capital contribution. Refer to note 1.20 in the consolidated annual financial statements.

The valuation of the financial guarantee liability includes assumptions on credit default rates, credit risks, and expected credit losses (ECLs). The determination of ECL includes estimates relating to the probability of a default by the borrower and the resultant loss to the guarantor. Financial guarantee liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires.

	2024 Rm	2023 Rm
Financial guarantee contracts	6.0	6.0

	2024 Rm	2023 Rm
8. Operating expenses		
Directors' emoluments	(3.5)	(4.1)
Auditor's remuneration: audit-related services	(1.6)	(1.5)
Conference expenses	(1.0)	(2.0)
Consultation fee	(3.5)	(6.0)
Travel costs	(11.9)	(11.1)
Other operating expenses	(2.4)	(3.5)
	(23.9)	(28.2)
	2024 Rm	2023 Rm
9. Taxation		
Current tax expense	-	-
	2024 %	2023 %
Reconciliation of effective taxation rate		
Standard taxation rate	15.0	15.0
Non-deductible expenditure	1.7	2.1
Exempt dividend income	(16.7)	(17.1)
Effective taxation rate	-	-

10. Risk management and financial instrument disclosure

10.1 Capital risk management

The company's objectives when managing capital is to sustain the company's ability to continue as a going concern while enhancing returns to shareholders. The company primarily makes use of equity for capital management purposes. Equity consists of ordinary share capital, share premium and reserves as disclosed in the statement of changes in equity.

The directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding within the company to fund the company's capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital.

In order to maintain or adjust the capital structure the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase its own shares, or increase or reduce debt.

There were no changes in the company's approach to capital management during the year. During the current year there were no defaults or breaches of any of the company's agreements with its lenders.

10.2 Financial risk management

The company's activities expose it to a variety of financial risks arising from the use of financial instruments, including credit risk, liquidity risk and market risk.

In assessing risk the company classifies financial assets and liabilities as follows:

	At amortised cost	
	2024 Rm	2023 Rm
Assets		
Non-current assets		
Loans to subsidiaries	325.4	217.9
Current assets		
Other receivables	0.9	0.3
Cash and cash equivalents	2.2	0.7
	328.5	218.9
Liabilities		
Current liabilities		
Other payables	1.5	1.3
Loans from subsidiaries	82.9	–
Financial guarantee contracts	6.0	6.0
	90.4	7.3

10.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the company. Potential concentrations of credit risk consist principally of loans to subsidiaries, cash and cash equivalents and credit guarantees.

The company did not consider there to be any significant credit risk exposure which has not been adequately provided for.

Financial guarantees

The company guarantees banking facilities to the value of R3.75 billion (2023: R3.00 billion) for its subsidiaries at various financial institutions. The guarantees have been disclosed as part of the company's liquidity risk below. Refer to note 1.20 in the consolidated annual financial statements.

While the maximum credit risk is the full extent of the facilities, the extent of the exposure at year-end is R2.8 billion (2023: R1.8 billion). Full details of the facilities are provided in note 28 in the consolidated annual financial statements.

Intercompany loans

These related party loans are unsecured and repayable on demand. Management considered the solvency of subsidiaries and their most recent forecasts and concluded that no default events are probable in the next 12 months. The group has therefore not raised a 12-month expected credit loss allowance on any intercompany loans.

Cash and cash equivalents

The company only deposits short-term cash surpluses with investment grade financial institutions.

10. Risk management and financial instrument disclosure (continued)

10.4 Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the company's reputation. The risk is managed through optimisation of daily cash management and regular reviews of cash flow projections to ensure that appropriate borrowing facilities are in place.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed facilities. Due to the dynamic nature of the underlying business, the company and its subsidiaries maintains flexibility in funding through the use of committed facilities lines. Management monitors the cash flows through the monitoring of the actual inflows and outflows against forecasted cash flows and the utilisation of borrowing facilities.

The maturity profile of undiscounted financial liabilities in respect of the above financial guarantee is R3.75 billion (2023: R3.00 billion) within 0 to 12 months. This represents the maximum potential exposure to credit risk under the financial guarantee contract.

The liquidity risk related to the financial guarantee is not solely the company's responsibility as the company and subsidiaries have a cross-guarantee arrangement in place covering the R3.75 billion financial guarantee.

The intercompany loans and other payables balance are interest-free and repayable on demand.

10.5 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of market prices. Market prices comprised three types of risk: equity price risk, foreign currency risk and interest risk. Financial instruments affected by market risk include trade and other receivables and cash and cash equivalents.

Equity price risk management

The company is not exposed to equity price risk.

Foreign currency risk management

The company undertakes transactions in foreign currencies and has bank accounts holding foreign currencies, hence exposure to exchange rate fluctuations arise.

There is no significant currency risk.

11. Related parties

As at the reporting date the majority shareholder of the company was GFM Holdings Limited and the ultimate controlling party was the Maynard Trust.

The following significant operating transactions have a material effect on the operating results and financial position of the company:

	2024 Rm	2023 Rm
Directors' emoluments		
<i>Executive director's fees</i>		
Shirley Maltz	1.2	1.2
<i>Non-executive directors' fees</i>		
Pierre Joubert	0.8	0.8
Marlisa Harris	0.8	0.7
Roderick Phillips	0.7	0.7
Dividends received		
Weaver Fintech PCC	240.0	80.0
HomeChoice South Africa Limited	–	150.0

Refer to note 2 for details of intercompany loans.

12. Distributions per share

	2024 Cents	2023 Cents
Distributions proposed/paid (per share)	192.0	153.0
Interim	95.0	70.0
Final	97.0	83.0
Nature of distributions (per share)	192.0	153.0
Dividend proposed/paid	192.0	153.0

13. Net asset value per share

The calculation of net asset value per share is based upon net assets divided by the total number of shares in issue.

	2024 Cents	2023 Cents
Net asset value per share	452	419

14. Operating cash flows before working capital changes

	2024 Rm	2023 Rm
Profit before taxation	216.1	201.8
Non-cash expenses paid by related parties	12.1	–
Dividends received	(240.0)	(229.9)
	(11.8)	(28.1)

15. Events after the reporting period

Other than the matters noted above, no event material to the understanding of these financial statements has occurred between the year ended 31 December 2024 and the date of approval.

APPENDIX

Shareholder analysis

	Shareholders		Shares held	
	Number	%	Number	%
Range of shareholding				
2024				
1 – 999	1 203	89.8	26 072	0.0
1 000 – 9 999	67	5.0	213 290	0.2
10 000 – 99 999	47	3.5	1 476 630	1.4
100 000+	23	1.7	105 014 384	98.4
	1 340	100.0	106 730 376	100.0
Non-public				
GFM Holdings Limited	1	0.1	74 922 773	70.2
ADP II Holdings 3 Limited	1	0.1	23 031 927	21.6
Directors of the company	4	0.3	1 781 978	1.7
Directors of subsidiary companies	3	0.2	1 244 095	1.2
Related parties	4	0.3	600 840	0.6
Public	1 327	99.0	5 148 763	4.7
	1 340	100.0	106 730 376	100.0
2023				
1 – 999	1 025	88.4	22 646	0.0
1 000 – 9 999	65	5.6	199 606	0.2
10 000 – 99 999	45	3.9	1 423 289	1.3
100 000+	24	2.1	105 084 835	98.5
	1 159	100.0	106 730 376	100.0
Non-public				
GFM Holdings Limited	1	0.1	74 922 773	70.2
ADP II Holdings 3 Limited	1	0.1	23 031 927	21.6
Directors of the company and/or its subsidiaries	4	0.3	1 208 155	1.1
Directors of subsidiary companies	3	0.3	1 374 442	1.3
Related parties	4	0.3	1 805 568	1.7
Public	1 146	98.9	4 387 511	4.1
	1 159	100.0	106 730 376	100.0
Individual shareholders holding more than 5% of the shares in issue				
2024				
GFM Holdings Limited			74 922 773	70.2
ADP II Holdings 3 Limited			23 031 927	21.6
			97 954 700	91.8
2023				
GFM Holdings Limited			74 922 773	70.2
ADP II Holdings 3 Limited			23 031 927	21.6
			97 954 700	91.8

ADMINISTRATION

Country of incorporation
Republic of Mauritius

Date of incorporation (redomiciled from Malta)
9 April 2020

Company registration number
C171926

Registered office
c/o Sanlam Trustees International Limited
Labourdonnais Village
Mapou
Riviere du Rempart
31803
Mauritius

Company secretary
Sanlam Trustees International (Mauritius)

Auditors
PricewaterhouseCoopers (Mauritius)

Corporate bank
The Mauritius Commercial Bank Limited

JSE listing details
Share code: HIL
ISIN: MT0000850108

Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited

SHAREHOLDERS' DIARY

Financial year-end
31 December

Annual general meeting
May 2025

Distributions to shareholders
April and September

Reports
Publication of annual report: April
Interim report: August

