

# SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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# Summary consolidated statement of financial position

As at 31 March

## The Foschini Group Limited and its subsidiaries

	March 2018 Audited Rm	March 2017 Audited Rm
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2 861,9	2 469,0
Goodwill and intangible assets	7 667,2	4 675,9
Deferred taxation asset	620,6	483,6
	<b>11 149,7</b>	7 628,5
<b>Current assets</b>		
Inventory (note 4)	6 773,6	5 511,2
Trade receivables - retail	7 573,8	7 000,7
Other receivables and prepayments	821,8	771,0
Concession receivables	296,8	246,1
Cash and cash equivalents	1 206,1	878,5
	<b>16 672,1</b>	14 407,5
<b>Total assets</b>	<b>27 821,8</b>	22 036,0
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of The Foschini Group Limited (note 14)</b>	<b>13 267,8</b>	10 515,3
<b>Non-controlling interest</b>	<b>4,5</b>	4,2
<b>Total equity</b>	<b>13 272,3</b>	10 519,5
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Interest-bearing debt	4 825,7	4 442,2
Put option liability	72,7	74,7
Cash-settled share incentive scheme	-	6,8
Operating lease liability	335,1	255,7
Deferred taxation liability	829,4	337,9
Post-retirement defined benefit plan	215,8	233,1
	<b>6 278,7</b>	5 350,4
<b>Current liabilities</b>		
Interest-bearing debt	4 524,9	3 307,0
Trade and other payables	3 608,2	2 751,3
Operating lease liability	30,7	15,2
Taxation payable	107,0	92,6
	<b>8 270,8</b>	6 166,1
<b>Total liabilities</b>	<b>14 549,5</b>	11 516,5
<b>Total equity and liabilities</b>	<b>27 821,8</b>	22 036,0

# Summary consolidated income statement

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

	Year ended 31 March 2018 Audited Rm	Year ended 31 March 2017 Audited Rm	%
			change
Revenue (note 5)	31 536,5	26 413,6	
Retail turnover	28 593,0	23 548,7	21,4
Cost of turnover	(13 591,9)	(11 845,2)	
<b>Gross profit</b>	<b>15 001,1</b>	11 703,5	
Interest income (note 6)	1 755,8	1 736,9	
Other income (note 7)	1 187,7	1 128,0	
Trading expenses (note 8)	(13 779,0)	(10 757,2)	
<b>Operating profit before acquisition costs and finance costs</b>	<b>4 165,6</b>	3 811,2	9,3
Acquisition costs	(79,4)	-	
Finance costs	(696,6)	(607,4)	
<b>Profit before tax</b>	<b>3 389,6</b>	3 203,8	
Income tax expense	(953,5)	(851,3)	
<b>Profit for the year</b>	<b>2 436,1</b>	2 352,5	
<b>Attributable to:</b>			
Equity holders of The Foschini Group Limited	2 434,8	2 351,4	
Non-controlling interest	1,3	1,1	
<b>Profit for the year</b>	<b>2 436,1</b>	2 352,5	
<b>Earnings per ordinary share (cents)</b>			
Total			
Basic	1 082,6	1 108,0	(2,3)
Diluted (basic)	1 072,3	1 098,6	(2,4)
<b>Earnings per ordinary share (excluding acquisition costs) (cents) - (note 10)</b>			
Headline	1 136,5	1 099,2	3,4
Diluted (headline)	1 125,7	1 089,9	3,3

# Summary consolidated statement of comprehensive income

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

	Year ended 31 March 2018 Audited Rm	Year ended 31 March 2017 Audited Rm
<b>Profit for the year</b>	<b>2 436,1</b>	2 352,5
<b>Other comprehensive income:</b>		
<b>Items that will never be reclassified to profit or loss</b>		
Actuarial gain on post-retirement defined benefit plan	34,2	-
Deferred tax on items that will never be reclassified to profit or loss	(9,6)	-
<b>Items that are or may be reclassified to profit or loss</b>		
Movement in effective portion of changes in fair value of cash flow hedges	27,2	24,2
Foreign currency translation reserve movements	(555,7)	(793,1)
Deferred tax on items that are or may be reclassified to profit or loss	(8,6)	(6,8)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(512,5)</b>	(775,7)
<b>Total comprehensive income for the year</b>	<b>1 923,6</b>	1 576,8
<b>Attributable to:</b>		
Equity holders of The Foschini Group Limited	1 922,3	1 575,7
Non-controlling interest	1,3	1,1
<b>Total comprehensive income for the year</b>	<b>1 923,6</b>	1 576,8

## Supplementary information

	March 2018 Audited	March 2017 Audited
Net number of ordinary shares in issue (millions)	231,3	214,0
Weighted average number of ordinary shares in issue (millions)	224,9	212,2
Tangible net asset value per ordinary share (cents)	2 421,4	2 728,7

# Summary consolidated statement of changes in equity

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

	Equity holders of The Foschini Group Limited Rm	Non- controlling interest Rm	Total equity Rm
<b>Equity at 31 March 2016 - audited</b>	<b>9 896,7</b>	<b>4,0</b>	<b>9 900,7</b>
<b>Total comprehensive income for the year</b>	1 575,7	1,1	1 576,8
Profit for the year	2 351,4	1,1	2 352,5
<i>Other comprehensive income</i>			
Movement in effective portion of changes in fair value of cash flow hedges	24,2	-	24,2
Foreign currency translation reserve movements	(793,1)	-	(793,1)
Deferred tax on movement in other comprehensive income	(6,8)	-	(6,8)
<b>Contributions by and distributions to owners</b>			
Share-based payments reserve movements	131,4	-	131,4
Dividends paid	(1 508,1)	(0,9)	(1 509,0)
Scrip distribution: share capital issued and share premium raised	542,9	-	542,9
Proceeds from sale of shares in terms of share incentive schemes	151,3	-	151,3
Shares purchased in terms of share incentive schemes	(234,8)	-	(234,8)
Increase in the fair value of the put option liability	(39,8)	-	(39,8)
<b>Equity at 31 March 2017 - audited</b>	<b>10 515,3</b>	<b>4,2</b>	<b>10 519,5</b>

# Summary consolidated statement of changes in equity (continued)

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

	Equity holders of The Foschini Group Limited Rm	Non- controlling interest Rm	Total equity Rm
<b>Equity at 31 March 2017 - audited</b>	<b>10 515,3</b>	<b>4,2</b>	<b>10 519,5</b>
<b>Total comprehensive income for the year</b>	<b>1 922,3</b>	<b>1,3</b>	<b>1 923,6</b>
Profit for the year	2 434,8	1,3	2 436,1
<i>Other comprehensive income</i>			
Actuarial gain on post-retirement defined benefit plan	34,2	-	34,2
Movement in effective portion of changes in fair value of cash flow hedges	27,2	-	27,2
Foreign currency translation reserve movements	(555,7)	-	(555,7)
Deferred tax on movement in other comprehensive income	(18,2)	-	(18,2)
<b>Contributions by and distributions to owners</b>			
Share-based payments reserve movements	155,0	-	155,0
Dividends paid	(1 626,2)	(1,0)	(1 627,2)
Share capital issued and share premium raised (note 14)	2 473,0	-	2 473,0
Proceeds from sale of shares in terms of share incentive schemes	91,7	-	91,7
Shares purchased in terms of share incentive schemes	(231,6)	-	(231,6)
Increase in the fair value of the put option liability	(31,7)	-	(31,7)
<b>Equity at 31 March 2018 - audited</b>	<b>13 267,8</b>	<b>4,5</b>	<b>13 272,3</b>
	<b>Year ended 31 March 2018 Audited</b>	<b>Year ended 31 March 2017 Audited</b>	
<b>Dividend per ordinary share (cents)</b>			
Interim	325,0	320,0	
Final	420,0	400,0	
Total	745,0	720,0	

# Summary consolidated cash flow statement

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

	Year ended 31 March 2018 Audited Rm	Year ended 31 March 2017 Audited Rm
<b>Cash flows from operating activities</b>		
Operating profit before working capital changes (note 9)	5 068,8	4 488,6
Increase in working capital	(976,3)	(1 156,5)
Cash generated from operations	4 092,5	3 332,1
Interest income	48,0	33,1
Finance costs	(696,6)	(607,4)
Taxation paid	(960,2)	(777,5)
Dividends paid	(1 627,2)	(966,1)
Net cash inflows from operating activities	856,5	1 014,2
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(896,6)	(883,5)
Acquisition of assets through business combinations (note 11)	(2 898,9)	(33,8)
Acquisition of management buy-out (note 11)	(41,3)	-
Proceeds from sale of property, plant and equipment	40,4	32,0
Repayment of participation in export partnerships	-	14,4
Net cash outflows from investing activities	(3 796,4)	(870,9)
<b>Cash flows from financing activities</b>		
Shares purchased in terms of share incentive schemes	(231,6)	(234,8)
Proceeds on issue of share capital (note 14)	2 473,0	-
Proceeds from sale of shares in terms of share incentive schemes	91,7	151,3
Increase in interest-bearing debt	1 067,9	36,8
Net cash inflows (outflows) from financing activities	3 401,0	(46,7)
<b>Net increase in cash during the year</b>	<b>461,1</b>	<b>96,6</b>
Cash at the beginning of the year	878,5	888,8
Effect of exchange rate fluctuations on cash held	(133,5)	(106,9)
<b>Cash at the end of the year</b>	<b>1 206,1</b>	<b>878,5</b>

# Condensed consolidated segmental analysis

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

Year ended 31 March 2018	Retail trading divisions Audited Rm	Value added services Audited Rm	Credit Audited Rm	Central and shared services Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited Rm
External revenue	20 111,7	806,6	364,2	16,7	5 348,9	3 132,6	29 780,7
External interest income	-	-	1 707,8	47,3	-	0,7	1 755,8
Total revenue*	20 111,7	806,6	2 072,0	64,0	5 348,9	3 133,3	31 536,5
External finance costs				(617,1)	(66,5)	(13,0)	(696,6)
Depreciation and amortisation				(510,2)	(132,2)	(103,1)	(745,5)
Group profit before tax							3 389,6
Segmental profit (loss) before tax	3 967,6	459,7	656,1	(1 933,8)	202,1	253,1	3 604,8
Reconciling items to Group profit before tax							
Foreign exchange transactions							(13,2)
Share-based payments							(155,0)
Operating lease liability adjustment							(47,0)
Capital expenditure							896,6

\* Includes retail turnover, interest income and other income.



## Condensed consolidated segmental analysis (continued)

For the years ended 31 March

### The Foschini Group Limited and its subsidiaries

Year ended 31 March 2017	Retail trading divisions Audited Rm	Value added services Audited Rm	Credit Audited Rm	Central and shared services Audited Rm	TFG London Audited Rm	TFG Australia Audited Rm	Total Audited Rm
External revenue	18 912,8	783,3	331,5	13,2	4 635,9	-	24 676,7
External interest income	-	-	1 703,8	33,1	-	-	1 736,9
Total revenue*	18 912,8	783,3	2 035,3	46,3	4 635,9	-	26 413,6
External finance costs				(526,8)	(80,6)	-	(607,4)
Depreciation and amortisation				(437,6)	(102,7)	-	(540,3)
Group profit before tax							3 203,8
Segmental profit (loss) before tax	3 802,1	444,0	571,9	(1 802,2)	345,3	-	3 361,1
Reconciling items to Group profit before tax							
Foreign exchange transactions							(4,0)
Share-based payments							(131,4)
Operating lease liability adjustment							(21,9)
Capital expenditure							883,5

\* Includes retail turnover, interest income and other income.

The previously named International division, comprising of the Phase Eight and Whistles brands, has been renamed to the TFG London segment.

During the current year, the Group acquired the Retail Apparel Group (RAG) and certain G-Star RAW Australia franchise stores, which forms part of the new TFG Australia reportable segment as defined by the Operating Board, being the chief operating decision-maker.

During the current year, the Group also acquired Hobbs Fashion Holdings Limited (Hobbs), which forms part of the TFG London reportable segment as defined by the Operating Board, being the chief operating decision-maker.

# Selected explanatory notes to the summary consolidated financial statements

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

### 1. Basis of preparation

The summary consolidated financial statements for the year ended 31 March 2018 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, IAS 34: *Interim Financial Reporting* and the requirements of the Companies Act of South Africa. The accounting policies and methods of computation applied in the preparation of these summary consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements except as noted otherwise. These results were prepared by the TFG Finance and Advisory department acting under supervision of Anthony Thunström CA(SA), CFO of The Foschini Group Limited.

The summary consolidated financial statements comprise a summary of the audited annual financial statements of the Group for the year ended 31 March 2018. The annual financial statements of the Group for the year ended 31 March 2018 have been audited by Deloitte & Touche, in compliance with the applicable requirements of the Companies Act of South Africa. The preparation of the audited annual financial statements of the Group was supervised by Anthony Thunström, CA(SA). The summary consolidated financial statements have not been audited, but have been extracted from the audited annual financial statements. The directors of the Group take full responsibility for the summary consolidated financial statements and ensuring the financial information is correctly extracted from the underlying audited annual financial statements. A copy of the full audited annual financial statements and the unmodified auditor's report thereon is available on [www.tfglimited.co.za](http://www.tfglimited.co.za) or may be requested from the company secretary at Stanley Lewis Centre, 340 Voortrekker Road, Parow East during business hours.

2. During the year, the Group adopted the relevant accounting standards that are in issue and which have become effective. The adoption of these standards had no material impact on the results.
3. These summary consolidated financial statements incorporate the financial statements of the company, all its subsidiaries and all entities over which it has operational and financial control.

	Year ended 31 March 2018 Audited Rm	Year ended 31 March 2017 Audited Rm
<b>4. Inventory</b>		
Inventory at year-end	6 773,6	5 511,2
Inventory write-downs included above	260,2	233,0
<b>5. Revenue</b>		
Retail turnover	28 593,0	23 548,7
Interest income (note 6)	1 755,8	1 736,9
Other income (note 7)	1 187,7	1 128,0
	<b>31 536,5</b>	26 413,6

	Year ended 31 March 2018 Audited Rm	Year ended 31 March 2017 Audited Rm
<b>6. Interest income</b>		
Trade receivables – retail	1 707,8	1 703,8
Sundry	48,0	33,1
	<b>1 755,8</b>	1 736,9
<b>7. Other income</b>		
Publishing income	412,7	400,8
Collection cost recovery	364,2	331,5
Insurance income	313,4	289,0
Mobile one2one airtime income	80,5	93,5
Sundry income	16,9	13,2
	<b>1 187,7</b>	1 128,0
<b>8. Trading expenses</b>		
Depreciation and amortisation	(745,5)	(540,3)
Employee costs	(4 948,0)	(3 669,8)
Occupancy costs	(3 411,5)	(2 431,8)
Net bad debt	(837,5)	(896,1)
Other operating costs	(3 836,5)	(3 219,2)
	<b>(13 779,0)</b>	(10 757,2)
<b>9. Operating profit before working capital changes</b>		
Profit before tax	3 389,6	3 203,8
Finance costs	696,6	607,4
Operating profit before finance costs	4 086,2	3 811,2
Interest income – sundry	(48,0)	(33,1)
Non-cash items	1 030,6	710,5
Depreciation and amortisation	745,5	540,3
Operating lease liability adjustment	47,0	21,9
Share-based payments	155,0	131,4
Post-retirement defined benefit medical aid movement	16,9	15,8
Foreign currency translation reserve movements	13,2	4,0
Cash-settled share incentive scheme	0,1	–
Loss on disposal of property, plant and equipment	54,4	12,2
Profit on disposal of property, plant and equipment	(1,5)	(15,1)
	<b>5 068,8</b>	4 488,6

# Selected explanatory notes to the summary consolidated financial statements

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

	Year ended 31 March 2018 Audited Rm	Year ended 31 March 2017 Audited Rm
<b>10. Reconciliation of profit for the year to headline earnings</b>		
Profit for the year attributable to equity holders of The Foschini Group Limited	2 434,8	2 351,4
Adjusted for:		
Profit on disposal of property, plant and equipment	(1,5)	(15,1)
Loss on disposal of property, plant and equipment	54,4	12,2
Headline earnings before tax	2 487,7	2 348,5
Tax on headline earnings adjustments	(11,0)	(15,7)
Headline earnings	2 476,7	2 332,8
Acquisition costs	79,4	-
Headline earnings excluding acquisition costs*	2 556,1	2 332,8

	Year ended 31 March 2018 Audited	Year ended 31 March 2017 Audited	%
Earnings per ordinary share (cents)			change
<b>Total</b>			
Basic	1 082,6	1 108,0	(2,3)
Headline	1 101,2	1 099,2	0,2
Diluted (basic)	1 072,3	1 098,6	(2,4)
Diluted (headline)	1 090,7	1 089,9	0,1
<b>Total (excluding acquisition costs)*</b>			
Basic	1 117,9	1 108,0	0,9
Headline	1 136,5	1 099,2	3,4
Diluted (basic)	1 107,2	1 098,6	0,8
Diluted (headline)	1 125,7	1 089,9	3,3

\* Headline earnings excluding acquisition costs is calculated to remove the impact of the acquisition costs of RAG, G-Star RAW and Hobbs acquisitions as well as the management buy-out.

*This pro forma financial information has been prepared for illustrative purposes only to provide information on the headline earnings excluding acquisition costs per share. Because of its nature, the pro forma financial information may not be a fair reflection of the Group's results of operation, financial position, changes in equity or cash flows. There are no events subsequent to the reporting date which require adjustment to the pro forma information. The directors are responsible for compiling the pro forma financial information in accordance with the JSE Limited Listings Requirements and in compliance with the SAICA Guide on Pro Forma Financial Information. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the year ended 31 March 2018. The pro forma information should be read in conjunction with the unmodified Deloitte & Touche independent reporting accountants' report thereon, which is available for inspection at the company's registered offices, at no charge, during normal business hours.*

## 11. Acquisitions during the year

### *G-Star RAW franchise stores*

With effect from 3 April 2017, the Group acquired 14 G-Star RAW franchise stores in Australia for AUD13,9 million (R141,8 million). An intangible asset and goodwill of AUD0,6 million (R6,0 million) and AUD6,3 million (R64,4 million) was recognised at acquisition respectively.

### *Retail Apparel Group (RAG)*

The Group has acquired 100% of the share capital and voting rights of the Retail Apparel Group Pty Ltd (RAG) effective from 24 July 2017. RAG is a leading speciality menswear retailer in the Australian market. The purchase price has been capped at the lower of 7 times RAG's audited normalised EBITDA, for the year ending June 2017, and AUD302,5 million, which was adjusted for normalised working capital and net debt at acquisition. The Group has obtained 100% control of RAG and is exposed to variable returns from its involvement with RAG.

The acquisition of RAG was at an enterprise value of AUD293,9 million (R3 000,2 million) with an equity value of AUD263,2 million (R2 685,5 million) after taking into account net debt and related adjustments.

Certain fair values are provisional and subject to further review for a period of up to one year from the acquisition date. The at-acquisition AUD values have been translated at the closing exchange rate at 24 July 2017 of AUD1:R10,21. These results include eight months of RAG trading.

TFG has measured the identifiable assets and liabilities of RAG at their acquisition-date fair values.

The provisional at-acquisition values are presented below:

	Audited Rm	Audited AUDm
<b>Non-current assets</b>	<b>2 217,8</b>	<b>217,4</b>
Property, plant and equipment	251,7	24,7
Intangible assets	1 781,8	174,6
Deferred taxation asset	184,3	18,1
<b>Current assets</b>	<b>751,7</b>	<b>73,6</b>
Inventory	619,5	60,7
Other receivables and prepayments	17,2	1,6
Cash and cash equivalents	115,0	11,3
<b>Non-current liabilities</b>	<b>1 001,2</b>	<b>98,1</b>
Interest-bearing debt	416,4	40,8
Operating lease liability	55,2	5,4
Deferred taxation liability	529,6	51,9
<b>Current liabilities</b>	<b>555,0</b>	<b>54,4</b>
Trade and other payables	519,2	50,9
Taxation payable	35,8	3,5
<b>Total identifiable net assets at fair value</b>	<b>1 413,3</b>	<b>138,5</b>
Goodwill arising from acquisition	1 272,2	124,7
<b>Purchase consideration</b>	<b>2 685,5</b>	<b>263,2</b>
Cash and cash equivalents acquired	(115,0)	(11,3)
<b>Cash outflow on acquisition</b>	<b>2 570,5</b>	<b>251,9</b>

# Selected explanatory notes to the summary consolidated financial statements

For the years ended 31 March

## The Foschini Group Limited and its subsidiaries

Goodwill of AUD124,7 million (R1,3 billion) and the RAG brands of AUD173,0 million (R1,8 billion) has been recognised as intangible assets at acquisition. Goodwill represents the value paid in excess of the provisional fair value of the net assets. This consists largely of the value assigned to the unique operating business model and future growth prospects. Retail turnover and profit and loss for the eight-month trading post acquisition amounted to R2 936,8 million and R223,9 million respectively. Acquisition costs related to the acquisition of R53,4 million have been expensed in the current year.

### **Hobbs Fashion Holdings Limited (Hobbs)**

The Group acquired 100% of the share capital and voting rights of Hobbs Fashion Holdings Limited (Hobbs) effective from 25 November 2017. Hobbs is an affordable luxury women's clothing, footwear and accessories brand in the UK market and a growing presence internationally as well. The total implied purchase price was GBP24,3 million. The Group has obtained 100% control of Hobbs and is exposed to variable returns from its involvement with Hobbs.

The acquisition of Hobbs was at an enterprise value of GBP24,3 million (R449,9 million) with an equity value of GBP15,0 million (R278,1 million) after taking into account net debt and related adjustments.

Certain fair values are provisional and subject to further review for a period of up to one year from the acquisition date. The at-acquisition GBP values have been translated at the closing exchange rate at 25 November 2017 of GBP1:R18,55. These results include four months of Hobbs trading.

TFG has measured the identifiable assets and liabilities of Hobbs at their acquisition-date fair values.

The provisional at-acquisition values are presented below:

	Audited Rm	Audited GBPm
<b>Non-current assets</b>	<b>365,8</b>	<b>19,7</b>
Property, plant and equipment	173,8	9,4
Intangible assets	178,2	9,6
Deferred taxation asset	13,8	0,7
<b>Current assets</b>	<b>647,2</b>	<b>34,9</b>
Inventory	402,5	21,7
Other receivables and prepayments	77,0	4,2
Concession receivables	76,2	4,1
Cash and cash equivalents	91,5	4,9
<b>Non-current liabilities</b>	<b>202,1</b>	<b>10,9</b>
Interest-bearing debt	171,8	9,3
Deferred taxation liability	30,3	1,6
<b>Current liabilities</b>	<b>592,0</b>	<b>31,9</b>
Trade and other payables	584,4	31,5
Taxation payable	7,6	0,4
<b>Total identifiable net assets at fair value</b>	<b>218,9</b>	<b>11,8</b>
Goodwill arising from acquisition	59,2	3,2
<b>Purchase consideration</b>	<b>278,1</b>	<b>15,0</b>
Cash and cash equivalents acquired	(91,5)	(4,9)
<b>Cash outflow on acquisition</b>	<b>186,6</b>	<b>10,1</b>

Goodwill of GBP3,2 million (R59,2 million) and the Hobbs brand of GBP9,6 million (R178,2 million) has been recognised as intangible assets at acquisition. Goodwill represents the value paid in excess of the provisional fair value of the net assets. This consists largely of the value assigned to the unique operating business model and future growth prospects. Retail turnover and profit and loss for the four-month trading post acquisition amounted to R833,5 million and R33,7 million respectively. Acquisition costs related to the acquisition of R9,0 million have been expensed in the current year.

***Acquisition of the remaining c.15% shareholding owned by TFG Brands (London) Limited management***

In the current year, the Group accelerated the put/call arrangement to acquire the remaining shares owned by management in TFG Brands (London) Limited. The Group acquired the remaining c.15% shareholding owned by management on 15 December 2017 for GBP2,4 million (R41,3 million). After the transaction, the Group owns 100% of the share capital in TFG Brands (London) Limited. Total acquisition costs amounted to R17,0 million.

**12. Related parties**

The Group entered into related party transactions in the ordinary course of business, the substance of which are similar to those disclosed in the Group's annual financial statements for the year ended 31 March 2017.

**13. Subsequent events**

The directors have declared a gross final ordinary dividend of 420,0 cents per ordinary share from income reserves, for the period ended 31 March 2018. No further significant events took place between the year ended 31 March 2018 and date of issue of this report.

**14. Changes in authorised share capital**

On 4 August 2017, the Group made an application to the JSE for a listing of 17 241 380 ordinary shares at an issue price of R145,00 per ordinary share for a total consideration of R2,5 billion. The shares were allotted and issued as a result of an accelerated bookbuild offering that was launched and concluded after close of market on 31 July 2017. On 4 August 2017, the total shares in issue increased from 219 515 434 shares to 236 756 814 shares. Total transaction costs relating to the share issue amounted to R27,0 million.

**15. Change in auditors**

In October 2017, the Group appointed Deloitte & Touche as their external auditors for the year ended 31 March 2018.

**16. Changes in directors**

There were no changes in directors during the current year.