Notes to the financial statements continued

for the year ended 30 June 2026

Company 2026 Rm	Company 2025 Rm		Group 2026 Rm	Group 2025 Rm
		21. INVENTORIES		
		Raw materials and packaging	**246**	243
		Semi-finished goods	**5**	4
		Finished goods and merchandise	**942**	981
			1 193	1 228

The following table demonstrates the impact on the Group obsolescence provision to a change in value of inventories held, with all other variables held constant:

	Supply and Support Services	Retail	Manufacturing	Total
2026				
+10%	**2**	**6**	**7**	**15**
-10%	**(2)**	**(6)**	**(7)**	**(15)**
2025				
+10%	2	6	7	15
-10%	(2)	(6)	(7)	(15)

Inventory at year-end is net of an obsolescence provision of R135 million (2025: R122 million), which is determined on an annual basis.

The provision takes into account expected future sales ability of inventory items based on historical experience, analysis of market and fashion trends and a review of the ageing of the inventory items. There has been no change in the methodology applied in the previous financial year.

Inventory losses recognised as an expense totalled R9 million (2025: R11 million).

	2026 Rm	2025 Rm
22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		
Current assets		
Acquisition value brought forward	**50**	–
Fair value gains brought forward	**2**	–
Movements in the Financial assets held at fair value through profit and loss are detailed as below:		
Fair value gains during the year	**6**	2
Acquisitions during the year	**30**	50
Financial asset at fair value through profit and loss*	**88**	52

* *From the fourth quarter of FY2025, the Italtile and Ceramic Foundation Trust has invested in financial assets classified at fair value through profit or loss ("FVTPL"). As at 30 June 2026, these investments amounted to approximately R80 million and comprise a managed investment portfolio classified as Level 2 within the fair value hierarchy. In accordance with IFRS 13, the fair value of the investments is determined based on statements received from the fund manager reflecting the market value of the units held in the fund. These statements provide observable market inputs and therefore constitute Level 2 inputs within the fair value hierarchy, ensuring transparency and reliability in the valuation process.*

The financial instruments held within the investment includes, South African equities, gilts and bonds, cash, local unit trusts, and asset swaps which are tradable instruments on the open market.