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Annual Financial Statements 2015

CELEBRATING 20 YEARS
ON THE JSE

Annual Financial Statements and other information

The reports and statements set out below were prepared under the supervision of Mr NS Richards, Group Financial Director, and comprise the Annual Financial Statements presented to the shareholders.

Contents

Level of assurance

These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Exchange rates

The following significant exchange rates were applied in the preparation of the Group's results:

		Group	
		2015	2014
Rand to GB Pound	– average	**17.78**	15.77
	– closing	**17.86**	18.00
Rand to Euro	– average	**14.14**	13.34
	– closing	**12.98**	14.78
Rand to US Dollar	– average	**10.94**	10.00
	– closing	**11.58**	10.80
Euro to GB Pound	– average	**1.26**	1.18
	– closing	**1.38**	1.22
Rand to Zambian Kwacha	– average	**0.58**	0.54
	– closing	**0.60**	0.54
Rand to Nigerian Naira	– average	**15.45**	16.39
	– closing	**17.36**	15.50

Directors' report

The directors have pleasure in submitting their report for the year ended 28 February 2015.

Nature of business

Famous Brands Limited (Famous Brands or the company) is a holding company listed on the JSE Limited (JSE) under the category Consumer Services: Travel and Leisure. Famous Brands and its subsidiaries (the Group) is Africa's leading branded food services franchisor.

Famous Brands' vertically integrated business model comprises a portfolio of 25 brands represented by a franchise network of 2 545 restaurants across South Africa, the Rest of Africa, the United Kingdom and the Middle East, underpinned by substantial Logistics and Manufacturing operations.

Directors' responsibilities

The responsibilities of the company's directors are detailed on page 4.

Financial statements and results

The Group's results and financial position are reflected on pages 6 to 52.

Corporate Governance report

The Corporate Governance report is set out on pages 46 to 51 of our Integrated Annual Report, which will be available on the company's website at www.famousbrands.co.za on 30 July 2015.

Tangible and intangible assets

There was no major change in the nature or the use of the property, plant and equipment and intangible assets owned by the Group during the year under review.

Dividends

The following information relates to the dividends in respect of the year under review:

Interim dividend

The directors declared an interim gross ordinary dividend number 40 of 155 cents per ordinary share, which was paid on 8 December 2014 to ordinary shareholders recorded in the books of the company at the close of business on 5 December 2014.

Final dividend

The directors declared a final gross ordinary dividend number 41 of 200 cents per ordinary share, payable on 13 July 2015 to ordinary shareholders recorded in the books of the company at the close of business on 10 July 2015.

Share capital

The authorised and issued share capital of the company at 28 February 2015 is set out in Note 9 – Issued share capital and share premium.

Issued during the year

The company issued 570 000 (2014: 1 415 000) ordinary shares for a cash subscription of R24 million (2014: R38 million) to participants of the Famous Brands Share Incentive Scheme.

Shareholder spread and material shareholders

In terms of the JSE Listings Requirements, Famous Brands complies with the minimum shareholder spread requirements, with 70% (2014: 66%) of ordinary shares being held by the public at 28 February 2015. Details of the company's shareholder spread and material shareholders are set on page 52 of this report.

Famous Brands Share Incentive Scheme

Details are reflected in Note 27 – Share-based payments.

Directors and Company Secretary

The names of the directors and the Company Secretary at the date of this report are detailed on pages 42, 43 and 45 of our Integrated Annual Report, which will be available on the company's website at www.famousbrands.co.za on 30 July 2015.

- 24 February 2015: Appointment of Mr N Adami to the Board as Independent non-executive director and to the Audit and Risk Committee as a member of the Committee.
- 26 February 2015: Resignation by Mr K Shuenyane from the Board and related Board Committees.
- 22 May 2015: Appointment of Mr M Kgosana to the Board as Independent non-executive director and to the Audit and Risk Committee as a member of the Committee.

Subsidiaries and associates

Details of the company's investments in associates and subsidiaries are set out in Notes 3 and 4 respectively.

Acquisitions

The Group acquired a controlling stake in the following companies:

- 70% in the Wakaberry™ frozen yoghurt bar business (Wakaberry™), the pioneer and brand leader in the frozen yoghurt category in South Africa. The acqusition was effective from 1 April 2014.

- 75% in Cater Chain Food Services, a local business distributing primarily red meat products across South Africa and into certain markets in Africa, for a purchase consideration of R30 million, payable out of the Group's cash reserves. The acquisition aligns with the Group's strategy to leverage its business model by building capability across its Brands, Logistics and Manufacturing operations, thereby providing a total solution to investment partners and consumers. The acquisition was effective from 1 April 2015. At the time of signing this report, the initial accounting for this acquisition had not been finalised.
- 51% in Retail Group (Pty) Ltd, Botswana, Famous Brands' Master Licence partner in Botswana, marking the commencement of a new strategic thrust in our growth programme. The acquisition is pending approval by the Botswanan Competition Commission.

Special resolutions

On 24 July 2014, shareholders approved the following special resolutions:

- approval of non-executive directors' remuneration for services as directors;
- general authority to repurchase shares of the company; and
- general authority to provide financial assistance to related or inter-related entities.

At the next AGM to be held on 31 August 2015, shareholders will be asked to renew the above three approvals as set out in the notice to shareholders (refer page 70 of our Integrated Annual Report, which will be available on the company's website at www.famousbrands.co.za on 30 July 2015).

Borrowing powers

The company has unlimited borrowing powers in terms of its Memorandum of Incorporation.

Audit and Risk Committee's report

for the year ended 28 February 2015

In terms of section 94 of the Companies Act of South Africa, the report by the Audit and Risk Committee, which is chaired by Mr CH Boulle, is presented below.

During the financial year ended 28 February 2015 in addition to the duties set out in the Audit and Risk Committee's charter (a summary of which is provided on page 48 of our Integrated Annual Report, which will be available on the company's website at www.famousbrands.co.za on 30 July 2015) the Audit and Risk Committee carried out its functions, *inter alia*, as follows:

- determined the fees to be paid to RSM Betty & Dickson (Johannesburg) and its terms of engagement;
- ensured that the appointment of RSM Betty & Dickson (Johannesburg) complied with the legislation relating to the appointment of auditors; and
- approved a non-audit services policy which determines the nature and extent of any non-audit services which RSM Betty & Dickson (Johannesburg) may provide to the Group.

During the year under review, the Audit and Risk Committee pre-approved non-audit services provided by RSM Betty & Dickson (Johannesburg), including tax administration services.

The Audit and Risk Committee has satisfied itself through enquiry that RSM Betty & Dickson (Johannesburg) and Ms J Kitching, the designated auditor, are independent of the Group.

The Audit and Risk Committee is entirely satisfied with the competence and expertise of the Group Financial Director.

The Audit and Risk Committee recommended the Annual Financial Statements for the year ended 28 February 2015 for approval to the Board. The Board has subsequently approved the Annual Financial Statements which will be open for discussion at the forthcoming Annual General Meeting.

CH Boulle
Chairman of the Audit and Risk Committee

Company Secretary's certificate

In my capacity as the Company Secretary, I hereby certify that Famous Brands Limited has lodged with the Companies and Intellectual Property Commission for the financial year ended 28 February 2015, all such returns and notices as are required of a public company in terms of the Companies Act of South Africa and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

K Ntlha
Company Secretary

22 May 2015

Approval of the Annual Financial Statements

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements present fairly the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa and the Listings Requirements of the JSE Limited.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements. The Annual Financial Statements are prepared in accordance with IFRS and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The Audit and Risk Committee, together with the internal auditors, perform an oversight role in matters related to financial and internal controls.

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

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

The Annual Financial Statements, which have been prepared on the going concern basis, were approved by the Board of Directors on 22 May 2015 and are signed on its behalf by:

Santie Botha

Santie Botha
Independent Chairman

Kevin Hedderwick

Kevin Hedderwick
Group Chief Executive

Report of the independent auditors

To the shareholders of Famous Brands Limited and Subsidiaries

We have audited the consolidated and separate financial statements of Famous Brands Limited, as set out on pages 6 to 52, which comprise the statements of financial position as at 28 February 2015, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Famous Brands Limited as at 28 February 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2015, we have read the directors' report, the report by the Audit Committee and the declaration by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

RSM Betty & Dickson (Johannesburg)

RSM Betty & Dickson (Johannesburg)
Registered Auditors

Per: J Kitching CA(SA) RA
Partner

22 May 2015
Randburg

Reporting entity

Famous Brands Limited (Famous Brands or the company) is a holding company domiciled in South Africa and is listed on the JSE Limited under the category Consumer Services: Travel and Leisure. Famous Brands is Africa's leading quick service and casual dining restaurant franchisor. The consolidated financial statements of Famous Brands, as at 28 February 2015 and for the year ended 28 February 2015, comprise the company and its subsidiaries (together referred to as the Group) and the Group's investments in associates.

Statement of compliance

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the Companies Act of South Africa.

Significant accounting policies

These accounting policies are consistent with the previous period, except for the changes set out in accounting policy Note 22 – Adoption of new standards, amendments to standards and interpretations.

1. Basis of preparation

Functional and presentation currency

The Group financial statements and the financial statements of the company are presented in South African Rand (Rand), which is the company's functional and presentation currency. All financial information presented in Rand has been rounded to the nearest thousand (R000) except for when otherwise indicated.

Basis of measurement

The Annual Financial Statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

The going concern basis has been used in preparing the Annual Financial Statements as the directors have a reasonable expectation that the Group will continue as a going concern for the foreseeable future.

2. Basis of consolidation

The consolidated Annual Financial Statements incorporate the Annual Financial Statements of the company and all investees which are controlled by the company. Control exists when the company has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the company's returns.

The results of subsidiaries are included in the consolidated Annual Financial Statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the Annual Financial Statements of subsidiaries to bring their accounting policies in line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interests.

Transactions that result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

2. Basis of consolidation continued

Business combinations continued

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration, are not effected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 *Business Combinations* are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 *Non-current Assets Held-for-Sale* and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Non-controlling interests that arise from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in Notes 21.4 and 21.5 for business combinations.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed. Goodwill is recognised on consolidation of the foreign entities and is considered an asset of that foreign group. In such cases, the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held-for-sale in accordance with IFRS 5 *Non-current Assets Held-for-Sale* and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate less any impairment losses. When the Group's share of losses exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. The most recent available financial statements of the associate are used by the Group in applying the equity method.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, an excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

2. Basis of consolidation continued

Investment in associates continued

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

3. Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Annual Financial Statements, are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of the net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the average rate of the year or period.

4. Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Annual Financial Statements include:

4. Significant judgements and sources of estimation uncertainty continued

Allowance for doubtful debts

Past experience indicates a reduced prospect of collecting debts over the age of three months. Trade receivable balances are regularly assessed by management and provided for based upon information available. Debt arising from the sale of products to franchisees and franchise fees due, although past due, are generally regarded as recoverable if the related trading outlet continues to operate.

Allowance for slow-moving, damaged and obsolete inventory

Judgement is used to write down inventory to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write-down is included in the operating profit.

Consolidated financial statements

No significant judgements or assumptions were necessary in determining whether control over the investments in subsidiaries existed. Control over the investees was established by virtue of the Group's representation on the respective company's Board of Directors, involvement in the daily operations and majority ownership.

Options granted

Management uses the Black-Scholes-Merton model, which takes account of the vesting period (European style option), to determine the value of the options at issue date. Additional details regarding the estimates are included in Note 27 – Share-based payments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact our estimations and may then require a material adjustment to the carrying value of intangible and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, intangible assets are tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of intangible and tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate amount based on the information available.

Tax

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

4. Significant judgements and sources of estimation uncertainty continued

Leases

Management has applied its judgement to classify all lease agreements that the Group is party to as operating leases, as they do not transfer substantially all the risks and rewards of ownership to the Group. Furthermore, as the operating lease in respect of premises is only for a relatively short period of time, management has made a judgement that it would not be meaningful to classify the lease into separate components for the land and for the buildings for the current lease, and the agreement will be classified in its entirety as an operating lease.

Property, plant and equipment

Management has made certain estimates with regard to the determination of estimated useful lives and residual values of items of property, plant and equipment, as disclosed further in accounting policy Note 5 – Property, plant and equipment.

5. Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment are initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses, and are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	50 years
Leasehold property	Over expected remaining term of the lease
Plant and machinery	5 to 15 years
Furniture, fixtures and office equipment	4 to 10 years
Motor vehicles	5 to 8 years
IT equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment, with a cost that is significant in relation to the total cost of the item, is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciation commences once the asset is brought into use.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

6. Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

6. Intangible assets continued

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for on these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful lives.

The amortisation period and the amortisation method for intangible assets are reviewed every year-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, franchise agreements, recipes, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Trademarks	Indefinite
Lease premiums, franchise incentives or similar	Agreement period
Computer software	3 to 5 years

7. Interests in subsidiaries

Company Annual Financial Statements

In the company's separate Annual Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

8. Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- financial assets at fair value through profit or loss – designated;
- loans and receivables;
- financial liabilities at fair value through profit or loss – designated; and
- financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as held at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

8. Financial instruments continued

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Gains or losses arising on re-measurement of financial assets and liabilities held at fair value through profit or loss are recognised in profit or loss.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. The same applies for unlisted securities. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option-pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date, the Group assesses all financial assets, other than those held at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments, are all considered indicators of impairment.

Impairment losses are recognised in profit or loss, and are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset, at the date that the impairment is reversed, shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Receivables from/payables to Group companies

These include amounts receivable from and payable to subsidiaries and associates and are recognised initially at fair value plus direct transaction costs. Amounts receivable from Group companies are classified as financial assets held at fair value through profit or loss. Amounts payable to Group companies are classified as financial liabilities held at fair value through profit or loss.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, breach of contract and default or delinquency in payments (more than 90 days overdue), are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

8. Financial instruments continued

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Other payables are classified as other financial liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

9. Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches, associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting nor taxable profit or tax loss.

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches, associates and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and/or unutilised capital allowances and recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unutilised capital allowances can be recovered.

Deferred tax assets are reviewed at each reporting period and are adjusted if recovery is no longer probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

9. Tax continued

Tax expenses

Current and deferred taxes are recognised in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

10. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Income from leases is included in operating profit.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as a deferred lease asset or liability. This liability is not discounted. Any contingent rents are expensed in the period in which they are incurred.

11. Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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. 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.

12. Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with indefinite useful lives or intangible assets not yet available for use for impairment annually by comparing their carrying amounts with their recoverable amounts. This impairment test is performed during the annual period and at the same time every period; and
- tests goodwill acquired in a business combination for impairment annually.

12. Impairment of assets continued

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and then
- to the other assets of the unit, *pro rata* on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

13. 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.

If the company re-acquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes), on those instruments is 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 company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Shares in the company held by the Famous Brands Share Incentive Trust are classified as treasury shares. The number of shares held is deducted from the number of issued shares and the weighted average number of shares in the determination of earnings per share.

14. Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions, the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

14. Share-based payments continued

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight-line basis over the vesting period). If the share-based payments vest immediately and are simultaneously exercised, the expense for services received is recognised in full.

15. Shareholders for dividends and dividends declared

Dividends payable are recognised as a liability in the period in which they are declared.

16. Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation 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 obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 22 – Contingent liabilities.

17. Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

17. Revenue continued

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and Value Added Tax.

Interest is recognised, in profit or loss, using the effective interest method.

Franchise fees are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Franchise joining fees are recognised in the month when the outlet opens for trading.

Design and project management revenue are recognised using the stage of completion method.

18. Advertising levies

The Group receives advertising levies from franchisees that are utilised in the advertising and promotion of the Group's brands. Advertising expenditure incurred in excess of the levies received is carried forward as a prepaid expense to be set off against future levies. Any amounts not expensed are carried forward as liabilities to set off against future advertising expenditure.

19. Cost of sales

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. 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.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

20. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid annual leave and sick leave, bonuses and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

21. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings; and
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are substantially complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

22. Adoption of new standards, amendments to standards and interpretations

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 12 *Disclosure of Interests in Other Entities* (Amendment)

The amendment sets out new disclosures required for investment entities. The adoption of this amendment did not have an impact on the Group's financial statements.

IAS 36 *Impairment of Assets* (Amendment)

The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The adoption of this amendment did not have an impact on the Group's financial statements.

23. New standards, amendments to standards and interpretations in issue not yet effective

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 March 2015 or later periods:

IFRS 9 *Financial Instruments* (effective date: 1 January 2018)

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard, *inter alia,* introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. The standard further introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.

The adoption of the standard is not expected to have a material impact on the Group's financial statements.

23. New standards, amendments to standards and interpretations in issue not yet effective continued

IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates* (Amendment, effective date: 1 January 2016)
The amendment to IFRS 10, IFRS 12 and IAS 28 introduces clarifications to the requirement when accounting for investment entities. The amendment also provides relief in particular circumstances, which will reduce the costs of applying the standards.

IFRS 15 *Revenue from Contracts with Customers* (effective date: 1 January 2017)
IFRS 15 replaces IAS 11 *Construction Contracts* and IAS 18 *Revenue*. The standard, *inter alia,* requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers.

Management is determining the impact of the standard on the Group's financial statements.

IAS 1 *Presentation of Financial Statements* (Amendment, effective date: 1 January 2016)
The amendment to IAS 1 is designed to encourage entities to apply professional judgement in determining what information to disclose in the financial statements. The amendment clarifies that materiality applies to the whole of financial statements and the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Management is determining the impact of the standard on the disclosures provided in the Group's financial statements.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* (Amendment, effective date: 1 January 2016)
The amendment to IAS 16 and IAS 38 clarifies that the basis of calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. The amendment further clarifies that revenue is generally presumed to be an inappropriate basis of measuring the consumption of economic benefits in such assets.

The adoption of the amendment is not expected to have a material impact on the Group's financial statements.

IAS 27 *Consolidated and Separate Financial Statements* (Amendment, effective date: 1 January 2016)
The amendment to IAS 27 allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Management is determining the impact of the amendment on the Group's financial statements.

Annual improvements to IFRS: 2010 to 2012 and 2011 to 2013 cycles (various standards, effective date: 1 July 2014)
The cycles of improvements form part of the International Accounting Standards Board's annual improvement process to make non-urgent but necessary amendments to IFRS.

The adoption of the amendments is not expected to have a material impact on the Group's financial statements.

24. Standards and interpretations early adopted

The Group has chosen not to early adopt any new standards.

Statements of financial position

at 28 February 2015

		Group		Company	
	Notes	**2015 R000**	2014 Restated* R000	**2015 R000**	2014 Restated* R000
Assets					
Non-current assets		**1 196 839**	1 139 928	**337 691**	336 411
Property, plant and equipment	1	**208 951**	196 244	**–**	–
Intangible assets	2	**922 576**	879 675	**–**	–
Investments in associates	3	**57 568**	52 934	**–**	–
Investments in subsidiaries	4			**337 691**	335 699
Deferred tax	5	**7 744**	11 075	**–**	712
Current assets		**655 421**	552 911	**18 114**	4 089
Inventories	6	**186 513**	177 511	**–**	–
Trade and other receivables	7	**316 276**	277 867	**–**	–
Receivables from Group companies	4			**2 715**	3 091
Current tax assets		**26 404**	6 834	**1 086**	–
Cash and cash equivalents	8	**126 228**	90 699	**14 313**	998
Total assets		**1 852 260**	1 692 839	**355 805**	340 500
Equity and liabilities					
Capital and reserves					
Issued capital and share premium	9	**125 137**	101 031	**126 724**	102 401
Other reserves	10	**100 276**	101 241	**49 487**	47 495
Retained earnings		**1 163 975**	1 022 093	**1 245**	170 271
Equity attributable to owners of Famous Brands Limited		**1 389 388**	1 224 365	**177 456**	320 167
Non-controlling interests		**27 766**	10 583		
Total equity		**1 417 154**	1 234 948	**177 456**	320 167
Non-current liabilities		**58 702**	53 735	**–**	–
Deferred lease liabilities	12	**2 937**	1 123	**–**	–
Deferred tax	5	**55 765**	52 612	**–**	–
Current liabilities		**376 404**	404 156	**178 349**	20 333
Trade and other payables	13	**329 769**	290 995	**8**	256
Payables to Group companies	4			**176 854**	15 683
Short-term borrowings	11	**–**	65 000	**–**	–
Deferred lease liabilities	12	**–**	2 544	**–**	2 544
Non-controlling shareholder loans	14	**24 449**	29 344	**–**	–
Share-based payment liability		**–**	3 672	**–**	–
Shareholders for dividends		**1 487**	1 067	**1 487**	1 067
Current tax liabilities		**20 699**	11 534	**–**	783
Total liabilities		**435 106**	457 891	**178 349**	20 333
Total equity and liabilities		**1 852 260**	1 692 839	**355 805**	340 500

* *Restated to enhance disclosure (refer restatement Note 31).*

Statements of profit or loss and other comprehensive income

for the year ended 28 February 2015

		Group		Company	
	Notes	**2015 R000**	2014 R000	**2015 R000**	2014 R000
Revenue	15	**3 283 342**	2 825 979	**100**	988
Cost of sales		**(1 832 522)**	(1 598 583)	**–**	–
Gross profit		**1 450 820**	1 227 396	**100**	988
Selling and administrative expenses		**(778 796)**	(661 879)	**(331)**	2 227
Operating profit		**672 024**	565 517	**(231)**	3 215
Net interest (expense)/income		**(269)**	(3 212)	**142**	36
Share of profit of associates		**7 608**	5 140		
Dividends received from subsidiaries				**156 000**	270 003
Profit before tax	16	**679 363**	567 445	**155 911**	273 254
Tax	17	**(194 651)**	(161 985)	**(872)**	(2 236)
Profit for the year		**484 712**	405 460	**155 039**	271 018
Other comprehensive income, net of tax:					
Exchange differences on translating foreign operations*		**(2 957)**	59 029		
Total comprehensive income for the period		**481 755**	464 489	**155 039**	271 018
Profit for the year attributable to:					
Owners of Famous Brands Limited		**465 756**	401 637	**155 039**	271 018
Non-controlling interests		**18 956**	3 823		
		484 712	405 460	**155 039**	271 018
Total comprehensive income attributable to:					
Owners of Famous Brands Limited		**462 799**	460 666	**155 039**	271 018
Non-controlling interests		**18 956**	3 823		
		481 755	464 489	**155 039**	271 018
Earnings per share (cents)					
Basic earnings per share	18	**468**	406		
Diluted earnings per share	18	**468**	405		

** This item may be reclassified subsequently to profit or loss.*

Statements of changes in equity

for the year ended 28 February 2015

	Share capital R000	Share premium R000	Non-distributable reserves R000	Foreign currency translation reserve R000	Retained earnings R000	Total R000	Non-controlling interests R000	Total equity R000
	Attributable to owners of Famous Brands Limited							
Group								
Balance at 1 March 2013	978	62 278	33 472	5 492	889 523	991 743	8 345	1 000 088
Issue of capital and share premium	14	37 761	–	–	–	37 775	–	37 775
Recognition of share-based payments	–	–	3 248	–	–	3 248	–	3 248
Total comprehensive income for the year	–	–	–	59 029	401 637	460 666	3 823	464 489
Payment of dividends	–	–	–	–	(269 067)	(269 067)	(1 879)	(270 946)
Non-controlling interest arising on business combination	–	–	–	–	–	–	508	508
Disposal of non-controlling interest	–	–	–	–	–	–	(214)	(214)
Balance at 28 February 2014	992	100 039	36 720	64 521	1 022 093	1 224 365	10 583	1 234 948
Issue of capital and share premium	**6**	**24 100**	**–**	**–**	**–**	**24 106**	**–**	**24 106**
Recognition of share-based payments	**–**	**–**	**1 992**	**–**	**–**	**1 992**	**–**	**1 992**
Total comprehensive income for the year	**–**	**–**	**–**	**(2 957)**	**465 756**	**462 799**	**18 956**	**481 755**
Payment of dividends	**–**	**–**	**–**	**–**	**(323 874)**	**(323 874)**	**(3 515)**	**(327 389)**
Non-controlling interest arising on business combination	**–**	**–**	**–**	**–**	**–**	**–**	**1 742**	**1 742**
Balance at 28 February 2015	**998**	**124 139**	**38 712**	**61 564**	**1 163 975**	**1 389 388**	**27 766**	**1 417 154**
Company								
Balance at 1 March 2013	978	63 648	44 247		168 423	277 296		277 296
Issue of capital and share premium	14	37 761	–		–	37 775		37 775
Recognition of share-based payments	–	–	3 248		–	3 248		3 248
Total comprehensive income for the year	–	–	–		271 018	271 018		271 018
Payment of dividends	–	–	–		(269 170)	(269 170)		(269 170)
Balance at 28 February 2014	992	101 409	47 495		170 271	320 167		320 167
Issue of capital and share premium	**6**	**24 317**	**–**		**–**	**24 323**		**24 323**
Recognition of share-based payments	**–**	**–**	**1 992**		**–**	**1 992**		**1 992**
Total comprehensive income for the year	**–**	**–**	**–**		**155 039**	**155 039**		**155 039**
Payment of dividends	**–**	**–**	**–**		**(324 065)**	**(324 065)**		**(324 065)**
Balance at 28 February 2015	**998**	**125 726**	**49 487**		**1 245**	**177 456**		**177 456**

Statements of cash flows

for the year ended 28 February 2015

	Notes	Group 2015 R000	Group 2014 Restated* R000	Company 2015 R000	Company 2014 R000
Cash generated from/(utilised in) operations	21.1	**713 235**	593 559	**(3 023)**	44
Dividends received				**156 000**	270 003
Net interest (paid)/received		**(269)**	(3 212)	**142**	36
Income taxes paid	21.2	**(201 524)**	(166 748)	**(2 029)**	(1 258)
Net cash flow from operating activities		**511 442**	423 599	**151 090**	268 825
Dividends paid to owners of Famous Brands Limited	21.3	**(326 969)**	(271 125)	**(323 645)**	(269 305)
Net cash inflow/(outflow) from operating activities		**184 473**	152 474	**(172 555)**	(480)
Cash generated from investing activities					
Additions to property, plant and equipment		**(46 124)**	(38 637)	**–**	–
Intangible assets acquired		**(9 382)**	(12 925)	**–**	–
Proceeds from disposal of property, plant and equipment		**3 098**	1 809	**–**	–
Proceeds from disposal of intangible assets		**375**	250	**–**	–
Net cash outflow on acquisition of business operations	21.4	**–**	(5 500)	**–**	–
Net cash outflow on acquisition of subsidiary	21.5	**(47 334)**	(9 022)	**–**	–
Net cash outflow on investment in subsidiary		**–**	(221)	**–**	(221)
Net cash outflow on investment in associates	21.6	**–**	(47 794)	**–**	–
Dividends received from associates		**2 975**	–	**–**	–
Net cash outflow from investing activities		**(96 392)**	(112 040)	**–**	(221)
Cash flow from financing activities					
Borrowings repaid		**(65 000)**	(100 827)	**–**	–
Cash (repaid to)/contributed by non-controlling shareholders		**(4 895)**	17 061	**–**	–
Proceeds from issue of equity instruments of Famous Brands Limited		**24 106**	37 775	**24 323**	37 775
Increase/(decrease) in payables to Group companies				**161 547**	(37 816)
Net cash (outflow)/inflow from financing activities		**(45 789)**	(45 991)	**185 870**	(41)
Net increase/(decrease) in cash and cash equivalents		**42 292**	(5 557)	**13 315**	(742)
Foreign currency translation		**(6 763)**	11 520		
Cash and cash equivalents at the beginning of the year		**90 699**	84 736	**998**	1 740
Cash and cash equivalents at the end of the year	8	**126 228**	90 699	**14 313**	998

** Restated to enhance disclosure (refer restatement Note 31).*

Primary (business units) and secondary (geographical) segment report

for the year ended 28 February 2015

For management purposes the Group is organised into three major operating divisions namely, Franchising and Development, Manufacturing, and Logistics. The Manufacturing and Logistics divisions are grouped together within a total Supply Chain business. Such structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the Group reports its primary segment information.

The global operations of the Group are divided into two principal geographical areas, i.e. South Africa and International. The South African segment houses the South African operations of the Group and the International segment houses the operations in the United Kingdom and the Rest of Africa. The International segment only represents franchising operations.

	Group			
	2015		2014	
	R000	**%**	R000	%
Revenue				
Franchising and Development	**615 038**	**19**	537 817	19
Supply Chain*	**2 506 610**	**76**	2 145 105	76
Manufacturing	**1 257 691**	**38**	1 010 541	36
Logistics	**2 223 196**	**68**	1 937 787	68
Eliminations	**(974 277)**	**(30)**	(803 223)	(28)
Corporate	**1 740**	**–**	1 355	–
South Africa	**3 123 388**	**95**	2 684 277	95
International	**159 954**	**5**	141 702	5
Rest of Africa	**57 484**	**2**	49 786	2
United Kingdom	**102 470**	**3**	91 916	3
Total	**3 283 342**	**100**	2 825 979	100
Operating profit				
Franchising and Development	**365 353**	**55**	324 925	58
Supply Chain*	**261 725**	**39**	203 513	36
Manufacturing	**172 538**	**26**	126 663	22
Logistics	**89 187**	**13**	76 850	14
Corporate	**1 349**	**–**	1 248	–
South Africa	**628 427**	**94**	529 686	94
International	**43 597**	**6**	35 831	6
Rest of Africa	**23 013**	**3**	22 959	4
United Kingdom	**20 584**	**3**	12 872	2
Total	**672 024**	**100**	565 517	100

** The Retail business within the Supply Chain segment has been reclassified from Logistics to Manufacturing.*

Notes to the Annual Financial Statements

for the year ended 28 February 2015

1. Property, plant and equipment

Owned	Land and buildings R000	Leasehold improve-ments R000	Plant and equip-ment R000	Motor vehicles R000	Computer equip-ment R000	Furniture, fittings and office equip-ment R000	Total R000
	Group						
Carrying amount at 1 March 2013	12 606	8 381	116 004	39 405	5 236	5 598	187 230
Cost	13 029	17 467	172 375	85 073	26 929	31 717	346 590
Accumulated depreciation	(423)	(9 086)	(56 371)	(45 668)	(21 693)	(26 119)	(159 360)
Additions	149	549	25 314	7 609	1 731	3 285	38 637
Acquired in business combination	–	121	2 284	332	202	168	3 107
Foreign currency translation	–	2	–	13	–	96	111
Disposals	–	–	(948)	(1 240)	(39)	–	(2 227)
Transfer	(2 386)	(5 339)	7 440	1 792	(192)	(1 315)	–
Depreciation	–	(564)	(17 354)	(6 663)	(4 071)	(1 962)	(30 614)
Carrying amount at 28 February 2014*	10 369	3 150	132 740	41 248	2 867	5 870	196 244
Cost	10 596	10 679	211 979	85 579	28 149	26 625	373 607
Accumulated depreciation	(227)	(7 529)	(79 239)	(44 331)	(25 282)	(20 755)	(177 363)
Additions	**278**	**9 076**	**19 639**	**13 154**	**2 636**	**1 341**	**46 124**
Acquired in business combination	**–**	**–**	**–**	**725**	**35**	**219**	**979**
Foreign currency translation	**–**	**–**	**–**	**(10)**	**–**	**(3)**	**(13)**
Disposals	**–**	**–**	**(348)**	**(1 827)**	**(324)**	**–**	**(2 499)**
Depreciation	**–**	**(863)**	**(19 541)**	**(6 955)**	**(2 156)**	**(2 369)**	**(31 884)**
Carrying amount at 28 February 2015	**10 647**	**11 363**	**132 490**	**46 335**	**3 058**	**5 058**	**208 951**
Cost	**10 874**	**19 755**	**230 543**	**93 886**	**30 483**	**28 182**	**413 723**
Accumulated depreciation	**(227)**	**(8 392)**	**(98 053)**	**(47 551)**	**(27 425)**	**(23 124)**	**(204 772)**

** Restated to reclassify computer software to Intangible assets in order to enhance disclosure. Refer restatement Note 31.*

The cost and net carrying amount of the land within land and buildings is R6 million (2014: R6 million).

Fully depreciated assets
The cost of Group assets that are fully depreciated but still in use amounted to R18 million (2014: R55 million).

Encumbrance
None of the Group's Property, plant and equipment is encumbered.

2. Intangible assets

	Group				
Owned	**Trade-marks R000**	**Goodwill R000**	**Franchise incentives, lease premiums and similar R000**	**Computer software R000**	**Total R000**
Carrying amount at 1 March 2013	374 735	414 298	11 437	6 850	807 320
Cost	374 735	414 298	19 767	18 181	826 981
Accumulated amortisation	–	–	(8 330)	(11 331)	(19 661)
Additions	–	–	7 492	5 433	12 925
Acquired in business combination	7 525	8 753	–	–	16 278
Foreign currency translation	21 843	27 312	2 471	–	51 626
Disposals	(651)	–	–	(11)	(662)
Transfer	(750)	–	750	–	–
Amortisation	–	–	(4 871)	(2 941)	(7 812)
Carrying amount at 28 February 2014*	402 702	450 363	17 279	9 331	879 675
Cost	402 702	450 363	32 008	23 597	908 670
Accumulated amortisation	–	–	(14 729)	(14 266)	(28 995)
Additions	**42**	**–**	**2 240**	**7 100**	**9 382**
Acquired in business combination	**12**	**45 352**	**–**	**–**	**45 364**
Foreign currency translation	**(670)**	**(837)**	**(89)**	**–**	**(1 596)**
Disposals	**–**	**–**	**(375)**	**131**	**(244)**
Amortisation	**–**	**–**	**(5 477)**	**(4 528)**	**(10 005)**
Carrying amount at 28 February 2015	**402 086**	**494 878**	**13 578**	**12 034**	**922 576**
Cost	**402 086**	**494 878**	**30 035**	**30 656**	**957 655**
Accumulated amortisation	**–**	**–**	**(16 457)**	**(18 622)**	**(35 079)**

** Restated to reclassify computer software to Intangible assets in order to enhance disclosure. Refer restatement Note 31.*

Trademarks

All the Group's trademarks have been assessed as indefinite life intangible assets. The trademark acquired in 2015 through business combinations related to the acquisition of the business of Wakaberry™ Frozen Yoghurt Bar. The trademarks acquired in 2014 as part of business combinations related to the acquisition of the business of The Bread Basket. Additions relate to the registration of trademarks internationally.

The Group does not amortise its brands by value. In arriving at the conclusion that a brand has an indefinite life, management considers that the Group is a brands business and expects to acquire, hold and support brands for an indefinite period. The Group supports its brands through spending on consumer marketing and through significant investment in promotional support.

Indefinite life trademarks are assessed as such, as management believes there is no foreseeable limit over which the Group will continue to generate revenues from their continued use. Supporting this assumption is the fact that the brands held are established, well known, and can reasonably be expected to generate revenues beyond the Group's strategic planning horizon. In addition, the Group can continue to renew legal rights attached to such trademarks, without significant costs, and intends to do so beyond the foreseeable future.

2. Intangible assets continued

Goodwill

Goodwill acquired during the year ended February 2015 as part of business combinations related to the acquisition of the Wakaberry™ Frozen Yoghurt Bar business. Goodwill acquired during the year ended February 2014 as part of business combinations related to the acquisition of the Turn 'n Tender business (Pink Potato Trading 103 (Pty) Ltd).

Franchise incentives, lease premiums and similar

Franchise incentives and similar represent financial assistance given to franchisees in respect of fit-out costs. Together with lease premiums, these are initially measured at cost and amortised over the period of the franchise agreements.

Impairment reviews of goodwill and indefinite life intangible assets

For the purposes of impairment testing, goodwill is allocated to the smallest cash-generating unit. Significant goodwill and indefinite life intangible asset carrying amounts and the cash-generating units to which they relate are detailed below.

	Group	
	2015 R000	2014 R000
Trademarks		
Domestic^		
Wimpy, Debonairs Pizza, FishAways, Milky Lane, Steers, tashas, Vovo Telo, KEG, Mugg & Bean, Europa, Fego Caffé, The Bread Basket.	**317 431**	317 377
International^^		
Wimpy UK	**84 655**	85 325
Goodwill		
Domestic^		
Wimpy, Debonairs Pizza, FishAways, Steers, O'Hagan's, Famous Brands Coffee Company, Turn 'n Tender, Wakaberry™	**389 027**	343 675
International^^		
Wimpy UK	**105 851**	106 688

^ Allocated to local franchise and Supply Chain revenue stream.
^^ Allocated to Famous Brands UK franchising revenue stream.

South African-based intangibles

The recoverable amounts of trademarks and goodwill have been determined on the basis of value-in-use calculations. Value-in-use calculations use cash flow projections based on 2016 financial year budgets, approved by management, extrapolated by a combination of volume growth rates and long-term growth rates of between 6% and 10% for four years. These five-year cumulative cash flows are discounted using a pre-tax weighted average cost of capital of 13.0% (2014: 14.7%).

UK-based intangibles

The recoverable amounts of trademarks and goodwill and other intangibles have been determined on the basis of value-in-use calculations. Value-in-use calculations use cash flow projections based on 2016 financial year budgets, approved by management, extrapolated over the following four years with an annuity calculation thereafter to represent a terminal value at an average growth rate of 3% (2014: 3%). The five-year cumulative cash flow was discounted using a pre-tax weighted average cost of capital of 9.9% (2014: 9.9%). There was no impairment recognised during the year under review (2014: R2 million or GBP153 thousand).

Key assumptions used in value-in-use calculations include budgeted manufacturing margins and budgeted franchising revenue streams. Such assumptions are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which these units operate.

Based on the above assumptions, management's calculations of recoverable amounts were greater than the carrying amounts.

Sensitivity analysis

If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 10% less favourable than management's estimates, the Group would need to reduce the carrying value of the trademarks by Rnil (2014: Rnil) and goodwill by Rnil (2014: Rnil). If the actual gross margin and the pre-tax discounted rate had been more favourable than management's estimates, the Group would not be able to reverse any impairment losses that arose on trademarks, if this resulted from the disposal of the relevant business in the cash-generating unit, as no previous trademark impairment has been recognised. IAS 36 *Impariment of Assets* does not permit reversing an impairment loss for goodwill.

3. Investments in associates

					Group			
					2015		2014	
Name of associate	Principal activity	Place of incorporation and operation	Year-end	Effective date of acquisition	Carrying amount R000	Interest held by Famous Brands Group %	Carrying amount R000	Interest held by Famous Brands Group %
UAC Restaurants Limited	Quick service restaurants	Nigeria	31 December	1 October 2013	**54 247**	**49**	50 786	49
Sauce Advertising (Pty) Ltd	Advertising	South Africa	28 February	1 March 2013	**3 321**	**35**	2 148	35
					57 568		52 934	

All of the above associates are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents the associate's financial statements prepared in accordance with IFRS.

UAC Restaurants Limited

UAC Restaurants Limited is a subsidiary of UAC of Nigeria plc, a leading diversified conglomerate with operations in foods, paints, logistics and real estate, listed on the Nigerian stock exchange.

The latest available IFRS-compliant financial statements of UAC Restaurants Limited were at 31 December 2014 (stated in Nigerian Naira (N)).

	2014 31 December N000	2013 31 December N000
Current assets	**660 771**	896 289
Non-current assets	**720 724**	331 876
Current liabilities	**(791 985)**	(769 244)
Non-current liabilities	**(24 118)**	–
Net assets of the associate	**565 392**	458 921
Revenue	**1 221 171**	1 534 064
Profit from continuing operations	**106 476**	285 431
Profit for the year	**106 476**	285 431
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**106 476**	285 431
Dividends received from the associate during the year	**–**	–

3. Investments in associates continued

	Group 2015 R000	Group 2014 R000
Reconciliation of the carrying amount of the interest in UAC Restaurants Limited recognised in the consolidated financial statements:		
Balance at the beginning of the year	**50 786**	–
Acquired during the year	**–**	47 459
The Group's share of profit from continuing operations	**3 461**	3 327
Carrying amount of the Group's interest in UAC Restaurants Limited	**54 247**	50 786
Aggregate information of associates that are not individually material:		
The Group's share of profit from continuing operations	**4 147**	1 813
The Group's share of other comprehensive income	**4 147**	1 813
Aggregate carrying amount of the Group's interest in this associate	**3 321**	2 148

4. Investments in subsidiaries

	Company 2015 R000	Company 2014 R000
Unlisted shares at cost less amounts written off	**337 691**	335 699
Net amount owing to subsidiaries	**(174 139)**	(12 592)
Receivables from Group companies	**2 715**	3 091
Payables to Group companies	**(176 854)**	(15 683)
	163 552	323 107

A schedule of subsidiaries of the company is set out in Note 29.

5. Deferred tax

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Balance at the beginning of the year (net)	**41 537**	39 012	**(712)**	(1 866)
Acquired in business combinations	**1**	–	**–**	–
Adjustment in respect of the prior year	**–**	126	**–**	–
Foreign currency translation	**(129)**	4 647	**–**	–
Movement through profit or loss	**6 612**	308	**712**	1 154
Movement due to change in tax rate	**–**	(2 556)	**–**	–
Balance at the end of the year (net)	**48 021**	41 537	**–**	(712)
Analysis				
Excess capital allowances over depreciation	**27 387**	23 700	**–**	–
Effect of tax losses	**(2 357)**	(5 667)	**–**	–
Prepayments	**2 143**	2 900	**–**	–
Provisions	**(8 463)**	(6 502)	**–**	–
Other temporary differences	**(8 155)**	(10 492)	**–**	(712)
	10 555	3 939	**–**	(712)
Trademark valuation upon business combinations	**37 466**	37 598	**–**	–
	48 021	41 537	**–**	(712)
The deferred tax liability of R37 million (2014: R38 million) is associated with the valuation of the trademarks under IFRS 3 *Business Combinations*. This will only reverse on a change in tax rate, an impairment of the trademark asset or on disposal of the businesses.				
The balance comprises				
Aggregate of deferred tax assets	**(7 744)**	(11 075)	**–**	(712)
Aggregate of deferred tax liabilities	**55 765**	52 612	**–**	–
	48 021	41 537	**–**	(712)

6. Inventories

	Group	
	2015 R000	2014 R000
Raw materials	**51 148**	54 042
Finished goods	**127 561**	113 418
Stock in transit	**–**	3 639
Consumables	**7 804**	6 412
	186 513	177 511

Write-downs of inventories to their net realisable value and obsolete stock provisions, mainly relating to finished goods, amounted to R2 million (2014: R135 thousand), and have reduced gross inventories to the carrying amounts above.

There are no inventories pledged as security for liabilities.

7. Trade and other receivables

	Group 2015 R000	Group 2014 R000
Gross trade receivables	**291 874**	264 842
Impairment allowance	**(2 999)**	(4 474)
Net trade receivables	**288 875**	260 368
Prepayments	**7 211**	12 734
VAT receivable	**6 929**	3 023
Other	**13 261**	1 742
	316 276	277 867

Credit quality of trade and other receivables

The Group has a wide customer base. No credit rating has been obtained from banks. One debtor has a current balance in excess of 5% of the trade receivables balance amounting to R30 million (2014: R29 million).

The table below illustrates the trade receivables ageing analysis:

	2015 R000	2014 R000
Less than 30 days	**272 498**	255 414
31 to 60 days	**11 043**	3 182
61 to 90 days	**1 265**	1 935
91 to 120 days	**1 524**	895
Over 120 days	**5 544**	3 416
	291 874	264 842

It is the policy of the company to allow seven to 90-day payment terms.

Fair value of trade and other receivables

There is no material difference between the fair value of trade and other receivables and their book value.

Trade and other receivables past due and not impaired

Trade and other receivables that are less than three months past due are not considered to be impaired unless specific circumstances indicate otherwise. Amounts that were past due but not impaired were as follows:

	2015 R000	2014 R000
Over 120 days	**3 971**	1 213

Trade and other receivables impaired

Trade and other receivables that were impaired and provided for were as follows:

	2015 R000	2014 R000
Less than 30 days	**799**	1 342
31 to 60 days	**278**	406
61 to 90 days	**224**	329
91 to 120 days	**126**	194
Over 120 days	**1 572**	2 203
	2 999	4 474

Reconciliation of trade and other receivables impairment allowance

	2015 R000	2014 R000
Balance at the beginning of the year	**4 474**	4 133
Amounts raised during the year	**(812)**	3 093
Amounts written off as uncollectible	**(663)**	(2 752)
Balance at the end of the year	**2 999**	4 474

The maximum exposure to credit risk at the reporting date is the fair value of trade and other receivables above.

The Group does not hold any collateral as security.

8. Cash and cash equivalents

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position items:				
Cash on hand and favourable bank balances	**126 228**	90 699	**14 313**	998
As described in the accounting policies, certain bank overdrafts payable on demand fluctuate from being positive to overdrawn and are considered an integral part of the Group's cash management for cash flow statement purposes. At year-end the total bank overdraft amounted to R79 million (2014: R39 million).				
There is no material difference between the fair value and the book value of cash and cash equivalents.				

9. Issued capital and share premium

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Share capital	**998**	992	**998**	992
Share premium	**124 139**	100 039	**125 726**	101 409
	125 137	101 031	**126 724**	102 401
Share capital				
Authorised				
200 000 000 (2014: 200 000 000) ordinary par value shares of 1 cent each	**2 000**	2 000	**2 000**	2 000
Issued				
Total shares in issue 99 812 435 (2014: 99 242 435) ordinary par value shares of 1 cent each	**998**	992	**998**	992
Treasury shares 5 000 (2014: nil) ordinary par value shares of 1 cent each	**–**	–	**–**	–
	998	992	**998**	992
Unissued				
100 187 565 (2014: 100 757 565) ordinary par value shares of 1 cent each	**1 002**	1 008	**1 002**	1 008
3% of the unissued shares are under the control of the directors until the next Annual General Meeting.				
6 702 538 (2014: 7 272 538) of the unissued ordinary shares are specifically reserved for the Famous Brands Share Incentive Scheme, of which 655 000 (2014: 635 000) options have already been offered to and accepted by directors and employees.				
Share premium				
Balance at the beginning of the year	**100 039**	62 278	**101 409**	63 648
Premium on shares issued*	**24 100**	37 761	**24 317**	37 761
Balance at the end of the year	**124 139**	100 039	**125 726**	101 409

** Excludes Share premium on treasury shares of R217 thousand (2014: Rnil).*

10. Other reserves

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Capital profit on sale of the company's business to a subsidiary			**10 775**	10 775
Foreign currency translation reserve	**61 564**	64 521		
Share-based payments	**38 712**	36 720	**38 712**	36 720
	100 276	101 241	**49 487**	47 495

11. Borrowings

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Secured loans				
Short-term borrowings	**–**	65 000	**–**	–
Secured loan from Absa Bank Limited bearing interest at 1.25% above the three-month JIBAR rate. The final quarterly instalment was paid on 28 February 2015.				
In terms of the Memorandum of Incorporation of the company, the borrowing powers of the directors shall be unlimited.				
Total liabilities	**–**	65 000	**–**	–
Repayable within one year transferred to current liabilities	**–**	65 000	**–**	–
Repayable within two to five years	**–**	–	**–**	–

12. Deferred lease liabilities

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Balance at the beginning of the year	**3 667**	7 815	**2 544**	6 664
Movement during the year	**(730)**	(4 148)	**(2 544)**	(4 120)
Balance at the end of the year	**2 937**	3 667	**–**	2 544
Analysis				
Current liabilities	**–**	2 544	**–**	2 544
Non-current liabilities	**2 937**	1 123	**–**	–
	2 937	3 667	**–**	2 544

Details of the lease rentals are disclosed in Note 23.

13. Trade and other payables

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Trade payables	**158 519**	137 106	**–**	2
Accruals and deferred income	**143 508**	136 479	**–**	–
Advertising levy surplus	**8 283**	6 364	**–**	–
VAT payable	**17 734**	9 526	**8**	254
Other	**1 725**	1 520	**–**	–
	329 769	290 995	**8**	256

Accruals and deferred income represent miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the year-end and income received during the year, for which the Group had not supplied the goods or services at the end of the year.

The book value of trade payables, accruals and deferred income is considered to be in line with their fair values.

Other payables comprise miscellaneous minor items.

14. Non-controlling shareholder loans

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Unsecured:				
Non-controlling shareholder of Coega Cheese (Pty) Ltd:				
Coega Dairy Holdings (Pty) Ltd	**18 766**	23 666	**–**	–
Non-controlling shareholder of Famous Brands Great Bakery Company (Pty) Ltd:				
Dragonfly 100 General Trading CC	**5 284**	5 279	**–**	–
Non-controlling shareholders of Famous Brands Coffee Company (Pty) Ltd:	**399**	399	**–**	–
The SRG Share Trust	**150**	150	**–**	–
The Best Family Trust	**249**	249	**–**	–
	24 449	29 344	**–**	–

The loans are interest-free and have no fixed terms of repayment. The book value of the loans is considered to be in line with the fair value.

15. Revenue

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Sale of goods	**2 616 367**	2 234 862	**–**	–
Services rendered and franchise revenue	**666 975**	591 117	**100**	988
	3 283 342	2 825 979	**100**	988

16. Profit before tax

Profit before tax is arrived at after taking into account, among other items, those detailed below:

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Depreciation of property, plant and equipment*	**31 884**	30 614	**–**	–
Amortisation of intangible assets*	**10 005**	7 812	**–**	–
Employee costs	**395 860**	336 776	**–**	–
Directors' remuneration	**–**	–	**1 745**	1 338
Executive directors	**–**	–	**14 046**	13 197
Non-executive directors	**–**	–	**1 745**	1 338
Less: Amounts paid by subsidiaries	**–**	–	**(14 046)**	(13 197)
Auditors' remuneration	**4 297**	3 998	**–**	–
Audit fee	**3 400**	3 235	**–**	–
Fees for other services	**897**	763	**–**	–
Foreign exchange loss/(profit)	**607**	(508)	**375**	(669)
Interest and finance charges paid	**13 550**	12 435	**–**	–
Interest received	**(13 281)**	(9 223)	**(142)**	(36)
Operating lease charges on immovable property	**90 294**	94 123	**7 744**	19 321
Operating lease charges recovered from sub-lessees	**(56 568)**	(65 926)	**(10 249)**	(23 483)
Operating lease charges on movable property	**4 396**	3 554	**–**	–
(Profit)/loss on disposal of property, plant, equipment, intangibles and shares	**(731)**	602	**–**	720
Share of profit of associates	**(7 608)**	(5 140)	**–**	–
Share-based payments – equity settled	**1 992**	3 248	**–**	–
Share-based payments – cash settled	**187**	2 068	**–**	–

** Restated to enhance disclosure (refer restatement Note 31).*

17. Tax

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Normal tax				
Current tax	**188 039**	164 213	**160**	1 082
Deferred tax	**6 612**	308	**712**	1 154
Movement in deferred tax due to change in tax rate	**–**	(2 556)	**–**	–
Secondary tax on companies	**–**	20	**–**	–
	194 651	161 985	**872**	2 236
Reconciliation of rate of tax	**%**	%	**%**	%
South African normal rate of tax	**28.0**	28.0	**28.0**	28.0
Reduction in rate for year, due to:				
Exempt income	**–**	(0.3)	**(27.5)**	(27.3)
Share of profit of associates	**(0.3)**	–	**–**	–
Increase in rate for year, due to:				
Foreign tax paid	**0.1**	–	**–**	–
Disallowable expenditure	**0.9**	0.8	**0.1**	0.1
Effective rate of tax	**28.7**	28.5	**0.6**	0.8

18. Earnings and diluted earnings per share

The calculation of basic earnings per ordinary share is based on earnings of R465 756 805 (2014: R401 636 259) and a weighted average number of shares in issue of 99 580 897 (2014: 98 942 130).

The calculation of diluted earnings per ordinary share is based on diluted earnings of R469 104 739 (2014: R403 123 034) and a weighted average number of shares in issue of 100 235 897 (2014: 99 577 130), after taking into account the effect of the possible issue of 655 000 (2014: 635 000) ordinary shares in the future relating to the share incentive scheme.

	Group		Company	
	R000	R000	**R000**	R000
Reconciliation between earnings and diluted earnings				
Attributable profit to owners of Famous Brands Limited	**465 756**	401 637		
Adjustment for:				
After tax interest receivable on future share placements	**3 348**	1 487		
Diluted earnings	**469 104**	403 124		
Earnings per share (cents)	**468**	406		
Diluted earnings per share (cents)	**468**	405		

19. Headline earnings and diluted headline earnings per share

	Group					
	2015			2014		
	Gross R000	**Tax R000**	**Net R000**	Gross R000	Tax R000	Net R000
The calculation of headline earnings per ordinary share is based on headline earnings of R465 201 721 (2014: R401 941 099) and a weighted average number of shares in issue of 99 580 897 (2014: 98 942 130).						
The calculation of diluted headline earnings per ordinary share is based on diluted headline earnings of R468 549 655 (2014: R403 427 874) and a weighted average number of shares in issue of 100 235 897 (2014: 99 577 130), after taking into account the effect of the possible issue of 655 000 (2014: 635 000) ordinary shares in the future relating to the Famous Brands Share Incentive Scheme.						
Reconciliation between earnings, headline earnings and diluted headline earnings						
Attributable profit to owners of Famous Brands Limited	**465 756**		**465 756**	401 637		401 637
Adjustment for:						
(Profit)/loss on disposal of property, plant and equipment	**(731)**	**205**	**(526)**	602	(169)	433
Re-measurements included in equity-accounted earnings of associates	**(41)**	**12**	**(29)**	(183)	55	(128)
Headline earnings	**464 984**	**217**	**465 201**	402 056	(114)	401 942
Interest receivable on future share placements	**4 650**	**(1 302)**	**3 348**	2 065	(578)	1 487
Diluted headline earnings	**469 634**	**(1 085)**	**468 549**	404 121	(692)	403 429
Headline earnings per share (cents)			**467**			406
Diluted headline earnings per share (cents)			**467**			405

20. Dividends

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Final dividend number 37 of 142 cents, paid 15 July 2013		140 433		140 433
Interim dividend number 38 of 130 cents, paid 9 December 2013		128 737		128 737
Final dividend number 39 of 170 cents, paid 14 July 2014	**169 511**		**169 511**	
Interim dividend number 40 of 155 cents, paid 8 December 2014	**154 554**		**154 554**	
	324 065	269 170	**324 065**	269 170
Dividends on treasury shares held through the share incentive scheme	**(191)**	(103)	**–**	–
	323 874	269 067	**324 065**	269 170
Dividends per share (cents)	**355**	300	**355**	300
Interim	**155**	130	**155**	130
Final*	**200**	170	**200**	170

** The final dividend related to the year ended 28 February 2015 was declared subsequent to year-end and has been presented for information purposes. Further details regarding the final dividend are set out in the directors' report (refer page 1).*

21. Cash flow information

21.1 Reconciliation of profit before tax to cash generated from/(utilised in) operations

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
Profit before tax	**679 363**	567 445	**155 911**	273 254
Adjustments for:				
Depreciation of property, plant and equipment*	**31 884**	30 614	**–**	–
Amortisation of intangible assets*	**10 005**	7 812	**–**	–
Dividends received	**–**	–	**(156 000)**	(270 003)
Foreign currency effect of equity loans	**6 130**	(3 957)		
Movement in share-based payment liability	**187**	2 068	**–**	–
Movement in deferred lease liabilities	**(730)**	(4 148)	**(2 544)**	(4 120)
Net interest paid/(received)	**269**	3 212	**(142)**	(36)
(Profit)/loss on disposal of property, plant, equipment, intangibles and shares	**(731)**	602	**–**	720
Settlement of share-based cash payment liability	**(3 859)**	–	**–**	–
Share of profits from associates	**(7 608)**	(5 140)		
Share-based payments reserve	**1 992**	3 248		
Cash generated/(utilised in) before changes in working capital	**716 902**	601 756	**(2 775)**	(185)
Working capital changes	**(3 667)**	(8 197)	**(248)**	229
Increase in inventories	**(5 066)**	(9 955)	**–**	–
(Increase)/decrease in receivables	**(36 694)**	(22 674)	**–**	12
Increase/(decrease) in payables	**38 093**	24 432	**(248)**	217
Cash generated from/(utilised in) operations	**713 235**	593 559	**(3 023)**	44

** Restated to enhance disclosure (refer restatement Note 31).*

21. Cash flow information continued

21.2 Reconciliation of tax paid during the year

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Amounts owing at the beginning of the year	**(4 700)**	(6 877)	**(783)**	(959)
Amounts charged to profit and loss	**(194 651)**	(161 985)	**(872)**	(2 236)
Adjustment for deferred tax	**6 612**	(2 248)	**712**	1 154
Acquisition of subsidiary	**(1 910)**	155	**–**	–
Foreign currency translation	**(1 170)**	(493)	**–**	–
Amounts owing at the end of the year	**(5 705)**	4 700	**(1 086)**	783
Tax paid	**(201 524)**	(166 748)	**(2 029)**	(1 258)
21.3 Reconciliation of dividends paid during the year				
Amounts owing at the beginning of the year	**(1 067)**	(1 246)	**(1 067)**	(1 202)
Amounts charged to retained earnings	**(327 389)**	(270 946)	**(324 065)**	(269 170)
Amounts owing at the end of the year	**1 487**	1 067	**1 487**	1 067
Dividends paid	**(326 969)**	(271 125)	**(323 645)**	(269 305)
21.4 Acquisition of business operations				
Effective 1 April 2013, the Group acquired a 51% share of the business assets of The Bread Basket (renamed Famous Brands Great Bakery Company (Pty) Ltd) for a purchase consideration of R6 million. The purchase consideration was allocated as follows:				
Property, plant and equipment		3 034		
Trademarks		7 525		
Inventories		225		
Net assets acquired		10 784		
Non-controlling interests measured at their share of the fair value of net assets		(5 284)		
Amount capitalised		5 500		
Cash flow on acquisition of business		5 500		

21. Cash flow information continued

21.5 Investment in subsidiary

	Group 2015 R000	Group 2014 R000
Effective 1 April 2014, a 70% interest was acquired in both Wakaberry™ Holdings (Pty) Ltd and 4E Holdings (Pty) Ltd, the company in which the Wakaberry™ trademark is registered, for a consideration of R49.4 million. R45.4 million was allocated to goodwill because of anticipated scale and merger benefits related to franchising, manufacturing and logistics capability.		
Fair value of assets and liabilities acquired		
Property, plant and equipment	**979**	
Trademarks	**12**	
Trade and other receivables	**3 823**	
Inventories	**3 979**	
Cash and cash equivalents	**2 082**	
Deferred tax balances	**(1)**	
Trade and other payables	**(3 160)**	
Current tax liabilities	**(1 910)**	
Net assets acquired	**5 804**	
Non-controlling interests measured at their share of the fair value of net assets	**(1 740)**	
Amount capitalised	**4 064**	
Goodwill	**45 352**	
Purchase price	**49 416**	
Less: Cash and cash equivalents	**(2 082)**	
Cash flow on investment in subsidiary	**47 334**	
Effective 1 June 2013, a 51% interest was acquired in Pink Potato Trading 103 (Pty) Ltd, for the Turn 'n Tender Steakhouse business, for a consideration of R9.3 million. R8.8 million was allocated to goodwill because of anticipated scale and merger benefits related to both franchising and manufacturing capability.		
Fair value of assets and liabilities acquired		
Property, plant and equipment		73
Trade and other receivables		2 050
Inventories		220
Cash and cash equivalents		260
Trade and other payables		(1 721)
Current tax assets		155
Net assets acquired		1 037
Non-controlling interests measured at their share of the fair value of net assets		(508)
Amount capitalised		529
Goodwill		8 753
Purchase price		9 282
Less: Cash and cash equivalents		(260)
Cash flow on investment in subsidiary		9 022

Revenues and operating profits of these acquisitions have been incorporated into the Group's reporting structures and additional synergies are not measured separately.

The acquisition of these businesses and brands aligns with our strategic intent to grow and develop franchised leisure brands supported by the Group's vertically integrated business model.

21. Cash flow information continued

21.6 Investment in associates

	Group 2015 R000	Group 2014 R000
Effective 1 March 2013, the Group acquired a 35% stake in McEwan Advertising (Pty) Ltd (renamed Sauce Advertising (Pty) Ltd)		335
Effective 1 October 2013, the Group acquired a 49% stake in UAC Restaurants Limited in Nigeria which houses the Mr Bigg's brand		47 459
Cash flow on investments in associates		47 794

22. Contingent liabilities

22.1 The company and its South African subsidiaries have issued an unlimited suretyship in favour of First Rand Bank Limited to secure the banking facilities entered into by certain subsidiary companies.

22.2 Guarantees issued by banks in favour of trade creditors totalled Rnil (2014: R6 million).

22.3 The company has issued an irrevocable and unconditional guarantee in favour of Absa Bank Limited to secure the Group's obligations. The total Group obligation at year-end amounts to Rnil (2014: R65 million).

23. Commitments

23.1 Operating leases and consulting fees

The company and the Group have commitments arising from property leases for their own business operations and leases entered into to secure key sites for franchised outlets. With regard to leases entered into to secure key sites, it is the Group's policy to enter into sub-lease agreements with the franchisees on the same terms and conditions as those in the main lease.

Lease rentals are negotiated on an average term of six years and escalated at an average rate of 8% per annum. No contingent rent is payable.

In circumstances where the amounts recoverable are lower than the amounts payable, the Group immediately recognises provisions for onerous contracts.

Certain operating commitments relating to computer equipment and professional fees exist.

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
The net future minimum rentals due under operating leases are as follows:				
Gross amounts due	**290 306**	167 857	**–**	11 180
Amounts recoverable from sub-lessees	**(133 891)**	(115 059)	**–**	(11 180)
	156 415	52 798	**–**	–
The gross future minimum rentals due are repayable as follows:				
Payable within the next 12 months	**75 618**	59 040	**–**	11 180
Payable within two to five years	**213 491**	108 817	**–**	–
Payable thereafter	**1 197**	–	**–**	–
	290 306	167 857	**–**	11 180

23. Commitments continued

23.2 Capital expenditure

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Approved by the directors but not contracted for	**83 265**	52 389	**–**	–

This capital expenditure relates to additions and improvements to production facilities, motor vehicles, franchise incentives, computer equipment and furniture and fittings.

It is anticipated that this expenditure will be financed by existing borrowing facilities and internally generated funds.

24. Retirement benefit plans

Employees within the Group are members of five provident funds. Three funds are administered by Liberty Life, one fund by Borwa Financial Services and another by Sanlam. Each fund provides benefits on a defined contribution basis. The funds are subject to the Pension Funds Act of 1956, as amended. All employees of the Group are eligible to be members of the funds. As at 28 February 2015, the membership of the funds was 1 937 (2014: 1 282) employees. The Group's contribution to the provident funds for the year was R24 million (2014: R21 million). The market value of the investments of the various funds as at 28 February 2015 was R105 million (2014: R88 million).

25. Directors' interest in shares

	2015			2014		
	Beneficial direct interest R000	**Beneficial indirect interest R000**	**Total R000**	Beneficial direct interest R000	Beneficial indirect interest R000	Total R000
Executive						
Mr KA Hedderwick	**484**	**–**	**484**	984	–	984
Mr DP Hele	**95**	**–**	**95**	125	–	125
Non-executive						
Mr P Halamandaris	**366**	**9 000**	**9 366**	1 616	9 000	10 616
Mr P Halamandaris (Jnr)	**6 942**	**155**	**7 097**	7 167	155	7 322
Mr T Halamandaris	**8 638**	**–**	**8 638**	9 750	–	9 750
Mr JL Halamandres	**3 886**	**–**	**3 886**	5 040	–	5 040
	20 411	**9 155**	**29 566**	24 682	9 155	33 837

No director has any non-beneficial interest in the ordinary shares of the company.

The company has not been advised of any changes in the above interests of the directors during the period up to the date of this report.

26. Directors' remuneration

	For services as directors R000	Remune-ration R000	Bonuses R000	Provident fund contribu-tions R000	Allow-ances and benefits R000	Total R000
28 February 2015						
Executive						
Mr KA Hedderwick	**–**	**4 591**	**2 899**	**–**	**240**	**7 730**
Mr DP Hele	**–**	**2 318**	**1 304**	**283**	**296**	**4 201**
Mr NS Richards	**–**	**1 456**	**488**	**–**	**171**	**2 115**
Non-executive						
Mr NJ Adami (appointed 24 February 2015)	**55**	**–**	**–**	**–**	**–**	**55**
Mr CH Boulle	**260**	**–**	**–**	**–**	**–**	**260**
Ms SL Botha	**310**	**–**	**–**	**–**	**–**	**310**
Mr P Halamandaris	**105**	**–**	**–**	**–**	**–**	**105**
Mr P Halamandaris (Jnr)	**160**	**–**	**–**	**–**	**–**	**160**
Mr T Halamandaris	**160**	**–**	**–**	**–**	**–**	**160**
Mr JL Halamandres	**180**	**–**	**–**	**–**	**–**	**180**
Mr KL Shuenyane (resigned 26 February 2015)	**250**	**–**	**–**	**–**	**–**	**250**
Mr BL Sibiya	**265**	**–**	**–**	**–**	**–**	**265**
	1 745	**8 365**	**4 691**	**283**	**707**	**15 791**
Less: Paid by subsidiaries	**–**	**(8 365)**	**(4 691)**	**(283)**	**(707)**	**(14 046)**
	1 745	**–**	**–**	**–**	**–**	**1 745**
28 February 2014						
Executive						
Mr KA Hedderwick	–	4 461	2 634	–	108	7 203
Mr DP Hele	–	2 213	1 218	246	114	3 791
Mr NS Richards (appointed 1 July 2013)	–	974	480	–	40	1 494
Mr SJ Aldridge (resigned 30 June 2013)	–	709	–	–	–	709
Non-executive						
Mr CH Boulle	262	–	–	–	–	262
Ms SL Botha	305	–	–	–	–	305
Mr P Halamandaris	192	–	–	–	–	192
Mr P Halamandaris (Jnr)	50	–	–	–	–	50
Mr T Halamandaris	50	–	–	–	–	50
Mr JL Halamandres	192	–	–	–	–	192
Mr KL Shuenyane	57	–	–	–	–	57
Mr BL Sibiya	230	–	–	–	–	230
	1 338	8 357	4 332	246	262	14 535
Less: Paid by subsidiaries	–	(8 357)	(4 332)	(246)	(262)	(13 197)
	1 338	–	–	–	–	1 338

Directors' remuneration is only reflected from the date upon which an appointment commences and up to the date of resignation.

Performance bonuses reflect the amounts accrued in respect of the year to which the performance relates.

IFRS 2 *Share-based Payments* amounts of R316 115 (2014: R750 944), R234 759 (2014: R432 483), R90 058 (2014: Rnil), R45 333 (2014: R250 315) and Rnil (2014: R172 867) were recognised in respect of options granted to Mr KA Hedderwick, Mr DP Hele, Mr NS Richards, Mr SJ Aldridge and Mr T Halamandaris respectively.

The directors' share-based payment amounts are not included in the remuneration above.

27. Share-based payments

27.1 Equity-settled share-based payments

Famous Brands operates the Famous Brands Share Incentive Scheme. This enables directors, executive management and specified directors of subsidiaries to benefit from the Famous Brands share price performance.

This scheme confers the right to participants to acquire ordinary shares at the value of the Famous Brands share at the date that the option is granted. On acceptance of the option, the participant has the right to exercise the option at any time, after vesting, during the option life, in as many tranches as the participant may elect. To receive shares, participants must be either employed by or retirees of the company when the rights to the shares vest. The directors of the company may amend the vesting period of the options by Board resolution.

The scheme has a single type of vesting category which comprises a three-year vesting period and sever-year expiry period subsequent to grant date.

A reconciliation of the movement of all share options is detailed below:

	Option exercise		Number of shares	
	2015	2014	**2015**	2014
Opening balance	**15.00 – 43.40**	15.00 – 43.40	**635 000**	2 000 000
Options granted and accepted				
Management	**101.20**	90.51	**360 000**	50 000
Directors	**101.20**	n/a	**230 000**	–
Lapses	**–**	–	**–**	–
Allotted and issued	**15.00 – 43.40**	15.00 – 28.00	**(570 000)**	(1 415 000)
Options granted, shares not issued up to the end of the period			**655 000**	635 000

The last options were granted in November 2014.

The following options have been granted and accepted, but delivery of shares will only take place in the future.

Number of ordinary shares	Grant date	Option fair value at grant date (Rand)	Option exercise price (Rand)	Financial year in which options vest
15 000	May 2011	10.88	43.40	February 2015
50 000	May 2013	24.88	90.51	February 2017
590 000	November 2014	16.21	101.20	February 2018
655 000				

27. Share-based payments continued

27.1 Equity-settled share-based payments continued

Analysis of share options granted to executive directors is detailed below:

	Option vesting date	Subscription price Rand	Outstanding as at 28 February 2014	Granted during the period	Exercised during the period	Outstanding as at 28 February 2015
Executive						
Mr KA Hedderwick	May 2014	43.40	150 000	–	(150 000)	–
	November 2017	101.20	–	100 000	–	100 000
Mr DP Hele	May 2014	43.40	100 000	–	(100 000)	–
	November 2017	101.20	–	80 000	–	80 000
Mr NS Richards	November 2017	101.20	–	50 000	–	50 000
Mr SJ Aldridge (resigned: 30 June 2013)	May 2014	43.40	50 000	–	(50 000)	–
Options granted, shares not issued up to the end of the period			300 000	230 000	(300 000)	230 000

The share options granted have been valued, at grant date, using the Black-Scholes-Merton model which takes account of the vesting period (European style option).

Expected volatility of the share price was determined by giving consideration to the historical volatility of the Famous Brands share price.

The weighted fair value of the options granted and the related assumptions used are detailed below.

	2015	2014
Number of options granted and accepted	**590 000**	50 000
The principal inputs are as follows:		
Weighted average fair value at grant date (Rand)	**16.2**	24.9
Weighted average share price (Rand)	**106.6**	95.0
Exercise price (Rand)	**101.2**	90.5
Expected life (years)	**4.0**	4.0
Expected volatility (%)	**31.0**	39.1
Risk-free interest rate (%)	**6.6**	6.8
Average expected dividend yield (%)	**2.4**	2.6

27. Share-based payments continued

27.2 Cash-settled share-based payments

For cash-settled share-based payments, the liability of the fair value of unexercised share appreciation rights which are expected to vest, is determined initially at grant date and then revalued at each reporting date and amortised over the applicable period.

During 2011, the Group introduced a Share Appreciation Bonus Scheme which allows certain senior managers, excluding directors, to earn a bonus based upon the increase in the Famous Brands share price between the grant date and the vesting date. Executive directors have not been granted rights under this scheme. Participants are allocated a notional number of shares (rights) and will be paid a cash bonus equal to the share price appreciation at the expiry of the three-year period. No further rights have been granted since the first occurrence.

The Scheme has a single type of vesting category, namely that rights vest and expire three years after the grant date. Payment of the bonuses must occur within 10 business days of the vesting date.

The share options granted have been valued at grant date using the Black-Scholes-Merton model. The principal inputs for the valuations of the cash-settled share-based payments granted in May 2011 were the same as for the valuations of the equity-settled share-based payments granted on the same date.

Rights granted on 30 May 2011 amounted to 93 500 at a notional grant price of R43.40. After 5 000 rights lapsed, there were 88 500 rights outstanding at 29 February 2012. A further 20 000 rights lapsed in the period to 28 February 2013, leaving 68 500 rights outstanding as at 28 February 2014 and 28 February 2013. A further 5 000 rights lapsed before the vesting date of 30 May 2014. No further rights have been granted since May 2011.

During 2015, the cash-settled share-based payment charge to profit or loss amounted to R187 thousand (2014: R2 million). Payment for settlement of 63 500 rights on 30 May 2014 amounted to R4 million.

28. Related party transactions

The Group, in the ordinary course of business, entered into various transactions with related parties. These transactions occurred under terms and conditions no more favourable to those entered into with third parties.

28.1 Franchise agreements

Directors have interests in 13 franchised outlets. Franchise fees and product sales have been charged under terms and conditions no more favourable than those entered into with third parties.

28.2 Lease agreements

The Group has entered into lease agreements with an entity controlled by certain directors. The transactions were concluded at market-related rates prevailing at the time of entering into the transactions.

28.3 Supply agreements

The Group has entered into a supply agreement with an entity controlled by certain directors. All products purchased were concluded at market-related prices.

28.4 Professional fees

Professional fees have been paid to a firm of which a non-executive director is a partner. The transactions were conducted at market-related rates prevailing at the time of entering into the transactions.

28.5 Management fees

Management fees have been paid to the non-controlling shareholders of certain subsidiary companies for providing operational management services to the related businesses. The transactions were conducted at market-related rates prevailing at the time of entering into the transactions.

28. Related party transactions continued

28.6 Advertising fees

Advertising fees have been paid to an associate. The transactions were conducted at market-related fees prevailing at the time of entering into the transactions.

The aggregate of the above transactions is as follows:

	2015 R000	2014 R000
Sale of product and franchise fee revenue	**41 109**	12 076
Lease payments	**20 565**	19 321
Purchases of product	**97 085**	93 258
Professional fees paid	**2 121**	2 125
Management fees paid	**10 700**	5 467
Advertising fees paid to associate	**65 078**	45 780
Interest paid to related parties	**1 597**	—
Loans payable to related parties	**24 449**	29 344
Trade payables to related parties	**4 793**	2 717
Trade receivables from related parties	**7 833**	1 530
28.7 Commitments to related parties		
The aggregate future commitments to related parties are as follows:	**99 106**	20 759
Payable within the next 12 months	**21 348**	13 519
Payable within two to five years	**77 758**	7 240
28.8 Transactions between the holding company and subsidiaries		
Rent received	**10 249**	19 361
Dividends received	**156 000**	270 003
Management fees received by the company from the operating subsidiary for statutory costs incurred	**100**	988
28.9 Directors' remuneration		
The remuneration for directors of the holding company paid during the year by subsidiaries within the Group has been disclosed in Note 26. Executive directors are defined as key management.		
28.10 Employees' remuneration		
The remuneration to all employees amounted to:	**395 860**	336 776

29. Schedule of investments in subsidiaries

	Share capital	Interest		Shares		Amounts owing by/(to) subsidiaries		Profit/(loss)	
		2015 R000	2014 R000	**2015 R000**	2014 R000	**2015 R000**	2014 R000	**2015 R000**	2014 R000
Direct									
Debonairs Pizza (Pty) Ltd[3]	100	**100**	100	**110**	110	**–**	–	**719**	7 322
Famous Brands Cyprus Ltd[2]	70 657 847	**100**	100	**70 471**	70 471	**2 715**	3 091	**7 519**	3 611
Famous Brands Food Services (Pty) Ltd[4]	100	**–**	100	**–**	–	**–**	–	**(1)**	–
Famous Brands Management Company (Pty) Ltd[1]	100	**100**	100	**51 099**	49 107	**(176 854)**	(15 683)	**421 800**	348 128
FishAways (Pty) Ltd[3]	2 000	**100**	100	**2 269**	2 269	**–**	–	**116**	1 183
Mugg & Bean Franchising (Pty) Ltd[3]	101	**100**	100	**100 000**	100 000	**–**	–	**492**	4 158
Pleasure Foods (Pty) Ltd[4]	800	**100**	100	**–**	–	**–**	–	**–**	–
Pleasure Foods Intellectual Property Company (Pty) Ltd[3]	800	**100**	100	**107 499**	107 499	**–**	–	**2 133**	27 011
Pleasure Foods Property Holdings 1 (Pty) Ltd[1]	100	**100**	100	**–**	–	**–**	–	**23**	9
The Famous Brands Share Incentive Trust	–	**100**	100	**–**	–	**–**	–	**508**	93
Steers (Pty) Ltd[3]	200	**100**	100	**6 243**	6 243	**–**	–	**318**	6 419
Indirect									
4 E Holdings (Pty) Ltd[3]	120	**70**	–	**–**	–	**–**	–	**356**	–
Catermeat (Pty) Ltd[4]	100	**–**	100	**–**	–	**–**	–	**14**	–
Creative Coffee Franchise Systems (Pty) Ltd[1]	100	**61**	61	**–**	–	**–**	–	**2 880**	1 361
Coega Cheese (Pty) Ltd[1]	100	**51**	51	**–**	–	**–**	–	**12 155**	(5 170)
Famous Brands Coffee Company (Pty) Ltd[1]	100	**60**	60	**–**	–	**–**	–	**12 569**	9 105
Famous Brands Great Bakery Company (Pty) Ltd[1]	100	**51**	51	**–**	–	**–**	–	**2 636**	164
Famous Brands UK Ltd[2]	5 434 185	**100**	100	**–**	–	**–**	–	**7 272**	7 559
Hawk Like Trade and Invest (Pty) Ltd[4]	1	**100**	100	**–**	–	**–**	–	**–**	–
Mountain Rush Trading 4 (Pty) Ltd[1]	100	**51**	51	**–**	–	**–**	–	**6 069**	2 404
Pink Potato Trading 103 (Pty) Ltd[1]	100	**51**	51	**–**	–	**–**	–	**3 530**	1 529
Quantum International Franchising (Pty) Ltd[4]	1 000	**100**	100	**–**	–	**–**	–	**–**	(21)
Quickstep Investment 10 (Pty) Ltd[4]	1 000	**100**	100	**–**	–	**–**	–	**–**	–
Souldance Holdings 11 (Pty) Ltd[1]	100	**51**	51	**–**	–	**–**	–	**517**	231
Steers Holdings (Jersey) Ltd[2]	19	**100**	100	**–**	–	**–**	–	**(770)**	4 815
Vovo Telo Bakery and Café (Pty) Ltd[1]	1 000	**51**	51	**–**	–	**–**	–	**1 214**	521
Venus Solutions Ltd[2]	9 584	**100**	100	**–**	–	**–**	–	**1 351**	1 309
Wakaberry™ Holdings (Pty) Ltd[1]	1 000	**70**	–	**–**	–	**–**	–	**(1 153)**	–
Wimpy Marketing Fund (Pty) Ltd[1]	2	**100**	100	**–**	–	**–**	–	**–**	–
				337 691	335 699	**(174 139)**	(12 592)	**482 267**	421 741
Total losses								**(1 924)**	(5 191)
Total profits								**484 191**	426 932

All the above subsidiaries are incorporated in South Africa, except for Famous Brands UK Ltd and Venus Solutions Ltd, incorporated in the United Kingdom, Famous Brands Cyprus Ltd, incorporated in Cyprus and Steers Holdings (Jersey) Ltd, incorporated in Jersey.

Main business

[1] *Franchisor, product manufacture, distribution, management and/or administration*
[2] *Offshore holding company*
[3] *Trademark owner*
[4] *Dormant*

30. Risk management

The Board of Directors has approved strategies for the management of financial risks, which are in line with corporate objectives. These guidelines set up the short-term and long-term objectives and actions to be taken in order to manage the financial risks that the Group faces.

The major guidelines of this policy are the following:
- minimise interest rate, currency and market risk for all transactions;
- all financial risk management activities are carried out and monitored at a central level; and
- all financial risk management activities are carried out on a prudent and consistent basis.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

The following table summarises the carrying amount of financial assets and liabilities recorded at 28 February 2015 by IAS 39 *Financial Instruments: Recognition and Measurement* category:

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Financial assets				
Loans and receivables:				
Trade and other receivables	**302 136**	262 110	**–**	–
Cash and cash equivalents	**126 228**	90 699	**14 313**	998
Fair value through profit or loss:				
Receivables from Group companies			**2 715**	3 091
	428 364	352 809	**17 028**	4 089
Financial liabilities				
Measured at amortised cost:				
Borrowings	**–**	65 000	**–**	–
Trade and other payables	**303 752**	275 105	**–**	2
Shareholders for dividends	**1 487**	1 067	**1 487**	1 067
Fair value through profit or loss:				
Payables to Group companies			**176 854**	15 683
Non-controlling shareholder loan	**24 449**	29 344	**–**	–
	329 688	370 516	**178 341**	16 752

For financial instruments measured at fair value through profit or loss, in terms of the hierarchy, these are classified as level 3 as the valuation techniques used are not based on observable market data. For these financial instruments the carrying amount is equal to its fair value as these loans are interest-free and have no fixed terms of repayment.

30. Risk management continued

30.1 Liquidity risk

The Group manages liquidity risk on the basis of expected maturity dates, through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared, adequate borrowing facilities are secured and utilisation monitored.

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	2015			2014		
	Less than 1 year R000	**1 – 5 years R000**	**Total R000**	Less than 1 year R000	1 – 5 years R000	Total R000
Group						
Interest-bearing borrowings	**–**	**–**	**–**	67 668	–	67 668
Trade and other payables	**303 752**	**–**	**303 752**	275 105	–	275 105
Non-controlling shareholder loans	**24 449**	**–**	**24 449**	29 344	–	29 344
Shareholders for dividends	**1 487**	**–**	**1 487**	1 067	–	1 067
	329 688	**–**	**329 688**	373 184	–	373 184
Company						
Trade and other payables	**–**	**–**	**–**	2	–	2
Payables to Group companies	**176 854**	**–**	**176 854**	15 683	–	15 683
Shareholders for dividends	**1 487**	**–**	**1 487**	1 067	–	1 067
	178 341	**–**	**178 341**	16 752	–	16 752

The carrying amount of the financial liabilities is considered to be in line with the fair value at the reporting date.

At present the Group expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments the Group expects operating activities to generate sufficient cash inflows. In addition, the Group holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

The Group has access to financing facilities, of which R126 million (2014: R60 million) were unused at the end of the reporting period. The Group expects to meet its obligations from operating cash flows.

30.2 Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial liabilities. Liabilities are both floating rate and non-interest-bearing.

At present the Group does not hold loans and receivables that are long-term in nature. The following table analyses the breakdown of liabilities by type of interest rate.

	Group		**Company**	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Floating rate	**–**	65 000	**–**	–
Non-interest-bearing	**329 688**	305 516	**178 341**	16 752
	329 688	370 516	**178 341**	16 752

Sensitivity analysis

A hypothetical increase or decrease in interest rates of 50 basis points, with all other variables remaining constant, would increase or decrease profit after tax by Rnil (2014: R234 thousand).

A hypothetical increase or decrease in interest rates by 100 basis points, with all other variables remaining constant, would increase or decrease profit after tax by Rnil (2014: R468 thousand).

The analysis has been performed for floating interest rate financial liabilities.

The impact of a change in interest rates on floating interest rate financial liabilities has been assessed in terms of the changing of their cash flows and net expenses.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

30. Risk management continued

30.3 Foreign currency risk

Since the Group operates internationally, it is exposed to foreign currency risk in its normal industrial and commercial businesses. On occasion, the Group hedges transactional foreign exchange exposures.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk.

Financial assets and financial liabilities are analysed by currency as follows:

	2015				2014			
	GB Pound CU000*	**Euro CU000***	**US Dollar CU000***	**Zambian Kwacha CU000***	GB Pound CU000*	Euro CU000*	US Dollar CU000*	Zambian Kwacha CU000*
Financial assets								
Trade and other receivables	**409**	**1**	**–**	**2 498**	1 278	6	–	2 739
Cash and cash equivalents	**3 483**	**53**	**1 155**	**2 785**	1 895	133	1 180	5 392
Financial liabilities								
Trade and other payables	**(1 036)**	**(7)**	**–**	**(633)**	(968)	(11)	–	(401)
	2 856	**47**	**1 155**	**4 650**	2 205	128	1 180	7 730
Exchange rates used for conversion of foreign amounts to the South African Rand were (R):	**17.86**	**12.98**	**11.58**	**0.60**	18.00	14.78	10.80	0.54
Sensitivity analysis At 28 February 2015, if the Rand had weakened/strengthened by 10% against any currency above, with all other variables held constant, profit after tax for the year would have decreased/increased as follows (R000):	**3 673**	**44**	**963**	**507**	2 858	136	918	301

** Currency unit thousands*

30.4 Credit risk

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Sales to retail customers are settled in cash or using major credit cards. Refer to Note 7 for details on the quality and provision for impairment of trade receivables.

Credit risk is managed on a Group-wide basis. Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty to R105 million.

Financial assets exposed to credit risk (maximum exposure) at year-end were as follows.

	Group		Company	
	2015 R000	2014 R000	**2015 R000**	2014 R000
Trade and other receivables	**302 136**	262 110	**–**	–
Receivables from Group companies	**–**	–	**2 715**	3 091
Cash and cash equivalents	**126 228**	90 699	**14 313**	998
	428 364	352 809	**17 028**	4 089

The Group is exposed to a number of guarantees for the overdraft facilities of Group companies (refer Note 22).

30. Risk management continued

30.5 Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide sustainable returns for shareholders, benefits for other stakeholders and to maintain, over time, an optimal structure to reduce the cost of capital.

The capital structure of the Group consists of interest-bearing borrowings (Note 11), cash and cash equivalents (Note 8) and equity as disclosed in the statement of financial position. There are no externally imposed capital requirements.

There have been no material changes to the Group's management of capital, the strategy for capital maintenance or externally imposed capital requirements from the previous years.

31. Restatement of comparative figures

The following items have been restated in order to enhance disclosure.

	Group			Company		
	Previously reported R000	**Adjust–ment R000**	**Restated R000**	**Previously reported R000**	**Adjust-ment R000**	**Restated R000**
Statements of financial position						
at 28 February 2014						
Property, plant and equipment	**205 575**	**(9 331)**	**196 244**	**–**	**–**	**–**
Intangible assets	**870 344**	**9 331**	**879 675**	**–**	**–**	**–**
Investments in subsidiaries				**323 107**	**12 592**	**335 699**
Receivables from Group companies				**–**	**3 091**	**3 091**
Payables to Group companies				**–**	**(15 683)**	**(15 683)**
	1 075 919	**–**	**1 075 919**	**323 107**	**–**	**323 107**
Statements of cash flow						
for the year ended 28 February 2014						
Additions to property, plant and equipment	**(44 070)**	**5 433**	**(38 637)**	**–**	**–**	**–**
Intangible assets acquired	**(7 492)**	**(5 433)**	**(12 925)**	**–**	**–**	**–**
	(51 562)	**–**	**(51 562)**	**–**	**–**	**–**
Notes to the financial statements						
for the year ended 28 February 2014						
Depreciation of property, plant and equipment*	**33 555**	**(2 941)**	**30 614**	**–**	**–**	**–**
Amortisation of intangible assets*	**4 871**	**2 941**	**7 812**	**–**	**–**	**–**
	38 426	**–**	**38 426**	**–**	**–**	**–**

** Refer Notes 16 and 21.1*

Shareholder spread

	28 February 2015				28 February 2014			
	Number of share-holders	**%**	**Number of shares**	**%**	Number of share-holders	%	Number of shares	%
Analysis of shareholders								
Holdings								
1 – 10 000	**8 990**	**95.06**	**10 388 284**	**10.41**	6 983	94.60	8 560 026	8.62
10 001 – 50 000	**335**	**3.54**	**7 053 569**	**7.07**	290	3.93	5 897 628	5.94
50 001 – 100 000	**61**	**0.65**	**4 577 352**	**4.59**	33	0.45	2 408 370	2.43
100 001 – 1 000 000	**59**	**0.62**	**17 958 955**	**17.99**	64	0.87	21 714 172	21.88
1 000 001 and more	**12**	**0.13**	**59 834 275**	**59.94**	11	0.15	60 662 239	61.13
	9 457	**100.00**	**99 812 435**	**100.00**	7 381	100.00	99 242 435	100.00
Analysis of holding								
Individuals	**7 378**	**78.02**	**35 166 449**	**35.23**	5 877	79.62	39 934 901	40.25
Insurance companies	**16**	**0.17**	**654 378**	**0.66**	16	0.22	1 165 424	1.17
Investment trusts	**1 132**	**11.97**	**15 550 785**	**15.58**	839	11.37	12 972 459	13.07
Other companies and corporate bodies	**931**	**9.84**	**48 440 823**	**48.53**	649	8.79	45 169 651	45.51
	9 457	**100.00**	**99 812 435**	**100.00**	7 381	100.00	99 242 435	100.00
Major shareholders (holding more than 5% of the shares in issue) excluding directors								
Public Investment Corporation			**9 369 087**	**9.39**			7 221 104	7.28
Arisaig Africa Consumer Fund			**9 175 293**	**9.19**			12 797 657	12.90
Pictet and Cie (Europe) SA AIF			**5 254 405**	**5.26**			*	*
Coronation Life Managers Limited			*	*			6 426 642	6.48
			23 798 785				26 445 403	
Shareholder spread								
Public	**9 450**	**99.93**	**70 242 088**	**70.37**	7 375	99.92	65 405 557	65.90
Non-public	**7**	**0.07**	**29 570 347**	**29.63**	6	0.08	33 836 878	34.10
Directors' holdings	**6**	**0.06**	**29 565 347**	**29.62**	6	0.08	33 836 878	34.10
Own holdings (Treasury shares)	**1**	**0.01**	**5 000**	**0.01**	–	–	–	–
	9 457	**100.00**	**99 812 435**	**100.00**	7 381	100.00	99 242 435	100.00

** Below 5% holding of the company's shares in issue.*

Administration

Famous Brands Limited
Incorporated in the Republic of South Africa
Registration number: 1969/004875/06
JSE share code: FBR
ISIN code: ZAE000053328

Directors
NJ Adami, SL Botha (Independent Chairman), CH Boulle, P Halamandaris, P Halamandaris (Jnr), T Halamandaris, JL Halamandres, RM Kgosana, KA Hedderwick (Group Chief Executive)*, DP Hele (Chief Executive Officer – Food Services)*, NS Richards (Group Financial Director)* and BL Sibiya.
**Executive*

Company Secretary
K Ntlha

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PO Box 4844, Johannesburg, 2000

Sponsor
The Standard Bank of South Africa Limited
Registration number 1969/017128/06
30 Baker Street, Rosebank, 2196

Auditors
RSM Betty & Dickson (Johannesburg)

Bankers
Absa Bank Limited
Bidvest Bank Limited
FirstRand Bank Limited
Investec Bank Limited
Nedbank Limited
Standard Bank Limited

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