Accent Group Limited

ABN 85 108 096 251

Appendix 4E
Preliminary Final Report

1. COMPANY DETAILS

Name of entity:	Accent Group Limited
ABN:	85 108 096 251
Reporting period:	For the year ended 30 June 2024 (52 weeks)
Previous period:	For the year ended 2 July 2023 (53 weeks)

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

		Percentage change %		Amount $'000
Revenues from ordinary activities	up	2.4%	to	1,454,352
Profit after income tax for the year	down	32.9%	to	59,530
Profit for the year attributable to the owners of Accent Group Limited	down	32.9%	to	59,530

Dividends

	Amount per security Cents	Franked amount per security Cents
2023 Final dividend	5.50	5.50
2024 Interim dividend	8.50	8.50
2024 Final dividend	4.50	4.50

Dividend payment date:

- 2023 Final dividend 28 September 2023
- 2024 Interim dividend 21 March 2024
- 2024 Final dividend 26 September 2024

3. NET TANGIBLE ASSETS PER ORDINARY SECURITY

	30 Jun 2024 Cents	2 Jul 2023 Cents
Net tangible assets per ordinary security	6.18	10.68

Net tangible assets are calculated by deducting intangible assets from the net assets of the Group.

4. OTHER INFORMATION

This report is based on the consolidated financial statements which have been audited by PricewaterhouseCoopers.

For further explanation of the figures above please refer to the ASX Announcement dated 23 August 2024 outlining the results for the year ended 30 June 2024 and the notes to the financial statements.

Accent Group Limited

ABN 85 108 096 251

Annual Report
30 June 2024

Annual Report

30 June 2024

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

for the year ended 30 June 2024

Dear fellow Shareholders,

We are pleased to present to you the 2024 Annual Report for Accent Group Limited (**Accent Group**, **Group** or **Company**).

In the context of a more challenging consumer environment, Accent Group did not deliver the results that we hoped could be delivered in FY24. Total sales for the year were $1.61 billion with net profit after tax of $59.5 million. Trading through softening conditions towards the end of FY23 and into FY24 (Australians having sustained 12 consecutive interest rate increases since May 2022), Accent Group was able to capitalise on the strength of its brands and defensible market position to finish the year with positive sales momentum.

The management team maintained its focus on driving return on investment through meeting customer demand and high service expectations and offering new and innovative products. This focus has contributed to the profits and shareholder returns for FY24.

The results delivered in FY24 continue the Company's long-term objective of delivering profits and growing shareholder value and the Board commends the efforts of the Accent Group team throughout the year.

FINANCIAL REVIEW

The Group's net profit after tax for FY24 was $59.5 million. Your Board has declared a final fully franked dividend of 4.50 cents per share, which brings the total dividends declared during the year to 13.0 cents per share.

Financials ($ millions)	**FY24**	**FY23**	**Growth**
Total Sales to Customers (incl. TAF)[1]	**1,608**	1,566	**+2.7%**
Accent Group Sales (company owned)	**1,435**	1,393	**+3.0%**
EBITDA	**293.7**	298.2	**-1.5%**
EBIT[2]	**110.4**	138.8	**-20.5%**
NPAT	**59.5**	88.7	**-32.9%**
EPS (cents per share)	**10.61**	16.16	**-34.3%**
Dividends (cents per share)	**13.00**	17.50	**-25.7%**

1 Includes The Athlete's Foot franchise store sales (non-IFRS measure).

2 Included in the FY24 EBIT of $110.4 million is a non-recurring charge of $17.3m relating to store transition costs and carrying value provisions in several underperforming Glue stores. The $17.3m comprises of: $14.1m impairment provision charge attributable to PPE/ROU assets; $0.6m PPE write-off in relation to stores already transitioned in FY24; and $2.6m provision for write-down of inventories to net realisable value.

OPERATING REVIEW

Accent Group remains committed to a long-term strategy of delivering customers a best in class integrated digital and instore experience. Owned sales of $1.4 billion in FY24 were up 3% on the prior year. The owned sales result was supported by continued online sales growth and our integrated omnichannel capability.

Retail & Wholesale

The Group opened 93 new stores in FY24 and closed 19 stores where required rent outcomes could not be achieved. Our store development team continues to prove that they are best in class.

The Company remains focused on growth and return on investment for shareholders, with newer banners such as Nude Lucy, Stylerunner, HOKA and UGG performing well, alongside continued growth in Skechers, The Athlete's Foot, Hype DC and others.

As the Group adds and grows new businesses, it also continually evaluates business unit performance to drive investor returns. This ongoing process resulted in the decision to exit 17 underperforming stores relating to the Glue Store business. The Trybe business has also been sold and the CAT distribution agreement will not continue beyond its expiry at the end of December 2024.

This continued portfolio review allows more capital and focus to be applied to the highest performing and growth businesses. In addition, to respond to ongoing cost inflation pressures, the Company has initiated a program to deliver further operational cost efficiencies which are expected to improve CODB performance across FY25-27.

Loyalty

Over the past year, contactable customers grew from 9.8 million to 10.2 million customers. We are well placed to continue to service the growing demand for digital sales from customers with our market leading, digitally integrated consumer business, comprising 32 websites, 23 owned and distributed brands, 895 points of distribution and now 10.2 million contactable customers.

Customer loyalty programs continue to be a focus for the Group, with a key focus on delivering value and increasing engagement across all the Group's programs.

SUSTAINABILITY

Accent Group will continue to focus on preparing for the mandatory climate-related financial disclosures despite its delay. The Group's achievements in this area will be delivered in a more succinct report by way of the 2024 Sustainability Paper, which will be released on the same date as this Annual Report.

BOARD CHANGES

As previously advised to shareholders, Stephen Goddard and Joshua Lowcock retired from the Board at the conclusion of the 2023 Annual General Meeting. We are grateful to have been the fortunate beneficiaries of their expertise and exceptional contribution to the Board during a period of rapid growth, and we acknowledge and thank them for their outstanding service to Accent Group.

As a part of the Board renewal process, we welcomed two new directors to the Board, Anne Loveridge AM and Lawrence Myers. Their appointments reflect our continued focus on orderly Board renewal and commitment to succession planning. Their considerable experience will further enhance the Board's broad range of skills, experience and diversity and we look forward to their valuable contributions to the Board.

CONCLUSION

FY24 year proved to be a challenging year in a softer consumer environment, with the final results below what we hoped could be achieved. In this context the business continues to focus on maximising annual performance and delivering appropriate long-term growth and improved shareholder returns.

David Gordon
Chairman

Daniel Agostinelli
Group Chief Executive Officer

FY24 DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated entity (the Consolidated Entity or Group) consisting of Accent Group Limited (the Company or Accent Group) and its controlled entities for the year ended 30 June 2024.

1. DIRECTORS

The following persons were Directors of Accent Group during the whole of the financial year and up to the date of this report, unless otherwise stated:

- David Gordon *Chairman*
- Daniel Agostinelli *Group Chief Executive Officer*
- Stephen Goddard *(resigned 17 November 2023)*
- Michael Hapgood
- Donna Player
- Joshua Lowcock *(resigned 17 November 2023)*
- Brett Blundy
- Timothy Dodd *alternate Director for Brett Blundy*
- Anne Loveridge AM *(appointed 17 November 2023)*
- Lawrence Myers *(appointed 17 November 2023)*

2. PRINCIPAL ACTIVITIES

Accent Group is a leading digitally integrated consumer business in the retail and distribution sectors of branded performance and lifestyle footwear, apparel and accessories with over 890 stores across 20 different retail banners and exclusive distribution rights for 14 international brands across Australia and New Zealand.

The Group's banners and brands include The Athlete's Foot (**TAF**), Platypus Shoes, Hype DC, Skechers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, HOKA, Superga, Subtype, The Trybe, Stylerunner, Nude Lucy, Glue Store and UGG.

3. DIVIDENDS

Dividends paid or declared by the Company during, and since the end of, the financial year are set out in Note 25 to the financial statements and summarised below:

	FY24 Final	FY24 Interim	FY23 Final	FY23 Interim
Cents per ordinary share	4.50	8.50	5.50	12.00
Total amount ($'000)	25,337	47,859	30,968	66,295
Payment date	26 September 2024	21 March 2024	28 September 2023	9 March 2023

The total dividend for the financial year ended 30 June 2024 of 13.0 cents per share is a decrease of 25.7% on the previous year.

4. OPERATING AND FINANCIAL REVIEW

The Operating and Financial Review of the Group for the financial year ended 30 June 2024 is provided in the Chairman and Chief Executive Officer's Report on page 2 and forms part of this Directors' Report.

5. MATERIAL BUSINESS RISKS

The Group's risk management framework enables it to continuously, systematically and actively monitor and manage the potential risks which may adversely impact the operational and financial performance of its businesses, which in turn may affect the outcome of an investment in the Group. There is no guarantee that the stated objectives of the Group will be achieved. A variety of factors, both Group specific and of a general nature, may impact upon the Group's activities and results, including general economic and business conditions, inflation, interest and exchange rates, consumer confidence, government policies and the trailing effects of the COVID-19 pandemic.

The Group considers the following to be business risks that are likely to have a material effect on its operational and financial performance. An overview (and not exhaustive list) of mitigation actions taken by the Group is also set out.

Type and description of risk	Mitigating Actions
Competition The markets in which the Group operates remain highly competitive, and any increased competition from new and existing competitors may lead to price deflation and a decline in sales and profitability, in particular: – Entrance of new international competitors – Aggressive discounting by local competitors – Growth in international online sites providing shipping to Australia and New Zealand – DTC distribution strategies of global brands – Global luxury brands expanding in the lifestyle footwear category – Competition from existing and new apparel brands and retailers in the youth, lifestyle and athleisure segments	– Implementing a world class omnichannel retail strategy to ensure seamless customer experience – Opening new stores to increase market share in Australia and New Zealand – Opening new and larger, or upgrading existing, stores in locales where there is a heavy competitor presence – Development and execution of new brand formats and product offerings in the performance, youth and lifestyle footwear and apparel markets – Continuing to enhance online digital capability and sales penetration – Monitoring international markets to identify opportunities for growth – Developing a deeper understanding of our customers, including through application of technological developments, CRM, and face-to-face engagement in-store
Changes in consumer behaviour The Group is exposed to both the upside and downside of cycles in consumer spending and demands, given that the products offered by the Group are discretionary in nature. Accordingly, customers' preferences, perception of brands, and demographics are all considered risks, in particular: – A reduction in consumer spending and demand may lead to a decline in the Group's sales and profitability – Trends in consumers shifting to online shopping drives a prolonged decline in stores' like-for-like sales growth – An acceleration of the online trend drives inaccurate stock allocations in the short-term	– Managing a diverse portfolio of brands, with appeal to broader consumer demographic – Driving store rental reductions at renewal – Continued investment in store fit-out with each new store and refurbished stores including new experiential elements – Development of a forward-looking store performance/profitability tool – Continuing to optimise the incremental digital costs for marketing and distribution – Closely monitoring and responding quickly to changes in the economic environment, consumer demand and new products
Health and Safety The Group is committed to the health and safety of its team members, customers and contractors and places a strong emphasis on the implementation of work health and safety standards. However, risks still remain possible, in particular: – Injury to a customer or a team member in work locations – Death of a customer or a team member in work locations – A natural disaster event impacting on the safety of team members or customers – External events involving a team member or a member of the public (e.g. self-harm, public situations) causing trauma, distress and psychological harm – Incidents such as bullying or harassment of any nature leading to mental health injuries	– Established and regularly updating and implementing a health and safety management system including resources, training and procedures on physical health, mental health, customer aggression and *Respect at Work* obligations – Investigating every incident to mitigate against reoccurrence – Implementing learning initiatives and improvements to create safer work locations (including against customer aggression) – Creating training modules to ensure that all team members are inducted in safe work practices – Developing an auditing program to train leaders to regularly identify safety risks – Establishing the Safety Steering Group which meets regularly to discuss and review incidents – Engaging with government agencies to ensure legal compliance – Engaging third party providers to support team members with issues that may impact their wellbeing – Provide First Aid/CPR training to nominated representatives in office locations, and Mental Health First aid training to State and National Managers

Type and description of risk	Mitigating Actions
Cyber Security and Information Technology While an increased reliance on information technology systems maximises the efficiency of the Group's business operations, any sustained and unplanned downtime due to cybersecurity attacks, system failures, network disruptions and other malicious or non-malicious incidents could have a material adverse impact on the Group's reputation, and its operating and financial performance, in particular: – Corruption of inventory management software – External attack on websites – Internal/external unauthorised access to sensitive commercial data – Internal/external unauthorised access to customer data – Fraudulent email phishing attacks resulting in compromised infrastructure or systems – Third party actions resulting in technology failure or malicious attack impacting ability to trade (e.g. POS systems)	– Documented disaster recovery processes (including offsite information technology back-up infrastructure) – Implementing improved user access and profiling – Increasing the frequency of security assessments, penetration and vulnerability testing using external expert advisers – Implementing higher level password security and change protocols – Implementing appropriate programs and tools to identify and formalise the remediation of vulnerabilities – Reviewing payment card industry compliance – Exploring and, where appropriate, implementing security tools based on artificial intelligence – Increasing sophistication of enterprise password tools and protocols
Distributed brands and key supplier relationships The Group enjoys strong partnerships with all major suppliers, and its regional exclusivity with numerous sought-after brands is a key distinguishing feature of its product offering. Failing to maintain good working relationships with key suppliers may lead to the following risks: – Loss of a key distributed brand due to poor management, lack of growth or brand preference to manage the territory themselves. – Loss of a key global third party brand due to pressure from competitors – Substantive change in distribution strategy of a key supplier resulting in a substantial product ranging change	– Implementing a thorough, methodical and effective renewal program for distributed brands – C-suite engagement with distributed brand principals over regular periods – Driving the mix and growth of distributed brands – Rolling out concept stores for distributed brands – Opening new store formats to increase category reach, expanding the Group's relevance as a distributor or brand partner.
Sustainability and social responsibility The sustainability of the Group's business is impacted by a number of environmental and social factors. Any actual or perceived failure to adequately address sustainability related issues may have an adverse effect on the Group's reputation, and operational and financial performance, in particular: – Identifying issues in its supply chain (including modern slavery practices) – Sourcing sustainable materials and packaging – Implementing product compliant systems to improve product safety – Promoting gender equality – Responding inadequately to increasing demand from consumers regarding traceability of products and clearer and more meaningful labelling may lead to reputational damage and potentially immediate adverse political or customer actions	– Establishing an Environmental, Social and Governance ('ESG') framework – General purview of ESG under Group Chief Financial and Operating Officer, with individual accountability for implementation of initiatives sitting within each business, with ultimate oversight by the Audit and Risk Committee – Reporting on the Group's progress of published targets in the Sustainability Report annually with regular monitoring throughout the year – Reporting annually on the Group's Modern Slavery Statement with regular monitoring throughout the year – Establishing a responsible sourcing framework under which the Ethical Sourcing Policy was created, to be distributed to relevant parties in the Group's vertical products supply chain – Reviewing the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures and local regulatory developments and, if appropriate, provide an analysis of and make disclosures aligned with, the recommendations – Commitment for gender equality in leadership roles as published in the Group's Sustainability Report and Corporate Governance Statement annually

Type and description of risk	Mitigating Actions
Legal, Regulatory and Compliance The Group is required to maintain compliance with all applicable laws and regulations, including those relating to consumer protection, product quality, ethical sourcing and corporate governance. Failure to comply with these laws and regulations could result in high legal costs, adverse monetary judgments, regulatory enforcement action and other claims which could have a material adverse impact on the Group's reputation, and operational and financial performance, in particular: – Aggressive or poorly controlled tax risk management leading to misstatements of tax payable – Lack of focus on supply chain management, resulting in an inability to meet Modern Slavery regulations requirements – Poor management of PCI compliance, resulting in monetary fines and regulatory breaches – Poor understanding of key pieces of legislation impacting on the Group's business leading to regulatory breaches, significant monetary fines and/or litigious action	– Establishing policies, procedures and compliance systems – Establishing a Group-wide Code of Conduct including periodic reviews and attestations of compliance from the senior management team – Establishing the Whistleblower Policy and dedicated Whistleblower Protection Officer – Dedicated in-house legal team – Regular consultation with professional advisers on key areas of compliance risk – Actively monitoring changes to regulations and laws – Monthly financial and disclosures obligation reporting – Upweighted focus on tax risk compliance, including the regular, systematic review of the effectiveness and currency of the Group's Tax Risk Management Policy
Black Swan events While the impacts of the COVID-19 pandemic have largely subsided, the Group may face altered societal behaviour in relation to public health concerns (for example to emerging epidemics), including: – Timing and nature of government containment measures (which may again include lockdowns and mandated store closures impacting profit and cashflow) – Unforeseeable fluctuations in consumer demand by state, and even local suburbs impacting profit and cashflow – Risk of team member or customer infection resulting in office(s) or store(s) closures – Risk of fines for regulatory breaches of government safe operating requirements – Altered consumer behaviour (e.g. long-term shift towards online shopping or significant reduction in household spending)	– Relevant health and safety protocols and policies developed and in place to encourage personal hygiene, physical distancing and management of mental health – Required personal protective equipment made available in all offices and stores – Increased effectiveness and frequency of office and store cleaning practices – Online/digital contingency plans developed and implemented for potential rolling shutdowns – Able to quickly adjust marketing plans to support online trading – Regular monitoring and communication to team members of government updates and requirements – Factoring in the potential foreseeable impact of health epidemics into forward sales, costs, inventory and cashflow plans

6. SUSTAINABILITY

A detailed account of our approach to business sustainability, covering people and safety, ethical sourcing, community and the environment is contained in the Company's 2024 Sustainability Paper.

7. INFORMATION ON DIRECTORS

Name	Particulars
David Gordon Non-Executive Chairman	David has over 30 years' experience as a director of both public and private companies and working in corporate advisory roles to Australian and international organisations. He brings extensive knowledge of mergers and acquisitions, as well as capital raisings, IPOs and joint ventures. David also has a proven track record in guiding businesses to harness their digital asset capability to successfully explore and grow new markets. David is a non-executive director of nib Holdings Limited (since May 2020) and was appointed Chair in July 2021. He is also a director of its health fund subsidiary, nib Health Funds Limited. He is also the Chairman of Shippit Pty Limited, Homecare Holdings Pty Ltd, and Genesis Capital Manager 1 Pty Ltd. He is a Non-Executive Director of international not-for-profit organisation High Resolves. David has been a Non-Executive Director of Accent Group since October 2006 and was appointed Non-Executive Chairman in November 2017. David was also the Chairman of the People and Remuneration Committee for the financial year ended 30 June 2024, and is a member of the Audit and Risk Committee.
Daniel Agostinelli Chief Executive Officer	Daniel oversees the day-to-day operations of Accent Group. He has over 30 years of retail experience and was formerly the CEO of Sanity Music and part owner of the Ghetto Shoes sneaker business. Daniel has been with Accent Group since 2006 and CEO of Accent Group since March 2015.
Michael Hapgood Co-Founder and Non-Executive Director	A founding Director and shareholder of Accent Group, Michael has extensive knowledge of the processes required to effectively launch, source and manage global brands within the Australasian market. From Accent Group's inception, Michael has been intimately involved in the development of all major strategic initiatives for the business initially from 1988 as marketing director before becoming CEO in 1998 until the sale to RCG Group in May 2015. Michael then became Accent Group's Chairman until August 2016 when all ongoing executive roles were relinquished. He continues as a Non-Executive Director and shareholder of Accent Group.
Donna Player Non-Executive Director	Donna has over 35 years' experience in retail including senior executive positions in merchandising, planning and marketing with Big W and David Jones. Donna is currently a Non-Executive Director of Baby Bunting Group Limited (since January 2017) and is the Merchandise Director of Camilla Australia. Donna has a proven track record in developing and delivering retail strategy and business transformation. Donna was appointed as a Non-Executive Director in November 2017 and is a member of the People and Remuneration Committee.
Brett Blundy Non-Executive Director	Brett is one of Australia's best known and most successful retailers and entrepreneurs. He is the Chairman and Founder of BBRC, a private investment group with diverse global interests across retail, capital management, retail property, beef, and other innovative ventures. BBRC's retail presence extends to 2,000 stores across more than 35 countries. Brett is the Chairman of Lovisa Holdings Limited (since November 2018). Brett was re-appointed as a Non-Executive Director of Accent Group in April 2021 and is a member of the Audit and Risk Committee.

Name	Particulars
Anne Loveridge AM Non-Executive Director	Anne has more than 30 years' experience in business as a partner at PwC and as a non-executive director of ASX listed companies. Anne is a qualified accountant (FCA). During her career as a senior executive and partner, Anne gained deep experience in business performance, client experience, stakeholder engagement, governance, and people and culture. This included a particular focus on business growth and change management, leadership development and succession, performance and reward frameworks and promoting increased diversity. Anne's experience as a non-executive director includes being appointed to the board of National Australia Bank (since December 2015), nib Holdings Limited (since February 2017), Platinum Asset Management (since September 2016) and Destination NSW (since August 2021). Anne was appointed to the Board as Accent Group as a non-executive director and chair of the Audit and Risk Committee on 17 November 2023. Anne is entitled to receive a retirement benefit from PwC as part of her retirement plan. The amount of the payment was determined at the time of retirement, in 2015, based on role and tenure with the firm. The benefit is not impacted by or related to the financial performance of PwC. The Board is satisfied that this does not affect her independence as Non-Executive Director and does not constitute a conflict of interest.
Lawrence Myers Non-Executive Director	Lawrence has deep consumer retail and advisory board experience, working with notable Australian retail brands such as Bec + Bridge, Cue Clothing Group and Industrie Clothing, and is the Deputy Chair of Breville Group Limited. With more than 20 years' experience as a practising Chartered Accountant, Lawrence is also the Managing Director and founder of high-end accounting firm MBP Advisory Pty Limited, a non-executive director of Regal Asian Investments Limited (since September 2019), VGI Partners Global Investments Limited (since July 2017) and Foundation of the Board of Trustees of the Art Gallery of New South Wales. He was recently appointed as the Chief Executive Officer of Consolidated Press Holdings Pty Limited. Lawrence was appointed to the Board of Accent Group as a non-executive director and member of the People and Remuneration Committee on 17 November 2023, and as Chair of the People and Remuneration Committee on 1 July 2024.
Timothy Dodd Alternate Director for Brett Blundy	Tim joined BBRC in September 2020 and serves as the Global CFO, covering all investments and operations worldwide. Tim has over 30 years' experience in financial and operational roles across the banking, funds management, real estate and investment sectors, and has worked in both publicly listed and private enterprises in Australia. Tim was appointed as alternate director for Brett Blundy on 2 June 2021.

8. COMPANY SECRETARIES

The following persons were Company Secretaries of Accent Group during the whole of the financial year and up to the date of this report:

Name	Particulars
Matthew Durbin	Matthew is Group Chief Financial and Operations Officer, having had his role expanded during 2021 to have oversight of and responsibility for shared services of the Group. He is also a joint Company Secretary. Matthew is a qualified accountant (FCPA) with 30 years' experience in retail. Prior to joining Accent Group, he was the CFO and COO of The PAS Group and has also held executive roles with David Jones in strategy, financial services and merchandise planning. Matthew joined Accent Group in November 2017 and was appointed as the joint Company Secretary in January 2018.
Alethea Lee	Alethea is Group General Counsel and joint Company Secretary with over 18 years' experience in corporate governance, strategic corporate transactions, corporate advisory, and commercial, consumer and competition law. Prior to joining Accent Group, Alethea held senior legal and governance positions with Fairfax Media Limited and David Jones Limited. Alethea joined Accent Group and was appointed as the joint Company Secretary in June 2021.

9. BOARD COMPOSITION AND INDEPENDENCE

The Board recognises the importance of having Directors who possess the combined skills, expertise and experience to facilitate constructive decision making and follow good governance processes and procedures.

The table below outlines the mix of skills and experience considered by the Board to be important for its Directors to collectively possess. The Board considers that collectively it has an effective blend of these skills to enable it to discharge its duties and effectively govern the business and add value in driving the Group's strategy.

Skill	Description
Strategy and planning	Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.
Operations	A broad range of commercial and business experience in business systems, practices, improvements, risk and compliance, sales, technology and human resources.
Capital markets and M&A	Expertise in considering and implementing efficient capital management including alternative capital sources and distributions, yields and markets. Experience in all aspects of the negotiation, structuring, risk management and assessment of both acquisitions and divestments.
Finance and tax	The ability to analyse financial statements and reporting, critically assess the financial performance of the Group, contribute to budget planning and efficient use of capital and resources, and demonstrable ability to assess, understand and manage tax risks and obligations.
Sales and marketing	Clear understanding of retail selling and marketing, developing and implementing sales and marketing teams and strategies, recruiting, running and incentivising sales teams, and setting sales budgets and targets.
Retail experience (physical and digital)	Experience and broad understanding of the physical and online retail footwear and apparel industry, including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework.
People and performance	Appreciation for the best practices in HR planning and management with familiarity in employment legislation and labour relations, recruitment, compensation, performance reviews and conflict management.
Technology, data and privacy	Expertise in the area of technology that the Group should be aware of and utilising, including keeping abreast of new and emerging technology.
Governance, compliance and risk management	Ability to identify key risks to the group in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems. Knowledge and experience in best practice ASX and Corporations Act, governance structures, policies and processes.

Director independence

Daniel Agostinelli is a full-time executive and therefore not considered independent.

Of the remaining six non-executive Directors, four are considered by the Board to be independent – David Gordon, Donna Player, Stephen Goddard and Joshua Lowcock (both until November 2023) and Anne Loveridge AM and Lawrence Myers (both from November 2023).

Notwithstanding the tenure of Mr Gordon, the Board considers him to be independent and the Company is well served by Mr Gordon's deep understanding of Accent Group and its business as a result of his longer tenure. Given Mr Gordon's tenure of over 10 years, the Board regularly assesses whether he has become too close to management to be considered independent. The Board regularly conducts such an assessment, and has recently reconfirmed Mr Gordon's independence, on the basis that he is non-executive, not a substantial shareholder, and conducts himself at arm's length in his engagement with the Company. He brings his considerable skills and knowledge to bear on matters before the Board. The Board considers that Mr Gordon's approach to matters of the Board is always independent in both appearance and in fact.

Mr Hapgood is related to two of the senior executives of the Company and is not considered independent. However, as a non-executive director, Mr Hapgood is not involved in the day-to-day operating decisions of the business and therefore able to bring clarity and considerable skills and knowledge to bear on matters before the Board. Due to his familial links with two executives, Mr Hapgood does not participate in any Board matters relating to management remuneration other than the CEO.

Mr Blundy is a substantial shareholder and is therefore not considered to be independent. However, as a non-executive director, he is not involved in day-to-day operating decisions of the business and therefore able to bring clarity and considerable skills and knowledge to bear on matters before the Board. The Board considers that Mr Blundy draws on his considerable skillset to act in the best interests of the Company and its shareholders. Similarly, Mr Blundy's alternate director is not considered to be independent.

10. MEETINGS OF DIRECTORS

The following table sets out the number of Directors' meetings (committee meetings) held during the year ended 30 June 2024 and the number of meetings attended by the members of the Board or the relevant committee. During the financial year, six Board Meetings, four Audit and Risk Committee meetings, four People and Remuneration Committee meetings, one Nominations Committee meeting, and two Digital Strategy Group meetings were held.

Directors have a standing invitation to attend meetings of Board committees of which they are not members. All Directors receive copies of the agendas, papers and minutes of each Board committee meeting (appropriately redacted, where necessary).

	Full Board		Audit and Risk Committee		People and Remuneration Committee		Digital Strategy Group[3]		Nominations Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
David Gordon	6	6	4	4	4	4	2	1	1	1
Daniel Agostinelli	6	6	–	–	–	–	–	–	–	–
Stephen Goddard[1]	3	3	2	2	2	2	–	–	1	1
Michael Hapgood	6	6	–	–	–	–	2	2	1	1
Donna Player	6	6	–	–	4	4	–	–	1	1
Joshua Lowcock[1]	3	2	2	1	–	–	2	2	1	0
Brett Blundy	6	4	–	–	–	–	–	–	1	1
Timothy Dodd	6	2	4	4	–	–	–	–	–	–
Anne Loveridge AM[2]	3	3	2	2	2	2	–	–	–	–
Lawrence Myers[2]	3	3	2	2	2	2	–	–	–	–

1 Resigned on 17 November 2023
2 Appointed on 17 November 2023
3 Dissolved on 16 November 2023

Held: represents the number of meetings held during the time the Director held office.

11. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the Directors' opinion, there have been no significant changes in the state of affairs of the Group during the year.

12. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 July 2024, the Group entered into an agreement to sell the Trybe business. The sale has completed in August 2024. The relevant financial effect is immaterial and will be accounted for in the financial year ending 29 June 2025.

See Note 25 for dividend declared.

Apart from the matters described above, no other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

13. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Expected future developments (except for those considered to be commercially sensitive) are outlined in the Chairman and Chief Executive Officer's Report, *Section 5 - Material business risks of this report* and *Section 12 - Matters subsequent to the end of the financial year* of this report.

14. ENVIRONMENTAL REGULATION

The operations of the Group are not subject to any particular and significant environmental regulation, and did not incur any significant liabilities under any environmental legislation during the financial year. Disclosures regarding the Group's material sustainability-related issues can be found in its Sustainability Report.

15. INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

16. PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Company with the leave of the court under section 237 of the *Corporations Act 2001*. No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party.

17. AUDITOR

The appointment of PricewaterhouseCoopers by the Board as the new auditor was approved by the shareholders of the Company on 17 November 2023. It continues in office in accordance with section 327 of the *Corporations Act 2001*.

18. INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

19. NON-AUDIT SERVICES

As set out in Note 29 to the financial statements, the auditor did not provide any non-audit services to the Company during the financial year.

20. ROUNDING OF AMOUNTS

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

21. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31.

FY24 REMUNERATION REPORT

Letter from the Chair of the People and Remuneration Committee

Dear Shareholders,

On behalf of Accent Group, I present the FY24 Remuneration Report outlining the Group's remuneration strategy and framework, and decisions taken by the Board in relation to the remuneration of key management personnel (**KMP**).

This report sets out how the Board has approached remuneration in the context of the significant business growth achieved over the last five years. Notwithstanding this, we acknowledge that FY24 was a challenging year and the financial results of the Company were not what we hoped could be delivered. It is in this context that we present the remuneration outcomes, which reflect the challenging consumer environment and the financial results achieved in FY24.

Our Business Strategy

Accent Group continued to invest in the strategic priorities of the business, both for future growth and to continue the journey as a regional leader in the retailing and distribution of performance and lifestyle footwear and apparel.

The management team continued to drive store network growth and opened 93 new stores during the financial year. The Group operates over 890 stores across 20 different retail banners with exclusive distribution rights for 14 international brands throughout Australia and New Zealand.

In a year characterised by a more challenging consumer environment and inflationary pressures, the Company has remained focused on growth and return on investment for shareholders. Highlights for the year include the strong contribution of our newer banners including Nude Lucy, Stylerunner, HOKA and UGG along with continued strong performance in Skechers, The Athlete's Foot (TAF), Hype DC and others. In addition, the management team's focus on improving the efficiencies and capabilities in its digital operations has seen an increase in the profitability of its digital sales. The Company remains focused on improving shareholder returns. Aligned to this objective, it continues to review and evolve its brand portfolio including the sale of The Trybe business, discontinuing the distribution of CAT at agreement expiry in December 2024 and the decision to exit 17 underperforming stores for the Glue Store business. This continued portfolio review will allow more capital and focus to be applied to the highest performing and growth businesses.

Our Performance

In FY24 we achieved Earnings Before Interest and Tax (**EBIT**) of $110.4m, down 20.5% on FY23 (FY23: $138.8m; FY22: $62.3m EBIT). The Board considers that the long-term performance of Accent Group taken over the past 10 years has been commendable, delivering shareholders a 10-year compounding total shareholder return of more than 20% to 30 June 2024.

The Board considers that the overall performance of Accent Group taken over the past 10 years has been commendable, delivering shareholders a 10-year compounding total shareholder return of more than 20% to 30 June 2024.

Continuous Improvement in Remuneration Practices

The Company continues to respond to feedback received from Shareholders and their advisors in relation to the Company's remuneration practices.

The Board maintains its commitment to continue to improve transparency in the Remuneration Report in relation to remuneration outcomes. For the FY24 performance period, the primary financial metric for the Short-Term Incentive (STI) program remained unchanged from FY23 and is reported EBIT (no underlying or other discretionary adjustments have been applied). Additional detail has been provided in relation to the performance outcomes for the strategic objective measures in the CEO and CFOO STI outcomes in accordance with feedback received in FY22.

In relation to the Company's Long-Term Incentive (LTI) program, the Board still considers a single metric program, using Adjusted Diluted Earnings Per Share (**ADEPS**) as the measure, to be the best approach for the delivery of a scheme that is both easy to understand and that also drives a real incentive during each year of the plan.

FY24 Remuneration Outcomes

The financial performance of the Company in FY24 has resulted in the following remuneration outcomes. It is important to note that all financial outcomes with respect to the FY24 STI and LTI programs have been assessed, including the impact of charges relating to the exit of underperforming stores in the Glue Store business, and that no adjustments or discretion have been applied to these assessments.

- With respect to FY24, the financial performance hurdles required for the payment of 70% of the FY24 short term incentive were not achieved. A partial number of the strategic measures required for the payment of 30% of the short-term incentive were achieved. On this basis, the Board determined that STI would be paid in line with strategic measures achieved, with the CEO and CFOO each achieving 10.2% of the maximum STI payable.
- In respect of Tranche 4 (FY20-FY23) of the Company's Performance Rights Plan (issued in November 2019), it was determined in FY23 that the required minimum 10% compounding growth per annum in ADEPS for the period FY20-FY23, being 13.97 cents per share or more, had been met with the actual ADEPS for FY23 being 15.62 cents per share. On this basis the Board approved the performance condition for the Tranche 4 rights as having been met, and those participants who met the time-based condition of being employed on 1 July 2024 will be notified that the tranche has vested.
- In respect of Tranche 5 (FY21-FY24) of the Company's Performance Rights Plan (issued in November 2020), the required compounding growth per annum in ADEPS for the period FY21-FY24 was not met and as such, no performance rights will vest from Tranche 5.

In conclusion, I am pleased to present the Company's FY24 Remuneration Report which includes significant additional disclosure compared to prior years.

Yours faithfully,

David Gordon
Chairman of the People and Remuneration Committee
23 August 2024

FY24 REMUNERATION REPORT

1. REMUNERATION OVERVIEW

1.1. Details of Management Personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entire entity, directly or indirectly, including all Directors.

Executive Director		
Daniel Agostinelli	Group Chief Executive Officer	Full year
Senior Executives		
Matthew Durbin	Group Chief Financial and Operating Officer	Full year
Non-Executive Directors		
David Gordon	Chairman	Full year
Michael Hapgood	Director	Full year
Stephen Goddard	Director	Resigned 17 November 2023
Anne Loveridge AM	Director	Appointed 17 November 2023
Lawrence Myers	Director	Appointed 17 November 2023
Donna Player	Director	Full year
Joshua Lowcock	Director	Resigned 17 November 2023
Brett Blundy	Director	Full year
Timothy Dodd	Alternate Director	Full year

1.2. People and Remuneration Committee (PARCO) and Nomination Committee

The Board has established a People and Remuneration Committee (**PARCO**) which operates under the delegated authority of the Board of Directors. The following Non-Executive Directors are members of PARCO:

Mr D Gordon	Independent Non-Executive Committee Chair to 30 June 2024
Ms D Player	Independent Non-Executive Director
Mr L Myers	Independent Non-Executive Director *(appointed 17 November 2023)* and Committee Chair from 1 July 2024
Ms A Loveridge AM	Independent Non-Executive Director *(appointed 17 November 2023)*
Mr S Goddard	Independent Non-Executive Director *(resigned 17 November 2023)*

PARCO is authorised by the Board to obtain external professional advice, and to secure the attendance of advisers with relevant experience and expertise when it considers this necessary.

The Group's remuneration strategy is designed and implemented on behalf of the Board by PARCO. PARCO then makes recommendations to the Board on matters relating to remuneration for the entities within the Group. PARCO considers recruitment, retention and termination policies and procedures, non-executive Directors' remuneration, executive Directors and KMP remuneration and incentive policy and awards, and contractual arrangements with KMP.

More detail on the Company's remuneration policy is provided in the Corporate Governance Statement.

The Nomination Committee comprises all of the Non-Executive Directors of the Company.

The Nomination Committee is charged with overseeing, monitoring and evaluating Board performance, ensuring appropriate induction and professional development programs for directors, and succession planning. In addition to making recommendations to the Board on the above, it is also responsible for recommending to the Board (once identified) the best-qualified candidates for the Board of Directors.

1.3. Use of Remuneration Consultants

Where PARCO determines it may benefit from external advice, it may engage directly with a remuneration consultant, who reports directly to the Committee. In selecting a suitable consultant, the Committee considers potential conflicts of interest and requires independence from the Group's KMP as part of their terms of engagement.

1.4. Board Policies for Determining Remuneration

The Board understands that the performance of the Group is driven through the quality and motivation of its people, including the CEO and executive team and the approximately 8,700 team members of the Group across Australia and New Zealand. The Group's remuneration strategy is designed to attract, motivate and retain high quality and high performing employees, while ensuring that the interests of employees are in line with the interests of shareholders. Our strategy is guided by our vision to be the leader in the performance and lifestyle footwear and apparel markets across Australia and New Zealand, by delivering world-class customer experiences, and harnessing the power of our people, brands and products. The Board aims to achieve this by setting market competitive remuneration packages that consist of a mix of fixed remuneration, short-term incentives to reward annual performance and long-term incentives that align to long-term financial performance and long-term shareholder value creation.

Our remuneration framework is guided by the key principles of alignment with:

- Delivery of long-term returns to shareholders through the delivery of sustainable sales and profit growth across the business
- Delivery of sustainable growth in dividends flowing from the strong cash flows from its defensible and desirable business
- Maintaining a strong, conservatively geared balance sheet
- Adherence to the Group's Code of Conduct and Company values
- Encouraging a culture of equality and diversity

The Group's remuneration reviews take place within three months of the end of each financial year. Prior to these reviews, the CEO makes recommendations to PARCO regarding the remuneration of each of his direct reports and the overall remuneration framework for all employees. PARCO meets to consider those recommendations, and also discusses and recommends the remuneration of the CEO to the Board.

2. REMUNERATION COMPONENTS

The key features of the Executive KMP remuneration structure are outlined below:

	Total Executive Remuneration		
	Fixed	At risk	
Type of remuneration	**Fixed remuneration**	**Short-term incentive**	**Long-term incentive**
How is it set	Fixed remuneration is set with reference to market competitive rates in comparable ASX listed companies for similar positions, adjusted to account for the experience, ability and productivity of the individual employee.	The Group's STI plan is tied directly to the achievement of profit growth in the case of KMP, this is based on the Group as a whole Refer to section 2.3 for further details.	The Company has established a Performance Rights Plan. There have been a number of tranches of performance rights issued under the plan, each requiring a target achievement of 10% (or greater) compounding earnings per share growth over the relevant performance period. Refer to section 2.4 for further details.
How is it delivered	– Base salary – Superannuation – Other benefits (e.g. motor vehicle)	– 100% cash	– Performance rights that vest at the end of the performance period if vesting conditions are met – Escrow periods may also apply

	Total Executive Remuneration		
	Fixed	At risk	
Type of remuneration	**Fixed remuneration**	**Short-term incentive**	**Long-term incentive**
What is the objective	– Attract and retain key talent – Be competitive – Support workplace diversity and equality	– Drive annual profit growth and shareholder returns – Reward value creation over a one-year period whilst supporting the long-term strategy – Incentivise desired behaviours in line with the Group's risk appetite	– Support delivery of the business strategy and growth objectives – Incentivise long-term value creation and shareholder returns – Drive alignment of employee and shareholder interests

2.1. Link between financial performance, shareholder wealth and remuneration

The Group's executive remuneration is directly related to the performance of the Group, through the linking of incentives to certain financial measures as detailed previously and shown below.

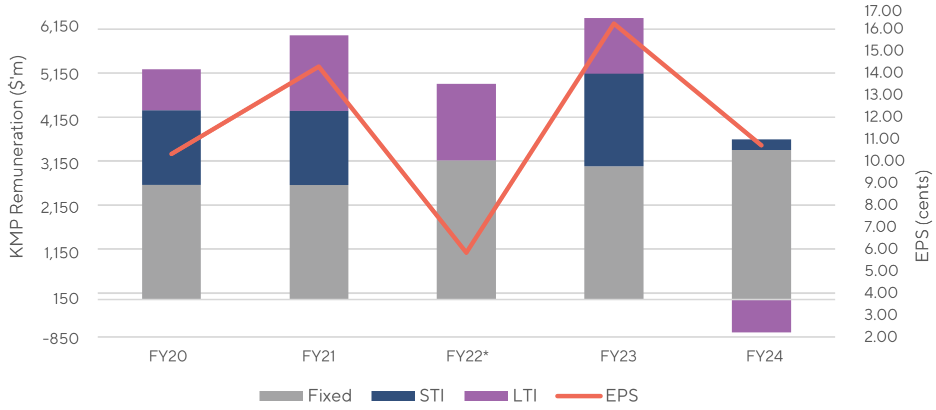
The financial performance of the Group and shareholder value creation over the last 5 years is also summarised in the table below.

	FY20	**FY21**	**FY22***	**FY23**	**FY24**	**Growth YoY**	**CAGR Last 5 years**
Revenues ($'m) (inc. Franchisees and Other Income)	830.1	993.8	1,130.6	1,422.1	1,456.2	2.4%	15.1%
EBITDA ($'m)	202.9	242.0	213.6	298.2	293.7	(1.5%)	9.7%
EBIT ($'m)	**94.5**	**124.9**	**62.3**	**138.8**	**110.4**	**(20.5%)**	**4.0%**
Net profit attributable to the owners of the Company ($'m)	55.5	76.9	31.5	88.7	59.5	(32.9%)	1.8%
EPS (cents)**	**10.28**	**14.21**	**5.81**	**16.16**	**10.61**	**(34.3%)**	**0.8%**
Shareholder value created:							
Market capitalisation ($'m)***	797.0	1,496.0	661.1	928.1	1,089.5	17.4%	8.1%
Enterprise value($'m)***	828.2	1,563.0	780.4	1,047.7	1,211.7	15.7%	10.0%
Movement in enterprise value during the financial year ($'m)	29.1	734.8	(782.7)	267.3	164.0		
Dividends paid during the financial year ($'m)	48.8	65.0	31.2	88.0	78.8	(10.5%)	12.7%
Closing Share Price ($)	1.47	2.76	1.22	1.68	1.94	15.5%	7.2%
DPS** declared (cents)**	**9.25**	**11.25**	**6.5**	**17.5**	**13.0**	**(25.7%)**	**8.9%**

* No STI was paid in FY22
** Earnings Per Share
*** Based on last ASX trading day prior to financial year end (FY24: 28 June 2024; FY23: 30 June 2023).
**** Dividend Per Share

KMP remuneration and EPS over the last 5 financial years

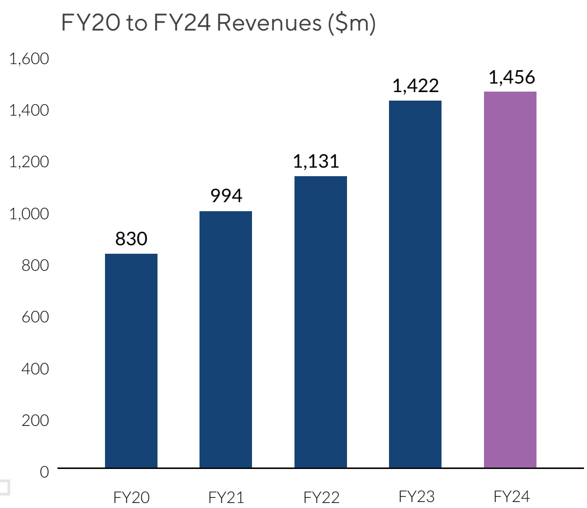
The graph below shows the relationship between total KMP remuneration and EPS over the past five years and the relationship between KMP remuneration and Company performance, specifically, the total aggregate remuneration of the KMP team for each year from FY20 to FY24 as set out in the Remuneration Report each year.

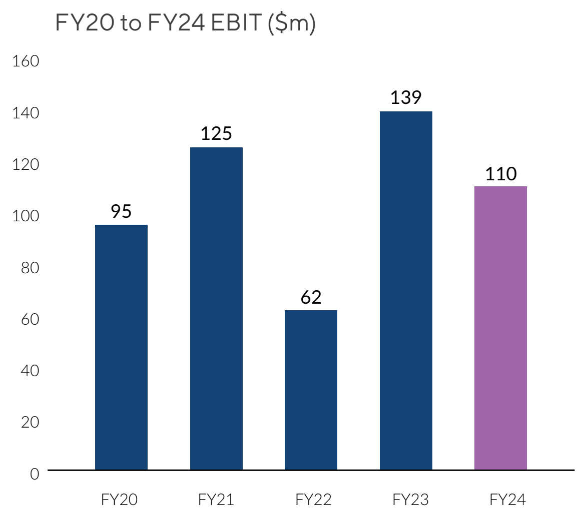


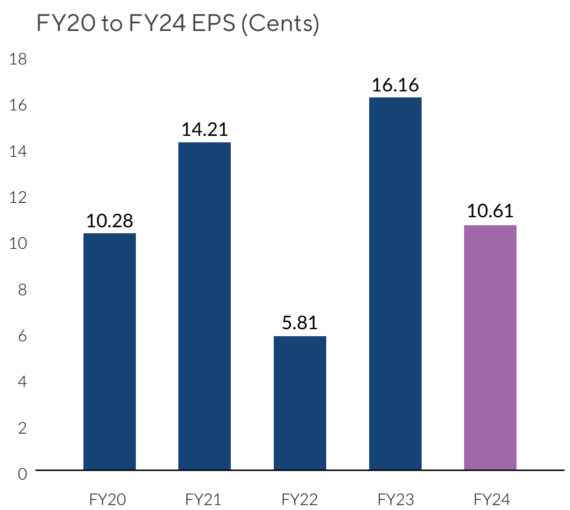
* In FY22 no STIs were paid to KMPs

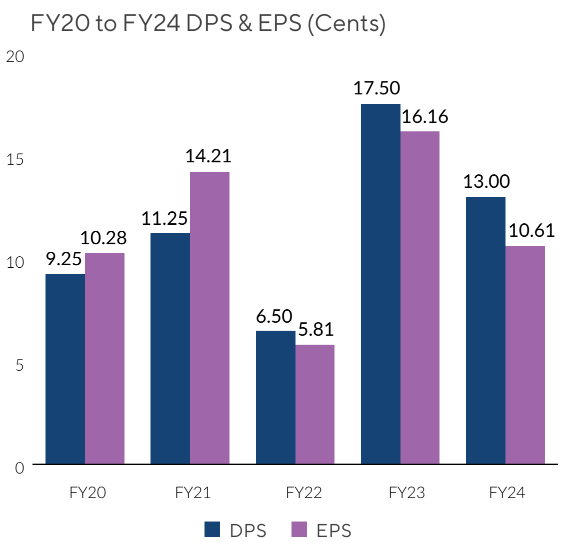
Company financial performance and share price

The long-term effectiveness of the Company's performance-related remuneration strategy and the strong alignment between financial performance and executive remuneration is demonstrated by the relative outperformance of the Company's share price over the last 10 years.









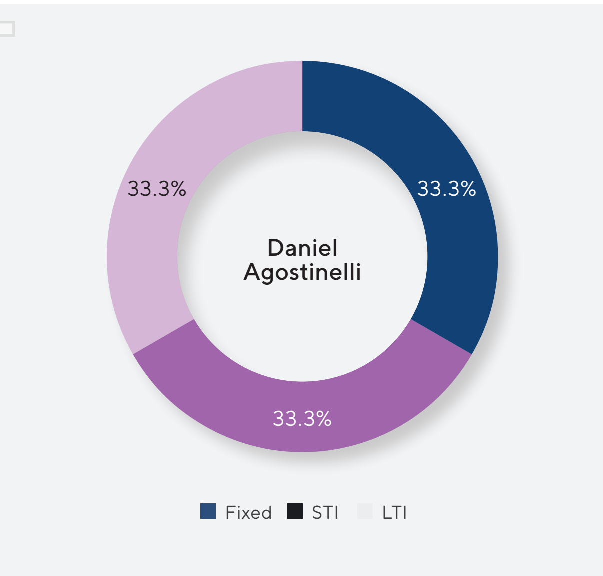
The following chart demonstrates the 10-year outperformance of the Company's share price relative to the ASX200.

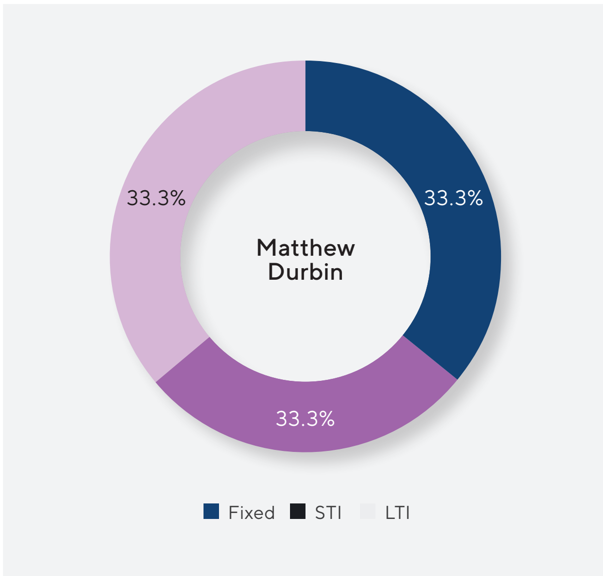
Source: FactSet. Market data as at 28 June 2024
1. ASX200 share price performance rebased to AX1 from 30 June 2014.

Remuneration Mix

The total remuneration for the KMP comprises both fixed remuneration and at-risk components in STI and LTI. The table shown below indicates the potential remuneration mix based on the fixed remuneration as of 30 June 2024 with STI and LTI presented at maximum and target opportunities respectively.

Executive KMP	Fixed Remuneration	STI	LTI	Total
Daniel Agostinelli	33.3%	33.3%	33.3%	100%
Matthew Durbin	33.3%	33.3%	33.3%	100%





2.2. Fixed Remuneration

Fixed remuneration is set with reference to market competitive rates in comparable ASX listed companies for similar positions, adjusted to account for the experience, ability and productivity of the individual employee. Fixed remuneration includes base salary along with any fringe benefits to the employee and statutory superannuation contributions.

To ensure appropriate and competitive remuneration for FY24, PARCO considered the remuneration levels and structures for the CEO and CFOO with reference to:

- external listed comparable remuneration benchmarks
- the competency and skillsets of the individuals and their performance over the long term
- the scarcity of talent and the importance and value of retaining key executives
- changes in the complexity, organisational structure and geographical spread of the Company

In respect of FY24 and as advised in the FY23 Remuneration Report, the Company retained Morrow Sodali to provide an independent report on comparable remuneration benchmarks. No remuneration recommendations were provided by Morrow Sodali under the definition of the *Corporations Act 2001*. Consideration was also given to:

- the growth that the management team has continued to drive over the last two years
- no increases having been applied to CEO or CFOO remuneration for FY23
- the significant increase in the Group's net profit in FY23, which was a record profit year

In consideration of these factors for FY24, the fixed remuneration of the CEO was increased from FY23 by 13.3% and by 7.7% for the CFOO effective from 1 July 2023. Inclusive of the 1 July 2023 increase, since FY20, base CEO remuneration has increased by 32.8% and CFOO remuneration by 27.3%. These increases are in context of a 75% increase in revenues and a 7% increase in net profit after tax over the same period.

The Board has determined that the fixed remuneration for the CEO and CFOO remain appropriate for FY25 and no additional increase will be applied.

2.3. STI Plan

Purpose and Objectives

The Group's STI program is designed to drive the Company's objective of delivering profit growth and shareholder returns, whilst also ensuring the achievement of strategic objectives that are aligned with current and future profit growth. KMP have a significant proportion of their STI tied directly to the achievement of profit growth, either for the Group as a whole or a relevant business unit or both (as the case may be). All STI payments are also subject to an assessment by PARCO of individual non-financial performance measures related to strategy implementation, leadership and behaviours consistent with the Group's values and corporate philosophy.

The Group believes that by implementing the STI program, KMP are best positioned to effectively carry out their duties in achieving the strategic objectives of the company. The Group also expects KMP to continue to drive the values engrained within the Group's culture and Code of Conduct, acting in the best interests of shareholders and other stakeholders and in turn driving success for the Group along with long term shareholder value creation.

Structure

The STI program in FY24 was structured as follows:

	FY24 STI Plan Structure
Performance period	12 months
Opportunity	CEO – 100% of fixed remuneration at maximum CFOO – 100% of fixed remuneration at maximum
How the STI is paid	Cash
Performance measures/KPIs	1. EBIT growth – 70% 2. Measurable strategic objectives – 30%

Performance conditions	Financial Condition – 70% Weighting
	– Achievement of Accent Group EBIT budget
	  – The Group EBIT budget was set at an increase of 12% growth on FY23 to $144.5m (Hurdle)
	  – Achievement of aged inventory of less than 2.5% of total inventory (Downward Modifier)
	Strategic Objectives condition – 30% Weighting
	– The STI award is also subject to achieving the following quantitative strategic objectives.
	  1. New stores
	  Achieve above 90% of budgeted sales and EBIT performance and meet required Return on Invested Capital (ROIC) benchmarks
	  2. Gross margin
	  Achieve above budgeted gross margin
	  - Above 56.5%
	  - Above 57%
	  Achieve year-on-year increase of vertical and distributed brand mix % to sales (above prior year)
	  3. Accent Lifestyle including Glue Store
	  Achieve profitable results inclusive of fully allocated corporate overhead costs
	  4. Culture and Sustainability
	  Achieve increase in overall Team Engagement score from prior year
	  5. Other executive strategic measures
	  Average performance of the executive team's strategic measures, evaluated on a sliding scale

How is STI assessed?	PARCO reviews the CEO's performance against the performance targets and objectives set for that year. The CEO assesses the performance of the senior executive team, with the CEO having oversight of his direct reports and the day-to-day functions of the Company. The performance assessment of the CEO and CFOO are reviewed by PARCO and then recommended for Board approval.
What happens when KMP ceases employment?	If the employment of KMP is terminated for cause, no STI will be paid. If the KMP resigns or is considered a good leaver prior to the completion of the performance period, the STI may be granted on a pro rata basis in relation to the period of service completed, subject to the discretion of the Board and conditional upon the individual performance of the KMP.
Malus and Clawback	In the event of serious misconduct or a material misstatement in the Group's financial statements, the Board may cancel the STI payment and may also claw back STI payments paid in previous financial years, to the extent this can be done in accordance with the law.

	FY24 STI Plan Structure
Is there any STI deferral?	The STI awards are currently delivered fully in cash and vest at the end of the one-year period, subject to the achievement of the performance conditions. The Board periodically reviews the appropriateness of a deferral of a portion of the STI into equity. After this year's review, the Board determined that a deferral is currently not appropriate for the Group in light of the size of the Group and the KMP team, as well as the CEO's current equity ownership in the Company consisting of 20,753,001 shares which represent 3.69% of issued capital and an interest in a further 4,261,892 performance rights through the Performance Rights Plan (**PRP**). The Board is of the view that the objectives of a deferral (i.e. retention and risk management) are currently satisfied through the KMPs' participation in the PRP which vests progressively between FY24-FY26 and existing share ownership.

STI outcomes FY24

The FY24 year has seen continued progress against the Company's strategic objectives. Compared to FY23, revenue was up 2.4%, EBIT was down 20.5% and EPS was down 34.3%. EBIT growth for FY24 did not meet the 12% growth from FY23 required to meet the FY24 STI outcome.

Financial Condition

70% of award based on the achievement of the Group EBIT Budget: Not achieved

EBIT for FY24 did not meet the required 12% EBIT growth and as a result did not meet the requirement for the payment of this component.

Strategic Objectives

30% of the STI award for the CEO and CFO is based on measurable strategic objectives. Performance against these objectives along with the weighting applied to each objective is outlined in the table below.

Based on the performance against these strategic objectives 10.2% of a total opportunity of 30% was awarded.

Objective		Outcomes	Achieved	STI allocation Weighting	STI outcome
New stores:	– Achieve >90% of budgeted sales and EBIT – Achieved required ROIC benchmarks	– Achieved	Y	5%	5%

Gross margin	– Achieve above budgeted gross margin
	  – Above 56.5%
	  – Above 57%
	– Achieve >prior year (60.5%) of vertical and distribution brand mix % to sales
		– Not achieved	N	7%	0%

Accent Lifestyle	– Achieve profit >$0	– Not achieved	N	5%	0%
Culture and Sustainability:	– Achieve increase in overall Team Engagement score from prior year	– Not achieved	N	3%	0%
Divisional strategic measures	– Based on average performance of the executive team's strategic measures	– Partially achieved	P	10%	5.2%
Total				30.0%	10.2%

The table below sets out the performance of the CEO and CFOO in relation to the STI program:

	Financial Performance target	Performance outcome	Strategic objectives outcome	Maximum STI available	Achievement*	
					FY23	FY24
CEO – Daniel Agostinelli	Group EBIT Budget	Did not achieve	Partial achievement 10.2%	100% of fixed remuneration	98.25%	10.2%
CFOO – Matthew Durbin	Group EBIT Budget	Did not achieve	Partial achievement 10.2%	100% of fixed remuneration	98.25%	10.2%

* Achievement represents the amount achieved as a percentage of the maximum available

2.4. LTI Plan

Purpose and Objectives

The Company has implemented an LTI program through the Performance Rights Plan (**PRP**), first approved by shareholders at the Company's 2016 Annual General Meeting.

The objectives of this plan are:

- to drive long-term value creation for shareholders; and
- to attract, motivate and retain key employees, and for them to share in the value created for all shareholders of the Company.

The PRP operates under the rules most recently approved by shareholders at the Company's 2019 Annual General Meeting.

The current Tranches 5-7 of the PRP have a single financial performance measure. For Target performance, the achievement of 10% or greater compounding earnings per share growth over the relevant performance period is required. In respect of Tranche 6 issued in FY22, Target performance requires the achievement of 11% or greater compounding adjusted diluted earnings per share growth over the relevant performance period. In respect of Tranche 7 issued in FY24, Target performance requires the achievement of 14% or greater compounding adjusted diluted earnings per share growth over the relevant performance period. The Board periodically evaluates the impact and relevance of this performance measure and considers it to be effective in achieving the stated objectives since the plan has been successful in driving strong performance since its inception in FY17.

Structure

During FY24, a new issue of Performance Rights was made (Tranche 7) with the structure set out below:

	FY24-FY26 LTI Plan (Tranche 7) Structure
Performance/vesting period	3 years from FY24-FY26 plus a one-year escrow period to the end of FY27 following the completion of the performance period
Maximum opportunity	– CEO – 150% of fixed remuneration – CFOO – 150% of fixed remuneration
Instrument	Performance Rights
Performance metric	Compound adjusted diluted earnings per share (**ADEPS**) growth over 3 years (100%)
Vesting condition	50% of award opportunity vesting at Threshold - 9% ADEPS growth 100% of award opportunity vesting at Target - 14% ADEPS growth 150%[1] of award opportunity vesting at Stretch - 18% ADEPS growth Straight-line vesting occurs between 9% and 18% No portion of an award will vest if compound ADEPS growth is less than 9% Awards are also subject to a service condition requiring the participant to remain employed by the Group until the end of the vesting period (three years in total)

1 150% of award opportunity represents total performance rights granted to the respective eligible employees

	FY24-FY26 LTI Plan (Tranche 7) Structure
Rationale for the performance metric and condition	In consultation with shareholders, advisors and other market participants, and based on a benchmark review of relevant ASX listed companies, the Board has determined that earnings per share growth is a widely used and well understood indicator of company performance and a long-term driver of shareholder value creation through the link to share price and dividend growth. Earnings per share growth represents a transparent and well understood metric for both shareholders and management that is not subject to market outcomes but rather is a direct outcome of the strategic and operational efforts of the management team over time. ADEPS also incorporates all the aspects of the Company's financial performance that are within management's control. Tranche 7 of the LTI requires a minimum 9% compound ADEPS growth and delivers increasing outcomes as compound ADEPS growth factor exceeds 9% up to a stretch target of 18%.
What happens when a KMP ceases employment?	If the KMP's employment is terminated for cause, or due to resignation, all unvested Performance Rights will lapse, unless the Board determines otherwise. In all other circumstances, unless the Board decides otherwise, a pro-rata portion of the KMP's Performance Rights, calculated in accordance with the proportion of the performance period that has elapsed, will remain on foot, subject to the performance condition as set by the Board. If and when the Performance Rights vest, shares will be allocated in accordance with the plan rules and any other condition of the grant.
Malus and clawback	In the event of fraud, dishonesty, gross misconduct, acts of harassment or discrimination or a material misstatement or omission in the Company's financial statements, the Board may deem any unvested Performance Rights and/or any vested and unexercised Performance Rights of the participant to have lapsed.
Dividends and voting rights	Performance rights do not confer on the holder any entitlement to any dividends or other distributions by the Group or any right to attend or vote at any general meeting of the Group.
Re-testing	Awards are tested once, at the end of the performance period of three years. There is no further retesting of the performance conditions.
Change of Control provision	In the event of a Change of Control (including a takeover scheme or arrangement or winding up of the company), Performance Rights automatically and immediately vest from the date of the event in the proportion that the Group's share price has increased since the date of grant of the Performance Rights. The Board may determine that all or a specified amount of the participant's remaining unvested Performance Rights automatically and immediately vest.

LTI Outcomes FY24

CEO & CFOO FY24 Long Term Incentive
PARCO recommended the issuance of performance rights under the PRP to the CEO and CFOO with a performance date of September 2026 (Tranche 7 detailed above). This new issuance of Performance Rights to the CEO was approved by Shareholders at the Company's Annual General Meeting on 17 November 2023.

CEO & CFOO Long Term Incentive
The remaining balance of performance rights issued under Tranche 2 FY18-FY22 PRP fully vested in August 2024, following which no further performance rights remained outstanding under this Tranche. Further details are set out below.

Tranche 2 (FY18-FY22) of the PRP

As discussed in the FY23 Remuneration Report, the FY18-FY22 performance rights plan (Tranche 2, issued in December 2017), included the following performance and retention conditions:

- a performance condition that at least 10% compound ADEPS growth per annum be achieved over the performance period FY18-FY22 such that the required ADEPS in the FY22 year was 10.94 cents per share; and
- a retention condition that the participant had to be employed at the testing date immediately post release of the FY22 financial results.

For reasons which are set out in detail in the FY22 Remuneration Report and the 2022 Notice of Meeting, the Board, following the shareholder approval obtained at its 2022 Annual General Meeting, exercised certain discretions in respect of Tranche 2, being:

a) in respect of up to 50% of the Performance Rights, to waive the performance-based vesting condition that applied to those Performance Rights, with the retention condition requiring the participant to be employed on 18 August 2022 remaining in place;

b) in respect of the remaining 50% of the Performance Rights, to defer the testing date of the performance condition and retention condition to immediately following the release of the Company's FY23 financial results for FY23, noting that the performance condition requires ADEPS for FY23 to be above 10.94 cents per share; and

c) in respect of up to 100% of the Performance Rights, to extend the period for exercise of any vested Performance Right by up to 18 months from the date of vesting.

The exercise of those discretions impacted KMP in the following ways:

KMP	Total Tranche 2 performance rights issued (December 2017)	50% of Tranche 2 performance rights vested immediately post release of FY22 financial results	50% of Tranche 2 rights – testing date deferred to immediately post release of the FY23 financial results
Daniel Agostinelli	5,500,000	2,750,000	2,750,000
Matthew Durbin	3,000,000	1,500,000	1,500,000

50% of the Tranche 2 rights that had the testing date deferred (**Deferred Rights**) to immediately post the release of the FY23 results. Based on the FY23 results the achieved ADEPS of 15.62 cents per share is above the required performance condition of 10.94 cents per share. Those participants who therefore met the retention condition were informed that their Deferred Rights had vested on 28 August 2023.

Tranche 4 (FY20-FY23) of the PRP

The FY20-FY23 PRP (Tranche 4, issued in November 2019), included the following performance and retention conditions:

- a performance condition that at least 10% compound ADEPS growth per annum be achieved over the performance period FY20-FY23 with the required ADEPS per share to be achieved in FY23 being at least 13.97 cents per share; and
- an additional 1-year retention condition requiring the participant being employed as at 1 July 2024.

In respect of FY23, the ADEPS achieved was 15.62 cents per share, which is above the ADEPS hurdle of 13.97 cents per share. On this basis, the performance condition for Tranche 4 was met.

The retention condition (which required that participants be employed on 1 July 2024) was tested and allocated performance rights will vest for those participants that met the condition.

Tranche 5 (FY21-FY24) of the PRP

The FY21-FY24 PRP (Tranche 5, issued in November 2020), included the following performance and retention conditions:

- a performance condition requiring that between 8% (Threshold) and 15% (Stretch) compound ADEPS growth per annum be achieved over the performance period FY21-FY24 with the required ADEPS per share to be achieved in FY24 being at least 13.51 cents per share (Threshold)
- a retention condition requiring the participant to be employed and to not have resigned by 1 September 2024

In respect of FY24 the ADEPS achieved was 10.55 cents per share, and as such, the required minimum performance condition was not met and no rights will be vested in respect of Tranche 5.

Tranche 6 (FY22-FY25) and Tranche 7 (FY23-FY26) of the PRP

In the context of the recent economic conditions and a challenging consumer environment, the Board intends to review the performance hurdles set for FY22-FY25 PRP (Tranche 6, issued in November 2021) and FY23-FY26 PRP (Tranche 7, issued in November 2023) to ensure that the overall structure of these tranches continue to provide appropriate performance and retention incentives for participants.

2.5. Other Information

Key terms of executive employment contracts

The remuneration and other terms of employment of the CEO and CFOO are set out in individual employment contracts that are not fixed-term contracts.

Name	Notice period/termination payment
Daniel Agostinelli	12 months' notice by either party (or payment in lieu)
Matthew Durbin	6 months' notice by either party (or payment in lieu)

2.6. Non-Executive Directors Remuneration

On an annual basis, PARCO considers the fees payable to Non-Executive Directors. When considering the level of fees, the Committee undertakes a review of benchmark fees paid by similar organisations and may access independent advice as well as drawing on the knowledge and experience of its members. PARCO makes recommendations on Non-Executive Director fees to the Board. Non-Executive Directors can choose, subject to certain restrictions, the amount of their fees allotted to superannuation.

The aggregate fee limit of $1,200,000 was approved by shareholders at the 2019 AGM.

In August 2023, in recognition of the additional demands and responsibilities of these roles, the Board approved an incremental increase of $20,000 each for the Chair of the Audit & Risk Committee and Chair of the People & Remuneration Committee (provided that the Chair of the People & Remuneration Committee was also not the Chair of the Board) moving forward. There was no increase to the base directors' fees.

	2024 $
Board Chair	297,000
Audit and Risk Committee Chair (until 17 November 2023)	127,710
Audit and Risk Committee Chair (from 17 November 2023)	138,800
People and Remuneration Committee Chair*	–
Non-Executive Directors	118,800

* David Gordon, being both the Chair of the Board and Chair of the People and Remuneration Committee during FY24, has elected not to receive any additional fee for his role as the latter.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

2.7. Table of remuneration to KMP (calculated in accordance with Australian Accounting Standards)

		Short-term benefits			Long-term benefits	Post employment benefits	Share-based payments	
	Year	Cash salary and fees[1] $	Cash bonus[2] $	Other monetary $	Accrued leave benefits[1] $	Super-annuation $	Equity-settled[1,3] $	Total $
Non-executive Directors								
D Gordon	**2024**	**269,500**	**–**	**–**	**–**	**27,500**	**–**	**297,000**
	2023	269,500	–	–	–	27,500	–	297,000
M Hapgood	**2024**	**118,800**	**–**	**–**	**–**	**–**	**–**	**118,800**
	2023	118,800	–	–	–	–	–	118,800
D Player	**2024**	**107,027**	**–**	**–**	**–**	**11,773**	**–**	**118,800**
	2023	107,511	–	–	–	11,289	–	118,800
B Blundy	**2024**	**118,800**	**–**	**–**	**–**	**–**	**–**	**118,800**
	2023	118,800	–	–	–	–	–	118,800
T Dodd	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–
A Loveridge AM (appointed 17 November 2023)	**2024**	**84,195**	**–**	**–**	**–**	**1,671**	**–**	**85,866**
	2023	–	–	–	–	–	–	–
L Myers (appointed 17 November 2023)	**2024**	**66,039**	**–**	**–**	**–**	**7,264**	**–**	**73,303**
	2023	–	–	–	–	–	–	–
Former non-executive Directors								
S Goddard (resigned 17 November 2023)	**2024**	**46,174**	**–**	**–**	**–**	**5,079**	**–**	**51,253**
	2023	115,575	–	–	–	12,135	–	127,710
J Lowcock (resigned 17 November 2023)	**2024**	**39,600**	**–**	**–**	**–**	**–**	**–**	**39,600**
	2023	118,800	–	–	–	–	–	118,800
Executive Directors and other KMP								
D Agostinelli	**2024**	**1,530,981**	**172,890**	**13,189**	**173,085**	**27,500**	**(518,426)**	**1,399,219**
	2023	1,279,943	1,473,750	10,580	131,329	27,500	874,613	3,797,715
M Durbin	**2024**	**618,183**	**71,190**	**–**	**103,579**	**27,500**	**(226,096)**	**594,356**
	2023	584,192	638,625	–	58,819	27,500	387,700	1,696,836
Total	**2024**	**2,999,299**	**244,080**	**13,189**	**276,664**	**108,287**	**(744,522)**	**2,896,997**
	2023	2,713,121	2,112,375	10,580	190,148	105,924	1,262,313	6,394,461

1 Cash salary and fees relate to base salary excluding annual leave but including an accrual for annual leave not taken. Long-term benefits relate to statutory annual leave and long service leave accruals.

2 Cash bonuses relate to STI bonuses issued on the basis of the achievement of relevant performance measures for the year ended 30 June 2024 and were approved by PARCO and the Board in August 2024.

3 Share-based payments represent performance rights. The fair value of performance rights is measured at grant date and progressively allocated to profit and loss over the vesting period. The amount included in remuneration above may not be indicative of the benefit (if any) that key management personnel may ultimately realise should the performance rights vest.

PERFORMANCE RIGHTS PLAN (PRP)

The table below sets out the details of KMP Performance Rights for unvested plans issued under the Company's PRP:

Issue	Number of Rights	Grant Date	Exercise Price	Vesting Date	Vesting condition	% Achieved	Number of rights exercised	Number of rights forfeited	Current balance
Tranche 2	8,500,000	3 Oct 17	Nil	50% vested post release of FY22 financial results 50% post release of FY23 financial results	ADEPS hurdle[1]	100%	8,500,000	0	0
Tranche 4	1,136,646	30 Nov 19	Nil	1 Jul 24	ADEPS hurdle	100%	0	0	1,136,646
Tranche 5	1,748,408	18 Nov 20	Nil	1 Sep 24	ADEPS hurdle – sliding scale	0%	0	0	1,748,408
Tranche 6	1,459,276	27 Sep 21	Nil	1 Sep 25	ADEPS hurdle – sliding scale	To be determined	0	0	1,459,276
Tranche 7	504,754	2 Nov 23	Nil	1 Sep 26	ADEPS hurdle – sliding scale	To be determined	0	0	504,754
Tranche 7	1,225,831	17 Nov 23	Nil	1 Sep 26	ADEPS hurdle – sliding scale	To be determined	0	0	1,225,831
Total	**14,574,915**						**8,500,000**	**0**	**6,074,915**

1 As noted above, having received shareholder approval, the Board exercised its discretion and determined that (i) the ADEPS performance condition for 50% of the Tranche 2 performance rights had been deemed as met and exercised in 2023, and (ii) deferred the testing date for the remaining 50% of the Tranche 2 performance rights by one year to immediately post release of FY23 financial results. The remaining 50% were exercised into ordinary shares in September 2023.

The table below sets out the detailed conditions for each tranche of KMP performance rights for unvested plans.

Issue	Current Balance	ADEPS Hurdle – Expressed as CAGR over the performance period			Retention condition
		Threshold	**Target**	**Stretch**	
Tranche 4	1,136,646	NA	10%	NA	Must be employed and not have resigned at 1 July 24
Tranche 5	1,748,408	8%	10%	15%	Must be employed and not have resigned at 1 September 24
Tranche 6	1,459,276	9%	11%	16%	Must be employed and not have resigned at 1 September 25
Tranche 7	1,730,585	9%	14%	18%	Must be employed and not have resigned at 1 September 26
Total	**6,074,915**				

PERFORMANCE RIGHTS OF THE CEO AND CFOO

The unvested Performance Rights of the CEO and CFOO under the PRP are set below:

	Balance as at 2 July 2023	Granted	Vested	Forfeited	Unvested balance as at 30 June 2024	Value at grant date	Minimum value to vest	Maximum Value to vest
CEO – Daniel Agostinelli								
Tranche 1		–	–	–		–	–	–
Tranche 2	2,750,000	–	2,750,000	–	–	–	–	–
Tranche 3	–	–	–	–	–	–	–	–
Tranche 4	795,031	–	–	–	795,031	$1,042,724	–	$571
Tranche 5	1,222,930	–	–	–	1,222,930	$1,638,692	–	$1,638,692
Tranche 6	1,018,100	–	–	–	1,018,100	$1,759,019	–	$1,337,131
Tranche 7[1]	–	1,225,831	–	–	1,225,831	$1,843,022	–	$1,650,110
Total	**5,786,061**	**1,225,831**	**2,750,000**	**–**	**4,261,892**	**$6,283,457**	**–**	**$4,626,504**

	Balance as at 2 July 2023	Granted	Vested	Forfeited	Unvested balance as at 30 June 2024	Value at grant date	Minimum value to vest	Maximum Value to vest
CFOO – Matthew Durbin								
Tranche 1	–	–	–	–	–	–	–	–
Tranche 2	1,500,000	–	1,500,000	–	–	–	–	–
Tranche 3	–	–	–	–	–	–	–	–
Tranche 4	341,615	–	–	–	341,615	$448,046	–	$245
Tranche 5	525,478	–	–	–	525,478	$704,126	–	$704,126
Tranche 6	441,176	–	–	–	441,176	$762,240	–	$579,422
Tranche 7[1]	–	504,754	–	–	504,754	$756,078	–	$676,938
Total	**2,808,269**	**504,754**	**1,500,000**	**–**	**1,813,023**	**$2,670,490**	**–**	**$1,960,731**

1 Fair value at the respective grant dates was $1.50.

Refer to section 2.7 above for the proportion of the CEO and CFOO's remuneration that represents the PRP allocation for the year ended 30 June 2024.

2.8. Loans and Transactions with Key Management Personnel

In the previous financial year ended 2 July 2023, Placed Pty Ltd, which was then a company associated with Brett Blundy, provided recruitment services to the Group amounting to $54,081. The company is no longer a related party in the financial year ended 30 June 2024.

Lyneliz Pty Ltd, a company associated with Daniel Agostinelli, provided storage services to the Group amounting to $0 (2 July 2023: $60,000).

There were no loans outstanding and no balances receivable or owing at the reporting date between the Company, or any of its subsidiaries, and its KMP (including their related parties).

3. SHAREHOLDINGS OF KMP

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their related parties, is set out below:

Name	Balance at start of year	Received on exercise of performance rights	Additions	Disposals	Balance at end of year
Daniel Agostinelli	18,003,001	2,750,000	–	–	20,753,001
Matthew Durbin	1,050,000	1,500,000	–	250,000	2,300,000
David Gordon	2,599,034	–	–	–	2,599,034
Stephen Goddard[1]	50,000	–	–	–	50,000
Donna Player	50,000	–	–	–	50,000
Michael Hapgood	7,500,000	–	–	–	7,500,000
Joshua Lowcock[1]	18,105	–	30,300	–	48,405
Brett Blundy	107,502,463	–	–	25,025,000	82,477,463
Timothy Dodd	30,046	–	–	–	30,046
Lawrence Myers[2]	–	–	1,200,000	–	1,200,000
Anne Loveridge AM[2]	–	–	30,000	–	30,000
Total	**136,802,649**	**4,250,000**	**1,260,300**	**25,275,000**	**117,037,949**

1 Balances at end of year represent shareholding as at resignation date 17 November 2023.

2 Additions represent shareholding since appointment date 17 November 2023.

The Remuneration Report has been audited as required by section 308(3c) of the *Corporations Act 2001*.

This Directors' Report, which includes the Remuneration Report, is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

David Gordon
Chairman
23 August 2024

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Accent Group Limited for the period 3 July 2023 to 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Accent Group Limited and the entities it controlled during the period.

Alison Tait Milner

Alison Tait Milner
Partner
PricewaterhouseCoopers

Melbourne
23 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

	Note	Consolidated 30 Jun 2024 $'000	Consolidated 2 Jul 2023 $'000
Revenue	6	1,454,352	1,420,688
Interest revenue		1,861	1,434
Expenses			
Cost of sales	7	(634,754)	(624,415)
Distribution		(63,068)	(61,678)
Marketing		(42,219)	(50,799)
Occupancy	7	(36,209)	(23,930)
Employee expenses	7	(310,402)	(294,670)
Other		(74,013)	(66,975)
Depreciation, amortisation and impairment	7	(183,293)	(159,433)
Finance costs	7	(27,839)	(20,606)
Profit before income tax expense		84,416	119,616
Income tax expense	8	(24,886)	(30,963)
Profit after income tax expense for the year		59,530	88,653
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(2,031)	(3,432)
Foreign currency translation		(61)	(6,507)
Other comprehensive income for the year, net of tax		(2,092)	(9,939)
Total comprehensive income for the year		57,438	78,714
Profit for the year is attributable to:			
Owners of Accent Group Limited		59,530	88,653
		59,530	88,653
Total comprehensive income for the year is attributable to:			
Owners of Accent Group Limited		57,438	78,714
		57,438	78,714
		Cents	Cents
Basic earnings per share	38	10.61	16.16
Diluted earnings per share	38	10.55	15.62

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Note	Consolidated 30 Jun 2024 $'000	Consolidated 2 Jul 2023 $'000
Current assets			
Cash and cash equivalents		**28,051**	29,722
Trade and other receivables	9	**36,832**	34,060
Inventories	10	**264,844**	239,606
Lease receivables	11	**7,459**	9,324
Derivative financial instruments	12	**–**	3,738
Other current assets	13	**6,326**	6,373
Current tax receivable		**2,957**	32
Total current assets		**346,469**	322,855
Non-current assets			
Property, plant and equipment	14	**121,403**	140,527
Right-of-use assets	15	**265,413**	281,393
Lease receivables	11	**8,484**	10,231
Intangibles	16	**384,014**	382,191
Net deferred tax assets	17	**22,164**	17,331
Total non-current assets		**801,478**	831,673
Total assets		**1,147,947**	1,154,528
Current liabilities			
Trade and other payables	18	**151,287**	110,816
Deferred revenue	19	**11,593**	14,377
Provisions	20	**20,662**	23,813
Borrowings	21	**10,659**	9,954
Lease liabilities	22	**138,039**	132,130
Derivative financial instruments	12	**315**	–
Total current liabilities		**332,555**	291,090
Non-current liabilities			
Provisions	20	**1,736**	840
Deferred revenue	19	**1,346**	5,190
Borrowings	21	**139,594**	139,350
Lease liabilities	22	**253,911**	276,846
Total non-current liabilities		**396,587**	422,226
Total liabilities		**729,142**	713,316
Net assets		**418,805**	441,212
Equity			
Issued capital	23	**390,926**	390,926
Reserves	24	**33,846**	36,956
(Accumulated losses)/Retained earnings		**(5,967)**	13,330
Total equity		**418,805**	441,212

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Hedging reserve - cash flow hedges $'000	Share-based payments reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 27 June 2022	**390,926**	**7,709**	**5,567**	**23,377**	**12,647**	**440,226**
Profit after income tax expense for the year	–	–	–	–	88,653	88,653
Other comprehensive income for the year, net of tax	–	(6,507)	(3,432)	–	–	(9,939)
Total comprehensive income for the year	**–**	**(6,507)**	**(3,432)**	**–**	**88,653**	**78,714**
Transactions with owners in their capacity as owners:						
Share-based payments	–	–	–	10,242	–	10,242
Dividends paid (Note 25)	–	–	–	–	(87,970)	(87,970)
Balance at 2 July 2023	**390,926**	**1,202**	**2,135**	**33,619**	**13,330**	**441,212**

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Hedging reserve - cash flow hedges $'000	Share-based payments reserve $'000	(Accumulated losses)/ Retained earnings $'000	Total equity $'000
Balance at 3 July 2023	**390,926**	**1,202**	**2,135**	**33,619**	**13,330**	**441,212**
Profit after income tax expense for the year	–	–	–	–	59,530	59,530
Other comprehensive income for the year, net of tax	–	(61)	(2,031)	–	–	(2,092)
Total comprehensive income for the year	**–**	**(61)**	**(2,031)**	**–**	**59,530**	**57,438**
Transactions with owners in their capacity as owners:						
Share-based payments	–	–	–	(1,018)	–	(1,018)
Dividends paid (Note 25)	–	–	–	–	(78,827)	(78,827)
Balance at 30 June 2024	**390,926**	**1,141**	**104**	**32,601**	**(5,967)**	**418,805**

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

	Note	Consolidated 30 Jun 2024 $'000	2 Jul 2023 $'000
Cash flows from operating activities			
Receipts from customers and franchisees (inclusive of GST)		1,603,488	1,583,248
Payments to suppliers and employees (inclusive of GST)		(1,301,776)	(1,287,771)
Interest received		1,038	631
Interest and other finance costs paid		(10,653)	(6,616)
Interest on lease liabilities		(15,975)	(12,900)
Income taxes paid		(30,071)	(20,004)
Net cash from operating activities	37	246,051	256,588
Cash flows from investing activities			
Payment for purchase of businesses, net of cash acquired	34	(2,211)	(6,098)
Payments for property, plant and equipment [(1)]		(24,840)	(26,220)
Payments for intangibles	16	(6,983)	(8,143)
Net cash used in investing activities		(34,034)	(40,461)
Cash flows from financing activities			
Proceeds from borrowings		1,000	-
Repayment of borrowings		-	(20,000)
Payments for debt transaction costs		(439)	-
Payment of lease liabilities		(135,441)	(127,445)
Dividends paid	25	(78,827)	(87,970)
Net cash used in financing activities		(213,707)	(235,415)
Net decrease in cash and cash equivalents		(1,690)	(19,288)
Cash and cash equivalents at the beginning of the financial year		29,722	49,734
Effects of exchange rate changes on cash and cash equivalents		19	(724)
Cash and cash equivalents at the end of the financial year		28,051	29,722

(1) Payments for property, plant and equipment are net of cash fit-out contributions received from landlords of $17,402,000 (2023: $21,534,000)

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

NOTE 1. GENERAL INFORMATION

The financial statements cover Accent Group Limited ('Company', 'parent entity' or 'Accent') as a Group consisting of Accent Group Limited and the entities it controlled at the end of, or during, the year ('Group'). The financial statements are presented in Australian dollars, which is Accent's functional and presentation currency.

Accent is a listed public company limited by shares, listed on the Australian Securities Exchange ('ASX'), incorporated and domiciled in Australia. Its registered office and principal place of business is:

2/64 Balmain Street
Richmond VIC 3121

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 August 2024. The directors have the power to amend and reissue the financial statements.

NOTE 2. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared under the historical cost convention, except for, where applicable:

- Derivative financial instruments which have been fair valued at balance date. Refer to Note 12;
- Share-based payments which have been measured at fair value at grant date. Refer to Note 39; and
- Certain non-financial assets which have been measured at fair value less cost of disposal. Refer to Note 15.

The current financial year, 3 July 2023 to 30 June 2024, represents 52 weeks and the comparative financial year is from 27 June 2022 to 2 July 2023 which represents 53 weeks. From time to time, management may change prior year comparatives to reflect classifications applied in the current year.

Critical accounting estimates

The preparation of consolidated financial statements requires the Group to make estimates and judgements that affect the application of policies and reported amounts. The estimates which could cause a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next 12 months are disclosed in the following notes:

- Note 10 Inventories
- Note 14 Property, plant and equipment
- Note 15 Right-of-use assets
- Note 16 Intangibles
- Note 20 Provisions
- Note 34 Business combinations

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Accent Group Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended. A list of subsidiaries at year end is contained in Note 35. Supplementary information about the parent entity is disclosed in Note 33.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intragroup transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method.

If the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

NOTE 2. BASIS OF PREPARATION (CONTINUED)

Foreign operations

The functional currencies of overseas subsidiaries are listed in Note 35. The assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate as at reporting date and the income statements are translated at the average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to a separate component of equity.

Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives have been reclassified where appropriate to ensure consistency and comparability with the current period.

NOTE 3. ACCOUNTING POLICIES

Significant and other accounting policies adopted in the preparation of the financial statements are provided throughout the notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTE 4. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

In the current year, the Group has adopted all of the following new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and mandatory for the current annual reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- Annual Improvements to IFRS Standards 2018-2020
- Amendments to AASB12 Disclosures of Interests in Other Entities
- Amendments to Disclosure of accounting policies and definition of accounting estimates (AASB 2021-2)
- Amendments to AASB112 Income Taxes (AASB 2021-5)
- Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules (AASB 2023-2)

International Tax Reform – Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released Global Anti-Base Erosion (GLoBE) Model rules (“Pillar Two”), introducing new ‘top-up’ taxing mechanisms for multinational enterprises (MNEs) that fall within the rules. MNEs will be liable to pay a top-up tax reflecting the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. As at 30 June 2024, Pillar Two draft legislation has been released in Australia but not yet been enacted. Certain jurisdictions in which the Group operates have enacted or substantively enacted Pillar Two legislation. The legislation will be effective for the Group for the financial year beginning 1 July 2024.

In June 2023, the Australian Accounting Standards Board (AASB) issued AASB 2023-2 to amend AASB 112 Income Taxes in order to address Pillar Two. It introduced a mandatory temporary exception from recognising and disclosing Pillar Two deferred taxes, which has been adopted by the Group. The Group is performing an assessment of the potential exposure to Pillar Two income taxes. The Group does not operate in jurisdictions that have a headline corporate tax rate of less than 15% and does not expect to pay any Pillar Two top-up taxes.

The above standards and interpretations have not led to any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group.

NOTE 5. OPERATING SEGMENTS

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-makers (CODMs). The CODMs have been identified as the Board of Directors on the basis they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Based on the internal reports that are reviewed and used by the CODMs in assessing performance and in determining the allocation of resources, the consolidated entity is organised into two operating segments. There is no aggregation of operating segments.

The CODMs assess the performance of the operating segments based on a measure of Management Pre-AASB 16 EBIT (earnings before interest and tax) prior to the impact of AASB 16 Leases and non-operating intercompany charges.

NOTE 5. OPERATING SEGMENTS (CONTINUED)

In FY2024, the Retail and Wholesale businesses have been identified as two separate operating segments in line with the way in which financial information is organised and reported to the CODMs. In prior periods, these were determined to be one operating segment.

Support costs comprise of costs attributable to the support functions such as IT, Legal, Finance and Property Leasing.

Reportable segments	Operations
Retail	Sale of footwear and apparel directly to consumers
Wholesale	Sale of footwear and apparel in bulk internally and to other businesses

Operating segment information

	Reportable Segments			
52-week financial year ended 30 June 2024	**Retail $'000**	**Wholesale $'000**	**Support Costs $'000**	**Consolidated $'000**
Revenue				
Total sales revenue	1,271,294	463,199	–	1,734,493
Inter-segment revenue	–	(299,595)	–	(299,595)
Revenue from external customers	**1,271,294**	**163,604**	**–**	**1,434,898**
Management Pre-AASB 16 EBIT	**163,404**	**16,476**	**(79,231)**	**100,649**

Reconciliation of Management Pre-AASB16 EBIT to profit after income tax expense is as follows:

Management Pre-AASB 16 EBIT	**100,649**
AASB 16 Leases impact	9,745
Reported EBIT	**110,394**
Finance costs	(27,839)
Interest revenue	1,861
Profit before income tax expense	**84,416**
Income tax expense	(24,886)
Profit after income tax expense	**59,530**

	Reportable Segments			
53-week financial year ended 2 July 2023	**Retail $'000**	**Wholesale $'000**	**Support Costs $'000**	**Consolidated $'000**
Revenue				
Total sales revenue	1,196,454	451,604	–	1,648,058
Inter-segment revenue	-	(254,801)	–	(254,801)
Revenue from external customers	**1,196,454**	**196,803**	**–**	**1,393,257**
Management Pre-AASB 16 EBIT	**186,506**	**17,152**	**(74,783)**	**128,875**

Reconciliation of Management Pre-AASB16 EBIT to profit after income tax expense is as follows:

Management Pre-AASB 16 EBIT	**128,875**
AASB 16 Leases impact	9,913
Reported EBIT	**138,788**
Finance costs	(20,606)
Interest revenue	1,434
Profit before income tax expense	**119,616**
Income tax expense	(30,963)
Profit after income tax expense	**88,653**

NOTE 6. REVENUE

	Consolidated 30 Jun 2024 $'000	2 Jul 2023 $'000
Sales revenue		
Sales to customers	**1,434,898**	1,393,257
Royalties and other franchise related income	**13,177**	15,758
	1,448,075	1,409,015
Other revenue		
Marketing levies received from TAF stores	**5,913**	9,669
Other revenue	**364**	2,004
	6,277	11,673
Revenue	**1,454,352**	1,420,688

The following table summarises sales to customers by geographic location of the Group:

	Consolidated 30 Jun 2024 $'000	2 Jul 2023 $'000
Australia	**1,272,921**	1,238,523
New Zealand	**161,977**	154,734
Sales to customers	**1,434,898**	1,393,257

Recognition and measurement
The major sources of the Group's revenue are from sales to customers and royalties and other franchise related income received from TAF stores. The Group's revenue is principally generated on a 'point in time' basis.

Sales to customers
Sales to customers of goods comprise the sale of branded performance and lifestyle footwear, apparel and accessories to customers outside the Group less discounts, markdowns, loyalty scheme vouchers and an appropriate deduction for actual and expected returns. Sales to customers is stated net of tax. Revenue is recognised when performance obligations are satisfied, typically being where goods are delivered to the customer and the control of goods is transferred to the buyer.

Gift cards are considered a prepayment for goods to be delivered in the future. The Group has an obligation to transfer the goods in the future, creating a performance obligation. The Group recognises deferred revenue when the gift card is purchased and recognises revenue when the customer redeems the gift card and the Group fulfills the performance obligation.

Royalties and other franchise related income
Franchise royalty fee income is earned based upon a percentage of sales that has occurred and is recognised on an accrual basis.

Franchise establishment fees are recognised as income over the term of the Franchise Agreement. Franchise establishment fees are recognised on an 'over time' basis.

Marketing levies
Marketing levies are recognised in the period the sales are recorded by TAF stores. Marketing levies are collected by the Group for specific use within the TAF Marketing Fund, which is operated on behalf of the TAF network. Expenses in relation to the marketing of TAF stores are recorded within marketing expenses in profit or loss. In any given year, a deficit in the marketing fund will need to be recouped in the following year and any surplus in the marketing fund will need to be spent in the subsequent year.

NOTE 7. EXPENSES

	Consolidated	
	30 Jun 2024 $'000	2 Jul 2023 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Right-of-use assets	115,200	107,893
Plant and equipment	47,293	46,604
Total depreciation	162,493	154,497
Amortisation		
Licence fee	32	32
Re-acquired rights	724	358
Software	5,910	4,546
Total amortisation	6,666	4,936
Impairment of assets		
Impairment charge – right-of-use assets	3,877	-
Impairment charge – property, plant and equipment	10,257	-
Total impairment	14,134	-
Total depreciation, amortisation and impairment	183,293	159,433
Finance costs		
Interest and finance charges paid/payable on borrowings	11,041	6,904
Interest and finance charges paid/payable on lease liabilities	16,798	13,702
Finance costs expensed	27,839	20,606
Occupancy		
Variable lease payments	21,343	39,877
Employee expenses		
Share-based payments (income)/expense	(2,528)	3,137

Cost of sales
Cost of sales comprises cost of inventories sold, incoming freight and related duties.

COVID-19 Related Rental Concessions
During the last financial year ended 2 July 2023, the Group recognised $4,082,287 of COVID-19 related rental concessions from landlords. These concessions were included as a reduction in occupancy expense in the statement of profit or loss and other comprehensive income. There was no such concession recognised during the financial year ended 30 June 2024.

NOTE 8. INCOME TAX EXPENSE

	Consolidated 30 Jun 2024 $'000	Consolidated 2 Jul 2023 $'000
Income tax expense		
Current tax	**26,978**	26,220
Deferred tax	**(2,562)**	4,440
Adjustment recognised for prior periods – Deferred tax	**365**	439
Adjustment recognised for prior periods – Current tax	**105**	(136)
Aggregate income tax expense	**24,886**	30,963
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**84,416**	119,616
Tax at the statutory tax rate of 30%	**25,325**	35,885
Tax effect amounts which are not (deductible)/taxable in calculating taxable income:		
Entertainment expenses	**(75)**	84
Share-based payments	**–**	(5,588)
Impairment of assets	**76**	–
Sundry items	**(661)**	327
	24,665	30,708
Adjustment recognised for prior periods	**470**	303
Difference in overseas tax rates	**(249)**	(48)
Income tax expense	**24,886**	30,963
Amounts recognised directly to other comprehensive income		
Tax effect of hedges in reserves	**(868)**	(1,473)
Tax effect of share-based payments in reserves	**(1,510)**	(3,775)
Total tax effect recognised directly to other comprehensive income	**(2,378)**	(5,248)
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Capital losses (tax-effected)	**7,199**	7,199
Total deferred tax assets not recognised	**7,199**	7,199

The above potential tax benefit, which excludes tax losses for deductible temporary differences, has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Recognition and measurement

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities at the tax rates and tax laws enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities under financial reporting and taxation purposes. Deferred tax is measured at the rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or in relation to the initial recognition of goodwill.

NOTE 8. INCOME TAX EXPENSE (CONTINUED)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

Accent Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Trade receivables	**34,784**	32,907
Less: Allowance for expected credit losses	**(554)**	(996)
	34,230	31,911
Other receivables	**2,602**	2,149
Trade and other receivables	**36,832**	34,060

Movement in the allowance for credit losses were as follows:

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Carrying value at beginning of year	**(996)**	(1,238)
Allowance for credit losses recognised	**–**	(59)
Unused amount reversed	**442**	301
Allowances for expected credit losses at year end	**(554)**	(996)

Set out below is the information about the credit risk exposure on the Group's trade receivables.

2024	**Carrying amount $'000**	**Expected credit loss rate %**	**Expected credit loss $'000**
Current	**16,553**	**0.6%**	**99**
Under one month	**9,293**	**1.0%**	**93**
One to two months	**3,427**	**2.9%**	**99**
Two to three months	**1,165**	**2.8%**	**33**
Over three months	**4,346**	**5.3%**	**230**
	34,784		**554**

NOTE 9. TRADE AND OTHER RECEIVABLES (CONTINUED)

2023	Carrying amount $'000	Expected credit loss rate %	Expected credit loss $'000
Current	25,455	1.0%	255
Under one month	3,022	5.1%	154
One to two months	940	14.2%	133
Two to three months	1,420	5.3%	75
Over three months	2,070	18.3%	379
	32,907		996

Recognition and measurement

Trade receivables

Trade receivables generally have terms of between 30 to 60 days. They are recognised at amortised cost less allowance for expected credit losses ('ECL'). Customers who wish to trade on credit terms are subject to extensive credit verification procedures. Receivable balances are monitored on an ongoing basis and the ECL recognised is based on management's expectation of losses without regard to whether an impairment event exists.

Other receivables

Other receivables include rebates receivable from suppliers and fit-out contributions from landlords which are considered fully recoverable and therefore no allowance has been made.

Impairment of trade receivables

Collectability and impairment of trade receivables is assessed on an ongoing basis at an individual customer level by a centralised accounts receivable function. The Group has established a provision matrix that is based on average write-offs as a proportion of average debt over a period of 12 months. The historical loss rates are adjusted for current and forward-looking information where significant.

NOTE 10. INVENTORIES

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Finished goods (at lower of cost or net realisable value)	**193,974**	190,168
Goods in transit	**70,870**	49,438
	264,844	239,606

Recognition and measurement

Finished goods are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to sell. Cost comprises of the purchase price on a weighted average basis and logistic expenses incurred in bringing the inventories to their present location and condition.

Determining the net realisable value of inventories relies on key assumptions that require the use of management judgement. Management's estimate of the net realisable value is based on historical finished goods sold below cost and inventory write-off transactional data.

The provision for write-down of inventories to net realisable value amounted to $11,667,000 (2 July 2023: $9,909,000) at 30 June 2024. Included in the provision is $2,585,000 attributable to the decision to exit 17 underperforming Glue Stores. Refer to Note 15 for further details.

NOTE 11. LEASE RECEIVABLES

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Current		
Lease receivables	**7,459**	9,324
Non-Current		
Lease receivables	**8,484**	10,231

The Group sub-leases property leases to TAF franchises. The Group has classified these sub-leases as a finance lease, because the sub-lease is substantially on the same terms as the head lease.

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Less than one year	**8,059**	10,427
One to five years	**9,055**	11,323
More than five years	**–**	–
Total undiscounted lease payments	**17,114**	21,750
Discounted using the Group's incremental borrowing rate	**(1,171)**	(2,195)
Total lease receivables	**15,943**	19,555
of which are:		
Current lease receivables	**7,459**	9,324
Non-current lease receivables	**8,484**	10,231

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Forward foreign exchange contracts - receivable	**–**	3,518
Interest rate swap contracts – receivable	**–**	220
Total derivative financial instruments receivable - current	**–**	3,738
Forward foreign exchange contracts – payable	**315**	–
Total derivative financial instruments payable – current	**315**	–

Foreign exchange forward contracts are held as hedging instruments against forecast purchases in USD. The notional amount for the contracts held at 30 June 2024 totalled $USD 77,849,000 (2 July 2023: $USD 99,214,000). The average rate of the forward contracts is 0.66 (2023: 0.68).

The net gain or loss recognised as other comprehensive income is equal to the change in fair value of the hedging instruments. There is no ineffectiveness recognised in profit or loss.

Recognition and measurement

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange risk, including foreign exchange forward contracts and interest rate swaps. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

When a cash flow hedge is discontinued, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained in equity until the forecast transaction occurs.

NOTE 13. OTHER CURRENT ASSETS

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Prepayments	**5,331**	6,242
Other current assets	**995**	131
	6,326	6,373

Prepayments represent general prepaid expenses, largely insurance premiums and license fees for the Group's eCommerce platforms.

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Plant and equipment - at cost	**410,607**	366,885
Less: Accumulated depreciation and impairment	**(296,384)**	(237,952)
	114,223	128,933
Assets under construction - at cost	**7,180**	11,594
	121,403	140,527

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	**Plant and equipment $'000**	**Assets under construction $'000**	**Total $'000**
Balance at 26 June 2022	**125,482**	**13,706**	**139,188**
Additions	36,370	11,594	47,964
Transfer	13,706	(13,706)	–
Disposals	(108)	–	(108)
Exchange differences	87	–	87
Depreciation expense	(46,604)	–	(46,604)
Balance at 2 July 2023	**128,933**	**11,594**	**140,527**
Additions	31,278	7,180	38,458
Transfer	11,594	(11,594)	–
Exchange differences	(32)	–	(32)
Impairment	(10,257)	–	(10,257)
Depreciation expense	(47,293)	–	(47,293)
Balance at 30 June 2024	**114,223**	**7,180**	**121,403**

NOTE 14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Recognition and measurement

The carrying value of property, plant and equipment is measured as the cost of the asset, less accumulated depreciation, and impairment.

Depreciation and amortisation

Items of property, plant and equipment are depreciated on a straight-line basis over the expected useful lives. Most of the property, plant and equipment represents leasehold improvements which are amortised over the period of the lease. As at 30 June 2024, the average lease term is 5 years. Assets under construction are not depreciated.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss between the carrying amount and the disposal proceeds are included in the income statement in the period the item is derecognised.

Impairment

Refer to Note 15 for details on impairment testing.

NOTE 15. RIGHT-OF-USE ASSETS

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Buildings - right-of-use[1]	751,325	648,913
Less: Accumulated depreciation and impairment	(485,912)	(367,520)
	265,413	281,393

1 Additions to right-of-use assets of $93,904,000 for the year ended 30 June 2024 (2 July 2023: $89,128,000)

Recognition and measurement

A right-of-use asset is recognised at the commencement date of a lease. The Group leases land and buildings for its offices and retail stores under agreements with an average term of 5 years. The right-of-use asset is measured initially at cost based on the value of the associated lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Short term lease payments of $11,722,000 (2 July 2023: $9,303,000) were expensed to profit or loss as incurred within occupancy expense. The remaining contractual commitment for short term leases is $414,000 (2 July 2023: $2,907,000).

Impairment of property, plant and equipment and right-of-use assets

For impairment testing purposes the Group has determined that each store is a separate Cash Generating Unit (CGU). Each CGU is tested for impairment at the balance sheet date if any indicators of impairment have been identified.

Based on the assessments below, a total of $14,116,000 impairment charge was recognised during the financial year ended 30 June 2024 (2 July 2023: $0) in relation to Glue stores, comprising of $10,257,000 attributable to property, plant and equipment (PPE) and $3,859,000 attributable to right-of-use assets.

Glue stores

In May 2024, the Group has made a decision to exit 17 underperforming Glue stores where required returns are not being achieved. These 17 Glue stores are tested for impairment based on their respective fair values less costs of disposal (FVLCD) (Level 3 fair values in the fair value hierarchy). The FVLCD was determined based on the assumption that PPE attributable to each store will not be reused within the business and further assumptions around the exit time frame of each store and the potential lease surrender payments driving the related right-of-use asset impairment.

NOTE 15. RIGHT-OF-USE ASSETS (CONTINUED)

All other stores

The impairment test for all other stores (including Glue stores that continue trading) as at 30 June 2024 was carried out based on value in use for each CGU. The recoverable amount was determined based on the Group's latest trading performance at the time of assessment which represents cash flows for year one for all stores other than Glue stores. Cash flows in year one for Glue stores incorporate a 1.5% trading risk adjustment.

Cash flows beyond year one represent a steady state 2.0% long term growth rate. Cash flows were discounted to present value using a mid-point after-tax discount rate of 10.47% (2023: 9.85%).

The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and movements in these assumptions could lead to further impairment. The key assumptions in the value in use calculations are growth rates of sales, gross profit margins and the after-tax discount rate.

Management has performed sensitivity analysis using reasonably possible changes in the key assumptions across the store portfolio. These reasonably possible changes do not lead to a significant increase in the impairment charge.

NOTE 16. INTANGIBLES

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Goodwill - at cost	**323,628**	322,568
Brands and trademarks - at cost	**44,825**	44,825
Less: Accumulated impairment	**(9,714)**	(9,714)
	35,111	35,111
Licence fees - The Athlete's Foot - at cost	**7,832**	7,832
Less: Accumulated amortisation	**(456)**	(424)
	7,376	7,408
Distribution rights - at cost	**16,800**	16,800
Less: Accumulated amortisation	**(16,800)**	(16,800)
	-	-
Re-acquired rights	**2,991**	2,547
Less: Accumulated amortisation	**(2,009)**	(1,285)
	982	1,262
Software	**37,716**	30,447
Less: Accumulated amortisation	**(22,251)**	(16,341)
	15,465	14,106
Assets under construction	**1,452**	1,736
Intangibles	**384,014**	382,191

NOTE 16. INTANGIBLES (CONTINUED)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Brands and trademarks $'000	Licence fees $'000	Distribution rights $'000	Re-acquired rights $'000	Software $'000	Assets under construction $'000	Total $'000
Balance at 26 June 2022	**319,187**	**35,111**	**7,440**	**–**	**732**	**11,169**	**1,102**	**374,741**
Additions	–	–	–	–	–	6,407	1,736	8,143
Additions through business combinations (Note 34)	3,387	–	–	–	888	–	–	4,275
Transfer	–	–	–	–	–	1,102	(1,102)	–
Exchange differences	(6)	–	–	–	–	(26)	–	(32)
Amortisation expense	–	–	(32)	–	(358)	(4,546)	–	(4,936)
Balance at 2 July 2023	**322,568**	**35,111**	**7,408**	**–**	**1,262**	**14,106**	**1,736**	**382,191**
Additions	–	–	–	–	–	5,531	1,452	6,983
Additions through business combinations (Note 34)	1,065	–	–	–	444	–	–	1,509
Transfer	–	–	–	–	–	1,736	(1,736)	–
Exchange differences	(5)	–	–	–	–	2	–	(3)
Amortisation expense	–	–	(32)	–	(724)	(5,910)	–	(6,666)
Balance at 30 June 2024	**323,628**	**35,111**	**7,376**	**–**	**982**	**15,465**	**1,452**	**384,014**

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Brands and trademarks

Brands and trademarks are recognised at cost in a business combination. Brands and trademarks have indefinite useful lives. This assessment reflects management's intention to continue to utilise these intangible assets in the foreseeable future. Each period, the useful life of these assets is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the assets.

Computer software and Software-as-a-Service (SaaS) arrangements

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement. Costs incurred to configure or customise SaaS arrangements that result in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

	Useful life
Software	Finite (up to 4 years)

NOTE 16. INTANGIBLES (CONTINUED)

Other intangible assets

Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial year-end. A summary of the useful lives of other intangible assets is as follows:

	Useful life
License fees	Finite (up to 249 years)
Distribution rights	Finite (up to 7 years)
Re-acquired rights	Finite (up to 8 years)

Impairment testing of goodwill

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. In the previous financial year ended 2 July 2023, for impairment testing purpose, the Group was determined to be one Cash Generating Unit (CGU) and represented the operating segment.

As at 30 June 2024, for impairment testing purpose, the CGU is determined to be the Retail business representing the Retail operating segment.

The impairment test as at 30 June 2024 was carried out based on value in use calculations for the CGU. The recoverable amount was determined based on the Retail Operating Segment's actual FY24 performance which is the basis for year one cash flows. The cash flows include ongoing capital expenditure required to maintain the store network but exclude any growth capital initiatives not committed. The cash flows beyond year one have been extrapolated using a steady state 2.0% long term growth rate (2023: 2.0%). It is assumed that there will be no material change to existing key distributor agreements. Cash flows were discounted to present value using a mid-point after-tax discount rate of 12.3% (2023: 11.8%).

Management has performed sensitivity analysis using reasonably possible changes in the key assumptions. These reasonably possible changes do not lead to an impairment charge. The Group has concluded that no impairment is required based on expected performance and current market and economic conditions.

There is no impairment indication identified for the remaining of the Group that do not form part of the CGU and no further asset impairment test performed.

Brand names and trademarks

The Group recognises the following brands and trademarks as indefinite life intangible assets:

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Carrying amount of brand names and trademarks:		
The Athlete's Foot	**3,466**	3,466
Platypus	**11,100**	11,100
Hype DC	**20,545**	20,545
Brands and trademarks	**35,111**	35,111

Impairment testing of brands and trademarks

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount was determined independently using the Relief from Royalty ('RFR') valuation method. The calculations reflect actual FY24 revenue in year one. Revenue beyond year 1 represents the Group's budgeted growth which was approved by the Board on 30 May 2024. The calculations require the use of assumptions, including estimated royalty rates, tax rate and estimated discount rates.

The royalty rates used in the valuation model were brand specific and based on rates observed in the market. The royalty rates across all brands ranged between 3.5% to 5.25%. The TAF brands royalty rate was in line with current franchise agreements.

The tax rate applied in the valuation model is based on the corporate tax rate in Australia of 30.0% and the after-tax discount rate used is 14.6% (2023: 14.8%).

Management has performed sensitivity analysis using reasonably possible changes in the key assumptions. These reasonably possible changes do not lead to an impairment charge. The Group has concluded that no impairment is required based on expected performance and current market and economic conditions.

NOTE 17. NET DEFERRED TAX

	Consolidated	
	30 Jun 2024 $'000	2 Jul 2023 $'000
Net deferred tax comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	165	273
Provision for shrinkage and stock obsolescence	3,440	2,851
Share-based payments	(2,645)	4,608
Provision for employee entitlements	5,914	6,985
Other provisions and accrued expenses	4,570	6,888
Difference in accounting and tax depreciation	(17,826)	(24,653)
Supplier contributions	847	954
Right-of-use asset	(73,045)	(90,142)
Lease liability	104,049	115,773
Trademarks, brand names and distribution rights	(10,734)	(10,716)
Other	2,189	1,648
	16,924	14,469
Amounts recognised directly to other comprehensive income		
Tax effect of hedges in reserves	(45)	(913)
Tax effect of share-based payments	5,285	3,775
	5,240	2,862
Net deferred tax asset	22,164	17,331

NOTE 18. TRADE AND OTHER PAYABLES

	Consolidated	
	30 Jun 2024 $'000	2 Jul 2023 $'000
Trade payables	71,325	46,623
Goods and services tax payable	7,645	8,677
Accrued expenses	40,222	34,780
Other payables	32,095	20,736
	151,287	110,816

Trade payables and accruals represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Other payables represent goods receipted that have not been invoiced as at 30 June 2024. Trade and other payables are stated at amortised cost. The amounts are unsecured and are usually settled within 30 to 60 days of recognition.

NOTE 19. DEFERRED REVENUE

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Current		
Gift cards	5,974	5,355
Other deferred revenue	5,619	9,022
	11,593	14,377
Non-current		
Other deferred revenue	1,346	5,190
	12,939	19,567

Deferred revenue relates to unredeemed gift cards, loyalty program liabilities, and unused supplier contributions for fixtures, fittings and point of purchase. Revenue is recognised when the gift cards and loyalty points are redeemed or expire. The unused supplier contributions will be utilised for future store openings and refurbishments.

NOTE 20. PROVISIONS

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Current		
Employee benefits	17,456	20,271
Other provisions	3,206	3,542
	20,662	23,813
Non-Current		
Employee benefits	1,736	840
	22,398	24,653

Recognition and measurement

Employee benefits

Liabilities for annual leave, bonuses and other employee benefits expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date.

NOTE 21. BORROWINGS

	Consolidated	
	30 Jun 2024 $'000	2 Jul 2023 $'000
Current		
Secured		
Working capital facility	11,000	10,000
Capitalised debt transaction costs	(341)	(46)
	10,659	9,954
Non-Current		
Secured		
Bank loans	140,000	140,000
Capitalised debt transaction costs	(406)	(650)
	139,594	139,350
Borrowings	150,253	149,304

Movements in borrowings

Movements in current borrowings during the current financial year is set out below:

	Consolidated	
	30 Jun 2024 $'000	2 Jul 2023 $'000
Carrying amount at start of the year	149,304	169,016
Repayments	–	(20,000)
Additional loans	1,000	–
Capitalised debt transaction costs	(51)	288
Carrying amount at end of the year	150,253	149,304

The outstanding financing facilities have a combination of three and five-year tenure, expiring between December 2026 and December 2027. The weighted average interest rate on these financing facilities is 5.86%.

Recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date and intends to do so.

The Group monitors compliance with its financial covenants on a monthly basis and reports compliance on a monthly basis to the banks. The Group has complied with all such requirements.

Assets pledged as security

The senior bank debt is secured by cross-guarantees and all assets of Accent Group Limited and each of its wholly-owned subsidiaries. Total secured assets amounted to $858,306,000 at 30 June 2024 (2 July 2023: $843,637,000).

NOTE 21. BORROWINGS (CONTINUED)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Total facilities		
Bank overdraft	12,000	12,000
Bank loans	140,000	140,000
Working capital facility	84,101	120,240
Bank guarantee and letters of credit	31,799	25,660
	267,900	297,900
Used at the reporting date		
Bank loans	140,000	140,000
Working capital facility	11,000	10,000
Bank guarantee and letters of credit	27,005	21,341
	178,005	171,341
Unused at the reporting date		
Bank overdraft	12,000	12,000
Working capital facility	73,101	110,240
Bank guarantee and letters of credit	4,794	4,319
	89,895	126,559

NOTE 22. LEASE LIABILITIES

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Current		
Lease liability	138,039	132,130
Non-current		
Lease liability	253,911	276,846
Total lease liabilities	391,950	408,976

Less than one year	146,370	134,937
One to five years	271,638	279,629
More than five years	5,339	5,286
Total undiscounted lease liabilities	423,347	419,852

Recognition and measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the Group's incremental borrowing rate. Leases are entered into for varying terms and rent reviews are based on CPI increases or fixed increases. Variable lease payments are expensed in the period in which they are incurred.

NOTE 22. LEASE LIABILITIES (CONTINUED)

The carrying amount of a lease liability is remeasured if there is a change in the lease payments arising from a change in an index or a rate used and a change in lease term. Most of the Group's leases do not contain renewal or extension options. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 23. EQUITY - ISSUED CAPITAL

	Consolidated			
	30 Jun 2024 Shares	2 Jul 2023 Shares	30 Jun 2024 $'000	2 Jul 2023 $'000
Ordinary shares - fully paid	563,053,196	552,459,958	390,926	390,926

Ordinary shares

Ordinary shares are classified as equity and entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	26 June 2022	541,866,715		390,926
Shares issued during the period	18 November 2022	10,593,243	–	–
Balance	2 July 2023	552,459,958		390,926
Shares issued during the period[(i)]	8 September 2023	10,593,238	–	–
Balance	**30 June 2024**	**563,053,196**		**390,926**

(i) A total of 10,593,238 (2 July 2023: 10,593,243) ordinary shares were issued in relation to the performance rights plan.

NOTE 24. EQUITY - RESERVES

	Consolidated	
	30 Jun 2024 $'000	2 Jul 2023 $'000
Foreign currency translation reserve	1,141	1,202
Hedging reserve - cash flow hedges	104	2,135
Share-based payments reserve	32,601	33,619
	33,846	36,956

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Hedging reserve - cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income with the remaining change in fair value recognised in the hedging reserve. Any ineffective portion is recognised immediately in the statement of profit or loss and other comprehensive income.

Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

NOTE 25. EQUITY - DIVIDENDS

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Final dividend for the year ended 2 July 2023 of 5.50 cents (2022: 4.00 cents) per ordinary share	30,968	21,675
Interim dividend for the year ended 30 June 2024 of 8.50 cents (2023: 12.00 cents) per ordinary share	47,859	66,295
	78,827	87,970

In respect of the financial year ended 30 June 2024, the directors recommended the payment of a final fully franked dividend of 4.50 cents per share to be paid on 26 September 2024 to the registered holders of fully paid ordinary shares as at 12 September 2024.

Franking credits

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Franking credits available for subsequent financial years based on a tax rate of 30%	12,028	17,430

New Zealand imputation credits available to New Zealand residential shareholders amount to NZ$3,406,000 (2 July 2023: NZ$1,558,000).

NOTE 26. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge foreign currency exposures and interest rate swaps to hedge interest rate exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a periodic basis.

Market risk

Foreign currency risk

The Group has transactional foreign currency exposures arising from the purchase of inventory denominated in US dollars. To minimise the impact of changes in the Australian Dollar/US Dollar exchange rate on profit and loss, the Group enters into forward exchange contracts in accordance with its Board-approved foreign exchange hedging policy.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness based on critical terms match. In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of Australia or the derivative counterparty.

NOTE 26. FINANCIAL INSTRUMENTS (CONTINUED)

The Group's exposure to foreign currency risk as at the end of the reporting period, expressed in Australian dollars, is shown below:

	30 Jun 2024		2 Jul 2023	
Consolidated	**US dollar transactional exposure $'000**	**Australian dollar equivalent $'000**	**US dollar transactional exposure $'000**	**Australian dollar equivalent $'000**
Forward contracts	**77,849**	**117,366**	99,214	145,662
Foreign currency trade payables	**18,814**	**28,403**	19,357	29,196
Transactional foreign exchange risk	**96,663**	**145,769**	118,571	174,858

The sensitivity of the Group's transactional foreign currency risk exposure is estimated by assessing the impact that a 10% increase and 10% decrease in the Australian Dollar/US Dollar exchange rate would have on profit and equity of the Group at the reporting date.

	30 Jun 2024			2 Jul 2023		
	Movement in Australian dollar/ US dollar exchange rate %	**Increase/ (decrease) in profit or loss $'000**	**Increase/ (decrease) in other comprehensive income $'000**	**Movement in Australian dollar/ US dollar exchange rate %**	**Increase/ (decrease) in profit or loss $'000**	**Increase/ (decrease) in other comprehensive income $'000**
Forward Contracts	**10%**	**–**	**(7,508)**	10%	–	(6,735)
	(10%)	**–**	**8,452**	(10%)	–	13,263
Trade Payables	**10%**	**387**	**2,195**	10%	352	2,302
	(10%)	**(473)**	**(2,683)**	(10%)	(431)	(2,813)

The maturity, settlement amounts and the average contractual exchange rates of the Group's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Australian dollars		Average exchange rates	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**	**30 Jun 2024**	**2 Jul 2023**
Buy US dollars				
Maturity:				
0 - 3 months	**42,336**	95,673	**0.6578**	0.6732
3 - 6 months	**63,074**	49,989	**0.6659**	0.7069
6 - 12 months	**11,956**	–	**0.6664**	–
> 12 months	**–**	–	**–**	–

Translational Foreign Currency Risk

The Group includes certain subsidiaries whose functional currencies are different to the Group's presentation currency of Australian Dollars. As stated in Note 2, on consolidation the assets and liabilities of these entities are translated into Australian dollars at exchange rates prevailing on the balance date. The income and expenses of these entities are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and are transferred to a foreign exchange translation reserve. The main operating entities outside of Australia are based in New Zealand. The Group's future reported profits could therefore be impacted by changes in rates of exchange between the Australian Dollar and the New Zealand Dollar.

	30 Jun 2024		2 Jul 2023	
	NZ dollar translational exposure $'000	**Australian dollar equivalent $'000**	**NZ dollar translational exposure $'000**	**Australian dollar equivalent $'000**
New Zealand dollar net assets	**8,344**	**7,636**	8,055	7,402

NOTE 26. FINANCIAL INSTRUMENTS (CONTINUED)

The sensitivity of the Group's translational foreign currency risk exposure is estimated by assessing the impact that a 10% increase and 10% decrease in the Australian Dollar/NZ Dollar exchange rate would have on profit and equity of the Group at the reporting date.

	30 Jun 2024		2 Jul 2023	
	Movement in Australian dollar/ NZ dollar exchange rate %	**Increase/ (decrease) in other comprehensive income $'000**	**Movement in Australian dollar/ NZ dollar exchange rate %**	**Increase/ (decrease) in other comprehensive income $'000**
New Zealand dollar net assets	**10%**	**(694)**	10%	(673)
	(10%)	**848**	(10%)	822

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following cash and cash equivalents, variable rate borrowings and interest rate swap contracts outstanding:

	30 Jun 2024		2 Jul 2023	
Consolidated	**Weighted average interest rate %**	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Bank loans	**5.87%**	**(140,000)**	5.67%	(140,000)
Working capital facility	**5.80%**	**(11,000)**	5.59%	(10,000)
Interest rate swap	**–**	**–**	1.84%	37,500
Net exposure to cash flow interest rate risk		**(151,000)**		(112,500)

Sensitivity impact of interest rate changes has not been shown as a 0.5% change in interest rates would have an immaterial profit or loss impact based on the net exposure to cash flow interest rate risk at balance date.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is managed on a group basis. Risk control assesses the credit quality of wholesale customers, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group policy. The compliance with credit limits by wholesale customers is regularly monitored by management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

NOTE 26. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financial covenants are provided to its lenders by the Group with respect to leverage, gearing and fixed charges coverage. The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 financial years.

All measurements are monitored month-to-month and reported to the banks on a semi-annual basis.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Bank overdraft	**12,000**	12,000
Working capital facility	**73,101**	110,240
Bank guarantee and letters of credit	**4,794**	4,319
	89,895	126,559

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid, and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 Jun 2024	**Weighted average interest rate %**	**1 year or less $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Remaining contractual maturities $'000**
Non-derivatives						
Non-interest bearing						
Trade payables		71,325	–	–	–	71,325
Other payables		32,095	–	–	–	32,095
Lease liabilities		146,370	113,119	158,519	5,339	423,347
Interest-bearing - variable						
Term loans	5.87%	8,214	8,214	143,466	–	159,894
Working capital facility	5.80%	11,009	–	–	–	11,009
Total non-derivatives		**269,013**	**121,333**	**301,985**	**5,339**	**697,670**
Derivatives						
Interest rate swaps net settled		–	–	–	–	–
Forward foreign exchange contracts net settled		315	–	–	–	315
Total derivatives		**315**	**–**	**–**	**–**	**315**

NOTE 26. FINANCIAL INSTRUMENTS (CONTINUED)

Consolidated - 2 Jul 2023	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables		46,623	–	–	–	46,623
Other payables		20,736	–	–	–	20,736
Lease liabilities		134,937	110,774	168,855	5,286	419,852
Interest-bearing - variable						
Term loans	5.67%	7,943	7,943	151,272	–	167,158
Working capital facility	5.59%	10,043	-	-	–	10,043
Total non-derivatives		**220,282**	**118,717**	**320,127**	**5,286**	**664,412**
Derivatives						
Interest rate swaps net settled	1.84%	(220)	–	–	–	(220)
Forward foreign exchange contracts net settled		(3,518)	–	–	–	(3,518)
Total derivatives		**(3,738)**	**–**	**–**	**–**	**(3,738)**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Capital risk management

The Group manages its capital to ensure that all the entities within the Group are able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents, trade and other receivables, inventories, intangibles and net working capital. The equity attributable to equity holders of the parent entity comprises issued capital, reserves and accumulated losses.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting the Group's capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

None of the Group entities are subject to externally-imposed capital requirements.

NOTE 27. FAIR VALUE MEASUREMENT

The only financial assets or financial liabilities carried at fair value are interest rate swaps and foreign currency forward contracts. All these instruments are Level 2 financial instruments because, unlike Level 1 financial instruments, their measurement is derived from inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Valuation techniques for fair value measurements

The fair values are determined using the valuation techniques below. The fair value was obtained from third party valuations.

Forward foreign exchange contracts

The fair value was obtained from third party valuations derived from discounted cash flow forecasts of forward exchange rates at the end of the reporting period and contract exchange rates.

Interest rate swap contracts

Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between levels during the year.

The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

NOTE 28. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 Jun 2024 $	**2 Jul 2023 $**
Short-term employee benefits	**3,256,568**	4,836,076
Post-employment benefits	**108,287**	105,924
Long-term benefits	**276,664**	190,148
Share-based payments	**(744,522)**	1,262,313
	2,896,997	6,394,461

NOTE 29. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Group:

	Consolidated	
	30 Jun 2024 $	**2 Jul 2023 $**
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	**768,790**	650,000
Other services - PricewaterhouseCoopers		
Other consulting services	**-**	-
	768,790	650,000

NOTE 30. CONTINGENT LIABILITIES

The Group has bank guarantees outstanding as at 30 June 2024 of $3,937,000 (2 July 2023: $2,740,000). The Group also has open letters of credit of $23,068,000 (2 July 2023: $17,797,000). These guarantees and letters of credit are in favour of international stock suppliers and landlords where parent guarantees cannot be negotiated.

NOTE 31. COMMITMENTS

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	**14,697**	17,909

The commitment amounts disclosed above represent the maximum amounts that the Group is obliged to pay and exclude landlord contributions to store fit-out costs.

NOTE 32. RELATED PARTY TRANSACTIONS

Parent entity
Accent Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 35.

Key management personnel
Disclosures relating to key management personnel are set out in Note 28 and the remuneration report included in the directors' report.

Entities associated with key management personnel
Rivan Pty Limited, a shareholder, is a company associated with David Gordon.

2 Como Pty Ltd, a shareholder, is a company associated with Daniel Agostinelli.

BBRC International Pte Ltd, a shareholder, is a company associated with Brett Blundy.

Musician Pty Ltd, a shareholder, is a company associated with Matthew Durbin.

Milner York Pty Ltd ATF Milner York Family Trust, a shareholder, is a company associated with Joshua Lowcock.

HIT Group Limited ATF Hapgood Investment Trust, a shareholder, is a company associated with Michael Hapgood.

Lyneliz Pty Ltd is a company associated with Daniel Agostinelli.

JOA5 Pty Ltd (previously known as Retail Reality Pty Ltd) is a company associated with Daniel Agostinelli.

Boxed to Go (JOA5 Investments Pty Ltd) is a company associated with Daniel Agostinelli.

Bodyelectric Pty Limited, a shareholder, is a company associated with Lawrence Myers.

Exodus Enterprises Pty Limited, a shareholder, is a company associated with Lawrence Myers.

Transactions with related parties
The following transactions occurred with related parties:

In the previous financial year ended 2 July 2023, Placed Pty Ltd, which was then a company associated with Brett Blundy, provided recruitment services to the Group amounting to $54,081. The company is no longer a related party in the financial year ended 30 June 2024.

Lyneliz Pty Ltd, a company associated with Daniel Agostinelli, provided storage services to the Group amounting to $0 (2 July 2023: $60,000).

Loans to/from and outstanding balances with related parties
There were no loans to/from and no balances receivable from/owing to related parties outstanding at the reporting date.

NOTE 33. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Profit after income tax	**93,452**	123,592
Other comprehensive income for the year, net of tax	**–**	–
Total comprehensive income	**93,452**	123,592

NOTE 33. PARENT ENTITY INFORMATION (CONTINUED)

Statement of financial position

	Parent	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Total current assets	**202,738**	184,421
Total non-current assets	**375,096**	374,907
Total assets	**577,834**	559,328
Total current liabilities	**10,297**	11,843
Total non-current liabilities	**147,885**	141,439
Total liabilities	**158,182**	153,282
Net assets	**419,652**	406,046
Equity		
Issued capital	**390,926**	390,926
Share-based payments reserve	**32,600**	33,618
Accumulated losses	**(3,874)**	(18,498)
Total equity	**419,652**	406,046

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised in the parent entity's profit or loss.

NOTE 34. BUSINESS COMBINATIONS

30 June 2024

During the year to 30 June 2024, the Group completed the acquisition of 3 TAF stores. The total consideration transferred for these acquisitions was $2,206,000. Goodwill of $1,065,000 was recognised on acquisition.

Details of the business combinations are as follows:

	Provisional Fair value $'000
Cash and cash equivalents	1
Inventories	500
Right-of-use assets	501
Net deferred tax assets	214
Provisions	(18)
Lease Liability	(501)
Net assets acquired	**697**
Reacquired rights	444
Goodwill	1,065
Acquisition-date fair value of the total consideration transferred	**2,206**
Representing:	
Cash paid or payable to vendor	2,212
Outstanding debt	(6)
	2,206

NOTE 34. BUSINESS COMBINATIONS (CONTINUED)

Details of the cash flow movement relating to the acquisition are as follows:

	Provisional Fair value $'000
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	2,206
Less: cash and cash equivalents	(1)
Less: outstanding debts/loans forgiven	6
Net cash used	**2,211**

The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

The 3 TAF stores contributed revenue of $1,832,000 from the acquisition dates to 30 June 2024.

2 July 2023

During the year to 2 July 2023, the Group completed the acquisition of 6 TAF stores. The total consideration transferred for these acquisitions was $6,288,000. Goodwill of $3,387,000 was recognised on acquisition. The 6 TAF stores contributed revenue of $8,399,000 from the acquisition dates to 2 July 2023.

Details of the assets and liabilities acquired are as follows:

	Fair value $'000
Cash and cash equivalents	2
Inventories	1,533
Right-of-use assets	2,030
Net deferred tax assets	531
Provisions	(53)
Lease liability	(2,030)
Net assets acquired	**2,013**
Reacquired rights	888
Goodwill	3,387
Acquisition-date fair value of the total consideration transferred	**6,288**
Representing:	
Cash paid or payable to vendor	6,100
Outstanding debts/loans forgiven	188
	6,288

Details of the cash flow movement relating to the acquisition are as follows:

	Fair value $'000
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	6,288
Less: cash and cash equivalents	(2)
Less: outstanding debts/loans forgiven	(188)
Net cash used	**6,098**

NOTE 35. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

Name	Principal place of business/Country of incorporation	Ownership interest 30 Jun 2024 %	Ownership interest 2 Jul 2023 %
The Athlete's Foot Australia Pty Ltd	Australia	100%	100%
TAF Constructions Pty Ltd[(a)]	Australia	100%	100%
RCG Brands Pty Ltd	Australia	100%	100%
RCG Retail Pty Ltd	Australia	100%	100%
TAF eStore Pty Ltd[(a)]	Australia	100%	100%
TAF Partnership Stores Pty Ltd[(a)]	Australia	100%	100%
TAF Rockhampton Pty Ltd[(b)]	Australia	100%	100%
TAF Eastland Pty Ltd[(b)]	Australia	100%	100%
TAF The Glen Pty Ltd[(b)]	Australia	100%	100%
TAF Hornsby Pty Ltd[(b)]	Australia	100%	100%
TAF Hobart Pty Ltd[(b)]	Australia	100%	100%
TAF Booragoon Pty Ltd[(b)]	Australia	100%	100%
Accent Group Ltd[(c)]	New Zealand[(f)]	100%	100%
Platypus Shoes Ltd[(d)]	New Zealand[(f)]	100%	100%
Accent Footwear Ltd[(d)]	New Zealand[(f)]	100%	100%
Hype DC Ltd[(d)]	New Zealand[(f)]	100%	100%
TAF New Zealand Ltd[(d)]	New Zealand[(f)]	100%	100%
Accent Brands Pty Ltd[(c)]	Australia	100%	100%
Platypus Shoes (Australia) Pty Ltd[(c)]	Australia	100%	100%
42K Pty Ltd[(e)]	Australia	100%	100%
Accent Store Development Pty Ltd	Australia	100%	100%
RCG Accent Group Holdings Pty Ltd	Australia	100%	100%
Hype DC Pty Ltd	Australia	100%	100%
Subtype Pty Ltd	Australia	100%	100%
Pivot Store Pty Ltd	Australia	100%	100%
Accent Lifestyle Pty Ltd	Australia	100%	100%
Accent Active Pty Ltd	Australia	100%	100%
Subtype Limited[(d)]	New Zealand[(f)]	100%	100%
Accent Active (NZ) Limited	New Zealand[(f)]	100%	100%
Accent Lifestyle (NZ) Limited	New Zealand[(f)]	100%	100%

(a) Indirectly held through The Athlete's Foot Australia Pty Ltd

(b) Indirectly held through TAF Partnership Stores Pty Ltd

(c) Indirectly held through RCG Accent Group Holdings Pty Ltd

(d) Indirectly held through Accent Group Ltd (New Zealand)

(e) Indirectly held through Accent Brands Pty Ltd

(f) The functional currency of these foreign subsidiaries is NZD

NOTE 36. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Accent Group Ltd	(ACN 108 096 251)
RCG Brands Pty Ltd	(ACN 125 433 972)
The Athlete's Foot Australia Pty Ltd	(ACN 001 777 582)
RCG Retail Pty Ltd	(ACN 144 955 117)
RCG Accent Group Holdings Pty Ltd	(ACN 613 017 422)
Hype DC Pty Limited	(ACN 081 432 313)
TAF Partnership Stores Pty Ltd	(ACN 164 791 048)
TAF eStore Pty Ltd	(ACN 158 031 040)
T.A.F Constructions Pty Ltd	(ACN 097 684 430)
Accent Group Pty Ltd	(ACN 001 742 552)
Platypus Shoes (Australia) Pty Ltd	(ACN 122 726 907)
42K Pty Ltd	(ACN 169 043 145)
Accent Store Development Pty Ltd	(ACN 611 621 482)
Subtype Pty Ltd	(ACN 628 866 419)
Pivot Store Pty Ltd	(ACN 634 893 691)
Accent Lifestyle Pty Ltd	(ACN 636 815 284)
Accent Active Pty Ltd	(ACN 637 053 028)

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under *Corporations Instrument 2016/785* issued by the Australian Securities and Investments Commission.

The above subsidiaries and Accent Group Limited, together referred to as the 'Closed Group', have either originally entered the Deed on 23 February 2017 or have subsequently joined the Deed.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	**30 Jun 2024 $'000**	**2 Jul 2023 $'000**
Revenue	1,301,315	1,280,949
Other income	9,769	–
Interest revenue	1,587	1,377
Cost of sales	(557,176)	(545,538)
Distribution expenses	(55,967)	(54,826)
Marketing expenses	(38,401)	(48,558)
Occupancy expenses	(32,749)	(21,740)
Employee expenses	(286,384)	(268,866)
Other expenses	(69,011)	(54,326)
Depreciation, amortisation and impairment expense	(165,243)	(142,196)
Finance costs	(26,180)	(19,086)
Profit before income tax expense	81,560	127,190
Income tax expense	(22,268)	(28,761)
Profit after income tax expense	59,292	98,429
Other comprehensive income		
Net change in the fair value of cash flow hedges taken to equity, net of tax	(2,148)	(4,058)
Foreign currency translation	(1,369)	(5,161)
Other comprehensive income for the year, net of tax	(3,517)	(9,219)
Total comprehensive income for the year	55,775	89,210

NOTE 36. DEED OF CROSS GUARANTEE (CONTINUED)

Statement of financial position	30 Jun 2024 $'000	2 Jul 2023 $'000
Current assets		
Cash and cash equivalents	16,720	21,805
Trade and other receivables	54,787	51,544
Inventories	234,345	211,751
Lease receivables	7,459	9,324
Derivative financial instruments	–	3,738
Other current assets	6,347	6,081
Current tax receivable	4,246	–
Total current assets	323,904	304,243
Non-current assets		
Property, plant and equipment	106,256	119,527
Right-of-use assets	236,370	246,984
Lease receivables	8,484	10,231
Intangibles	383,594	381,968
Net deferred tax assets	18,799	14,459
Total non-current assets	753,503	773,169
Total assets	1,077,407	1,077,412
Current liabilities		
Trade and other payables	135,122	97,920
Deferred revenue	10,290	12,594
Provisions	19,296	21,792
Borrowings	10,659	9,954
Lease liabilities	123,034	117,559
Derivative financial instruments	315	–
Provision for income tax	–	73
Total current liabilities	298,716	259,892
Non-current liabilities		
Provisions	1,736	840
Deferred revenue	1,197	4,308
Borrowings	139,594	139,350
Lease liabilities	226,630	241,532
Total non-current liabilities	369,157	386,030
Total liabilities	667,873	645,922
Net assets	409,534	431,490
Equity		
Issued capital	390,926	390,926
Reserves	34,074	38,607
(Accumulated losses)/Retained earnings	(15,466)	1,957
Total equity	409,534	431,490

NOTE 37. CASH FLOW INFORMATION

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Profit after income tax expense for the year	**59,530**	88,653
Adjustments for:		
Depreciation and amortisation	**169,159**	159,433
Share-based payments	**(2,528)**	3,137
Provision for asset impairment	**14,134**	–
Foreign exchange differences	**307**	633
Net gain on lease modifications	**(748)**	(2,964)
Other non-cash items	**401**	(1,798)
Change in assets and liabilities, net of the effect from acquisition of businesses		
Receivables	**326**	15,462
Inventories	**(24,738)**	3,558
Trade creditors and provisions	**35,372**	(20,485)
Tax assets and liabilities	**(5,164)**	10,959
Net cash from operating activities	**246,051**	256,588

NOTE 38. EARNINGS PER SHARE

	Consolidated	
	30 Jun 2024 $'000	**2 Jul 2023 $'000**
Profit after income tax	**59,530**	88,653
Profit after income tax attributable to the owners of Accent Group Limited	**59,530**	88,653

	Number	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**561,097,970**	548,623,486
Adjustments for calculation of diluted earnings per share:		
Performance rights	**2,945,783**	18,927,830
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**564,043,753**	567,551,316

	Cents	**Cents**
Basic earnings per share	**10.61**	16.16
Diluted earnings per share	**10.55**	15.62

Recognition and measurement

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Accent Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 39. SHARE-BASED PAYMENTS

Performance rights

The objective of the Performance Rights Plan ('PRP') is to align the interests of employees of the Group with those of the shareholders and provide employees of the Group who are considered to be key to the future success of the Company with an opportunity to receive shares in order to reward and retain the services of those persons and recognise the employees of the Group for their contribution to the future success of the Company.

Eligibility and grant of performance rights

The Board may, from time to time, grant performance rights to an employee of the Group who the Board determines to be eligible to participate in the PRP. This may include an executive director of the Company but may not include a non-executive director of the Company. The performance rights granted are under the terms and conditions of the PRP and may include additional terms and conditions, including any performance conditions, as the Board determine. The Board may only grant performance rights where an employee continues to satisfy any relevant conditions imposed by the Board.

Vesting of performance rights

Vesting of performance rights are subject to prescribed performance conditions. The number of equity instruments that are expected to vest is based on management's assessment of the likelihood of the vesting conditions attached to the equity instruments being satisfied. The key vesting conditions that are assessed are earnings per share targets and required service periods. If the performance condition is met, 100% of the performance rights vest. If the performance condition is not met, none of the performance rights vest unless the Board determines otherwise.

Recognition and measurement

The Group recognises the fair value at the grant date of equity settled shares as an expense with a corresponding increase in equity over the vesting period. Fair value is independently determined using the Black-Scholes option pricing model, as appropriate, that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Vesting is also subject to the recipients of the performance rights remaining in employment with the Company.

Lapsing of performance rights

An unvested performance right will lapse in various prescribed circumstances, unless the Board determines otherwise. Such circumstances include:

- the circumstances specified by the Board on or before the grant of the performance right;
- if a participant ceases to be an employee and/or director of a Group company for any reason or they cease to satisfy any other relevant conditions imposed by the Board at the time of the grant of the performance rights;
- failure to meet the performance conditions attaching to the performance right or any performance condition no longer, in the opinion of the Board, being capable of being satisfied in accordance with their terms; and
- if in the opinion of the Board a participant acts fraudulently or dishonestly, is in breach of their material duties or obligations to any Group company, has committed an act of harassment or discrimination or has done any act which has brought the Group or any Group company into disrepute.

Performance rights outcomes

In 2020 the Board exercised its discretion and determined that the performance condition for 50% of the performance rights granted in 2017 had been met and would therefore vest on 19 August 2022. These performance rights are still subject to the recipients remaining in employment with the Group. For the remaining 50%, on 31 May 2022, the Board exercised its discretion and deferred the vesting period by 12 months to 19 August 2023. These Performance Rights continue to be subject to all other relevant plan rules. Shareholder approval for the deferral has been obtained on 11 November 2022 in accordance with ASX requirements.

More information is available in relation to the outcomes of performance rights within the Remuneration Report.

During the financial year ended 30 June 2024, Tranche 7 of PRP was granted to eligible employees. The assessed fair value at respective grant dates was $1.50 per unit of performance right. The fair value at the respective grant dates is independently determined using the Black-Scholes Model that takes into account the exercise price, the term of the PRP, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the PRP.

The model inputs included:

- Share price at the respective grant dates: $1.94
- Expected dividend yield: 9.04%
- Risk-free interest rate: 4.10%

NOTE 39. SHARE-BASED PAYMENTS (CONTINUED)

Set out below are summaries of the performance rights granted:

30 Jun 2024

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
03/10/2017	24/08/2023	6,400,000	–	(6,400,000)	–	–
27/12/2017	24/08/2023	3,250,000	–	(3,250,000)	–	–
20/06/2018	24/08/2023	200,000	–	(200,000)	–	–
30/11/2019	24/08/2023	743,238	–	(743,238)	–	–
30/11/2019	01/07/2024	2,945,783	–	–	–	2,945,783
30/11/2020	01/09/2024	5,388,809	–	–	(178,638)	5,210,171
28/06/2021	01/09/2025	4,530,648	–	–	(239,122)	4,291,526
02/11/2023	01/09/2026	–	4,275,253	–	–	4,275,253
17/11/2023	01/09/2026	–	1,225,831	–	–	1,225,831
		23,458,478	5,501,084	(10,593,238)	(417,760)	17,948,564

2 Jul 2023

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
03/10/2017	24/08/2023	12,800,000	–	(6,400,000)	–	6,400,000
27/12/2017	24/08/2023	6,500,000	–	(3,250,000)	–	3,250,000
20/06/2018	24/08/2023	400,000	–	(200,000)	–	200,000
30/11/2019	24/08/2023	1,486,481	–	(743,243)	–	743,238
30/11/2019	01/07/2024	3,269,882	–	–	(324,099)	2,945,783
30/11/2020	01/09/2024	6,076,707	–	–	(687,898)	5,388,809
28/06/2021	01/09/2025	5,060,662	–	–	(530,014)	4,530,648
		35,593,732	–	(10,593,243)	(1,542,011)	23,458,478

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1 year (2023: 0.88 year).

NOTE 40. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES

Material and other accounting policies adopted in the preparation of the financial statements are provided throughout the notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTE 40. SUMMARY OF OTHER MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

If the initial accounting for a business contribution is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for items for which the accounting is incomplete.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction of the expense to which it relates.

Dividends

Dividends are recognised when declared during the financial year.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTE 41. EVENTS AFTER THE REPORTING PERIOD

On 11 July 2024, the Group entered into an agreement to sell the Trybe business. The sale has completed in August 2024. The relevant financial effect is immaterial and will be accounted for in the financial year ending 29 June 2025.

See Note 25 for dividend declared.

Apart from the matters described above, no other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

for the year ended 30 June 2024

New legislation requires Australian public companies to disclose details for each subsidiary in the consolidated financial statements – including the tax residency of each of those entities during the financial year.

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

		30 Jun 2024			
Name	**Body corporate, partnership or trust**	**Principal place of business/ Country of Incorporation**	**% of share capital held**	**Australian or Foreign Resident**	**Countries of residence for tax purposes**
Accent Group Limited	Body corporate	Australia	N/A	Australia	Australia
The Athlete's Foot Australia Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Constructions Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
RCG Brands Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
RCG Retail Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF eStore Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Partnership Stores Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Rockhampton Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Eastland Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF The Glen Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Hornsby Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Hobart Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
TAF Booragoon Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Accent Group Ltd[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
Platypus Shoes Ltd[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
Accent Footwear Ltd[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
Hype DC Ltd[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
TAF New Zealand Ltd[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
Accent Brands Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Platypus Shoes (Australia) Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
42K Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Accent Store Development Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
RCG Accent Group Holdings Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Hype DC Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Subtype Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Pivot Store Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Accent Lifestyle Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Accent Active Pty Ltd[a]	Body corporate	Australia	100%	Australia	Australia
Subtype Limited[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
Accent Active (NZ) Limited[b]	Body corporate	New Zealand	100%	Foreign	New Zealand
Accent Lifestyle (NZ) Limited[b]	Body corporate	New Zealand	100%	Foreign	New Zealand

(a) These subsidiaries are part of a tax consolidated group with Accent Group Limited (Australia) as the head entity and taxpayer in the respect of the group.

(b) These subsidiaries are part of a tax consolidated group with Accent Group Limited (New Zealand) as the head entity and taxpayer in the respect of the group.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

DIRECTORS' DECLARATION

for the year ended 30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 2 of the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- the attached consolidated entity disclosure statement is true and correct as at 30 June 2024;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 36 to the financial statements will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 36 to the financial statements.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

David Gordon
Chairman

23 August 2024
Melbourne

Independent auditor's report

To the members of Accent Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Accent Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the period 3 July 2023 to 30 June 2024

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the statement of changes in equity for the period 3 July 2023 to 30 June 2024
- the statement of cash flows for the period 3 July 2023 to 30 June 2024
- the statement of profit or loss and other comprehensive income for the period 3 July 2023 to 30 June 2024
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	*Key audit matters*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – The carrying value of Retail goodwill – The carrying value of right of use assets and property, plant and equipment – The valuation of inventory • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
The carrying value of Retail goodwill *(Refer to note 16)* The Group has recognised goodwill of $323.6 million in the Retail Cash Generating Unit ("CGU"). The Group performed an impairment assessment for goodwill by preparing a financial model to determine if the carrying value of the assets is supported by forecast future cash flows, discounted to present value (the "model"). We considered the carrying value of goodwill to be a key audit matter due to the magnitude of the balances	Our procedures included the following, amongst others: • Obtaining the Group's cash flow model and evaluating the appropriateness of the valuation methodology used to estimate the recoverable amount of Retail goodwill against our understanding of the nature of the Group's operations. • Evaluating the Group's cash flow forecasts for the Retail CGU included in the model and the process by which they were developed, with reference to the historical performance of the business. • Assessing the historical accuracy of the

Key audit matter	*How our audit addressed the key audit matter*
and assumptions applied by the Group in estimating future cash flows.	Group's prior period forecasts by comparing them to actual performance over the same period. • Assessing the key assumptions for appropriateness with reference to external market data where possible. • Together with PwC valuation experts, comparing the discount rate and long-term growth rate used in the model to external market data. • Evaluating the reasonableness of disclosures in the financial report in light of the requirements of Australian Accounting Standards.
The carrying value of right of use assets and property, plant and equipment *(Refer to note 14 and 15)* The Group has recognised property, plant and equipment and right-of-use assets of $121.4 million and $265.4 million respectively as at 30 June 2024. These balances relate predominantly to retail stores ("store assets"). The Group has determined that each store is a separate CGU. A store is assessed for impairment if an indicator of impairment is identified. We considered the impairment assessment for store assets to be a key audit matter due to the magnitude of the balances and assumptions applied by the Group in estimating future cash flows used in the assessment.	Our procedures included the following, amongst others: • Obtaining the Group's assessment of indicators for impairment for store assets, and evaluating its appropriateness. For the stores where an impairment indicator was identified: • Assessing the forecast cash flow assumptions for the recoverable amount assessment for appropriateness with reference to historical growth rates and external market data where possible. • Testing the mathematical accuracy of the recoverable amount assessment and the comparison to the carrying value for the store. • Assessing the appropriateness of key assumptions on store leases planned to be exited before the end of lease terms. • Together with PwC valuation experts, comparing the discount rate used in the recoverable amount assessment to external market data. • Evaluated the reasonableness of the disclosures made in note 15 in the financial report in light of the requirements of Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
The valuation of inventory *(Refer to note 10)* The Group has recognised a net realisable value provision against its inventory of $11.7 million as at 30 June 2024. The Group's estimate of the inventory provision is based on historical finished goods sold below cost and inventory write-offs. We considered the valuation of inventory to be a key audit matter due to the magnitude of the inventory balance and the judgement required by the Group in determining the net realisable value of inventory.	Our procedures included the following, amongst others: • Obtaining the Group's inventory provision assessments and evaluating the appropriateness of the methodology used. • Testing the mathematical accuracy of key data included in the calculation of the Group's inventory provision and comparing key inputs to supporting evidence. • Comparing the selling price (net realisable value) subsequent to period end to the recorded cost, for a sample of inventory items. • Evaluating the reasonableness of disclosures in the financial report in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the period 3 July 2023 to 30 June 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Chairman and Chief Executive Officer's report, the director's report, and the Appendix 4E. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCENT GROUP LIMITED

pwc

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* including giving a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the period 3 July 2023 to 30 June 2024.

In our opinion, the remuneration report of Accent Group Limited for the period 3 July 2023 to 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

pwc

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Alison Tait Milner

Alison Tait Milner
Partner

Melbourne
23 August 2024

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 13 August 2024.

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	4,715
1,001 to 5,000	5,519
5,001 to 10,000	2,317
10,001 to 100,000	3,424
100,001 and over	279
	16,254
Holding less than a marketable parcel	**598**

EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	**% of total shares issued**
BBRC INTERNATIONAL PTE LTD <BB FAMILY INTERNATIONAL A/C>	82,477,463	14.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	67,626,535	12.01
CITICORP NOMINEES PTY LIMITED	45,838,218	8.14
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	40,608,690	7.21
CRAIG JOHN THOMPSON	30,936,589	5.49
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	21,447,926	3.81
JAMES WILLIAM DUELL	12,000,000	2.13
MRS CINDY GILBERT	11,000,000	1.95
MR DANIEL JOHN GILBERT	11,000,000	1.95
BNP PARIBAS NOMS PTY LTD	10,936,167	1.94
HIT GROUP LIMITED <HAPGOOD INVESTMENT A/C>	7,500,000	1.33
NATIONAL NOMINEES LIMITED	6,395,251	1.14
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,344,181	0.60
RIVAN PTY LTD <DAVID GORDON SUPER FUND A/C>	2,599,034	0.46
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,511,607	0.45
PITTMANN PTY LIMITED <THE PITT FAMILY A/C>	2,391,130	0.43
MUSICIAN PTY LIMITED <THE RASCAL A/C>	2,250,000	0.40
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	2,167,767	0.39
UBS NOMINEES PTY LTD	1,933,914	0.34
SALE STREET PTY LTD <THE SALE STREET A/C>	1,597,715	0.28
	366,562,187	**65.10**

SHAREHOLDER INFORMATION

SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
BBRC International Pte Ltd	82,477,463	14.65
Craig John Thompson	30,936,589	5.49

VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

Ordinary shares

All ordinary shares carry one vote per share without restriction.

There are no other classes of equity securities.

CORPORATE DIRECTORY

DIRECTORS	David Gordon – Chairman Daniel Agostinelli – Chief Executive Officer Stephen Goddard (resigned 17 November 2023) Michael Hapgood Laurence Myers (appointed 17 November 2023) Donna Player Anne Loveridge AM (appointed 17 November 2023) Joshua Lowcock (resigned 17 November 2023) Brett Blundy Timothy Dodd – alternate Director for Brett Blundy
JOINT COMPANY SECRETARIES	Matthew Durbin Alethea Lee
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	2/64 Balmain Street Richmond VIC 3121 Telephone: +61 3 9427 9422 Facsimile: +61 3 9427 9622 Email: investors@accentgr.com.au
SHARE REGISTER	Computershare Investor Services Pty Limited Level 4 60 Carrington Street Sydney NSW 2000 Telephone: 1300 787 272
AUDITOR	PricewaterhouseCoopers 2 Riverside Quay, Southbank Melbourne VIC 3006
BANKERS	National Australia Bank Hongkong and Shanghai Banking Corporation Australia and New Zealand Banking Group
STOCK EXCHANGE LISTING	Accent Group Limited shares are listed on the Australian Securities Exchange (ASX code: AX1)
WEBSITE	www.accentgr.com.au
CORPORATE GOVERNANCE STATEMENT	www.accentgr.com.au/investor/investor-documents

Accent Group

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