Accent Group

1. Company details

Name of entity:	Accent Group Limited
ABN:	85 108 096 251
Reporting period:	For the year ended 26 June 2022 (52 weeks)
Previous period:	For the year ended 27 June 2021 (52 weeks)

2. Results for announcement to the market

		Percentage change %		Amount $'000
Revenues from ordinary activities	up	13.8%	to	1,129,797
Profit after income tax for the year	down	59.1%	to	31,464
Profit for the year attributable to the owners of Accent Group Limited	down	59.1%	to	31,464

Dividends

	Amount per security Cents	Franked amount per security Cents
2021 Final dividend	3.25	3.25
2022 Interim dividend	2.50	2.50
2022 Final dividend	4.00	4.00

Dividend payment date:

- 2021 Final dividend — 16 September 2021
- 2022 Interim dividend — 17 March 2022
- 2022 Final dividend — 15 September 2022

3. Net tangible assets per security

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	12.09	10.38

Net tangible assets are calculated by deducting intangible assets from the net assets of the Group. Following the adoption of AASB 16 Leases on 1 July 2019, the net assets include the right-of-use assets, lease receivables and corresponding lease liabilities recognised under the new standard.

4. Other information

This report is based on the consolidated financial statements which have been audited by Deloitte Touche Tohmatsu.

For further explanation of the figures above please refer to the ASX Announcement dated 18 August 2022 on the results for the year ended 26 June 2022 and the notes to the financial statements.

Accent Group

Accent Group Limited

ABN 85 108 096 251

Annual Report – 26 June 2022

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Chairman and Chief Executive Officer's report

Dear fellow Shareholders,

We are pleased to present to you the 2022 Annual Report for Accent Group Limited (**Accent Group**, **Group** or **Company**).

It is no surprise that the Company was still trading through a COVID-19 impacted environment for much of FY22. Over 50% of the Group's total store network, being more than 400 stores, were shut between the months of July to October due to government mandated lockdowns, and subsequently the Omicron variant impacted customer traffic levels and confidence. The negative impact of this disruption on sales, gross margin and cost of doing business was significant, resulting in disappointing financial results for the year.

Despite the highly disrupted year, we have continued to invest in and maintain the focus on our growth initiatives including rolling out new stores, strengthening our digital capability, expanding our customer database, growing our distributed brands, and building on our vertical brands. These investments have been targeted towards continuing the Company's long-term growth trajectory that has delivered record profits and growing shareholder returns in four of the last five years. These achievements build and reinforce the Company's strong and defensible market position, as well as increasing our relevance in our target markets across Australia and New Zealand. The strategic acquisition and integration of both Stylerunner and Glue Store has enabled Accent Group to create a strong entry foothold into the athleisure and youth apparel markets. We expect continued growth in sales and EBIT from these businesses for FY23 and beyond.

In the context of continuing operational challenges through a difficult trading environment, the Board acknowledges the resolute dedication, resilience and loyalty of the Accent Group team.

Financial review

The Group's net profit after tax for FY22 was $31.5 million. Your Board has declared a final fully franked dividend of 4.00 cents per share, which brings the total dividends declared during the year to 6.50 cents per share.

Financials ($ millions)	FY22	FY21	Growth
Total Sales (incl. TAF)[1]	1,267	1,138	11.3%
Accent Group Sales (company owned)	1,103	967.8	14.0%
EBITDA	213.6	242.0	(11.8%)
EBIT	62.3	124.9	(50.1%)
NPAT	31.5	76.9	(59.1%)
EPS (cents per share)	5.81	14.21	(59.1%)
Dividends (cents per share)	6.50	11.25	(42.2%)

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 $1.1b in FY22 were up 14% on the prior year (despite an estimated impact to retail sales in H1FY22 of c$95m due to COVID-19 disruption).

Retail & Wholesale

Despite the challenging trading conditions in FY22, the Group opened 139 new stores, and closed 15 stores where required rent outcomes could not be achieved. Our store development team continues to prove that they are best in class. We also identified stores which could generate significantly better returns on investment if transitioned to other banners. This work commenced in FY22 and will be completed in FY23. Glue Store has been identified as one such high performing banner, and we are excited to see what the acceleration in its growth plan will yield.

The wholesale business delivered continued growth in FY22, both from our existing distributed brands and new distributed brands acquired with Glue Store.

[1] Includes The Athlete's Foot franchise store sales.

Digital & Loyalty

The Group continued its focus on driving online sales and achieved total online sales of $263.8 million in FY22, an increase of 25.7% on the prior year.

Online sales represented 24.4% of total retail sales. This digital growth continues to be facilitated by the infrastructure that Accent Group has built over the last five years, which ensured that a record number of customers and deliveries could be managed from our digital platform, with significant additional capacity and scalability still available. The Platypus webstore was upgraded and re-platformed, now with significantly more capability and functionality, and seven new websites were launched or re-platformed.

Over the past year, contactable customers grew from 8.4 million to 9.3 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 36 websites, 18 owned and distributed brands, more than 760 points of distribution and now more than 9 million contactable customers.

Customer loyalty programs continue to be a focus for the Group, with the launch of both the Platypus and Hype DC loyalty programs during the year.

The Group will continue to target growing profitable digital sales.

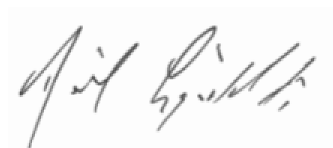
Sustainability

We are very pleased to be releasing our very first standalone Sustainability Report, which will be released on the same date as this Annual Report.

Conclusion

While it is disappointing that FY22 has broken our four-year record of continuous year on year growth in profit and shareholder value, Accent Group remains focussed on the creation of long-term growth in shareholder value. Over the last three years, the Company has continued to invest in stores, digital capability, distributed brands, owned vertical brands and new businesses, increasing the scale and customer reach of the business. Your Board believes that the Company is well-positioned for improved sales and profit growth across Australia and New Zealand and generating strong long-term returns for our shareholders.

David Gordon
Chairman



Daniel Agostinelli
Group Chief Executive Officer

FY22 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 26 June 2022.

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 – Chief Executive Officer
- Stephen Goddard
- Michael Hapgood
- Donna Player
- Joshua Lowcock
- Brett Blundy
- Timothy Dodd – alternate Director for Brett Blundy

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 760 stores across 26 different retail banners and exclusive distribution rights for 18 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 One One, Superga, Kappa, Palladium, Supra, Subtype, The Trybe, Stylerunner, Glue Store and Autry.

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:

	FY22 final	FY22 interim	FY21 final	FY21 interim
Cents per ordinary share	4.00	2.50	3.25	8.00
Total amount ($'000)	21,675	13,547	17,611	43,349
Payment date	15 September 2022	17 March 2022	16 September 2021	18 March 2021

The total dividend for the financial year ended 26 June 2022 of 6.50 cents per share is a decrease of 42.2% on the previous year.

4. Operating and financial review

The Operating and Financial Review of the Group for the financial year ended 26 June 2022 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, or that forward looking statements will be realised. 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 footwear sites providing shipping to Australia and New Zealand • Growth of new local boutique sneaker stores • Direct to customer and top retailer distribution strategies of major shoe brands • Non-traditional retailers selling lifestyle and performance footwear • Global luxury brands expanding in the lifestyle footwear category	• 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 including product offerings not limited to performance and youth lifestyle footwear and apparel • Significantly enhancing 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	• Establishing, regularly updating and implementing a health and safety management system including resources, training and procedures • Investigating every incident to mitigate against reoccurrence • Implementing learning initiatives and improvements to create safer work locations • Creating training modules to ensure that all team members are inducted in safe work practises • 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 offices locations, and Mental Health First aid training to State and National Managers
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	• 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 distribution pressure from global sneaker retailers • 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, including the establishment of the ESG Steering Group • Increasing its focus on sustainability-related issues by dedicated role of Group Sustainability Manager and General Manager – Sourcing and Vertical • 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, 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
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 ▪ 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
Global pandemics While the impacts of the COVID-19 pandemic have largely subsided, it 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 2022 Sustainability Report.

7. Information on Directors

Name	Particulars
David Gordon Non-Executive Chairman	David has over 20 years' experience as a director of both public and private companies and has spent more than 30 years 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 the Chairman of the Board of nib Holdings Limited (ASX:NHF) and its health fund subsidiary, nib Health Funds Limited. He is also the Chairman of Shippit Pty Limited, General Homecare Holdings Pty Ltd and Genesis Capital Manager 1 Pty Ltd, and a Non-Executive Director of international not-for-profit organisation High Resolves Pty Ltd. David has been a Non-Executive Director of Accent Group since October 2006 and was appointed Non-Executive Chairman in November 2017. David is also the Chairman of the People and Remuneration Committee and a member of the Audit and Risk Committee and Digital Strategy Group.
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.
Stephen Goddard Non-Executive Director	Stephen is currently the Chairman of the Board and the Remuneration and Nomination Committee of JB Hi-Fi Limited and a Non-Executive Director and Chairman of the Audit and Risk Committee of both GWA Group Limited and Nick Scali Limited. Stephen was formerly the Finance Director and Operations Director for David Jones Limited and the founding Managing Director of Officeworks. Stephen was appointed as a Non-Executive Director of Accent Group in November 2017. Stephen is the Chairman of the Audit and Risk Committee and a member of the People and Remuneration Committee with extensive retail, finance, and board experience.
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 and is a member of the Digital Strategy 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 and MySale Group PLC and 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.

Joshua Lowcock Non-Executive Director	Joshua is a recognised expert in digital and media with a career that has spanned Australia, the US, and China. He brings to Accent Group proven retail expertise at the intersection of marketing, technology, data, and privacy for clients that have included Woolworths, Walmart, CVS Health. and several other Fortune 500 companies. Joshua has an MBA from AGSM and is a Member of the Australian Institute of Company Directors (MAICD). Joshua is also the New York-based Global Chief Media Officer of Universal McCann (UM) and a Non-Executive Director of Cashrewards Limited. Joshua was appointed as a Non-Executive Director of Accent Group in November 2019, is the Chair of the Digital Strategy Group, and is a member of the Audit & Risk 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 over 800 stores across more than 15 countries, and its Capital Management business has offices in Sydney & New York. 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.
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 15 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	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.
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.

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, conducts himself at arm's length in his engagement with the Company and brings his considerable skills and knowledge to bear on matters before the Board. 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 completely independent from the day-to-day operations of the business and therefore able to bring clarity and independent thought to 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 completely independent from day-to-day operations of the business and therefore able to bring clarity and independent thought to all matters before the Board. Mr Blundy draws on his considerable skillset to act in the best interests of the Company and its shareholders.

10. Meetings of Directors

The following table sets out the number of Directors' meetings (committee meetings) held during the year ended 26 June 2022 and the number of meetings attended by the members of the Board or the relevant committee. During the financial year, 10 Board Meetings (with the June 2022 meeting spanning two whole days), four Audit and Risk Committee meetings, four People and Remuneration Committee meetings, one Nominations Committee meeting, and four 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.

	Full Board		**Audit and Risk Committee**		**People and Remuneration Committee**		**Digital Strategy Group**		**Nominations Committee**	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
David Gordon	10	10	4	4	4	4	4	4	1	1
Daniel Agostinelli	10	10	-	-	-	-	-	-	-	-
Stephen Goddard	10	10	4	4	4	4	-	-	1	1
Michael Hapgood	10	10	-	-	-	-	4	4	1	1
Donna Player	10	10	-	-	4	4	-	-	1	1
Joshua Lowcock	10	10	4	4	-	-	4	4	1	1
Brett Blundy	10	6	-	-	-	-	-	-	1	1
Timothy Dodd	10	4	1	1	-	-	-	-	-	-

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

Given the continuing impact of the COVID19 pandemic on the Company's operations, the Board continued its increased level of commitment from FY20 into FY22 with a number of additional Board meetings scheduled to enable the Board to guide the Company and management with decision-making during the uncertain period.

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

Apart from the dividend declared as disclosed in Note 25 and the matters described above, no other matters or circumstance have arisen since 26 June 2022 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

All relevant future developments 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 Ac 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

Deloitte Touche Tohmatsu 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. Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

21. 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.

22. 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 13.

Accent Group

Deloitte.

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Melbourne VIC 3000

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18 August 2022

The Board of Directors
Accent Group Limited
2/64 Balmain Street
Richmond, Victoria 3121

Dear Board Members,

Auditor's Independence Declaration to Accent Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Accent Group Limited.

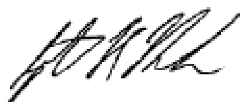
As lead audit partner for the audit of the financial report of Accent Group Limited for the year ended 26 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU



Stephen Roche
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Accent Group

FY22 Remuneration Report

Letter from the Chair of the People and Remuneration Committee

Dear Shareholders,

On behalf of Accent Group, I am pleased to present the FY22 Remuneration Report outlining the Group's remuneration strategy and framework, and decisions taken by the Board in relation to the remuneration of senior executives. This report sets out how the Board has approached remuneration in the context of the COVID-19-impacted environment in Australia and New Zealand, the strategies and initiatives taken by management to maintain profitability and growth, and the financial results achieved in FY22, which as a consequence of the global pandemic were clearly disappointing.

Throughout FY22, across Australia and New Zealand, trade was continuously interrupted by COVID-19-related disruption and lockdowns. At times, through the months of July to October 2021, more than 400 of the Group's 700 stores were required to close due to government-mandated lockdowns, representing more than 50% of the Group's total store network. In late 2021, the Omicron variant spread to Australia which resulted in further disruptions to trade. These disrupted trading conditions significantly impacted the Company's FY22 financial performance.

Our Business Strategy

Throughout this challenging period, Accent Group continued to invest in the strategic priorities of the business for future growth and transformation to become a regional leader in the retailing and distribution of performance and lifestyle footwear and apparel/athleisure. Recognising the importance of its people, the Company continued to keep its permanent employees employed. The management team maintained its focus and drive and, despite having to navigate the varying geographical and durational differences in restrictions and lockdowns, opened 139 new stores during the financial year. The Group now operates over 760 stores across 26 different retail banners with exclusive distribution rights for 18 international brands throughout Australia and New Zealand.

The Glue Store business is now on track, finishing the year with good momentum. The Group continued to invest in increasing the Company's strength in the digital space by both enhancing existing and building new webstores. Most notably, there has been a significant expansion of Accent Group's owned brands. The Board and management team made a conscious decision to continue to invest in the growth strategies of the business rather than turning to a short-term, cost-cutting approach which would not be consistent with the Company's objectives to grow profits and create long-term shareholder value.

In light of the significant business growth and new businesses added over the last three years, the Company completed and implemented a structural review in March 2022. This review was undertaken to determine the best structure to drive continued growth and resulted in the appointment of four divisional CEO roles – Retail Brands, Distributed Brands, Apparel & Vertical Brands, and New Zealand. Each divisional CEO reports directly to the Group Chief Executive Officer (CEO). Three of the new divisional roles were filled internally, leveraging the succession of the existing executive team. An extensive search is underway for the role of Divisional CEO Apparel & Vertical Brands, and in the interim the Group CEO, Daniel Agostinelli will have direct responsibility for this division.

Our Performance

Whilst the Board continues to be pleased with the strategic progress made in the FY22 year, the disappointing operating results were significantly impacted by the well reported disruption experienced due to COVID-19 related consumer impacts including significant government mandated store closures and other COVID-19 related consumer impacts.

Although the Group did experience a disappointing decline in the financial performance of the business in FY22 compared to prior years, with EBIT at $62.3m (down 50.1% on the prior year), the Board still considers that the overall performance of Accent Group taken over the past 18 years has been commendable. In regularly reviewing its allocation of capital to existing and new businesses to drive innovation and growth, reduce costs and complexity, and prioritise its resources, Accent Group has focused on growing long-term shareholder value and delivered shareholders a 10-year compounding total shareholder return of more than 20% per annum to 26 June 2022.

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.

As stipulated in the prior year, the Board has and will continue to maintain the same level of transparency provided in the Remuneration Report in relation to STI disclosures. For the FY22 performance period, it is important to note that the primary financial metric under the STI reverted back to a pure EBIT measure rather than underlying EBIT, which was adopted due to the COVID-19 pandemic and related government wage subsidies arrangements.

In relation to the Company's LTI program, the Board still considers that a single metric program, using EPS as the measure, to be the best approach for the delivery of a scheme that is easy for the Accent Group team to understand and thus creates real incentive during the year, and that aligns management performance with shareholder value creation.

FY22/FY23 Remuneration Outcomes

The COVID-19 disrupted financial performance of the Company has resulted in the following remuneration outcomes for the KMP and Directors:

- With respect to FY22, the financial performance hurdles required for the payment of 80% of the FY22 short term incentive were not achieved, and whilst several of the strategic measures required for the payment of 20% of the short-term incentive were achieved, the Board determined that in the context of the overall financial results and shareholder outcomes for the year, no STI would be payable.

- In relation to FY23, given the challenging trading conditions and resultant financial performance that the Company had to navigate in the wake of COVID-19, the Board considered it appropriate that no increase be applied to the fixed remuneration of the CEO, CFOO and the non-executive directors.

- In relation to Tranche 2 LTI grants (FY18-FY22) of the Performance Rights Plan, subject to receipt of shareholder approval:
    - As previously disclosed, the Board exercised its discretion and determined that the EPS performance condition for 50% of the Tranche 2 performance rights had been deemed as met, with the retention condition requiring that participants had to be employed at the testing date immediately post release of the FY22 financial results.
    - In recognition of the materially disruptive impact of the COVID-19 global pandemic on the Company's business operations, which was beyond the reasonable control of management, the Board has exercised its discretion to defer the EPS performance condition and the retention condition for the remaining 50% of the Tranche 2 performance rights to immediately post release of the FY23 financial results.

The ASX has issued a waiver from Listing Rule 6.23.3 to allow the Company to exercise its discretion in relation to the Tranche 2 performance rights in the manner described above, provided that the Company obtains shareholder approval for such matters, which it intends to seek at the 2022 annual general meeting which is expected to be held in November 2022. Please refer to 'LTI Outcomes FY22' of Section 2.5 for further information in relation to the Tranche 2 performance rights.

In conclusion, I am pleased to present the Company's FY22 Remuneration Report which includes significant additional disclosure compared to prior years.

Yours faithfully,

David Gordon
Chairman of the People and Remuneration Committee
18 August 2022

FY22 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

Senior Executives	
Matthew Durbin	Group Chief Financial and Operating Officer

Non-Executive Directors	
David Gordon	Chairman
Michael Hapgood	Director
Stephen Goddard	Director
Donna Player	Director
Joshua Lowcock	Director
Brett Blundy	Director
Timothy Dodd	Alternate Director

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

Mr S Goddard Independent Non-Executive Director

Ms D Player Independent Non-Executive Director

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 senior management remuneration and incentive policy and awards, and contractual arrangements with senior managers and executives.

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 6,500 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 youth market 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 determines the remuneration of the CEO.

2. Remuneration Components

The key features of the Executive 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	Senior executives participate in the Group's STI plan which is 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). 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
What is the objective	• Attract and retain key talent • Be competitive • Support workplace 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 • Drive alignment of employee and shareholder interests

2.1. Link between financial performance, shareholder wealth and remuneration

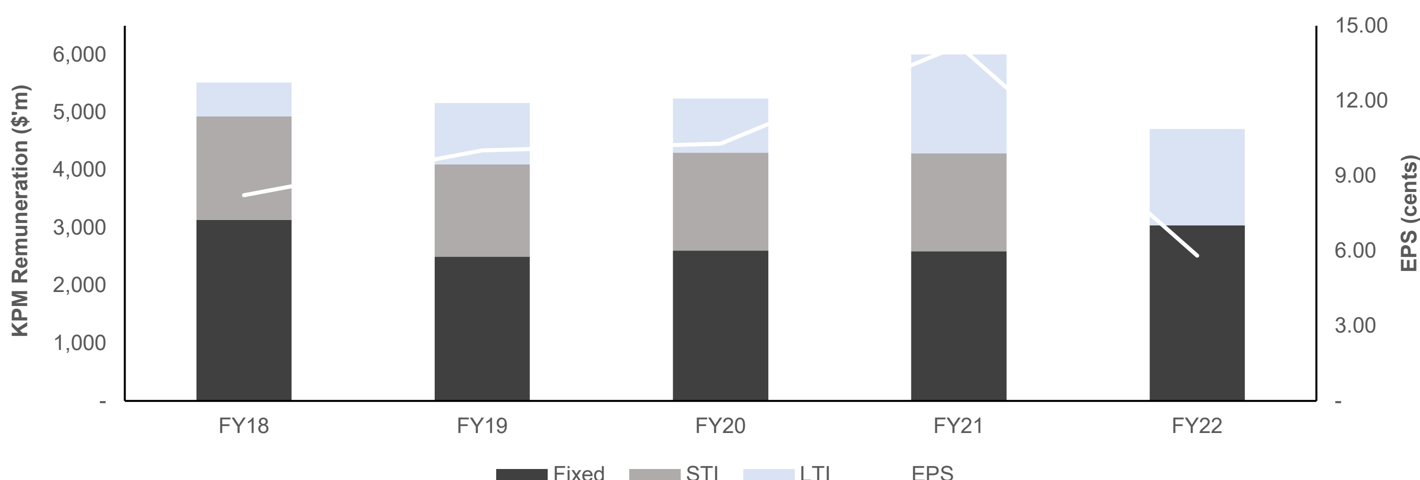
The Group's executive remuneration is directly related to the performance of the Group, through the linking of incentives to certain financial measures as detailed previously and shown below.

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

	FY18	FY19	FY20	FY21	FY22	Growth YoY	CAGR Last 5 years
Revenues ($'m) (inc. Franchisees and Other Income)	703.2	796.8	830.1	993.8	1130.6	13.8%	12.6%
EBITDA ($'m)	88.8	108.9	202.9	242.0	213.6	(11.8%)	24.5%
EBIT ($'m)	64.7	80.6	94.5	124.9	62.3	(50.1%)	(0.9%)
Net profit attributable to the owners of the Company ($'m)	44.0	53.9	55.5	76.9	31.5	(59.1%)	(8.0%)
EPS (cents)	8.23	10.02	10.28	14.21	5.81	(59.1%)	(8.3%)
Shareholder value created:							
Market capitalisation ($'m)	894.8	749.6	797.0	1,496.0	661.1	(55.8%)	(7.3%)
Enterprise value	929.7	799.1	828.2	1,563.0	780.4	(50.1%)	(4.3%)
Movement in enterprise value during the financial year	405.7	(130.6)	29.1	734.8	(782.7)		
Dividends paid during the financial year	32.6	44.7	48.8	65.0	31.2	(52.1%)	(1.1%)
Closing Share Price	1.65	1.39	1.47	2.76	1.22	(55.8%)	(7.3%)
DPS (cents)	6.75	8.25	9.25	11.25	6.5	(42.2%)	(0.9%)

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 total remuneration of the KMP team for each year from FY18 to FY22 as set out in the Remuneration Report each year.



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

FY18 to FY22 Revenues ($m)

703
797
830
994
1,131
FY18
FY19
FY20
FY21
FY22

FY18 to FY22 EBIT ($m)

65
81
95
125
62
FY18
FY19
FY20
FY21
FY22

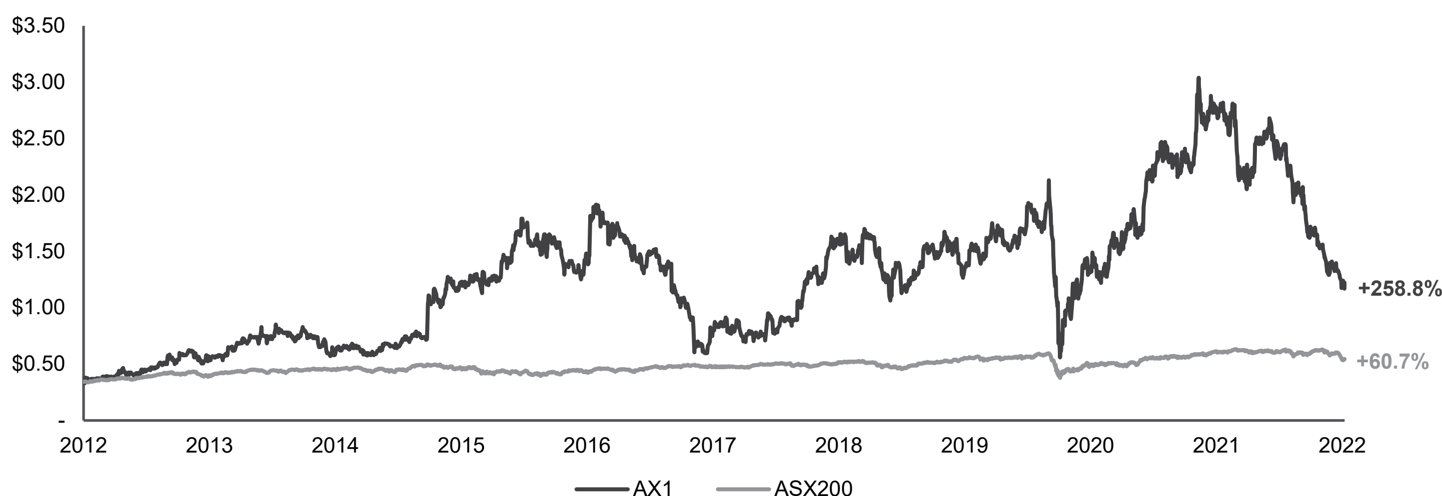
FY18 to FY22 EPS (Cents)

8.23
10.02
10.28
14.21
5.81
FY18
FY19
FY20
FY21
FY22

FY18 to FY22 DPS & EPS (Cents)

6.75
8.23
8.25
10.02
9.25
10.28
12.50
14.21
6.50
5.81
FY18
FY19
FY20
FY21
FY22
DPS
EPS

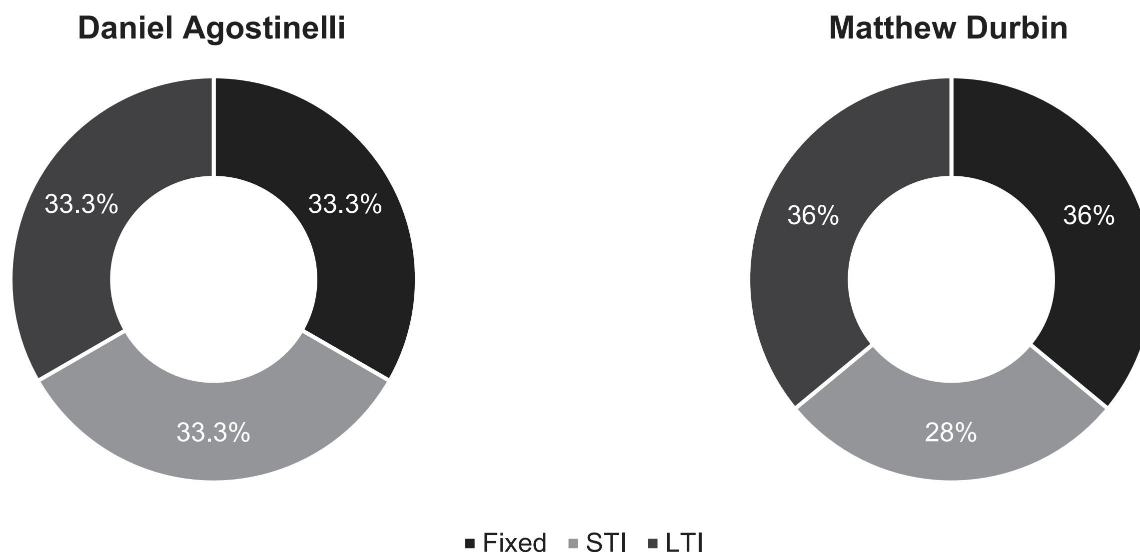
The following chart demonstrates the outperformance of the Company's share price relative to the ASX200.



Remuneration Mix

The total remuneration for the executive KMPs comprises both fixed remuneration and at-risk components in STI and LTI. The mix shown below indicates the potential remuneration based on the current remuneration as of 26 June 2022 with STI and LTI presented at maximum or stretch opportunities.

Executive KMP	Fixed Remuneration	STI	LTI	Total
Daniel Agostinelli	33.3%	33.3%	33.3%	100%
Matthew Durbin	36%	28%	36%	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 FY22, 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 FY22 and as advised in the FY21 Remuneration Report, having regard to the freeze on fixed remuneration for the CEO, CFOO and the Board in FY20, the significant growth achieved by the Company over FY20 and FY21 yielding a 38.6% increase in FY21 of the Group's net profit after tax, the fixed remuneration for each of the CEO, CFOO and non-executive directors were increased by 17.2%, 18.2% and 8% respectively.

For FY23, given the challenging trading conditions and resultant financial results that the Company had to navigate in the wake of COVID-19, the Board considered it appropriate that no increase be applied to the fixed remuneration of the CEO, CFOO and the non-executive directors.

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. Senior executives 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 resulting in greater success for the Group and aligning Group and shareholder value creation moving forward.

Structure

The STI program in FY22 was structured as follows:

FY22 STI Plan Structure

Performance period	12 months
Opportunity	CEO – 100% of fixed remuneration at maximum CFOO – 75% of fixed remuneration at maximum
How the STI is paid	Cash
Performance measures / KPIs	1. EBIT growth – 80% 2. Measurable strategic objectives – 20%
Performance conditions	Financial Condition – 80% Weighting • If the Group's Year on Year EBIT growth for the year is: - At 9%: 50% of the maximum award vests. - In between 9%-10%: straight line vesting occurs. - At 10% or greater: 100% of the maximum award vests. Strategic Objectives condition – 20% Weighting • The STI award is also subject to achieving the following quantitative non-financial strategic objectives, with equal weighting distributed across the four objectives. - New Stores: stores opening budget and EBIT performance achieved - Digital Growth: digital growth % on prior year at or higher than four-wall growth including new stores - Accent Lifestyle: achievement of EBIT budget from November 2021 to June 2022 - Stylerunner: open 28 stores by June 2022
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 other senior executives are reviewed by PARCO and then recommended for Board approval.
What happens when a senior executive ceases employment?	If the senior executive's employment is terminated for cause, no STI will be paid. If the senior executive 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 senior executive.
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.
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 18,000,224 shares which represent 3.3% of issued capital and an interest in a further 8,536,061 performance rights through the Performance Rights Plan (**PRP**). The Board is of the view the that objectives of a deferral (i.e. retention and risk management) are currently satisfied through the KMPs' participation in the PRP which vests progressively between FY22-FY25 and existing share ownership.

STI outcomes FY22

The FY22 year has been a challenging year for the Group. Revenue was up 13.8%, EBIT down 50.1% and EPS down 59.1%.

Financial Condition

80% of award based on the achievement of the target Group EBIT growth: Not Achieved

EBIT Growth	(50.1%)

EBIT decreased from FY21 and as a result did not meet the 9% growth required for the payment of any of this component.

Strategic Objectives

While several of the strategic objectives outlined below were achieved, in the context of the challenging environment and overall performance, the Board determined that it was not appropriate to pay any STI component against these measures.

Objective	Outcomes	Achieved
New Stores: stores opening budget and EBIT/sales performance achieved	• 139 new stores opened	Y
Digital Growth: digital sales growth % on prior year at or higher than store sales growth including new stores	• Digital sales growth of 25.7%	Y
Accent Lifestyle: achievement of budgeted EBIT from November 2021 to June 2022	• Budget not achieved	N
Stylerunner: open 28 stores by June 2022	• Not achieved	N

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*	
					FY21	FY22
CEO – Daniel Agostinelli	Target Group EBIT Growth >9%	EBIT decline of 50%	Partially achieved	100% of fixed remuneration	100%	0%
CFOO – Matthew Durbin	Target Group EBIT Growth >9%	EBIT decline of 50%	Partially achieved	75% of fixed remuneration	100%	0%

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

As stated above, no STI award was made to the Group CEO and CFOO for FY22.

2.4. LTI Plan

Purpose and Objectives

The Company has implemented an LTI program through the Performance Rights Plan (**PRP**).

The objectives of this plan are:

- to drive long term value creation for shareholders
- 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. As of 26 June 2022, there are 35,593,732 rights issued under the PRP which remain outstanding.
The current Tranches 2-5 of the PRP have a single performance measure and for Target performance requiring the achievement of 10% or greater compounding 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 FY22, a new issue of Performance Rights was made (Tranche 6) with the structure set out below:

FY22 LTI Plan (Tranche 6) Structure

Performance/ vesting period	4 years from FY22-FY25 plus a one-year escrow period to the end of FY26 following the completion of the performance period
Opportunity	• CEO – 100% of fixed remuneration • CFOO – 100% of fixed remuneration
Instrument	Performance Rights
Performance metric	Compound earnings per share (**EPS**) growth over 4 years (100%)
Vesting condition	50% of award opportunity vesting at Threshold - 9% ADEPS[1] growth 100% of award opportunity vesting at Target - 11% ADEPS growth 150% of award opportunity vesting at Stretch - 16% ADEPS growth Straight line vesting occurs between 9% and 16% 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 (four years in total)
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 EPS 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 6 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 16%.
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 four 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 FY22

CEO & CFOO FY22 Long Term Incentive

PARCO recommended the issuance of performance rights under the PRP to the CEO and CFOO with a performance date of September 2025 (Tranche 6 detailed above). This new issuance of Performance Rights to the CEO was approved by Shareholders at the Company's Annual General Meeting on 19 November 2021.

CEO and CFOO Long Term Incentive

No performance rights vested FY22. Please refer to below for further detail.

Tranche 2 FY18-FY22 of the PRP

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 EPS growth per annum be achieved over the performance period FY18-FY22; and
- a retention condition that the participant had to be employed at the testing date immediately post release of the FY22 financial results.

As previously disclosed, in the early stages of the pandemic, in consideration of the financial performance achieved to that point and to provide some certainty for the LTI participants during a highly uncertain period, the Board exercised its discretion and determined that the EPS performance condition for 50% of the Tranche 2 performance rights had been deemed as met given that the EPS target had been achieved in calendar year 2019. These performance rights were still subject to the retention condition that the participant had to be employed at the testing date immediately post release of the FY22 financial results. On this basis, 50% of the Tranche 2 performance rights issued to the CEO and CFO are expected to vest on 19 August 2022, subject to receipt of shareholder approval.

The Board considers that the Tranche 2 performance rights plan allocation has been extremely effective in driving shareholder value, with the Company achieving 21.1% per annum compound ADEPS growth in the first 4 years of the PRP to 27 June 2021. This growth was significantly ahead of the required growth of 10% per annum and represented a considerable achievement by KMP (and others) in reaching that level of growth over the relatively short period. The Company's management accounts at that time supported the position that the Company would likely have exceeded the EPS required to trigger vesting of the Tranche 2 performance rights in 2022 but for the materially disruptive impact of the COVID-19 global pandemic on the Company's operations, an event beyond the reasonable control of KMP.

In consideration of the above, coupled with the freeze on fixed remuneration and the non-payment of any STI component for KMP in relation to FY22, the Board intends (subject to receipt of shareholder approval as described below) to exercise its discretion under the Plan Rules to defer the testing date of the performance condition and the retention condition to immediately post release of the FY23 financial results for the remaining 50% of the Tranche 2 performance rights. That is, subject to receipt of shareholder approval as described below, provided that the participant is still employed at the new testing date, 50% of the performance rights will vest if the Company achieves EPS of at least 10.94 cents (equivalent to 10% compounding ADEPS growth per annum from FY18-FY22 which was the original performance condition) in FY23.

These performance rights continue to be subject to all other relevant plan rules. The Board has taken the view that deferring the testing period for the remaining Tranche 2 performance rights, rather than for all the remaining rights to lapse, both rewards KMP for their significant work and achievements and serves as a powerful retention incentive (ensuring that retention is not compromised by an event beyond their reasonable control). The Board considers the value of the Tranche 2 performance rights to still be at risk for the deferred year due to those performance rights remaining subject to the original ADEPS performance condition and retention condition.

The ASX has issued a waiver from Listing Rule 6.23.3 to allow the Company to exercise its discretion in relation to the Tranche 2 performance rights in the manner described above (among other things) provided that the Company obtains shareholder approval for such matters. The Company intends to seek shareholder approval at its 2022 annual general meeting which is expected to be held in November 2022.

		Subject to receipt of shareholder approval:	
KMP	**Total Tranche 2 performance rights issued (December 2017)**	**50% of tranche 2 performance rights expected to vest 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

Employee Share Scheme (ESS)

The PRP replaced the Employee Share Scheme (**ESS**), which was implemented during FY13. As of 26 June 2022, all shares under the ESS have vested and none remain outstanding.

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. There was no increase to Non-Executive Directors' remuneration in FY21 and the fees remained at the levels set from 1 December 2019.
Non-executive directors were awarded an 8% increase in fees for FY22, with a freeze on the fees for FY23. Prior to this increase, the last fee increase was implemented in 2019.

3. Remuneration of Key Management Personnel

3.1. Table of remuneration to KMP

		Short-term benefits				Post employment benefits	Share-based payments	
	Year	Cash salary and fees	Cash bonuses* $	Other monetary $	Leave benefits $	Super-annuation $	Equity-settled** $	Total $
Non-executive Directors								
D Gordon	**2022**	**269,500**	-	-	-	**27,500**	-	**297,000**
	2021	250,000	-	-	-	25,000	-	275,000
S Goddard	**2022**	**116,100**	-	-	-	**11,610**	-	**127,710**
	2021	107,991	-	-	-	10,259	-	118,250
M Hapgood	**2022**	**113,763**	-	-	-	-	-	**113,763**
	2021	110,399	-	-	-	-	-	110,399
D Player	**2022**	**108,000**	-	-	-	**10,800**	-	**118,800**
	2021	100,457	-	-	-	9,543	-	110,000
J Lowcock	**2022**	**118,800**	-	-	-	-	-	**118,800**
	2021	110,000	-	-	-	-	-	110,000
B Blundy	**2022**	**118,800**	-	-	-	-	-	**118,800**
	2021	20,778	-	-	-	-	-	20,778
T Dodd	**2022**	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Executive Directors and other KMP								
D Agostinelli	**2022**	**1,379,008**	-	**117**	**93,492**	**27,500**	**1,160,402**	**2,660,519**
	2021	1,175,317	1,280,000[2]	21,297	79,683	25,000	1,242,359	3,823,656
M Durbin	**2022**	**586,589**	-	-	**35,911**	**27,500**	**508,677**	**1,158,677**
	2021	494,862	412,500[3]	-	30,138	25,000	474,240	1,436,740
Total	**2022**	**2,810,560**	-	**117**	**129,403**	**104,910**	**1,669,079**	**4,714,069**
	2021	2,369,804	1,692,500	21,297	109,821	94,802	1,716,599	6,004,823

*Cash bonuses relate to STI bonuses issued on the basis of the achievement of relevant performance measures for the year ended 26 June 2022 and were approved by PARCO and the Board in August 2022 (no cash bonuses were awarded for FY22). **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.

[1] Mr Agostinelli's cash bonus is equal to 100% of his fixed pay, comprising cash salary and fees, superannuation and leave benefits.
[2] Mr Durbin's cash bonus is equal to 75% of his fixed pay, comprising cash salary and fees, superannuation and leave benefits.

3.2. Performance Rights Plan (PRP)

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

Issue	Number of Rights	Grant Date	Vesting Date	Vesting condition	% Achieved	Number of rights exercised	Number of rights cancelled	Current balance
Tranche 2	32,050,000	3 Oct 17	50% post release of FY22 financial results 50% post release of FY23 financial results [1]	ADEPS hurdle[2]	To be determined	0	(12,350,000)[5]	19,700,000
Tranche 3	1,699,863	30 Nov 19	50% post release of FY22 financial results 50% post release of FY23 financial results [1]	ADEPS hurdle[3]	To be determined	0	(213,382)[5]	1,486,481
Tranche 4	3,684,912	30 Nov 19	1 Jul 24	ADEPS hurdle[2]	To be determined	0	(415,030)[4]	3,269,882
Tranche 5	6,645,416	18 Nov 20	1 Sep 24	ADEPS hurdle – sliding scale	To be determined	0	(568,709)	6,076,707
Tranche 6	5,471,635	27 Sep 21	1 Sep 25	ADEPS hurdle – sliding scale	To be determined	0	(410,973)[4]	5,060,662
Total	**49,551,826**					**0**	**(13,958,094)**	**35,593,732**

[1] As noted above, the Board exercised its discretion and determined that the EPS performance condition for 50% of the Tranche 2 performance rights had been deemed as met and intends to exercise its discretion to defer the testing date for the remaining 50% of the Tranche 2 performance rights by one year to immediately post release of FY23 financial results. These discretions will take effect subject to receipt of shareholder approval
[2] The EPS hurdle for Tranches 2 and 4 is an annual growth in adjusted diluted earnings per share of at least 10% p.a. over the relevant performance period
[3] Tranche 3 was issued in FY20 and did not include any rights issued to KMPs. Tranche 3 participants were not included in Tranche 2, and the EPS hurdles and vesting of these two tranches are aligned. The Board has determined that the Tranche 3 performance rights will be treaded on the same basis as Tranche 2 performance rights, which will require shareholder approval.
[4] Number of rights cancelled includes unvested portion and rights of departed employees.
[5] Number of rights cancelled represents rights of departed employees.

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

Issue	Current Balance	ADEPS Hurdle – Expressed as CAGR over the performance period			Retention condition
		Threshold – 50% of award	Target – 100% of award	Stretch – 150% of award	
Tranche 2	19,700,000[1]	NA	10%	NA	50% must be employed on the date immediately following release of the FY22 financial results 50% must be employed on the date immediately following release of the FY23 financial results
Tranche 3	1,486,481[2]	NA	10%	NA	50% must be employed on the date immediately following release of the FY22 financial results 50% must be employed on the date immediately following release of the FY23 financial results
Tranche 4	3,269,882	NA	10%	NA	Must be employed and not have resigned at 1 July 24
Tranche 5	6,076,707	8%	10%	15%	Must be employed and not have resigned at 1 September 24
Tranche 6	5,060,662	9%	11%	16%	Must be employed and not have resigned at 1 September 25
Total	**35,593,732**				

[1] As noted above, the Board exercised its discretion and determined that the EPS performance condition for 50% of the Tranche 2 performance rights had been deemed as met; and intends to exercise its discretion to defer the testing date for the remaining 50% of the Tranche 2 performance rights from September 2022 to September 2023. These discretions will take effect subject to receipt of shareholder approval.
[2] Tranche 3 was issued in FY20 and did not include any rights issued to KMPs. Tranche 3 participants were not included in Tranche 2, and the EPS hurdles and vesting of these two tranches are aligned. The Board is considering treating Tranche 3 performance rights on the same basis as the intended treatment of Tranche 2 performance rights, which will require shareholder approval.

Performance rights of the CEO and CFOO

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

	Balance as at 27 June 2021	Granted during the year	Vested during the year	Forfeited during the year	Balance as at 26 June 2022	Value at grant date
CEO – Daniel Agostinelli						
Tranche 1	-	-	-	-	-	-
Tranche 2	5,500,000	-	-	-	5,500,000	$3,060,156
Tranche 3	-	-	-	-	-	-
Tranche 4	795,031	-	-	-	795,031	$1,056,119
Tranche 5	1,222,930				1,222,930	$1,638,692
Tranche 6	1,018,100				1,018,100	$1,761,313
Total	**8,536,061**	**-**	**-**	**-**	**8,536,061**	**$7,516,280**
CFOO – Matthew Durbin						
Tranche 1	-	-	-	-	-	-
Tranche 2	3,000,000	-	-	-	3,000,000	$1,583,750
Tranche 3	-	-	-	-	-	-
Tranche 4	341,615	-	-	-	341,615	$453,801
Tranche 5	525,478	-	-	-	525,478	$704,126
Tranche 6	441,176	-	-	-	441,176	$763,264
Total	**4,308,269**	**-**	**-**	**-**	**4,308,269**	**$3,504,941**

Refer to section 2.2 above for the proportion of the CEO and CFOO's remuneration that represents the PRP allocation for the year ended 26 June 2022.

3.3. Employee Share Scheme (ESS)

All unvested ordinary shares of Accent Group Limited under the ESS have vested as at the date of this report as follows:

Grant date	Expiry date	Vesting date	Exercise price	Number under option
02/03/2016	28/02/2022	31 August 2021	$1.49	200,000
Total				**200,000**

4. 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*	Additions	Disposals	Balance at end of year
Daniel Agostinelli	17,838,224	162,000	-	18,000,224
Matthew Durbin	90,000	10,000	-	100,000
David Gordon	2,599,034	-	-	2,599,034
Stephen Goddard	50,000	-	-	50,000
Donna Player	50,000	-	-	50,000
Michael Hapgood	7,500,000	-	-	7,500,000
Joshua Lowcock	18,105	-	-	18,105
Brett Blundy	98,542,751	8,959,712	-	107,502,463
Timothy Dodd	8,141	21,905	-	30,046
Total	**126,696,255**			**135,849,872**

* Balance at the start of the year' is balance as at date of appointment for Directors appointed during the financial year and excludes the balance of Directors who resigned during the year (see below).

This Directors’ Report and 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

18 August 2022

Accent Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 26 June 2022

Accent Group

	Note	Consolidated 26 Jun 2022 $'000	Consolidated 27 Jun 2021 $'000
Revenue	6	1,129,797	992,754
Interest revenue		786	997
Expenses			
Cost of sales		(504,992)	(425,079)
Distribution		(51,266)	(37,959)
Marketing		(51,431)	(44,500)
Occupancy		(17,581)	(11,059)
Employee expenses	7	(234,516)	(186,002)
Other		(56,446)	(46,140)
Depreciation, amortisation and impairment	7	(151,289)	(117,110)
Finance costs	7	(16,470)	(14,903)
Profit before income tax expense		**46,592**	**110,999**
Income tax expense	8	(15,128)	(34,076)
Profit after income tax expense for the year		**31,464**	**76,923**
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		7,364	(6,480)
Foreign currency translation		(1,803)	6,725
Other comprehensive income for the year, net of tax		**5,561**	**245**
Total comprehensive income for the year		**37,025**	**77,168**
Profit for the year is attributable to:			
Owners of Accent Group Limited		31,464	76,923
		31,464	**76,923**
Total comprehensive income for the year is attributable to:			
Owners of Accent Group Limited		37,025	77,168
		37,025	**77,168**
		Cents	**Cents**
Basic earnings per share	38	5.81	14.21
Diluted earnings per share	38	5.59	13.66

Accent Group

Accent Group Limited
Statement of financial position
As at 26 June 2022

	Note	Consolidated 26 Jun 2022 $'000	27 Jun 2021 $'000
Current assets			
Cash and cash equivalents		49,734	34,084
Trade and other receivables	9	47,303	39,732
Inventories	10	241,631	216,881
Lease receivable	11	8,349	9,300
Derivative financial instruments	12	13,569	-
Other current assets	13	8,592	4,808
Current tax receivable		6,011	-
Total current assets		**375,189**	**304,805**
Non-current assets			
Property, plant and equipment	14	139,188	115,527
Right-of-use assets	15	299,884	271,348
Lease receivable	11	12,346	16,993
Intangibles	16	374,741	372,723
Derivative financial instruments	12	1,383	81
Net deferred tax assets	17	13,103	30,699
Total non-current assets		**840,645**	**807,371**
Total assets		**1,215,834**	**1,112,176**
Current liabilities			
Trade and other payables	18	143,148	149,446
Deferred revenue	19	11,089	8,784
Provisions	20	15,595	19,218
Borrowings	21	19,884	40,000
Lease liabilities	22	123,406	106,811
Derivative financial instruments	12	-	2,622
Provision for income tax		-	13,282
Total current liabilities		**313,122**	**340,163**
Non-current liabilities			
Provisions	20	857	659
Deferred revenue	19	4,593	4,208
Borrowings	21	149,132	61,125
Lease liabilities	22	307,904	277,015
Derivative financial instruments	12	-	26
Total non-current liabilities		**462,486**	**343,033**
Total liabilities		**775,608**	**683,196**
Net assets		**440,226**	**428,980**
Equity			
Issued capital	23	390,926	390,616
Reserves	24	36,653	26,024
Retained earnings		12,647	12,340
Total equity		**440,226**	**428,980**

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

Accent Group Limited
Statement of changes in equity
For the year ended 26 June 2022

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 29 June 2020	**389,600**	**2,787**	**4,683**	**11,002**	**441**	**408,513**
Profit after income tax expense for the year	-	-	-	-	76,923	76,923
Other comprehensive income for the year, net of tax	-	6,725	(6,480)	-	-	245
Total comprehensive income for the year	**-**	**6,725**	**(6,480)**	**-**	**76,923**	**77,168**
Transactions with owners in their capacity as owners:						
Share-based payments	-	-	-	7,307	-	7,307
Treasury share payments	1,016	-	-	-	-	1,016
Dividends paid (note 25)	-	-	-	-	(65,024)	(65,024)
Balance at 27 June 2021	**390,616**	**9,512**	**(1,797)**	**18,309**	**12,340**	**428,980**

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 28 June 2021	**390,616**	**9,512**	**(1,797)**	**18,309**	**12,340**	**428,980**
Profit after income tax expense for the year	-	-	-	-	31,464	31,464
Other comprehensive income for the year, net of tax	-	(1,803)	7,364	-	-	5,561
Total comprehensive income for the year	**-**	**(1,803)**	**7,364**	**-**	**31,464**	**37,025**
Transactions with owners in their capacity as owners:						
Share-based payments	-	-	-	5,068	-	5,068
Treasury share payments	310	-	-	-	-	310
Dividends paid (note 25)	-	-	-	-	(31,157)	(31,157)
Balance at 26 June 2022	**390,926**	**7,709**	**5,567**	**23,377**	**12,647**	**440,226**

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

Accent Group Limited
Statement of cash flows
For the year ended 26 June 2022

Accent Group

	Note	Consolidated 26 Jun 2022 $'000	Consolidated 27 Jun 2021 $'000
Cash flows from operating activities			
Receipts from customers and franchisees (inclusive of GST)		1,247,779	1,102,053
Payments to suppliers and employees (inclusive of GST)		(1,072,871)	(876,050)
Interest received		-	61
Interest and other finance costs paid		(3,647)	(2,614)
Interest on lease liabilities		(11,495)	(10,814)
Income taxes paid		(19,420)	(53,227)
Net cash from operating activities	**37**	**140,346**	**159,409**
Cash flows from investing activities			
Payment for purchase of businesses, net of cash acquired	34	(2,704)	(12,996)
Payments for property, plant and equipment		(38,809)	(26,241)
Payments for intangibles	16	(7,088)	(5,430)
Net cash used in investing activities		**(48,601)**	**(44,667)**
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		310	1,016
Proceeds from borrowings		357,125	85,000
Repayment of borrowings		(288,250)	(70,000)
Payments for debt transaction costs		(984)	-
Payment of lease liabilities		(113,084)	(86,806)
Dividends paid	25	(31,157)	(65,024)
Net cash used in financing activities		**(76,040)**	**(135,814)**
Net increase / (decrease) in cash and cash equivalents		15,705	(21,072)
Cash and cash equivalents at the beginning of the financial year		34,084	54,912
Effects of exchange rate changes on cash and cash equivalents		(55)	244
Cash and cash equivalents at the end of the financial year		**49,734**	**34,084**

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

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 18 August 2022. 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 and share-based payments which have been measured at fair value at grant date.

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 34 Business combinations

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Accent Group Limited as at 26 June 2022 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 of accounting.

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:

- AASB 2020-8 Interest Rate Benchmark Reform – Phase 2
- AASB 2021-3 Covid-19 Related Rent Concessions beyond 30 June 2021.

Except for the adoption of AASB 2021-3, 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.

COVID-19 related rent concessions
In the prior year, the Group adopted AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions that provided practical relief in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In April 2021, the AASB issued AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions beyond 30 June 2021 that extends the practical expedient to apply to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied AASB 2021-3 where the following conditions were met:
- The change in lease payments were substantially the same or less than the payments prior to the rental concession;
- The reductions only affect payments which fall due before 30 June 2022; and
- There has been no substantive change in the terms and conditions of the lease.

The Group has recognised $5,145,261 of COVID-19 rental concessions (2021: $8,689,657). These rental concessions met the conditions of the practical expedient in the year ended 26 June 2022.

The rental concessions have been accounted for as a reduction in Occupancy expenses in the statement of profit and loss and partially offset the sales impact of mandated store closures throughout the reporting period.

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 (CODM's). The CODM's 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.

Key internal reports received by the CODM's, primarily the management accounts, focus on the performance of the Group as a whole. The CODM's assess the performance of the Group based on a measure of EBIT (earnings before interest and tax) prior to the impact of AASB 16 *Leases* and non-operating intercompany charges.

The Group has considered its internal reporting framework, management and operating structure and the Directors' conclusion is that the Group has one operating segment.

The Group's New Zealand operations generated revenue in excess of 10% of the total Group's revenue. As a result, the Group recognises two geographical areas, Australia and New Zealand.

The following is an analysis of the Group's revenue and non-current assets. The geographical split for intangible assets is not available and has not been disclosed.

	26 June 2022			27 June 2021		
	Australia $'000	New Zealand $'000	Group $'000	Australia $'000	New Zealand $'000	Group $'000
Sales to customers	972,492	130,996	**1,103,488**	844,107	123,648	**967,755**
Other geographical information:						
Additions to property, plant and equipment	59,525	8,876	**68,401**	49,464	7,077	**56,541**

Note 6. Revenue

	Consolidated	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Sales revenue		
Sales to customers	1,103,488	967,755
Royalties and other franchise related income	14,264	13,924
	1,117,752	**981,679**
Other revenue		
Marketing levies received from TAF stores	9,723	8,928
Other revenue	2,322	2,147
	12,045	**11,075**
Revenue	**1,129,797**	**992,754**

Recognition and measurement

The major sources of the Group's revenue are from sales to customers, 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, 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 advertising and promotion 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	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Profit before income tax includes the following specific expenses:		
Depreciation		
Right of use assets	98,654	78,415
Plant and equipment	39,311	31,378
Total depreciation	**137,965**	**109,793**
Amortisation		
Licence fee	32	32
Distribution rights	1,141	2,323
Re-acquired rights	434	160
Software	3,967	2,723
Total amortisation	**5,574**	**5,238**
Impairment of assets		
Impairment charge – right of use assets	3,476	2,163
Impairment charge / (reversal) – property, plant and equipment	4,274	(84)
Total impairment	**7,750**	**2,079**
Total depreciation, amortisation and impairment	**151,289**	**117,110**
Finance costs		
Interest and finance charges paid/payable on borrowings	4,199	3,153
Interest and finance charges paid/payable on lease liabilities	12,271	11,750
Finance costs expensed	**16,470**	**14,903**
Leases		
Variable lease payments	**35,313**	**24,739**

During the year, the Group recognised $5,145,261 (2021: $8,689,657) of COVID-19 related rental concessions from landlords. These concessions are included as a reduction in occupancy expense in the statement of profit or loss.

Share-based payments expense	5,068	7,307

Employee expenses
Government wage subsidies are recorded as a reduction in employee expenses on the statement of profit or loss.

During the year, the Group received wage subsidies and resurgence support payments of $1,304,279 in New Zealand as a result of COVID-19 mandated store closures. These payments, in total, were remitted to eligible team members during the year. The Group did not apply for, nor was it eligible to receive, any wage subsidies in Australia.

In the comparative period, the Group recognised government grants under the Australian JobKeeper program of $24,513,000. All of the JobKeeper funds were utilised to keep team members employed during the various government mandated store closures due to COVID-19 related lockdowns.

Note 8. Income tax expense

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Income tax expense		
Current tax	6,621	42,087
Deferred tax	8,512	(7,098)
Adjustment recognised for prior periods – Deferred tax	6,423	-
Adjustment recognised for prior periods – Current tax	(6,428)	-
Adjustment recognised for prior periods	-	(913)
Aggregate income tax expense	**15,128**	**34,076**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	46,592	110,999
Tax at the statutory tax rate of 30%	13,977	33,300
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	33	24
Share-based payments	1,521	2,192
Sundry items	(195)	(120)
	15,336	**35,396**
Adjustment recognised for prior periods	(5)	(913)
Difference in overseas tax rates	(203)	(407)
Income tax expense	**15,128**	**34,076**
Amounts recognised directly to equity		
Tax effect of hedges in reserves	**(3,156)**	**(318)**
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Capital losses	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.

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Note 9. Trade and other receivables

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Trade receivables	46,010	38,282
Less: Allowance for expected credit losses	(1,238)	(1,291)
	44,772	**36,991**
Other receivables	2,531	2,741
	47,303	**39,732**

Movement in the allowance for credit losses were as follows:

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Carrying value at beginning of year	(1,291)	(1,101)
Allowance for credit losses recognised	(205)	(273)
Receivables written off during the year as uncollectable	258	83
Allowances for expected credit losses at year end	**(1,238)**	**(1,291)**

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

2022	Carrying amount $'000	Expected credit loss rate %	Expected credit loss $'000
Current	22,701	1.8%	409
Under one month	17,221	0.6%	103
One to two months	3,507	2.5%	88
Two to three months	1,081	10.9%	118
Over three months	1,500	34.7%	520
	46,010		**1,238**

2021	Carrying amount $'000	Expected credit loss rate %	Expected credit loss $'000
Current	29,728	2.6%	773
Under one month	5,390	2.0%	108
One to two months	2,228	9.0%	201
Two to three months	473	17.8%	84
Over three months	463	27.1%	125
	38,282		**1,291**

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

Note 9. Trade and other receivables (continued)

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 24 months. The historical loss rates are adjusted for current and forward-looking information where significant.

Note 10. Inventories

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Finished goods (at lower of cost or net realisable value)	193,575	177,304
Goods in transit	48,056	39,577
	241,631	**216,881**

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. An inventory provision is booked for cases where the realisable value from the sale of inventory is estimated to be lower than the inventory carrying value. Management's estimate of the inventory provision is based on historical finished goods sold below cost over a 24 month period and inventory write-off transactional data over a 12 month period.

The provision for write-down of inventories to net realisable value amounted to $11,225,068 (2021: $9,955,509) at 26 June 2022.

Note 11. Lease receivable

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Current		
Lease receivable	8,349	9,300
Non-Current		
Lease receivable	12,346	16,993

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	$'000
Less than one year	9,157
One to five years	13,080
More than five years	12
Total undiscounted lease payments	**22,249**
Discounted using the Group's incremental borrowing rate	(1,554)
Total lease receivable	**20,695**
of which are:	
Current lease receivables	8,349
Non-current lease receivables	12,346

Note 12. Derivative financial instruments

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Forward foreign exchange contracts - receivable	13,569	-
Total derivative financial instruments receivable - current	**13,569**	**-**
Forward foreign exchange contracts – receivable	-	81
Interest rate swap contracts – receivable	1,383	-
Total derivative financial instruments receivable – non-current	**1,383**	**81**
Forward foreign exchange contracts – payable	-	2,622
Total derivative financial instruments payable - current	**-**	**2,622**
Interest rate swap contracts – payable	-	26
Total derivative financial instruments payable – non-current	**-**	**26**

Foreign exchange forward contracts are held as hedging instruments against forecast purchases in USD. The notional amount for the contracts held at 26 June 2022 totalled $USD160,462,427 (27 June 2021: $USD153,885,715). The average rate of the forward contracts is 0.74 (2021: 0.75).

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.

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Note 13. Other current assets

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Prepayments	8,142	4,180
Other current assets	450	628
	8,592	**4,808**

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

Note 14. Property, plant and equipment

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Plant and equipment - at cost	316,747	257,589
Less: Accumulated depreciation and impairment	(191,265)	(151,782)
	125,482	**105,807**
Assets under construction - at cost	13,706	9,720
	139,188	**115,527**

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 28 June 2020	**88,049**	**2,233**	**90,282**
Additions	44,453	11,125	55,578
Transfer	3,638	(3,638)	-
Additions through business combinations (note 34)	963	-	963
Disposals	(17)	-	(17)
Exchange differences	15	-	15
Impairment reversal	84	-	84
Depreciation expense	(31,378)	-	(31,378)
Balance at 27 June 2021	**105,807**	**9,720**	**115,527**
Additions[4]	54,347	14,054	68,401
Transfer	9,720	(9,720)	-
Additions through business combinations (note 34)	-	-	-
Disposals	(506)	(348)	(854)
Exchange differences	(301)	-	(301)
Impairment charge	(4,274)	-	(4,274)
Depreciation expense	(39,311)	-	(39,311)
Balance at 26 June 2022	**125,482**	**13,706**	**139,188**

[4] Landlord contributions to store fit-out costs have been netted off against actual fit-out costs incurred for cash flow disclosure purposes.

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 26 June 2022, 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	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Buildings - right-of-use	559,511	428,577
Less: Accumulated depreciation and impairment	(259,627)	(157,229)
	299,884	**271,348**

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

Consolidated	Buildings $'000
Balance at 28 June 2020	**232,998**
Additions	108,940
Additions through business combinations (note 34)	10,606
Disposals	(647)
Exchange differences	29
Impairment of assets	(2,163)
Depreciation expense	(78,415)
Balance at 27 June 2021	**271,348**
Additions	130,333
Additions through business combinations (note 34)	793
Disposals	-
Exchange differences	(460)
Impairment of assets	(3,476)
Depreciation expense	(98,654)
Balance at 26 June 2022	**299,884**

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 $1,651,600 (2021: $327,183) were expensed to profit or loss as incurred within occupancy expense. The remaining contractual commitment for short term leases is $1,693,141 (2021: $721,526).

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Note 15. Right-of-use assets (continued)

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.

The value in use of each CGU is calculated based on the Groups latest full year forecast for FY23. Cash flows beyond year one represent the Groups five-year strategy which was presented to the Board on 31 May 2022. Growth rates were applied to store generated sales and click and dispatch and click and collect sales. Gross profit margins were assumed to remain in line with the forecasted FY23 margins and all operating expenses of each CGU were considered variable to sales. Cash flows were discounted to present value using a mid-point after-tax discount rate of 9.1% (2021: 8.2%).

For the central business district (CBD) stores, the cash flows used within the impairment model are based on the historic performance of each CBD location and knowledge of the current market, together with the Group's views on the future achievable growth. For each store, cash flows year on year represented achievable growth to return to pre COVID-19 trading levels. Where management believed the current trading performance and future expectations of the store did not support the growth, the growth rate was adjusted accordingly. Cash flows were discounted to present value using a mid-point after-tax discount rate of 9.1% (2021: 8.2%).

During the year, the Group commenced the transition of PIVOT stores into other retail banners within the Group. As part of the transition, an impairment charge was recognised against property, plant and equipment for assets which are not able to be redeployed to alternative retail banners. For impairment testing purposes, cash flow projections were based on the full year forecast for FY23 and the Groups five-year strategy, the results of which are reviewed by the Board. The cash flows included capital expenditure required to transition each store into a new retail banner. Cash flows were discounted to present value using a mid-point after-tax discount rate of 10.1% which incorporates CGU specific risk.

The Group has recognised a total impairment charge of $7,749,522 as disclosed in Note 7 (2021: $2,079,442).

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 on the key assumptions in the impairment models using reasonably possible changes in these key assumptions across the store portfolio. These reasonable possible changes do not lead to a significant increase in the impairment charge.

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Note 16. Intangibles

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Goodwill - at cost	**319,187**	**319,022**
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	(392)	(360)
	7,440	**7,472**
Distribution rights - at cost	16,800	16,800
Less: Accumulated amortisation	(16,800)	(15,659)
	-	**1,141**
Re-acquired rights	1,659	1,308
Less: Accumulated amortisation	(927)	(493)
	732	**815**
Other intangible assets - The Athlete's Foot - at cost	720	720
Less: Accumulated amortisation	(720)	(720)
	-	-
Software	23,302	15,460
Less: Accumulated amortisation	(11,031)	(6,298)
	12,271	**9,162**
	374,741	**372,723**

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	Total $'000
Balance at 28 June 2020	**311,529**	**35,111**	**7,504**	**3,464**	**975**	**6,455**	**365,038**
Additions	-	-	-	-	-	5,430	5,430
Additions through business combinations (note 34)	8,935	-	-	-	-	-	8,935
Other[1]	(1,444)	-	-	-	-	-	(1,444)
Exchange differences	2	-	-	-	-	-	2
Amortisation expense	-	-	(32)	(2,323)	(160)	(2,723)	(5,238)
Balance at 27 June 2021	**319,022**	**35,111**	**7,472**	**1,141**	**815**	**9,162**	**372,723**
Additions	-	-	-	-	-	7,088	7,088
Additions through business combinations (note 34)	1,397	-	-	-	163	-	1,560
Other[2]	(1,199)	-	-	-	188	-	(1,011)
Exchange differences	(33)	-	-	-	-	(12)	(45)
Amortisation expense	-	-	(32)	(1,141)	(434)	(3,967)	(5,574)
Balance at 26 June 2022	**319,187**	**35,111**	**7,440**	**-**	**732**	**12,271**	**374,741**

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.

[1]During the year ended 27 June 2021, the Group retrospectively adjusted the provisional amounts recognised for a business combination to reflect new information obtained. The retrospective adjustment relates to recognising a deferred tax asset for the termination payments of TAF franchise agreements that were acquired in the last 12 months. The corresponding impact is a reduction to goodwill.

[2] During the year ended 26 June 2022, the Group retrospectively adjusted the provisional amounts recognised for a business combination to reflect new information obtained.

Note 16. Intangibles (continued)

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)

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.

The impairment test as at 26 June 2022 was carried out based on value in use calculations for the Group’s one operating segment. The recoverable amount was determined using estimated cash flows that were based on the Groups five-year strategic plan which was presented to the Board of Directors on 31 May 2022. The strategic plan includes calculations and assumptions on sales growth, gross margin and cost of doing business ('CODB'). The assumptions are based on historical performance and knowledge of the current market, together with the Group’s views on the future achievable growth. 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 the five-year period have been extrapolated using a steady state 1.0% long term growth rate (2021: 1.0%). Cash flows were discounted to present value using a mid-point after-tax discount rate of 11.0% (2021: 9.8%).

Management has performed sensitivity analysis on the key assumptions used in the impairment model. Management has considered possible changes in key assumptions that would cause the carrying amount of goodwill to exceed the value in use.

There is no indication of impairment at balance date.

Brand names and trademarks

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

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'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**

Note 16. Intangibles (continued)

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 a five-year revenue forecast and requires the use of assumptions, including estimated royalty rates, tax rate, estimated discount rates and expected useful life.

The five-year revenue forecast was based on the Group's five-year strategic plan which was presented to the Board of Directors on 31 May 2022. The five-year strategic plan was based on historical performance and knowledge of the current market, together with the Group's views on the future achievable growth. The revenue forecast is split between bricks and mortar and digital and excludes any store network growth initiatives that have been built into the strategic plan. Revenue beyond the five-year period applied a terminal growth rate to bricks and mortar and a terminal growth rate to digital revenue.

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 12.8% (2021: 11.7%).

Management has performed sensitivity analysis on the key assumptions in the impairment model using possible changes in these key assumptions.

The Group has concluded that no impairment is required based on expected performance and current market and economic conditions. A material change in market and economic conditions may increase the risk of impairment for Hype DC in future periods, however there is no reasonably possible change in key assumptions that could result in an impairment for the other brands.

Note 17. Net deferred tax

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Net deferred tax comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	354	285
Provision for shrinkage and stock obsolescence	3,441	2,995
Provision for employee entitlements	4,678	5,996
Other provisions and accrued expenses	10,539	3,207
Difference in accounting and tax depreciation	(17,262)	5,400
Landlord and supplier contributions	15,978	15,525
Net lease liability / (right-of-use asset)	6,679	6,109
Trademarks, brand names and distribution rights	(10,557)	(10,949)
TAF franchisee surrender payments	-	968
Other	1,639	393
	15,489	**29,929**
Amounts recognised directly to equity		
Tax effect of hedges in reserves	(2,386)	770
Net Deferred tax asset	**13,103**	**30,699**

Note 18. Trade and other payables

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Trade payables	56,244	76,631
Goods and services tax payable	6,810	5,740
Accrued expenses	61,415	46,905
Other payables	18,679	20,170
	143,148	**149,446**

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 26 June 2022. 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	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Current		
Gift cards	4,324	4,354
Other deferred revenue	6,765	4,430
	11,089	**8,784**
Non-current		
Other deferred revenue	4,593	4,208
	15,682	**12,992**

Deferred revenue relates to unredeemed gift cards, loyalty program liabilities, and unused supplier contributions for fixtures, fittings and point of purchase. These contributions will be utilised for future store openings and refurbishments.

Note 20. Provisions

	Consolidated	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Current		
Employee benefits	13,063	17,215
Other provisions	2,532	2,003
	15,595	**19,218**
Non-Current		
Employee benefits	857	659
	16,452	**19,877**

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	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Current		
Secured		
Bank loans	-	5,000
Working capital facility	20,000	35,000
Capitalised debt transaction costs	(116)	-
	19,884	**40,000**
Non-Current		
Secured		
Bank loans	150,000	61,125
Capitalised debt transaction costs	(868)	-
	149,132	**61,125**

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

	Borrowings $'000
Carrying amount at start of the year	101,125
Repayments	(288,250)
Additional loans	357,125
Capitalised debt transaction costs	(984)
Carrying amount at end of the year	**169,016**

On 15 December 2021, the Group successfully completed an upsize and extension of its existing debt facilities that were due to mature in August 2023. The new debt facilities have a combination of three and five year tenure, expiring between December 2024 and December 2026.The weighted average interest rate on these financing facilities is 1.90%.

The Group has entered into an interest rate swap contract to mitigate the risk of changing interest rates on the variable rate debt held. The interest rate swap contract matures in August 2023.

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 $884,574,000 at 26 June 2022 (27 June 2021: $814,535,000).

Note 21. Borrowings (continued)

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

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Total facilities		
Bank overdraft	3,800	5,700
Bank loans	150,000	66,125
Working capital facility	129,350	98,250
Bank guarantee and letters of credit	24,750	18,650
	307,900	**188,725**
Used at the reporting date		
Bank overdraft	-	-
Bank loans	150,000	66,125
Working capital facility	20,000	35,000
Bank guarantee and letters of credit	20,524	16,054
	190,524	**117,179**
Unused at the reporting date		
Bank overdraft	3,800	5,700
Bank loans	-	-
Working capital facility	109,350	63,250
Bank guarantee and letters of credit	4,226	2,596
	117,376	**71,546**

Note 22. Lease liabilities

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Current		
Lease liability	123,406	106,811
Non-current		
Lease liability	307,904	277,015

Consolidated	$'000
Less than one year	135,984
One to five years	309,193
More than five years	15,212
Total undiscounted lease liabilities	**460,389**
Total Liabilities included in the statement of financial position	**431,310**
Current lease liabilities	123,406
Non-current lease liabilities	307,904

Note 22. Lease liabilities (continued)

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.

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			
	26 Jun 2022 Shares	**27 Jun 2021 Shares**	**26 Jun 2022 $'000**	**27 Jun 2021 $'000**
Ordinary shares - fully paid	541,866,715	541,866,715	390,926	390,926
Less: Treasury shares	-	(200,000)	-	(310)
	541,866,715	**541,666,715**	**390,926**	**390,616**

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.

Treasury shares
No shares were issued to employees under the Employee Share Scheme (27 June 2021: nil). During the year, employee loan repayments reduced the number of treasury shares under the Employee Share Scheme. Details of the scheme are set out in note 39.

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

Note 23. Equity – Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	28 June 2020	540,516,713		389,600
Employee Share Scheme - loans repaid	30 June 2020	250,000	$0.730	183
Employee Share Scheme - loans repaid	30 June 2020	250,000	$0.730	183
Employee Share Scheme - loans repaid	01 September 2020	100,000	$0.730	73
Employee Share Scheme - loans repaid	02 September 2020	100,000	$1.010	101
Employee Share Scheme - loans repaid	25 September 2020	33,333	$1.140	38
Employee Share Scheme - loans repaid	01 October 2020	33,334	$1.140	38
Employee Share Scheme - loans repaid	14 October 2020	66,666	$1.010	67
Employee Share Scheme - loans repaid	23 October 2020	33,333	$0.730	24
Employee Share Scheme - loans repaid	03 November 2020	33,333	$1.140	38
Employee Share Scheme - loans repaid	24 November 2020	33,334	$0.730	24
Employee Share Scheme - loans repaid	26 November 2020	33,334	$1.140	38
Employee Share Scheme - loans repaid	02 February 2021	66,668	$1.140	76
Employee Share Scheme - loans repaid	04 February 2021	66,667	$1.140	76
Employee Share Scheme - loans repaid	23 February 2021	50,000	$1.140	57
Balance	**27 June 2021**	**541,666,715**		**390,616**
Employee Share Scheme - loans repaid	24 January 2022	200,000	$1.490	310
Balance	**26 June 2022**	**541,866,715**		**390,926**

Note 24. Equity - reserves

	Consolidated	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Foreign currency translation reserve	7,709	9,512
Hedging reserve - cash flow hedges	5,567	(1,797)
Share-based payments reserve	23,377	18,309
	36,653	**26,024**

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 and loss.

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	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Final dividend for the year ended 27 June 2021 of 3.25 cents (2020: 4.00 cents) per ordinary share	17,611	21,675
Interim dividend for the year ended 26 June 2022 of 2.50 cents (2021: 8.00 cents) per ordinary share	13,546	43,349
	31,157	**65,024**

In respect of the financial year ended 26 June 2022, the directors recommended the payment of a final fully franked dividend of 4.00 cents per share to be paid on 15 September 2022 to the registered holders of fully paid ordinary shares as at 1 September 2022.

Franking credits

	Consolidated	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Franking credits available for subsequent financial years based on a tax rate of 30%	39,058	37,399

New Zealand imputation credits available to New Zealand residential shareholders amount to NZ$7,596,743 (27 June 2021: NZ$6,569,688).

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

Note 26. Financial instruments (continued)

	26 Jun 2022		27 Jun 2021	
Consolidated	US dollar transactional exposure $'000	Australian dollar equivalent $'000	US dollar transactional exposure $'000	Australian dollar equivalent $'000
Forward contracts	160,462	217,723	153,886	204,998
Foreign currency trade payables	16,067	23,258	27,689	36,461
Transactional foreign exchange risk	**176,529**	**240,981**	**181,575**	**241,459**

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.

	26 Jun 2022			27 Jun 2021		
	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%	-	(4,589)	10%	-	(14,545)
	(10%)	-	26,453	(10%)	-	12,535
Trade Payables	10%	239	1,875	10%	455	2,860
	(10%)	(292)	(2,292)	(10%)	(556)	(3,495)

In management's opinion, the above sensitivity analysis is not fully representative of the inherent foreign exchange risk as the year end exposure does not necessarily reflect the exposure during the course of the year.

As noted above the Group manages its foreign currency risk through forward currency contracts.

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	
	26 Jun 2022 $'000	27 Jun 2021 $'000	26 Jun 2022	27 Jun 2021
Buy US dollars				
Maturity:				
0 - 3 months	79,721	94,957	0.7356	0.7429
3 - 6 months	64,040	54,013	0.7263	0.7506
6 - 12 months	73,962	50,853	0.7486	0.7674
> 12 months	-	5,175	-	0.7730

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.

Note 26. Financial instruments (continued)

	26 Jun 2022		27 Jun 2021	
	NZ dollar translational exposure $'000	Australian dollar equivalent $'000	NZ dollar translational exposure $'000	Australian dollar equivalent $'000
New Zealand dollar net assets	22,832	20,823	29,492	27,481

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.

	26 Jun 2022		27 Jun 2021	
	Movement in Australian dollar NZ dollar exchange rate %	Increase/ (decrease) in other compre-hensive income $'000	Movement in Australian dollar NZ dollar exchange rate %	Increase/ (decrease) in other compre-hensive income $'000
New Zealand dollar net assets	10%	(1,893)	10%	(2,498)
	(10%)	2,314	(10%)	3,053

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.

The Group has entered into an interest rate swap contract to mitigate the risk of changing interest rates on the variable rate debt held. The interest rate swap contract matures in August 2023.

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

	26 Jun 2022		27 Jun 2021	
Consolidated	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Bank loans	1.90%	(170,000)	1.61%	(101,125)
Interest rate swap	1.84%	48,750	1.93%	56,250
Net exposure to cash flow interest rate risk		**(121,250)**		**(44,875)**

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.

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.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Bank overdraft	3,800	5,700
Working capital facility	109,350	63,250
Bank guarantee and letters of credit	4,226	2,596
	117,376	**71,546**

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 - 26 Jun 2022	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	-	56,244	-	-	-	56,244
Other payables	-	18,679	-	-	-	18,679
Lease liabilities	-	135,984	115,234	193,959	15,212	460,389
Interest-bearing - variable						
Term loans	1.78%	-	-	150,000	-	150,000
Working capital facility	2.79%	20,000	-	-	-	20,000
Total non-derivatives		**230,907**	**115,234**	**343,959**	**15,212**	**705,312**
Derivatives						
Interest rate swaps net settled	1.84%	-	(1,383)	-	-	(1,383)
Forward foreign exchange contracts net settled	-	(13,569)	-	-	-	(13,569)
Total derivatives		**(13,569)**	**(1,383)**	**-**	**-**	**(14,952)**

Note 26. Financial instruments (continued)

Consolidated - 27 Jun 2021	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	-	76,631	-	-	-	76,631
Other payables	-	20,170	-	-	-	20,170
Lease liabilities	-	121,471	102,864	176,588	16,723	417,646
Interest-bearing - variable						
Term loans	1.68%	5,000	10,000	51,125	-	66,125
Working capital facility	1.47%	35,000	-	-	-	35,000
Total non-derivatives		**258,272**	**112,864**	**227,713**	**16,723**	**615,572**
Derivatives						
Interest rate swaps net settled	1.93%	-	-	(26)	-	(26)
Forward foreign exchange contracts net settled	-	(2,622)	81	-	-	(2,541)
Total derivatives		**(2,622)**	**81**	**(26)**	**-**	**(2,567)**

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 concern 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 manage 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 disclosures

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

	Consolidated	
	26 Jun 2022	**27 Jun 2021**
Short-term employee benefits	2,940,080	4,193,422
Post-employment benefits	104,910	94,802
Share-based payments	1,669,079	1,716,599
	4,714,069	**6,004,823**

Note 29. Remuneration of auditors

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

	Consolidated	
	26 Jun 2022	**27 Jun 2021**
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	653,248	560,680
Other services - Deloitte Touche Tohmatsu		
Other consulting services	-	-
	653,248	**560,680**

Accent Group

Note 30. Contingent liabilities

The Group has bank guarantees outstanding as at 26 June 2022 of $3,693,060 (27 June 2021: $4,208,739). The Group also has open letters of credit of $16,830,874 (27 June 2021: $11,845,474). 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	
	26 Jun 2022 $'000	27 Jun 2021 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	18,156	29,645

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.
Placed Pty Ltd is a company associated with Daniel Agostinelli and Brett Blundy.
Aventus Kotara South Pty Ltd 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.
Lyneliz Pty Ltd is a company associated with Daniel Agostinelli.
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.

Note 32. Related party transactions (continued)

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

Placed Pty Ltd, a company associated with Daniel Agostinelli and Brett Blundy, provided recruitment services to the Group amounting to $150,858 (27 June 2021: $140,722).

Aventus Kotara South Pty Ltd, a company associated with Brett Blundy, is the landlord of the Skechers Kotara outlet and the TAF Kotara retail premises.

Retail Reality Pty Ltd, a company associated with Daniel Agostinelli, provided mystery shopping services to the Group amounting to $7,968 (27 June 2021: $40,737).

Lyneliz Pty Ltd, a company associated with Daniel Agostinelli, provided storage services to the Group amounting to $60,000 (27 June 2021: $40,355).

Boxed to Go (JOA5 Investments Pty Ltd), a company associated with Daniel Agostinelli, provided corporate gift boxes to the Group amounting to $47,855 (27 June 2021: $0).

Loans to/from related parties
There were no loans to/from 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	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Profit after income tax	36,142	41,563
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	**36,142**	**41,563**

Statement of financial position

	Parent	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Total current assets	154,222	61,156
Total non-current assets	374,767	376,484
Total assets	**528,989**	**437,640**
Total current liabilities	16,551	23,487
Total non-current liabilities	152,255	64,333
Total liabilities	**168,806**	**87,820**
Net assets	**360,183**	**349,820**
Equity		
Issued capital	390,926	390,616
Share-based payments reserve	23,377	18,309
Accumulated losses	(54,120)	(59,105)
Total equity	**360,183**	**349,820**

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

26 June 2022

During the year to 26 June 2022, the Group completed the acquisition of 5 TAF stores. The total consideration transferred for these acquisitions was $2,763,682. Goodwill of $1,396,985 was recognised on acquisition.

Details of the business combinations are as follows:

	Provisional Fair value $'000
Inventories	773
Other current assets	5
Right-of-use assets	793
Net deferred tax assets	627
Provisions	(41)
Deferred revenue	(161)
Lease liability	(793)
Net assets acquired	**1,203**
Reacquired rights	163
Goodwill	1,397
Acquisition-date fair value of the total consideration transferred	**2,763**
Representing:	
Cash paid or payable to vendor	2,704
Outstanding debts / loans forgiven	59
	2,763
Details of the cash flow movement relating to the acquisition are as follows:	
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	2,763
Less: outstanding debts / loans forgiven	(59)
Net cash used	**2,704**

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.

Note 34. Business combinations (continued)

27 June 2021

During the year to 27 June 2021, the Group completed the acquisition of Glue Store retail business and the wholesale and distribution brands business of Next Athleisure Pty Ltd (NAL), a leading Australian youth apparel, shoe and accessory retailer offering an aspirational range spanning global street, fashion and sport cultures. In addition to this, the Group acquired lifestyle womenswear brand, Exie and 1 TAF store. The total consideration transferred for these acquisitions was $14,065,544. Goodwill of $8,934,926 was recognised on acquisition.

Details of the provisional assets and liabilities acquired are as follows:

	Fair value $'000
Cash and cash equivalents	-
Inventories	15,904
Other current assets	1
Trade and other receivables	6,688
Property, plant and equipment	963
Right-of-use assets	10,606
Net deferred tax	2,975
Trade and other payables	(16,679)
Provisions	(1,377)
Deferred revenue	(493)
Other current liabilities	-
Lease liability	(13,457)
Net assets acquired	**5,131**
Reacquired rights	-
Goodwill	8,935
Acquisition-date fair value of the total consideration transferred	**14,066**
Representing:	
Cash paid or payable to vendor	12,996
Outstanding debts	(30)
Payments to be made in future periods	1,100
	14,066

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

Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	14,066
Add: outstanding debts	30
Less: payments to be made in future periods	(1,100)
Net cash used	**12,996**

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 26 Jun 2022 %	Ownership interest 27 Jun 2021 %
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	100%	100%
Platypus Shoes Ltd (d)	New Zealand	100%	100%
Accent Footwear Ltd (d)	New Zealand	100%	100%
Hype DC Ltd (d)	New Zealand	100%	100%
TAF New Zealand Ltd (d)	New Zealand	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 (f)	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	100%	100%
Accent Active (NZ) Limited	New Zealand	100%	100%
Accent Lifestyle (NZ) Limited	New Zealand	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) This company was renamed during the year ended 26 June 2022 (previously RCG Grounded Pty Ltd)

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’ either originally entered the Deed on 23 February 2017 or have subsequently joined the Deed.

Accent Group

Note 36. Deed of cross guarantee (continued)

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	26 Jun 2022 $'000	27 Jun 2021 $'000
Revenue	997,793	859,796
Other income	11,976	5,146
Interest revenue	786	998
Cost of sales	(444,670)	(370,690)
Distribution expense	(45,243)	(33,017)
Marketing expense	(45,066)	(31,668)
Occupancy expense	(16,723)	(10,027)
Employee expenses	(215,719)	(171,465)
Other expenses	(44,882)	(34,284)
Depreciation, amortisation and impairment expense	(135,888)	(105,945)
Finance costs	(14,650)	(13,421)
Profit before income tax expense	**47,714**	**95,423**
Income tax expense	(12,364)	(28,413)
Profit after income tax expense	**35,350**	**67,010**
Other comprehensive income		
Net change in the fair value of cash flow hedges taken to equity, net of tax	8,141	(6,480)
Foreign currency translation	-	6,725
Other comprehensive income for the year, net of tax	**8,141**	**245**
Total comprehensive income for the year	**43,491**	**67,255**

Accent Group

Note 36. Deed of cross guarantee (continued)

Statement of financial position	26 Jun 2022 $'000	27 Jun 2021 $'000
Current assets		
Cash and cash equivalents	37,558	20,525
Trade and other receivables	63,466	38,357
Inventories	212,328	190,905
Lease receivable	8,349	9,300
Derivative financial instruments	13,569	-
Other current assets	5,565	4,059
Current tax receivable	7,326	-
Total current assets	**348,161**	**263,146**
Non-current assets		
Property, plant and equipment	114,989	98,881
Right-of-use assets	261,023	236,309
Lease receivable	12,346	16,993
Intangibles	374,748	371,644
Derivative financial instruments	1,383	81
Net deferred tax assets	10,390	30,038
Total non-current assets	**774,879**	**753,946**
Total assets	**1,123,040**	**1,017,092**
Current liabilities		
Trade and other payables	131,008	130,459
Deferred revenue	9,974	7,948
Provisions	14,061	18,497
Borrowings	19,884	40,000
Lease liabilities	109,817	98,104
Derivative financial instruments	-	2,622
Provision for income tax	-	12,023
Total current liabilities	**284,744**	**309,653**
Non-current liabilities		
Provisions	857	659
Deferred revenue	3,800	3,385
Borrowings	149,132	61,125
Lease liabilities	264,498	239,947
Derivative financial instruments	-	26
Total non-current liabilities	**418,287**	**305,142**
Total liabilities	**703,031**	**614,795**
Net assets	**418,235**	**402,297**
Equity		
Issued capital	390,926	390,616
Reserves	37,584	24,375
Accumulated losses	(8,501)	(12,694)
Total equity	**418,235**	**402,297**

Note 37. Cash flow information

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

	Consolidated	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Profit after income tax expense for the year	31,464	76,923
Adjustments for:		
Depreciation and amortisation	143,539	115,031
Share-based payments	5,068	7,307
Provision for asset impairment	7,750	2,079
Foreign exchange differences	301	(15)
Net gain on lease modifications	(1,751)	-
Other non-cash items	(2,333)	4,136
Change in assets and liabilities, net of the effect from acquisition of businesses		
Receivables	(11,350)	(80)
Inventories	(23,977)	(71,871)
Trade creditors and provisions	(7,295)	46,106
Tax assets and liabilities	(1,070)	(20,207)
Net cash from operating activities	**140,346**	**159,409**

Note 38. Earnings per share

	Consolidated	
	26 Jun 2022 $'000	**27 Jun 2021 $'000**
Profit after income tax	31,464	76,923
Profit after income tax attributable to the owners of Accent Group Limited	**31,464**	**76,923**

	Number	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	541,750,781	541,430,396
Adjustments for calculation of diluted earnings per share:		
Options and loan funded shares	-	200,000
Performance rights	21,186,481	21,497,379
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**562,937,262**	**563,127,775**

	Cents	**Cents**
Basic earnings per share	5.81	14.21
Diluted earnings per share	5.59	13.66

Note 38. Earnings per share (continued)

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

Option Plans

Employee Share Scheme
Shares under the Accent Group Employee Share Scheme ('ESS') are held in escrow until certain vesting conditions are met. The shares were issued at market value at the date of the offer and the Company has provided employees with a limited recourse loan to acquire the shares. Interest on the loan is equivalent to the value of franked dividends paid in respect of the shares. The shares are treated as in substance options and accounted for as share-based payments.

Set out below are the outstanding options granted under each plan.

26 Jun 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/05/2016	28/02/2022	$1.490	200,000	-	(200,000)	-	-

27 Jun 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/05/2015	30/09/2020	$0.730	666,667	-	(666,667)	-	-
27/05/2015	30/09/2020	$1.010	166,666	-	(166,666)	-	-
28/08/2015	30/08/2020	$1.140	316,669	-	(316,669)	-	-
13/05/2016	28/02/2022	$1.490	200,000	-	-	-	200,000
			1,350,002	**-**	**(1,150,002)**	**-**	**200,000**

The weighted average share price during the financial year was $0 (27 June 2021: $1.490) as all shares under the ESS have vested as at 26 June 2022.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0 years (2021: 0.2 years) as all shares under the ESS have vested as at 26 June 2022.

Note 39. Share-based payments (continued)

Performance rights

On 14 October 2016, the Board approved a performance rights plan called the RCG Performance Rights Plan ('PRP'). The PRP was introduced following a review by the Board of the existing remuneration arrangements of the Company. The PRP replaces the ESS.

The objective of the 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 either a Monte Carlo simulation or 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. These Performance Rights continue to be subject to all other relevant plan rules. The ASX has confirmed that the Company will now require shareholder approval in relation to the proposed changes to performance rights issued in 2017.

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

Accent Group

Note 39. Share-based payments (continued)

Set out below are summaries of the performance rights granted:

26 Jun 2022

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	30/10/2022	12,800,000	-	-	-	12,800,000
27/12/2017	30/10/2022	6,700,000	-	-	(200,000)	6,500,000
20/06/2018	30/10/2022	400,000	-	-	-	400,000
30/11/2019	30/11/2022	1,597,379	-	-	(110,898)	1,486,481
30/11/2019	30/11/2024	3,361,931	-	-	(92,049)	3,269,882
30/11/2020	31/08/2024	6,563,251	-	-	(486,544)	6,076,707
28/06/2021	01/09/2025	-	5,471,635	-	(410,973)	5,060,662
		31,422,561	**5,471,635**	**-**	**(1,300,464)**	**35,593,732**

27 Jun 2021

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	30/10/2022	16,700,000	-	-	(3,900,000)	12,800,000
27/12/2017	30/10/2022	6,700,000	-	-	-	6,700,000
20/06/2018	30/10/2022	400,000	-	-	-	400,000
30/11/2019	30/11/2022	1,684,863	15,000	-	(102,484)	1,597,379
30/11/2019	30/11/2024	3,577,253	107,659	-	(322,981)	3,361,931
30/11/2020	31/08/2024	-	6,645,416	-	(82,165)	6,563,251
		29,062,116	**6,768,075**	**-**	**(4,407,630)**	**31,422,561**

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.26 years (2021: 1.95 years).

Note 40. Summary of other significant 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.

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.

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.

Note 40. Summary of other significant accounting policies (continued)

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

Apart from the dividend declared as disclosed in Note 25 and the matters described above, no other matters or circumstances have arisen since 26 June 2022 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.

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 26 June 2022 and of its performance for the financial year ended on that date;

- 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 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

18 August 2022
Melbourne

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Independent Auditor's Report to the Members of Accent Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Accent Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 26 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 26 June 2022 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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. These 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.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Carrying value of HYPE Brand
 	
Following the acquisition of the HYPE business on 4 August 2016, the Group recognised an indefinite life intangible asset relating to the HYPE Brand totalling $30.2m. This was subsequently impaired by $9.7m in the year ended 2 July 2017 based on the current and forecast trading performance of the HYPE business at that time. As at 26 June 2022, the carrying value of the HYPE Brand is $20.5m and forms part of intangibles totalling $374.7m in the consolidated statement of financial position.
 	
Management conducts an impairment test annually (or more frequently if impairment indicators exist) to assess the recoverability of the carrying value of the HYPE Brand. This is performed through a Relief from Royalty discounted cash flow model.
 	
As disclosed in Note 16, there are a number of key estimates made which require significant judgement in determining the inputs into this discounted cash flow model, which include:
• Revenue growth;
• Royalty rates; and
• Discount rates applied to the projected future cash flows.
 	
Management is also required to determine whether there should be any reversal of the historical impairment recognised of $9.7m as part of its impairment assessment.
	Our audit procedures included, but were not limited to:
	• Understanding the Group's process and relevant controls related to its impairment assessment of the HYPE brand;
	• Evaluating the principles and integrity of the Relief from Royalty discounted cash flow model used by management to ensure it complies with the relevant accounting standards;
	• Challenging management with respect to the revenue growth rates underlying the cash flow forecast to determine whether they are reasonable and supportable based on historical performance, management's strategic growth plans for the brand, and other known industry factors;
	• Evaluating the impact of COVID-19 on the Group's future trading performance;
	• Engaging our valuation specialists to assess the reasonableness of the basis adopted by management in determining the other key inputs and assumptions underlying the calculations in the models including:
	  o Evaluating the royalty rate used by comparison to the market data on similar brand's royalty rates; and
	  o Evaluating the discount rate used by assessing the cost of capital of the Group and comparison to market data.
	• Performing sensitivity analysis on the key model inputs and assumptions.
	
	We also assessed the appropriateness of the disclosures in Note 16 to the financial statements.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Provision for impairment of inventories
 	
As at 26 June 2022, the Group has recognised $241.6m in inventories in the statement of financial position as disclosed in Note 10.
 	
Inventories are recognised net of a provision for impairment where the net realisable value of inventories is less than cost. The level of the provision is assessed by taking into account the anticipated level of sales and margins based on historical finished goods sold below cost over a 24-month period and inventory written-off transactional data over a 12-month period, the quality of inventory held at balance date and the broader market conditions.
 	
To the extent that these judgements and estimates prove incorrect, the Group may be exposed to potential additional inventory write-downs or reversals in future periods.
	Our audit procedures included, but were not limited to:
	
	• Understanding the Group's processes and relevant controls related to the determination of the inventory provision;
	• Challenging management's estimate of the provision by considering, amongst others, the following sources of information to assess net realisable value:
	  o Actual losses incurred in the previous 24 months due to inventory being sold below cost and inventory written off;
	  o Inventory not sold during the period; and
	  o The likelihood of current inventory becoming impaired in the future based on internal and external factors, including the impact of COVID-19.
	• Assessing the reasonableness of the basis adopted by management in determining the provision calculations;
	• Recalculating the inventory provision to test compliance with the Group's accounting policy.
	
	We also assessed the appropriateness of the disclosures in Note 10 to the financial statements.

COVID-19 Rent concessions As disclosed in Note 4 to the financial statements, the Group has negotiated rent concessions with its landlords. Of these negotiated rent concessions, $5.1m has been recognised as a reduction of occupancy expenses in the statement of profit or loss. The recognition of COVID-19 rent concessions is significant because: • The rent concessions have a significant impact on profit or loss and, in certain circumstances, lease liabilities; • The Group entered into a number of agreements, each with different terms and conditions; and • The timing of when the agreements were reached could have a significant impact on the profit or loss.	Our audit procedures included, but were not limited to: • Understanding the Group's process and relevant controls related to the identification and accounting for rent concessions; • Reviewing agreements and other relevant documentation between the Group and its landlords to identify the terms and conditions of the amended lease agreements and the date at which agreement was reached between the two parties; • Assessing whether any conditions contained within the agreements with the Group's landlords had been met as at 26 June 2022; • Testing on sample basis, the accounting treatment of rent concessions to the underlying agreements; and • Obtaining direct confirmation from a sample of landlords of the timing, nature and amount of rent concessions provided to the Group where agreements had been reached with landlords outside of formal concessions to lease agreements. We also assessed the appropriateness of the disclosures included in Note 4 to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Impairment of property, plant and equipment and right-of-use assets As disclosed in Note 15 to the financial statements, the Group has determined that each store is a separate Cash Generating Unit ("CGU"). Management has assessed the recoverable amount of each CGU as at 26 June 2022 using the value-in-use method based on the Groups latest FY23 forecasts and five-year strategy forecast presented to the Board over each CGU's lease period. As disclosed in Note 15, there are a number of key estimates made which require significant judgement in determining the inputs into this discounted cash flow models, which include: • Revenue growth; and • Discount rate applied to the projected future cash flows. To the extent that these judgements and estimates prove incorrect, the Group may be exposed to potential additional impairment provisions.	Our audit procedures included, but were not limited to: • Understanding the Group's process and relevant controls related to its impairment assessment of the individual stores; • Evaluating the principles and integrity of the value-in-use discounted cash flow models used by management to ensure it complies with the relevant accounting standards; • Challenging management with respect to the revenue growth rates underlying the cash flow forecast to determine whether they are reasonable and supportable based on historical performance, and other known industry factors; • Evaluating the impact of COVID-19 on the Group's future trading performance; and • Engaging our valuation specialists to assess the reasonableness of the basis adopted by management in determining the other key inputs and assumptions underlying the calculations in the models including, evaluating the discount rate used by assessing the cost of capital of the Group and comparison to market data. We also assessed the appropriateness of the disclosures in Note 15 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Shareholder Information, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairman and Chief Executive Officer's Report, which is expected to be made available to us after that date.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 Chairman and Chief Executive Officer's Report, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 has 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably

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be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 32 of the Directors' Report for the year ended 26 June 2022.

In our opinion, the Remuneration Report of the Group, for the year ended 26 June 2022, complies with section 300A of the *Corporations Act 2001*.

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.

DELOITTE TOUCHE TOHMATSU

Stephen Roche
Partner
Chartered Accountants

Melbourne, 18 August 2022

The shareholder information set out below was applicable as at 8 August 2022.

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	4,368
1,001 to 5,000	6,161
5,001 to 10,000	2,519
10,001 to 100,000	3,510
100,001 and over	283
	16,841
Holding less than a marketable parcel	**1,179**

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	107,502,463	19.84
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	58,904,948	10.87
CRAIG JOHN THOMPSON	32,518,614	6.00
CITICORP NOMINEES PTY LIMITED	29,992,966	5.54
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	22,391,283	4.13
BNP PARIBAS NOMS PTY LTD <DRP>	20,241,757	3.74
JAMES WILLIAM DUELL	12,500,000	2.31
MR DANIEL JOHN GILBERT	11,000,000	2.03
MRS CINDY GILBERT	11,000,000	2.03
NATIONAL NOMINEES LIMITED	10,228,206	1.89
HIT GROUP LIMITED	7,500,000	1.38
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	5,204,971	0.96
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,026,346	0.56
RIVAN PTY LTD <DAVID GORDON SUPER FUND A/C>	2,599,034	0.48
PITTMANN PTY LIMITED <THE PITT FAMILY A/C>	2,410,000	0.44
TOM HADLEY ENTERPRISES PTY LTD	1,500,000	0.28
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,484,668	0.27
MR GEOFFREY WILLIAM WEBSTER	1,295,642	0.24
MR TERRY SPYRIDES	1,150,000	0.21
ROANNE PTY LTD	1,102,400	0.20
	343,553,298	**63.40**

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Substantial holders

Substantial holders in the Company are set out below:

		Ordinary shares
	Number held	% of total shares issued
BBRC International	107,502,463	19.84
Craig John Thompson	32,518,614	6.00

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.

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Directors	David Gordon – Chairman Daniel Agostinelli - Chief Executive Officer Stephen Goddard Michael Hapgood Donna Player Joshua Lowcock 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	Deloitte Touche Tohmatsu 477 Collins Street Melbourne VIC 3000
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