Notes to the financial statements continued

for the year ended 31 March 2024

2. Accounting framework and significant judgements continued

2.5 Summary of material accounting policies continued

2.5.7 Sale of business

The loss of control of a subsidiary usually occurs when the parent sells or otherwise transfers its controlling interest in a single transaction or as a result of multiple transactions. The loss of control represents a significant economic event that requires the parent to stop consolidating the subsidiary and to recognise any gain or loss.

On losing controlling interest in a subsidiary, the Group applies the following accounting principles:

- The Group derecognises the subsidiary's assets (including goodwill) and liabilities, and any non-controlling interest in the subsidiary.
- The Group recognises, at fair value, any interest retained in the former subsidiary, if any. The resulting difference between the net assets and consideration is recognised in profit or loss as a gain or loss on disposal.
- Amounts previously recognised in other comprehensive income related to the subsidiary are either reclassified to profit or loss or directly transferred to retained earnings, depending on the requirement of the applicable IFRS standard(s).

When the change of ownership does not result in a change of control, both the carrying amounts of the controlling and non-controlling interests are adjusted to reflect their revised interests in the subsidiary. Any difference between the adjustment against the non-controlling interest and the fair value of the consideration received or paid is directly recognised in equity.

Non-current asset or disposal group held for sale
A non-current asset or disposal group is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable.

Where a disposal group held for sale will result in the loss of control or joint control of a subsidiary or joint operation, respectively, all the assets and liabilities of that subsidiary or joint operation are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary or an ongoing interest in the joint operation is to be retained after the sale.

Before classification of a non-current asset or disposal group as held for sale, it is reviewed for impairment. No depreciation or amortisation is provided on non-current assets from the date they are classified as held for sale.

If a non-current asset or disposal group is classified as held for sale, but the criteria for classification as held for sale are no longer met, the classification of such non-current asset or disposal group as held for sale is ceased.

On ceasing such classification, the non-current assets are reflected at the lower of:

- The carrying amount before classification as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the assets not been classified as held for sale; or
- The recoverable amount at the date the classification as held for sale ceases.

2.5.8 Foreign currencies

Functional and presentation currency
The consolidated financial statements are presented in South African rand, which is the functional and presentation currency of the parent company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations
For the purpose of presenting consolidated annual financial statements, assets and liabilities have been translated to rand at the closing rate on the reporting date. Income and expenses have been translated to rand at the average rate over the reporting period. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been translated to rand at the closing rate.

Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve (FCTR) in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

The functional currencies of entities within the Group have remained unchanged during the reporting period.