PREMIER INVESTMENTS LIMITED

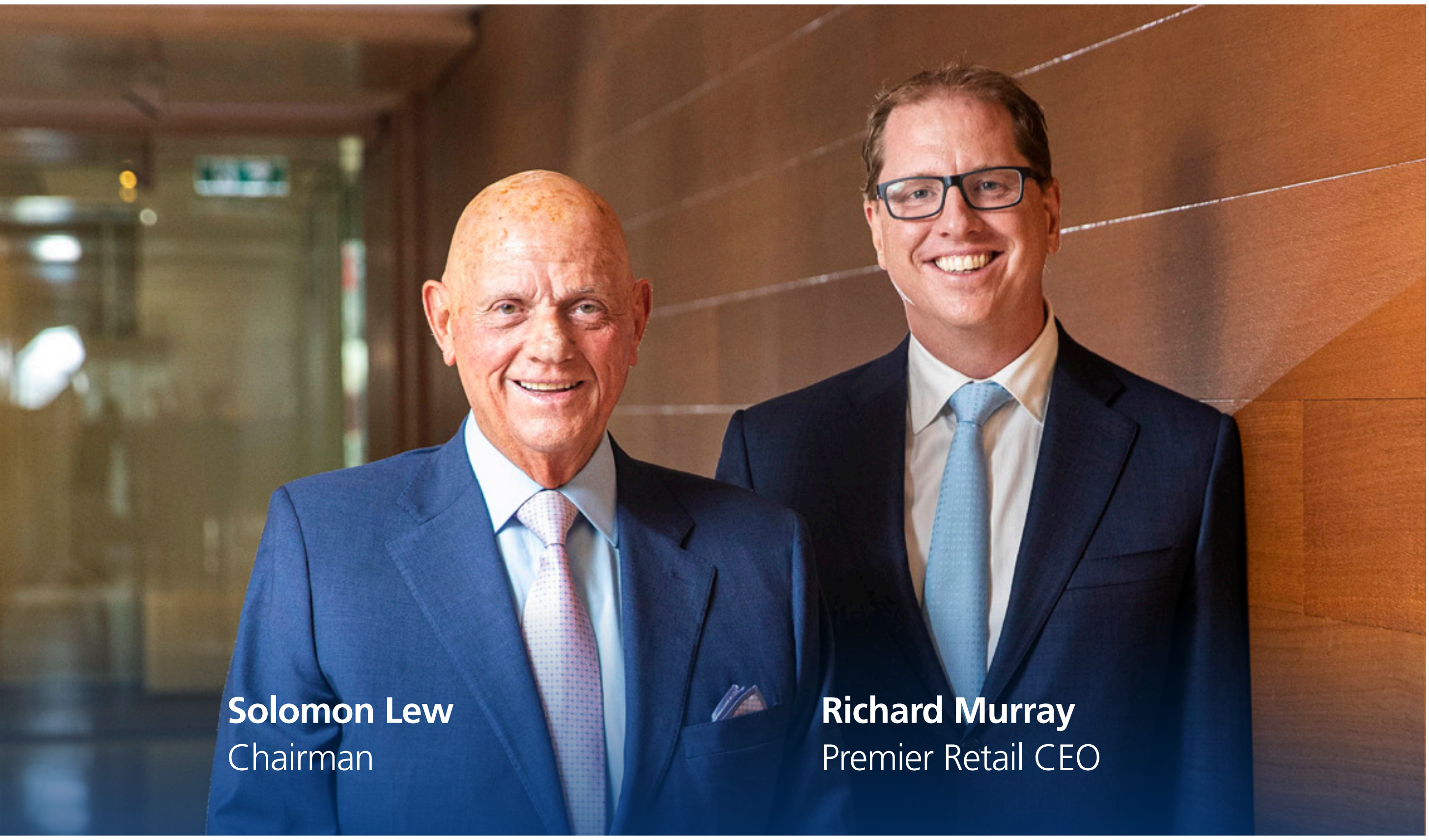
A.C.N. 006 727 966

Annual Report 2021

Just Jeans


peteralexander

Chairman's Report



On behalf of the Premier Investments Limited ("Premier") Board of Directors, it is my pleasure to present the Annual Report for the year ended 31 July 2021 ("2021").

2021 has been an incredibly difficult year for consumers and businesses in the context of the COVID-19 health crisis. Yet, Premier is proud to have delivered record results for our shareholders. This is a testament to the skills and dedication of our entire global team.

Your Directors have always focused their attention on maintaining a strong and sustainable business. Over the past decade, this has manifested in a strong balance sheet with a significant cash balance and investment in both owning and operating critical business infrastructure.

As a result of this prudent approach – and notwithstanding the global health crisis – your company reported Net Profit After Tax of $271.8 million for 2021, up 97.3% on last year[1]. Our wholly-owned retail businesses (Premier Retail) contributed a record Earnings Before Interest and Tax (EBIT) of $351.9 million to this result, up 88.0% on 2020[2].

$271.8m

NET PROFIT AFTER TAX

1 The 2021 financial year represented a 53 week period, ended 31 July 2021. The 2020 financial year represented a 52 week period, ended 25 July 2020.
2 Refer to page 9 of the Directors Report for a reconciliation between underlying EBIT and statutory reported profit before taxation for the Retail Segment.

PREMIER RETAIL GOVERNMENT MANDATED STORE CLOSURES

Premier Retail includes our five iconic Apparel Brands (Just Jeans, Jay Jays, Portmans, Dotti and Jacqui E), Smiggle and Peter Alexander. During the year, Premier Retail faced temporary store closures across our global store network due to government mandated lockdowns. For 52 of the 53 trading weeks during the 2021 financial year, Premier faced temporary closures across our global store network. On average, 176 stores were forced into temporary closures in any given week during the year. This resulted in 50,581 lost retail store trading days during the year. This added immense operational complexity across every aspect of our business.

However, notwithstanding this, the Group's five iconic Apparel Brands delivered record sales of $841.6 million, up 25.3% on 2020 with like-for-like ("LFL") sales growth for the year up 18.7%. We continue to manage through these unprecedented conditions whilst doing our best to balance the needs of our customers, our team members and you, our shareholders.

We are optimistic that accelerating vaccination rates in Australia and New Zealand will allow the reopening of our stores in these jurisdictions as has occurred in other parts of the world. Premier Retail has made the strategic decision to invest in inventory for the all-important second quarter of 2022 (Black Friday/Cyber Monday; Christmas, Boxing Day, 'Back to School') and we have the appropriate supply chains to support this decision and ensure we remain in stock of wanted product.

PETER ALEXANDER DELIVERS $100 MILLION SALES GROWTH IN ONE YEAR

The Peter Alexander brand is a powerful brand in Australia and New Zealand that continues to deliver record results. Annual sales of $388.2 million in 2021 were up 34.7% on prior year with positive LFL sales growth in both Australia and New Zealand despite the pandemic.

All Peter Alexander channels delivered exceptional growth across both Australia and New Zealand – full priced stores, outlet stores and online, with some outstanding results from suburban and regional stores.

Peter Alexander's unique design-led product combined with the Group's strategic decision, early in the global health crisis, to continuously invest in inventory enabled Peter Alexander to be in stock of its much-loved products at the key gift giving periods of Black Friday/Cyber Monday, Christmas, Easter, Mother's Day and Father's Day. This is a credit to the design, sourcing and supply chain teams who adapted to the ever-changing circumstances to ensure Peter Alexander was able to deliver for its customers.

$388.2m

PETER ALEXANDER FY21 SALES

$351.9m

PREMIER RETAIL FY21 EBIT

SMIGGLE POWERFUL GLOBAL BRAND STARTING TO REBOUND

The impact of COVID-19 was particularly severe on the Smiggle global business as families no longer felt safe shopping with children in-store and schools were closed for long periods of time.

A fundamental aspect to Smiggle's success is children attending school. Pleasingly, in countries and markets where schools have re-opened largely free of COVID-19 restrictions, Smiggle is flourishing.

In the key "back to school" periods, Smiggle has demonstrated its unique product and competitive advantage. Both our Northern Hemisphere retail store network and our wholesale channel partners have recently seen very strong responses to our products as countries reach high COVID-19 vaccination rates and COVID-19 restrictions ease. These positive responses give every confidence that the Smiggle business has started to rebound and grow.

ONLINE – NOW REPRESENTS 20% GROUP SALES

Premier Retail delivered record online sales of $300.7 million in 2021, up $80.3 million or 36.4% on a previous record 2020 (2020: $220.4 million). The online business contributed 20.8% of total Group sales for the year (2020: 18.1%) and has a significantly higher EBIT margin than the retail store channel.

Premier's strategic decision to invest in a wholly owned Australian Distribution Centre has allowed the Group to remain agile and to scale up its online fulfillment in response to unprecedented customer demand providing the Group with significant operating leverage. Plans have commenced to expand this facility in calendar 2022 to meet ongoing demand resulting from the accelerating industry restructure as customers increasingly choose to shop online.

The Group today has world class customer facing websites and will continue to make major investments in its people, its information technology, digital marketing capability and distribution centres to maximise the increasing customer preference to shop online.

$300.7m

RECORD FY21 ONLINE SALES

RETAIL INDUSTRY RESTRUCTURE – PREMIER IS PREPARED

The temporary global closures of retail stores and ongoing government implementation of social distancing in each of the countries and markets we operate in has significantly changed customer shopping behaviour. Customers are increasingly choosing to shop online in this highly uncertain macro environment.

Over the past ten years, Premier has made significant investment in its fully integrated online channel and is well placed to maximise this significant swing in customer shopping preference.

Premier Retail today has:

- Seven distinct brands each with a strong, distinctive, and competitive market position
- A world class customer facing website platform trading in three countries
- A fully integrated and owned Australian distribution centre
- Significant digital capability, online technology and IT infrastructure – including dedicated teams focused on online growth

The accelerated swing in customer preference to shopping online has further increased Premier Retail's focus on each store's profitability. Pleasingly, many landlords recognise the long-term financial strength of Premier and its seven iconic brands. During 2021 Premier Retail was able to reach mutual agreement with key landlords that appropriately rebased the Group's rent.

Premier Retail maintains maximum flexibility in reviewing each store's profitability, with over 75% of its global store network either in holdover or with leases expiring in less than 12 months.

20.8%

OF TOTAL GROUP SALES WERE FROM ONLINE BUISNESS

BALANCE SHEET AND DIVIDENDS

Throughout the crisis Premier has maintained a very strong balance sheet. At year-end the Group had $523 million of cash on hand. Our year-end balance sheet reflects our holding in Breville Group Limited at $271 million in line with accounting standards, with a fair market value at year-end of $1.2 billion.

The Premier Board remains optimistic about the future as the COVID-19 vaccination rollout across Australia and New Zealand increases, however the Board also recognises that the Group is operating in highly uncertain times. The Board also notes that the environment, whilst challenging for many businesses, may present new opportunities for the Group given the strength of its balance sheet.

In balancing these considerations, the Board has approved a final fully franked dividend of 46 cents per share (up 10 cents per share or 27.8% on 2020). The final dividend will be paid on 27 January 2022. Total 2021 full year dividends amounted to 80 cents per share, fully franked. This is an increase of 10 cents per share or 14.3%.

Chairman's Report continued

LEADERSHIP AND GOVERNANCE

Premier's Board and management team remain focused, flexible and nimble in response to the current environment. The Directors are extremely proud of our team's dedication and commitment during these unprecedented times.

As announced during the year, Mark McInnes stepped down from his role following the conclusion of the 2021 financial year. Mark was an Executive Director of Premier and the CEO of Premier Retail for ten years – a long and distinguished tenure during which he guided the business to deliver record year-on-year operational and financial performance. On behalf of the Board and fellow Premier shareholders, I thank Mark for his service.

As I have said previously, the Board believes that we have the most outstanding senior management team of any retail business in Australia, and one which could be successfully benchmarked internationally. So, I'd also like to thank Premier Retail's senior leadership group and our entire team of employees for their outstanding contribution and their resilience during this challenging period.

I have no doubt that 2022 will bring both challenges and opportunities, but I feel confident that Premier is well positioned and well invested to deliver long term returns to shareholders.

During the year, the Board was delighted to announce that Richard Murray has been appointed as CEO of Premier Retail, succeeding Mark McInnes. Richard is unquestionably one of the best retailers in Australia, having delivered significant growth, transformation and shareholder value during his career at the JB Hi-Fi Group. Richard's appointment continues Premier's track record of recruiting and retaining the best executives in the industry.

We welcomed Richard to our strong and committed team in September 2021, and we look forward to introducing you to Richard at Premier's Annual General Meeting.

This is the beginning of a new chapter for Premier as the Group continues to grow its brands both locally and globally while carefully managing through continued pandemic conditions across numerous jurisdictions. With a very strong balance sheet, Premier is exceptionally well placed to continue to grow our existing businesses and seek out new opportunities into the future.

As I reflect on 2021, I am as always indebted to my fellow Directors for their valuable contribution, insights and counsel. I am incredibly thankful for the skill and dedication of our senior leadership team who have provided stewardship across our global business during another challenging year. I am grateful for the knowledge, hard work and enthusiasm of our entire workforce. But most importantly I acknowledge the support of our shareholders which, during unprecedented times, has allowed us to make long term decisions and invest with certainty.

Solomon Lew

Chairman and
Non-Executive Director

I have no doubt that 2022 will bring both challenges and opportunities, but I feel confident that Premier is well positioned and well invested to deliver long term returns to shareholders.

The Directors

Solomon Lew
Chairman and
Non-Executive Director

David M. Crean
Deputy Chairman
and Non-Executive Director

Timothy Antonie
Non-Executive Director

Sylvia Falzon
Non-Executive Director

Sally Herman
Non-Executive Director

Henry D. Lanzer AM
Non-Executive Director

Terrence McCartney
Non-Executive Director

Mark McInnes
Executive Director

Michael R.I. McLeod
Non-Executive Director

Brand Performance Premier Retail

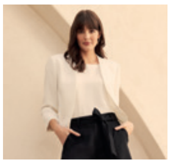
Peter Alexander, is a powerful brand in Australia and New Zealand and delivered record sales in FY21, up $100 million or 34.7% to $388.2 million - underpinned by strong Like-for-Like (LFL) sales growth. Peter Alexander's unique design led product, combined with the Group's strategic decision to be in stock for the critical gift giving periods has enabled the brand to deliver increased full priced sales with much less promotional activity delivering significantly higher gross margins in FY21. Under the leadership of Judy Coomber, Managing Director Peter Alexander and Dotti, and Peter Alexander, Creative Director, the growth is set to continue. Peter Alexander is extremely well placed as the leading gift destination for the upcoming Christmas trading period.

Just Jeans, under Matthew McCormack's leadership, delivered record FY21 sales of $315.8 million, up a record $77 million or 32.2% on FY20 – a particularly pleasing result for the Group's iconic original brand. FY21 sales growth was underpinned by strong LFL growth both in stores and online, with sales growth up 48.5% over 3 years from FY18 to FY21. Just Jeans has a strong, distinctive and competitive market position and is well positioned for future growth.

Jay Jays, under Linda Whitehead's leadership, delivered FY21 sales growth up 19.0% to $202.3 million - a strong result for the brand underpinned by strong LFL growth both in stores and online. Sales have grown 28.0% over 3 years from FY18 to FY21. Jay Jays has a strong, distinctive and competitive market position and is well positioned for future growth.

Portmans, under the leadership of Jade Wyatt, delivered record FY21 sales of $141.7 million, up a record $36.5 million or 34.6% on FY20. Online sales continue to drive overall growth at a significantly higher EBIT margin than the store portfolio. Portmans has an extremely strong and distinctive market position and is well positioned for future growth, particularly looking beyond the current temporary exodus of workers from CBD areas during the COVID-19 health crisis.

Dotti, under Deanna Moylan's leadership, delivered strong results in FY21 with sales growth up 16.3% to $111.6 million underpinned by strong LFL growth both in stores and online. Dotti continues to deliver improvement in profit margins being delivered through changes to sourcing strategy. Online sales continued to grow ahead of the market with this channel delivering significantly higher EBIT margin than the brand average. Dotti has a strong, distinctive and competitive market position and is well positioned for future growth.



Jacqui E, under the leadership of Nicole Naccarella, delivered strong results in FY21 with sales growth up 13.6% to $70.1 million underpinned by strong LFL growth both in stores and online. While Jacqui E continues to be significantly impacted by the temporary exodus of workers from CBD areas during the COVID-19 health crisis, the FY21 sales growth demonstrates the long term strength of the brand. In regions living with easing COVID-19 social distancing restrictions, Jacqui E sales were significantly stronger. Jacqui E has an extremely strong and distinctive market position and is well positioned for future growth.

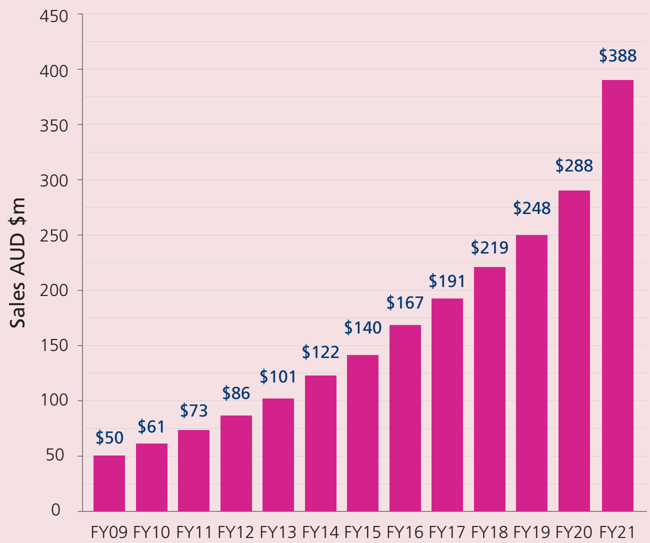
Smiggle, is a powerful global brand flourishing where children are back at school. The brand's strength has been demonstrated in FY21 with strong LFL sales growth across all states in Australia up 5.7% and New Zealand up 6.3%, and in the key Back to School periods as children were able to return to school strong LFL Sales up 39% in Australia, up 27% in New Zealand and up 143% in Malaysia. John Cheston, Managing Director Smiggle, continues to lead a strong and focused management team behind a powerful global brand starting to rebound.

Peter Alexander

Delivers $100 Million Sales Growth in One Year

- Record FY21 sales of $388.2 million, up a record $100.0 million or 34.7% on FY20, underpinned by strong LFL growth both in stores and online
- Peter Alexander delivered three year sales growth of 77.5% from FY18 to FY21 and over 400% sales growth in the past 10 years
- Peter Alexander's unique design led product, combined with the Group's strategic decision early in the global health crisis to be in stock for the critical gift giving periods has enabled the brand to deliver increased full priced sales with much less promotional activity delivering significantly higher gross margins in FY21
- All Peter Alexander channels delivered exceptional growth across both Australia and New Zealand – online, full priced & outlet stores - including several outstanding results from suburban and regional retail stores
- Peter Alexander's record sales result was driven by exceptional performance across all product categories
  - Womenswear
  - Menswear
  - Childrenswear
  - PA Plus
  - Footwear
  - Gift & Home Fragrance
- Peter Alexander is extremely well placed as the leading gift destination for the upcoming Christmas trading period
- Strong and focused management team led by Judy Coomber (Managing Director: Peter Alexander and Dotti)
  and Peter Alexander (Creative Director: Peter Alexander)

Peter Alexander Sales



Internet Performance Premier Retail

- Record online sales of $300.7 million, up $80.3 million or 36.4% on a previous record FY20 and contributed 20.8% of total FY21 sales (FY20: 18.1%)
- The Group's 2013 investment in a centralised and specifically customised Australian Distribution Centre servicing 100% order fulfilment of 100% of Premier Retail products in Australia has enabled the business to be agile and scale up operations in response to unprecedented customer demand, providing the Group with significant operating leverage
- Plans have progressed to expand the 100% owned Australian Distribution Centre in calendar 2022 to meet ongoing demand resulting from the accelerating industry restructure as customers increasingly choose to shop online
- Under the leadership of Georgia Chewing, major investment continues in people, technology, digital marketing and distribution centres whilst continuing to deliver a world class platform and customer experience
- The online channel continues to deliver significantly higher EBIT margin than the retail store network providing significant operating leverage for future growth

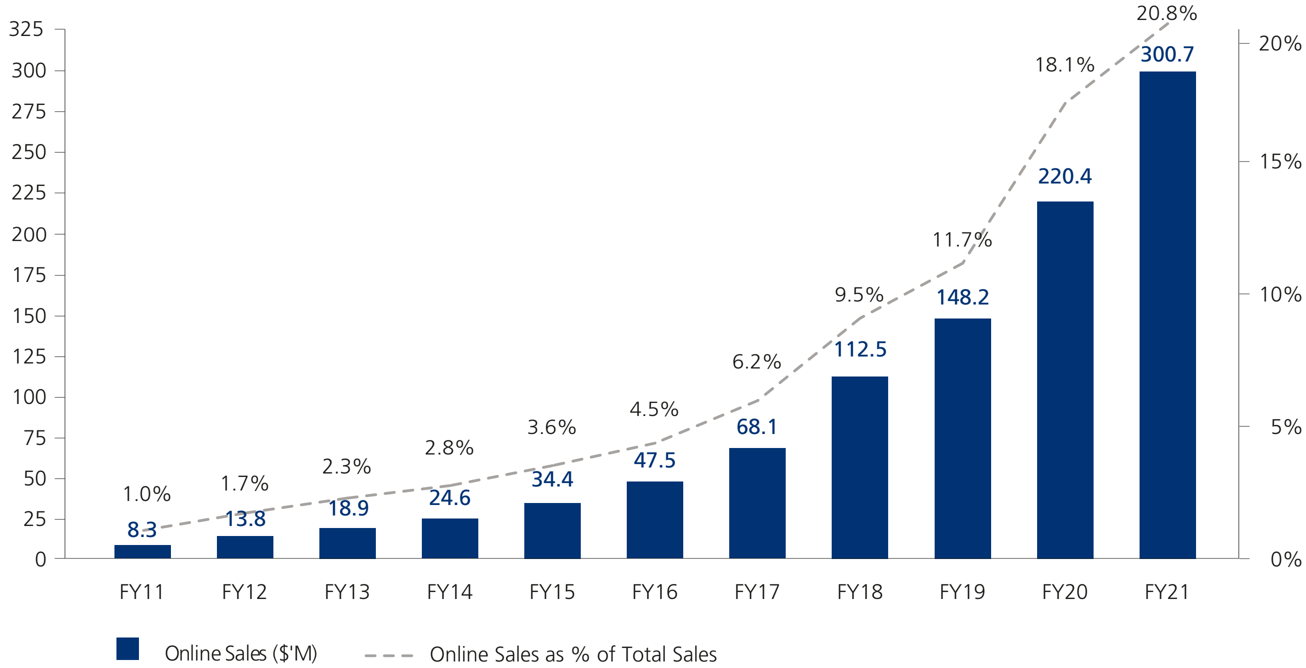
$300.7m

RECORD ONLINE SALES

100%

ORDER FULFILMENT OF ALL PREMIER RETAIL PRODUCTS IS IN AUSTRALIA

Full Year Online Sales Growth

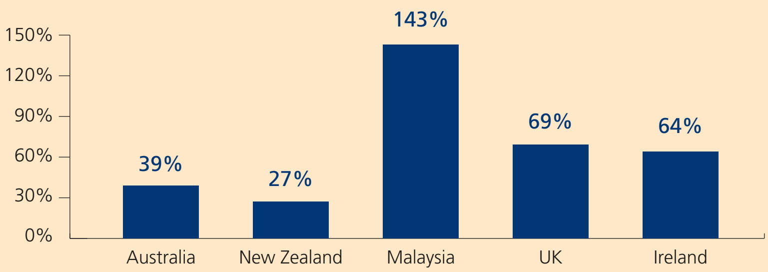


Smiggle

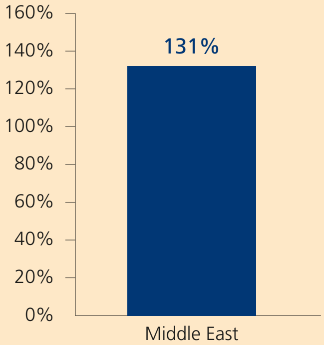
Strong Global Brand Flourishing Where Children are Back at School

- Smiggle is a powerful global brand
- Despite the ongoing impact of COVID-19 throughout FY21, the brand's true strength was proven, delivering full year LFL sales growth up 5.7% in Australia, with all states recording LFL sales growth, and up 6.3% in New Zealand
- Smiggle delivered record global online sales in FY21 of $52.6 million, up 24.4% on FY20, and contributed 24.7% of total Smiggle FY21 sales (FY20: 16.5%)
- In countries and markets where schools have reopened under easing COVID-19 restrictions, the brand is flourishing
- In the key 'back to school' periods as children have returned to school, Smiggle has demonstrated its unique product competitive advantage by delivering LFL sales growth up 39% in Australia, up 27% in New Zealand and up 143% in Malaysia in FY21
- With children back in the classroom there has been a very strong response to Smiggle's product offering for 'back to school' essentials, with sales for the key 'back to school' period in 1H22 significantly ahead of expectations. Retail store LFL growth is up 69% in the UK and up 64% in the Republic of Ireland, delivering record 'back to school' sales results at full margin
- In the wholesale channel, for the key 'back to school' period in 1H22, in the Middle East where children have returned to school in highly vaccinated societies, sales have significantly exceeded expectations delivering record sales and LFL growth up 131%. The strong Middle East performance gives the Group confidence that the wholesale channel will flourish in an environment under easing COVID-19 restrictions
- This positive response in the Northern Hemisphere gives every confidence that the business in the Southern Hemisphere will bounce back strongly as restrictions ease, children return to the classroom and retail and wholesale stores are able to reopen
- John Cheston, Managing Director Smiggle, continues to lead a strong and focused management team behind a powerful global brand starting to rebound

Like for Like sales during the key "back to school" period as children have returned to school in a normal setting free of COVID-19 restrictions



Wholesale partner Like for Like "back to school" sales



Our Commitment to Business Sustainability

Premier acknowledges the importance of respecting our stakeholders, including employees, shareholders, customers and suppliers.

PEOPLE	COMMUNITY	ENVIRONMENT	ETHICAL SOURCING
• Attraction and retention • Development • Reward and recognition • Workplace Safety	• Peter Alexander and RSPCA/PAW JUSTICE • Smiggle Community Partnerships	• Packaging Stewardship • Waste and Recycling • Energy efficiency	• Our sourcing models, principles & policies • Our Assurances • Ethical Raw Material Procurement

We are committed to a long term goal of delivering sustainable value through the effective use of our resources and relationships. This goal influences how we behave and impacts everything we do.

OUR COMMITMENT TO OUR PEOPLE

Our goal is for Premier to attract, retain and motivate high calibre employees. Our outstanding leadership team have developed and nurtured a culture that supports our success. We value speed, integrity, energy, and results. We have a 'can do' culture in which employees see the difference they make.

92%

% FEMALE EMPLOYEES

ATTRACTION AND RETENTION

By Christmas 2021, Premier will employ over 11,000 staff in seven countries.

Premier believes that it is important to ensure that all team members enjoy a workplace which is free from discrimination; we believe our staff perform the best when they can be themselves at work and so we strongly support gender, age, sexual orientation, disability and cultural diversity at work.

In FY21, 92% of our total team members are women, who held 74% of the positions at management level internationally. We have continued our focus on the development and career trajectory of our very strong team of female executives. Female leaders spearheaded ecommerce, marketing, People & Culture, and five out of our seven brands, to deliver exceptional results. We rely on the passion and commitment of our employees to achieve the results we do.

DEVELOPMENT

Premier provides ongoing and regular training throughout the year to support and develop all team members. Upon commencement, all new team members complete our 3 Stage Just Getting Started Induction Program. All existing team members complete sales training seasonally online and participate in regular instore H&S training. Leadership and Management Development training is provided for our leaders. This year a suite of online modules were designed for our leaders to access remotely via our JUST Learn platform. Zoom sessions were lead by our People & Culture Team to support all newly appointed leaders and all Store Managers participated in seasonal sessions lead by the Senior Leadership Teams.

REWARD AND RECOGNITION

We recognise and reward outstanding contributions to our Group results, both individually and for team performance. Our annual Just Excellence Awards recognise our best performing Retail Leaders and salespeople for their excellent performance and contribution to achieving our financial goals. The top performing Regional Managers, Store Managers and Visual Merchandisers for each of our brands are rewarded publicly amongst their peers for their great leadership and delivery of their results.

WORKPLACE SAFETY

Premier is committed to the prevention of workplace injury and lost time. Using the 'Just Play it Safe' and 'Safety Eyes' themes, we want to create a culture where all employees feel responsible for all aspects of health and safety. Workplace safety is considered in all our business decisions, including workplace design and development, supply chain, visual merchandising and store planning. We have clear and measurable performance targets. However, in the event that a work related injury or illness occurs, we are also committed to fully supporting affected employees to return to work and continuing their career.

We will continue to develop Premier as a great place to work, and a great company in which our team build their careers.

Our Commitment to the Community

Premier has a long history of philanthropic support, particularly with our Peter Alexander and Smiggle brands.

Peter Alexander
Founder and Creative Director

PETER ALEXANDER AND THE RSPCA

As much as Peter Alexander has become famous for his pyjamas, he has also become known for his dogs, and is a huge supporter of animal welfare organisations. Peter Alexander has worked closely for the last 15 years with the RSPCA in Australia, and for the last seven years with Paw Justice in New Zealand. Our work has included a variety of fundraising activities which raise awareness for these animal charities.

Working with the RSPCA, Peter has raised over $1,250,000 contributing to RSPCA shelters, which care for more than 140,000 animals every year supporting rescue, rehabilitation and rehoming unwanted, stray and injured animals. Peter has been awarded the status of RSPCA Ambassador in recognition of his efforts.

$136,000

RAISED FOR PAW JUSTICE IN NZ IN THE LAST 7 YEARS

$109,535

DONATED TO RSPCA IN FY21

PETER ALEXANDER AND PAW JUSTICE

In 2014, aligned with the growing presence of Peter Alexander in New Zealand, we partnered with the NZ animal charity Paw Justice, and over the last seven years have raised almost $136,000.

Paw Justice works to stop violent animal abuse; and they have been instrumental in focusing the New Zealand public's attention on the need for reform of animal welfare laws through youth education and advocacy for pets.

Since we've been working with RSPCA shelters in Australia and Paw Justice in New Zealand, Peter has raised over $1.2 Million

During the year Peter Alexander continued its commitment to the prevention of cruelty to animals. The involvement with the RSPCA in Australia and Paw Justice in New Zealand continues to be the key charity supported by the brand. Each year, Peter develops a special product to be made available in store in the lead up to gift giving events. In 2020 and 2021, a range of chocolate bars featuring Peter Alexander prints were sold over the Christmas and Easter periods with 100% of all proceeds donated to these charities. During the year we donated $109,535 to the RSPCA and $10,981 to Paw Justice.

Our Commitment to the Community continued

SMIGGLE COMMUNITY PARTNERSHIPS

Premier and our Smiggle brand regularly support a number of children's charities, organisations and educational programs. Plus countless community fundraising initiatives both locally and abroad, for schools and educational events.

In FY21 Smiggle partnered with Dolly's Dream, a sister charity of the Alannah & Madeline Foundation in Australia. Dolly's Dream is an organisation committed to educating parents and communities on the issues of bullying and cyber bullying. Smiggle raised $8,000 AUD through promoting the charities 'digi-pledge' programme and selling our partnership keyrings. All money raised goes towards the development of bullying prevention and online safety programs that can be provided to children, families, schools, and communities across Australia.

Smiggle also partnered with The Diana Award in the UK, which is a charity legacy to Diana, Princess of Wales that develops and delivers anti-bullying programmes to schools across the UK. The Diana Award Anti-Bullying Programme engages young people, parents and teachers to change the attitudes, behaviour and culture of bullying. Through their school programmes they help children build the skills and confidence they need to address different bullying situations, both online and offline. Smiggle sponsored the facilitation of 10 school workshops valued at £5,000 GBP and donated over £3,000 GBP worth of Smiggle product.

Smiggle also supported Camp Quality, an organisation that gives children facing cancer the chance to be children again. Camp Quality provides children and their families with fun experiences, trusted information, coping tools and a supportive community; in-hospital, online, at school and away from it all on camps and at their retreats. Smiggle donated $20,000 AUD worth of Smiggle stationery to be included in packs provided to children in hospital.

In the same period, Smiggle also partnered with the Jonathan Thurston Academy, an organisation which provides outstanding initiatives and community programs throughout Australia. Smiggle is proud to sponsor the JTBelieve Kowanyama program, donating $6,000 AUD worth of school supplies and prizes for the JTBelieve program awards. The JTBelieve program supports young Australians in Indigenous communities to reach their full potential by providing educational and well-being support.

Our Commitment to the Environment

PACKAGING STEWARDSHIP

Premier and Just Group are committed to managing and reducing the impact our business operations have on the environment. Just Group is a signatory to the Australian Packaging Covenant, a voluntary agreement between government and industry which provides companies with tools to be more involved in reducing their impact on the environment through sustainable packaging design, recycling and product stewardship.

Just Group has submitted its Action Plan outlining its objectives in relation to:

1. Having a strategy to improve packaging sustainability
2. Preparing a procedure that requires the use of the Sustainable Packaging Guidelines or equivalent to evaluate packaging during design or procurement
3. Developing a documented plan to optimise material efficiency
4. Investigating opportunities to increase the use of recycled and/or renewable materials in packaging
5. Investigating opportunities to improve recoverability in packaging and amount of single use business-to-business packaging

WASTE AND RECYCLING

Premier has extensive recycling and sustainability practices across our network of Stores, Distribution Centres and Support Centre. Our Distribution Centres execute on-site recovery systems for recycling used packaging, following Sustainable Packaging Guidelines. All carton packaging uses recycled content. Cartons are reused to facilitate the replenishment of stock, and where necessary waste packaging is compacted and collected for recycling. We have partnered with Orora, a signatory to the Australian Packaging Covenant, to collect and process waste in line with their recycling procedures. Orora's recycling waste business specialises in paper and cardboard, among others, which is the major input for their recycled paper mill that produces 100% recycled paper.

Our Support Centre recycles all paper and has a continuing co-mingled recycling program for glass and plastics on every floor in our entire building. All paper purchased for our Support Centre is accredited from The Forest Stewardship Council sources, an international network which promotes responsible management of the world's forests. All necessary printing at our support centre is activated by personalised swipe access only to release print. This initiative has seen a significant reduction in waste paper printing, as it removes non-collection of printouts. All weekly retail reporting, forms, reference and administrative material is stored and accessible via mobile technology, where possible.

Across our network of stores, reuse is always our first option. Specific initiatives relate to plastic hangers and carton packaging. In store, plastic hangers are first reused, and if there is an oversupply our supplier collects and repackages hangers for reuse or 100% recycling. Additionally, cartons are reused to facilitate movement of stock between our stores. In the balance of instances we will utilise our shopping centre recycling facilities.

Partnered with Orora

Upgraded stores and support offices to LED lighting

ENERGY EFFICIENCY

Premier recognises the importance of energy efficient, low environmental impact lighting systems and since 2012 have adhered to new improved lighting standards to efficiently manage our energy consumption in all of our stores. This has resulted in an investment to our store network, Distribution Centre and Support Centre, upgrading stores and support office to LED lighting. In addition to the Support office lighting upgrade the lights are controlled by timers and motion sensors to ensure that they are on only when required. This initiative has subsequently meant less heat, thereby reducing the overall heat load on our stores and reduced investment in cooling requirements. In addition this has led to a dramatic reduction in ongoing maintenance and light bulb replacement.

Our Commitment to Ethical Sourcing

Premier commits to the highest standards of ethical conduct and responsible product sourcing practices.

We support this commitment by our models for sourcing products, the principles that back-up those models, together with our policies and assurance program.

MODERN SLAVERY

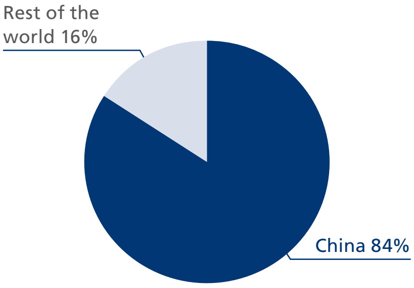
Premier has zero tolerance to modern slavery in all its forms, including forced labour, child labour, slavery, people trafficking, deceptive labour recruitment practices, forced marriage and debt bondage. Premier fully supports the introduction of modern slavery legislation in various jurisdictions in which we operate. Premier published its full Modern Slavery Statement in March 2021 and it is available on Premier Investments' website at premierinvestments.com.au

OUR SOURCING MODELS, PRINCIPLES & POLICIES

We share our customers' full engagement in understanding where products come from, how products are made and the way that people who manufacture those products are treated. Our sourcing activities include direct sourcing from fully audited factories across Asia. In addition, we work with known established and trusted Australian importers.

We currently source products in the following countries: China, Australia, Bangladesh, India, Pakistan, Turkey and Vietnam.

Source Countries (The Just Group, Units)



Our Ethical Sourcing and Supply Code (Code) supports our commitment to sourcing merchandise that is produced according to these principles, regardless of origin.

All suppliers must sign our supply terms and conditions, which incorporate both our Code of Conduct and clauses relating to the Modern Slavery legislation. In addition suppliers must sign a Modern Slavery commitment and we will not do business with suppliers who do not comply with these requirements.

Among other things, we note that our supply terms and the Code:

- Requires compliance with all laws (and/or requires our suppliers to meet higher standards)
- Insists on the free association of workers, including the right to collectively bargain and be represented
- Requires labour to be voluntary, without workers being required to lodge deposits (eg. identity documents; for recruitment fees etc.)
- Prohibits forced labour (including child labour)
- Insists on worker rights such as the right to work in safe, hygienic premises where working hours are not excessive
- Requires the payment of the minimum national legal standards or local benchmark standards (whichever is higher), and, in relation to full time workers, sufficient to meet basic needs and to provide discretionary income
- Prohibits unauthorised sub-contracting – meaning that we have a fully transparent relationship with our suppliers
- Prohibits discrimination on the basis of personal attributes as well as union membership or political affiliations

In each case our model is supported by the following strict sourcing principles:

1. We comply with all laws in the countries we source from and operate
2. We have zero tolerance for modern slavery in all its forms
3. We insist on workers' legal rights – including worker empowerment and free association
4. We have zero tolerance for bribery and corruption
5. We have zero tolerance for animal cruelty

ASSURANCES WHICH SUPPORT OUR SOURCING PRINCIPLES

Background checks. We conduct thorough and ongoing compliance activities of all direct suppliers by qualified audit firms.

Factory inspections. All factories that manufacture for us are audited and inspected. We continue factory visits and ensure audits are up to date throughout our relationship with our suppliers to ensure our principles are strictly adhered to.

BANGLADESH SOURCING

Background

Bangladesh's economic and social development relies on the expansion and strength of the garment sector, including through investment by international retailers. The garment industry comprises around 80% of all Bangladesh export earnings, is a significant contributor to GDP, and employs over 4 million workers, most of whom are women. Premier currently sources a portion of its Just Jeans, Dotti and Jay Jays branded products in Bangladesh and we highlight our program in this country in the interest of full transparency.

MEMBERSHIP OF THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

As of the 31st July 2021 The Just Group was a member of the Accord on Fire and Building Safety in Bangladesh (the Accord). This has since expired and will be replaced by both a government run program RSC and the New Accord jointly signed by International Brands and unions. The Just Group plans to join the Brand Association and new Accord agreement in due course, once finalised.

The Accord shares common priorities including a relentless focus on workers generally, as well as building integrity and safety – all supported by financial commitments and good governance.

Together with our international peers in Bangladesh, we have invested in worker safety, improved conditions and transparent reporting in a results-oriented, measurable and verifiable way.

All initiatives of the Accord are publicly available at http://bangladeshaccord.org/

OUR ACTIVITIES IN BANGLADESH

Our operational processes have included the establishment of our own office in Bangladesh, which we opened in March 2014. Our investment in on the ground infrastructure in Bangladesh, including employing staff at our sourcing office directly, supports our audit and compliance activities in that market with particular focus on social compliance and safety which includes:

1. Senior management personally inspect ALL factories that manufacture for us prior to commencing business. We continue factory visits throughout our relationship with our suppliers to ensure our principles are strictly adhered to. Our Code includes the ability for us to make unannounced visits in Bangladesh for the purposes of our audit and compliance activities.
2. Prior to placing orders with any factory, we also engage independent, internationally recognised assessment and audit firms to verify compliance with all local laws and safety conditions, in relation to labour and safety issues (including fire and building integrity).
3. During manufacturing, an independent audit firm or our own Just Group quality inspectors, inspect all audits.
4. In addition, we will not conduct business with factories that do not comply with the requirements of the Accord. All factories have been disclosed to the Accord for assessment under its operational processes.

ETHICAL RAW MATERIAL PROCUREMENT

Our sourcing commitment is supported by the following initiatives relating to fibre procurement:

Cotton

1. On 1 January 2021 Just Jeans became a member of the Better Cotton Initiative (BCI) now known as Better Cotton. Through our membership we support initiatives to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.
2. We will not source cotton harvested in Uzbekistan or Turkmenistan. We will maintain this position until the government of Uzbekistan and Turkmenistan ends the practice of forced child and adult labour in its cotton sector. To this end, we signed the Pledge against Child and Adult Forced Labour in Uzbek and Turkmen Cotton.

Azo Dyes

We have voluntarily adopted the EU standard whereby we prohibit the manufacture and sale of goods which contain prohibited levels of the specific aromatic amines originating from a small number of azo dyes.

Sandblasted denim

The harmful practice of 'sandblasting' denim with silica based powders has been discontinued in our business since 2011.

Premier has zero tolerance to modern slavery in all its forms

Our Business

CODE OF CONDUCT

We believe that the 'what' and the 'how' are both important when it comes to operating. We want great results, and how we go about achieving them is also important.

Premier acknowledges the importance of respecting our stakeholders, including team members, shareholders, customers and suppliers. We also know that by respecting and working with the communities in which we operate we can make a positive impact.

Our recently reviewed and updated Code of Conduct outlines our legal, moral and ethical obligations which are underpinned by the behaviours we expect of all of our stakeholders.

The principles ensure that we:

- Foster a culture in which all stakeholders including customers, shareholders and fellow team members are treated with respect
- Comply with the law and Premier policies
- Protect company assets, information and reputation
- Provide a safe workplace for our team members and visitors
- Develop a culture where professional integrity and ethical behaviour is valued

All team members globally are issued with the Code of Conduct upon commencement with the business which they need to formally acknowledge. Additionally, they are re-issued with a copy annually and again are asked to formally acknowledge receipt in line with any amendments which may have been made to the Code.

SHRINKAGE

Shrinkage is the loss of merchandise that can be attributed to product theft or through administrative handling process. Premier has a shrinkage reduction strategy in place with processes and education aimed at reducing these losses. Premier continues to deliver low levels of shrinkage and we will continue to maintain this focus into the future.

Premier Investments Limited
A.C.N. 006 727 966

Financial Report

For the 53 week period
26 July 2020 to 31 July 2021

Contents

Directors' Report

The Board of Directors of Premier Investments Limited (A.B.N. 64 006 727 966) has pleasure in submitting its report in respect of the financial year ended 31 July 2021.

The Directors present their report together with the consolidated financial report of Premier Investments Limited (the "Company" or "Premier") and its controlled entities (the "Group") for the 53-week period 26 July 2020 to 31 July 2021, together with the independent audit report to the members thereon.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of the report are as follows. Directors were in office for this entire period unless otherwise stated.

Solomon Lew ***Chairman and Non-Executive Director***

Mr. Lew was appointed as Non-Executive Director and Chairman of Premier on 31 March 2008. Mr. Lew is a director of Century Plaza Investments Pty Ltd, the largest shareholder in Premier and was previously Chairman of Premier from 1987 to 1994.

Mr. Lew has over 50 years' experience in the manufacture, wholesale and retailing of textiles, apparel and general merchandise, as well as property development. His success in the retail industry has been largely due to his ability to read fashion trends and interpret them for the Australasian market, in addition to his demonstrated ability in the timing of strategic investments.

Mr. Lew was a Director of Coles Myer Limited from 1985 to 2002, serving as Vice Chairman from 1989, Chairman from 1991 to 1995, Executive Chairman in 1995 and Vice Chairman in 1995 and 1996.

Mr. Lew is a member of the World Retail Hall of Fame and is the first Australian to be formally inducted.

He is also a former Board Member of the Reserve Bank of Australia and former Member of the Prime Minister's Business Advisory Council.

Mr. Lew was the inaugural Chairman of the Mount Scopus Foundation (1987 – 2013) which supports the Mount Scopus College, one of Australia's leading private colleges with 2000 students. He has also been the Chairman or a Director of a range of philanthropic organisations.

Dr. David M. Crean ***Deputy Chairman and Non-Executive Director***

Dr. Crean has been an Independent Non-Executive Director of Premier since December 2009, Deputy Chairman since July 2015 and is currently the Chairman of Premier's Audit and Risk Committee (appointed August 2010).

Dr. Crean was Chairman of the Hydro Electric Corporation (Hydro Tasmania) from September 2004 until October 2014 and was also Chairman of the Business Risk Committee at Hydro Tasmania, member of the Audit Committee and Chairman of the Corporate Governance Committee.

Dr. Crean was State Treasurer of Tasmania from August 1998 to his retirement from the position in February 2004. He was also Minister for Employment from July 2002 to February 2004. He was a Member for Buckingham in the Legislative Council from 1992 to February 1999, and then for Elwick until May 2004. From 1989 to 1992 he was the member for Denison in the House of Assembly. From 1993 to 1998 he held Shadow Portfolios of State Development, Public Sector Management, Finance and Treasury.

Dr. Crean has been a Non-Executive Director and Deputy Chairman of Moonlake Investments, owner of VDL dairy farms in Tasmania from August 2016 to April 2018. He is also a Board member of the Linfox Foundation. Dr. Crean graduated from Monash University in 1976 with a Bachelor of Medicine and Bachelor of Surgery.

Directors’ Report continued

Mark McInnes ***Executive Director (Resigned as Director: 19 August 2021)***

Mr. McInnes is a career retailer with a long track record of success in every role he has occupied. Like many great retailers, Mark started his career from the shop floor as a company cadet for Grace Brothers. Mark has been directly responsible for some of Australia’s greatest retail success stories – including as a co-founder of the Officeworks concept which is today Australia’s largest office supply superstore and turning David Jones into a fashion and financial powerhouse creating in excess of $2 billion of Shareholder value in his time as CEO.

Mark was appointed CEO of Premier Retail in April 2011 and has set about transforming the company to compete in an industry under great structural pressure. Premier Retail today has a clear path and a clear focus.

Since his appointment, Mark, as CEO of Premier Retail, has assembled and led the executive team to completely restructure and rebuild the organisation to deliver long-term strategic competitive advantage and sustainable growth platforms, which has delivered significant shareholder value since he joined the Group.

Premier Retail has delivered record underlying earnings before interest and tax each year over the past ten years. Today, the Group has a world-class, fully integrated, and highly profitable online operation, with seven high performing and distinctive brands delivering exceptional results through a highly capable senior leadership team. Mark holds an MBA from the University of Melbourne.

In December 2012, Mark was appointed as an Executive Director of Premier Investments Limited. In January 2021, Mark advised the Board of his decision to step down from his role as Premier Retail CEO. Mark resigned as Executive Director effective 19 August 2021.

Timothy Antonie ***Non-Executive Director and Lead Independent Director***

Mr. Antonie was appointed to the Board of Directors on 1 December 2009. He holds a Bachelor of Economics degree from Monash University and qualified as a Chartered Accountant with Price Waterhouse. He has 20 years’ experience in investment banking and formerly held positions of Managing Director from 2004 to 2008 and Senior Advisor in 2009 at UBS Investment Banking, with particular focus on large scale mergers and acquisitions and capital raisings in the Australian retail, consumer, media and entertainment sectors.

Mr. Antonie is also a Non-Executive Director of Breville Group Limited, Chairman of Netwealth Group Limited and is a Principal of Stratford Advisory Group. Mr. Antonie was also a Non-Executive Director of Village Roadshow Limited (retired 4 December 2019).

Sylvia Falzon ***Non-Executive Director***

Ms. Falzon was appointed to the Board of Directors on 16 March 2018. She brings to Premier an executive career that spanned over nearly 30 years in Financial Services where she held senior executive positions responsible for institutional and retail funds management businesses, both here in Australia and offshore.

As a Non-Executive Director since 2010, Ms. Falzon has experience across a range of sectors and customer driven businesses in financial services, health, aged care, e-commerce and retail. During this time, she has been involved in several business transformations, IPOs, merger and acquisitions and divestment activities. Ms. Falzon is currently an Independent Non-Executive Director of ASX listed companies Suncorp Group Limited and Zebit Inc. In the not-for-profit sector, she is the Chairman of Cabrini Australia Limited. Ms. Falzon previously served on the board of ASX listed companies Regis Healthcare until October 2021, Perpetual Limited until October 2019 and SAI Global until December 2016.

Ms. Falzon holds a Masters Degree in Industrial Relations and Human Resource Management (Hons) from the University of Sydney and a Bachelor of Business from the University of Western Sydney. She is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Sally Herman ***Non-Executive Director***

Ms. Herman is an experienced Non-Executive Director in the fields of financial services, retail, manufacturing and property. She had a successful executive career spanning 25 years in financial services in both Australia and the US, transitioning in late 2010 to a full time career as a Non-Executive Director.

Prior to that, she had spent 16 years with the Westpac Group, running major business units in most operating divisions of the Group as well as heading up Corporate Affairs and Sustainability through the merger with St. George and the global financial crisis.

Ms. Herman sits on both listed and not-for-profit Boards, including Suncorp Group Limited, Breville Group Limited, E&P Financial Group Limited and Irongate Funds Management Limited. She is also a Trustee of the Art Gallery of NSW. Ms. Herman holds a Bachelor of Arts from the University of New South Wales and is a Graduate of the Australian Institute of Company Directors.

Henry D. Lanzer AM **B.COM. LLB (Melb)** ***Non-Executive Director***

Henry Lanzer AM is Managing Partner of Australian commercial law firm, Arnold Bloch Leibler. Henry has over 40 years' experience in providing legal, corporate finance and strategic advice to some of Australia's leading companies.

Mr. Lanzer was appointed to the Board of Directors in 2008. He is a Non-Executive Director of Just Group Limited, Thorney Opportunities Limited and previously the TarraWarra Museum of Art and the Burnett Institute. He is also a Life Governor of the Mount Scopus College Council. In June 2015, Mr. Lanzer was appointed as a Member of the Order of Australia.

Michael R.I. McLeod ***Non-Executive Director***

Mr. McLeod is a former Executive Director of the Century Plaza Group and has been involved with the Group since 1996 as an advisor in the areas of corporate strategy, investment and public affairs. He has been a Non-Executive Director of Premier Investments Limited since 2002 and was a Non-Executive Director of Just Group Limited from 2007 to 2013. Past experience includes the Australian Board of an international funds manager, chief of staff to a Federal Cabinet Minister and statutory appointments including as a Commission Member of the National Occupational Health and Safety Commission. He holds a Bachelor of Arts (First Class Honours and University Medal) from the University of New South Wales.

Terrence L. McCartney ***Non-Executive Director***

Mr. McCartney has had a long and successful career in retail. Mr. McCartney started at Boans Department Stores in Perth then moved to Grace Bros in Sydney. After the acquisition of Grace Bros by Myer, he relocated to the merged Department Stores Group in Melbourne within the merchandise and marketing department. His successful career within Coles Myer meant that Terry then moved to the Kmart discount department stores as Head of Merchandise and Marketing and then Managing Director. Following several years as Managing Director of Kmart Australia and New Zealand, Terry became Managing Director of Myer Grace Bros. For 5 years Terry lead year on year growth in profitability of Australia's largest department store.

Terry's experience spans the full spectrum of retailing, ranging from luxury goods in department stores to large mass merchandise discount operations. Terry has also been retained by large international accounting and legal firms as an expert witness in relation to Australian retail.

In addition to his extensive list of retail experience, he has also been an advisor to large Australian and international mining companies, prior to joining the Just Group Board in 2008. Terry lends his extensive retail and commercial expertise to the Just Group as Non-Executive Director, and by serving on a number of committees, including the Internet Steering Committee of the Group, and through various store and site visits, both locally and overseas. He is also involved in seasonal and trading performance reviews for the Group. Terry is a member of the Remuneration and Nomination Committee of Premier Investments Limited. In August 2017, he was appointed Chairman of the Remuneration and Nomination Committee.

Directors' Report continued

COMPANY SECRETARY

Marinda Meyer

Ms. Meyer has over 17 years' experience as a practising Chartered Accountant in senior finance roles. She has both local and international experience in financial accounting and reporting, corporate governance, and administration of listed companies.

PRINCIPAL ACTIVITIES

The Group operates a number of specialty retail fashion chains within the specialty retail fashion markets in Australia, New Zealand, Asia and Europe. The Group also has significant investments in listed securities and money market deposits.

DIVIDENDS

	CENTS	$'000
Final Dividend approved for 2021	46.00	73,077
Dividends paid in the year:		
Interim for the half-year ended 25 January 2020 (paid on 30 September 2020)	34.00	53,966
Final for 2020 (paid on 28 January 2021)	36.00	57,191
Interim for the half-year ended 30 January 2021 (paid on 29 July 2021)	34.00	54,014

OPERATING AND FINANCIAL REVIEW

Group Overview:

Premier Investments Limited acquired a controlling interest in Just Group Limited ("Just Group"), a listed company on the Australian Securities Exchange in August 2008. Just Group is a leading specialty fashion retailer with operations in Australia, New Zealand, Asia and Europe. The Group has a portfolio of well-recognised retail brands, consisting of Just Jeans, Jay Jays, Jacqui E, Portmans, Dotti, Peter Alexander and Smiggle. Currently, these seven unique brands are trading from more than 1,200 stores across seven countries, as well as through wholesale and online. The Group's key strategic growth initiatives continues to deliver results for the Group. The Group's emphasis is on a range of brands that provide diversification through breadth of target demographic and sufficiently broad appeal to enable a broad footprint. Over 90% of the product range is designed, sourced and sold under its own brands. There is a continuing investment in these brands to ensure they remain relevant to changing customer tastes and remain at the forefront of their respective target markets.

The Group's reported revenue from contracts with customers, total income and net profit before income tax for the 53-week period ended 31 July 2021 (2020: 52 week period ended 25 July 2020) are summarised below:

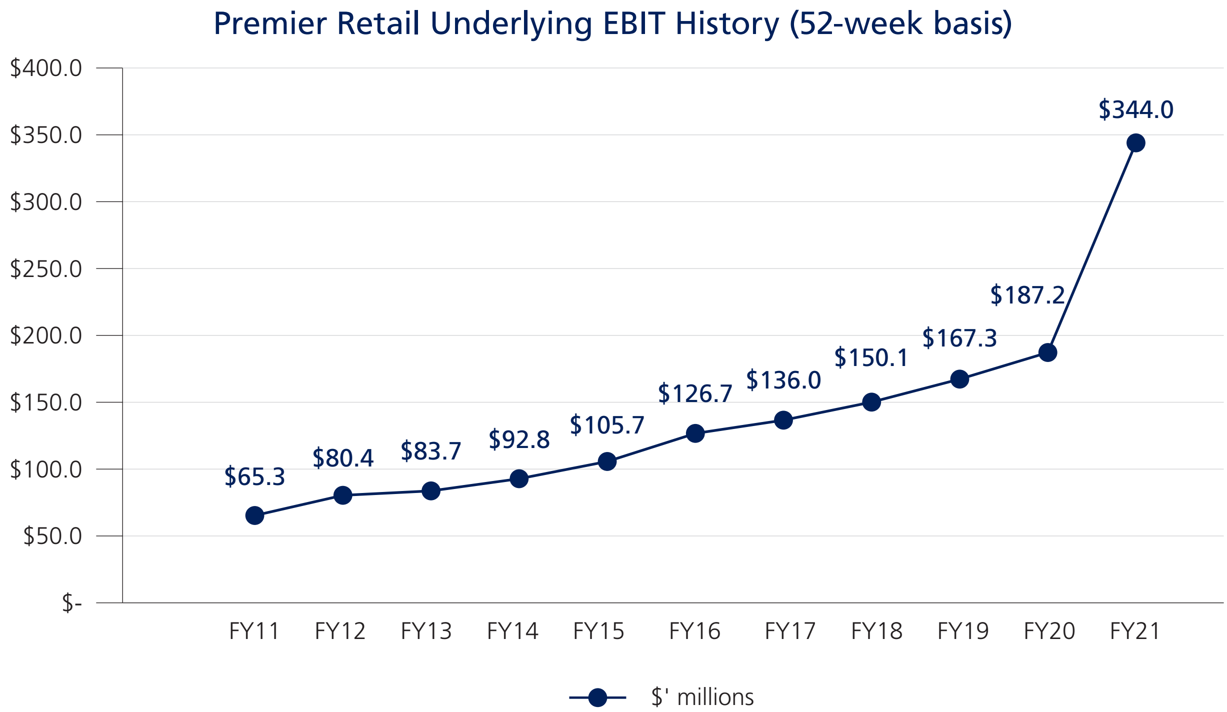
	CONSOLIDATED		
	53 WEEKS ENDED 31 JULY 2021 $'000	52 WEEKS ENDED 25 JULY 2020 $'000	% CHANGE
Revenue from contracts with customers	1,443,174	1,216,316	+18.7%
Total interest income	1,148	2,290	-49.9%
Total other income and revenue	14,337	30,356	-52.8%
Total revenue and other income	**1,458,659**	**1,248,962**	**+16.8%**
Reported profit before income tax	379,583	195,199	+94.5%

Retail Segment:

As Premier's core business, Just Group (Premier Retail) was the key contributor to the Group's operating results for the financial year. Key financial indicators for the retail segment for the 53-week period ended 31 July 2021 are highlighted below:

RETAIL SEGMENT	53 WEEKS ENDED 31 JULY 2021 $'000	52 WEEKS ENDED 25 JULY 2020 $'000	% CHANGE
Revenue from contracts with customers	1,443,174	1,216,316	+18.7%
Total segment income	1,448,752	1,230,918	+17.7%
Segment net profit before income tax	352,112	165,776	+112.4%

The Retail Segment contributed $352.1 million to the Group's net profit before income tax for the 53-week period ended 31 July 2021 (2020: $165.8 million net profit before income tax for the 52-week period ended 25 July 2020). The results for the 2021 financial year include a 53rd trading week, which contributed $19.1 million in sales, and $7.9 million to the Retail Segment's earnings before interest and tax ("EBIT"). Refer to page 9 of the directors' report for a reconciliation of Underlying EBIT and reported Premier Retail Profit before Tax.



FY21 and FY16 underlying EBIT represents a comparable 52-week period. Refer to page 9 for a reconciliation between underlying EBIT and statutory reported operating profit before taxation for the Retail Segment.

The onset of COVID-19 in early 2020 created an extremely challenging operating environment in the second half of the 2020 financial year and has continued to impact the operating environment throughout the 2021 financial year. Since the onset of COVID-19, the Group's absolute priority has been, and continues to be, the safety and wellbeing of its team members and the broader community in which it operates.

The Retail Segment faced temporary government mandated store closures across its global store network for 52 of the 53 trading weeks during 2021 financial year. All geographic segments in which the Group operates have been affected by these temporary store closures during this financial year. On average, 176 stores were forced into temporary closures in any given week of the 2021 financial year, adding immense operational complexity across every aspect of the entire business. Furthermore, mandated store closures increased from late June 2021, with over 400 stores closed in the final key trading weeks of July 2021.

Directors’ Report continued

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Retail Segment (continued):

Despite these significant challenges, the Retail Segment reported net profit before income tax for the 53-week period ended 31 July 2021 of $352.1 million – up 112.4% on the previous year (2020: $165.8 million), and delivered revenue for the year of $1,443.2 million, up 18.7% on the previous year (2020: $1,216.3 million). In addition, the Retail Segment increased its gross margin to 64.3% (2020: 61.0%). The strong sales and uplift in gross profit, together with operational excellence and strong cost control has delivered a record EBIT of $351.9 million, up 88.0% on the previous year (2020: $187.2 million).

The Retail Segment delivered record online sales of $300.7 million for the 53 weeks ended 31 July 2021 – an increase of 36.4% on the prior year (2020: $220.4 million). The online channel contributed 20.8% of total group sales to customers for the period ended 31 July 2021 (2020: 18.1%). The Group is pleased to have world class customer facing websites and it will continue to make major investments in its people, its information technology, digital marketing capability and distribution centres to maximise the increasing customer preference to shop online.

Peter Alexander delivered record sales to customers for the period ended 31 July 2021 of $388.2 million, up 34.7% on a record set in the prior year (2020: $288.2 million). The record result was driven across all Peter Alexander product categories. The Group’s decision to continuously invest in inventory, enabled Peter Alexander to be in-stock during key gift giving periods during the year – Black Friday/Cyber Monday, Christmas, Easter, Mother’s Day and Father’s Day.

Pleasingly, the Group’s five iconic Apparel Brands (Just Jeans, Jay Jays, Portmans, Dotti and Jacqui-E) delivered a combined record sales result for the period ended 31 July 2021 of $841.6 million (up 25.3% on the prior year sales of $671.8 million). The Group’s strategic decisions taken mid-2020 to significantly invest in inventory, which continued into the second half of 2021, ensured that the Group was in-stock during key trading periods – summer season, Christmas and January sale periods, April holiday season and winter season. This ensured the Group had a strong inventory position, delivering strong sales and growth margin growth across the Group.

Since the onset of COVID-19, the Group’s absolute priority has been the safety and wellbeing of its team members and customers. The Group recognises that the Australian Federal Government’s JobKeeper initiative has been fundamental to keeping employees and employers connected during COVID-19 – an unprecedented health crisis. On 3 May 2021, the Group announced that it will voluntarily return the $15.6 million net JobKeeper wage subsidy benefit that it received under the scheme rules during the 2021 financial year, to the Australian Taxation Office. As a result, the Group recorded no net JobKeeper benefit in its statement of comprehensive income for the period ended 31 July 2021. The Group was not eligible for the second phase of the Australian Government JobKeeper scheme from 28 September 2020 onwards. The Group continued to pay its full and part time Australian team members their contracted hours whilst these teams were unable to work during various state government mandated temporary store closures from October 2020 through to July 2021; when the Federal Government made its temporary COVID-19 disaster payment scheme available directly to impacted team members (refer to note 5 of the financial statements for further information).

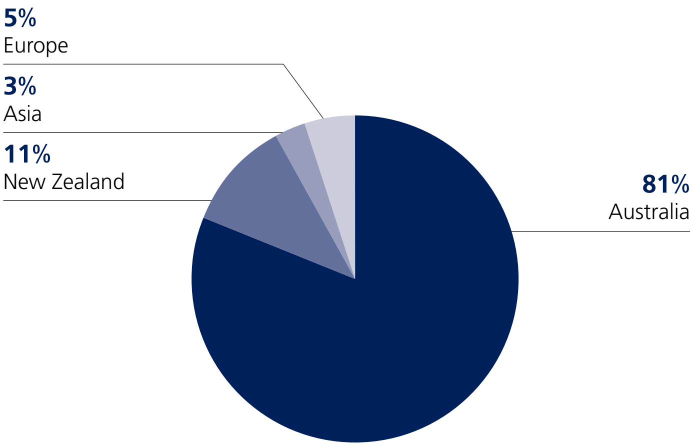
In January 2021, Premier Retail CEO, Mark McInnes, advised Premier of his decision to step down from his role. Mr. McInnes continued in his role as CEO Premier Retail until 13 August 2021 and commenced gardening leave on 14 August 2021 until the end of his 12-month Notice Period, being 15 January 2022 (refer to the Remuneration Report included in the Directors’ Report, for further information). In April 2021, Premier announced the appointment of Mr. Richard Murray as CEO Premier Retail. Mr. Murray commenced with the Group on 6 September 2021.

The Group prides itself on having:

- Seven unique brands, each with a strong and distinctive competitive market position
- A world-class customer facing website platform trading in three countries
- A fully integrated and owned Australian Distribution Centre
- Significant investment in digital capability, online technology and IT infrastructure
- Significant investment in dedicated teams focusing on online growth

Retail Segment (continued):

Revenue from customers per Geographic Segment for the year ended 31 July 2021



COVID-19 continued to impact on the Group's global operations. Smiggle, which also operates throughout Asia and Europe, was impacted by long periods of school closures and remote learning during the financial year, and families not feeling safe shopping in-store. A fundamental aspect of Smiggle's success is children attending school. Pleasingly, the response to the brand has been strong during key "back-to-school" periods, in countries and regions where schools have reopened in highly vaccinated societies where there are easing COVID-19 restrictions.

Investment Segment:

The Group's balance sheet remains strong, primarily due to the significant asset holding of the investment segment. As at 31 July 2021, the Group continued to reflect its 26.27% (2020: 26.73%) shareholding in Breville Group Limited as an investment in associate, with an equity accounted value of $271.4 million (2020: $257.4 million). The fair value of the Group's interest in Breville Group Limited as determined based on the quoted market price for the shares as at 31 July 2021 was $1,173.5 million (2020: $947.9 million). Dividends received from Breville Group Limited during the year amounted to $12.2 million (2020: $14.2 million).

During the 2017 financial year, the Group acquired a strategic investment of 10.77% in Myer Holdings Limited. A further 5% was acquired during the 2021 financial year, taking the total investment to 15.77%. At the end of the 2021 financial year the fair value of this listed equity investment is reflected as $63.5 million (2020: $18.1 million).

Premier Investments owns its Australian Distribution Centre, as well as the global head office building of Premier Retail in Melbourne. These properties are carried at a combined written down value at 31 July 2021 of $74.2 million (2020: $70.8 million).

Directors' Report continued

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Reconciliation between underlying Premier Retail EBIT and Reported Retail Segment Result

The Group's results are reported under Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). Non-IFRS information is financial information that is presented other than in accordance with all relevant accounting standards. The Group provides these Non-IFRS financial measures to better understand key aspects of the performance and drivers of the Group's Retail Segment.

The table below reconciles the Non-IFRS financial term Premier Retail underlying EBIT to the Reported Retail Segment Result for each of the financial years:

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
Reported Retail Segment Operating Profit before Taxation	**352,112**	**165,776**	**136,667**	**142,484**	**126,182**	**126,207**	**98,958**	**79,299**	**76,686**	**69,988**	**39,796**
Add back: Interest expense (excluding AASB 16 interest on lease liabilities)	1,967	2,757	4,808	5,467	4,884	4,912	5,738	6,311	6,988	10,194	9,614
EBIT	**354,079**	**168,533**	**141,475**	**147,951**	**131,066**	**131,119**	**104,696**	**85,610**	**83,674**	**80,182**	**49,410**
Adjusted for:											
Inter-segment adjustments	-	-	-	(92)	(84)	(167)	(673)	(482)	30	192	74
One-off costs related to strategic review	-	-	-	-	-	-	-	-	-	-	15,771
One-off Smiggle new market entry expense	-	-	-	747	218	-	-	3,193	-	-	-
One-off supply chain transformation expense	-	-	-	-	-	-	-	4,482	-	-	-
One-off exit of South African Joint Venture	-	-	-	-	-	-	1,724	-	-	-	-
Non-comparable EBIT contribution for the 53rd week in 2021 and 2016	(7,931)	-	-	-	-	(6,596)	-	-	-	-	-
One-off expenses relating to Head office relocation and make-good	-	-	-	1,460	1,786	-	-	-	-	-	-
One-off United Kingdom accelerated depreciation and associated costs	-	-	25,858	-	-	-	-	-	-	-	-
One-off litigation expense	-	-	-	-	3,045	2,345	-	-	-	-	-
Net impact of AASB 16 on results	(2,147)	427	-	-	-	-	-	-	-	-	-
One-off COVID-19 impairment of store plant & equipment and associated costs	-	31,420	-	-	-	-	-	-	-	-	-
One-off COVID-19 net gain from settlement of cash flow hedge book	-	(13,207)	-	-	-	-	-	-	-	-	-
Underlying Premier Retail EBIT (pre-AASB 16)	**344,001**	**187,173**	**167,333**	**150,066**	**136,031**	**126,701**	**105,747**	**92,803**	**83,704**	**80,374**	**65,255**
Underlying Premier Retail EBIT, expressed in $' millions	**344.0**	**187.2**	**167.3**	**150.1**	**136.0**	**126.7**	**105.7**	**92.8**	**83.7**	**80.4**	**65.3**

GROUP PERFORMANCE

The Group is pleased to report that despite tough economic conditions, it continued to generate strong returns to shareholders. The dividends declared for the period reaffirm the confidence the Directors have in the future performance and underline Premier's commitment to enhancing shareholder value through capital management and business investment.

	2021	2020	2019	2018	2017
Closing share price at end of financial year	$26.84	$17.57	$16.28	$17.35	$13.35
Basic earnings per share (cents)	171.15	86.89	67.51	52.97	66.8
Dividend paid per share (cents)	104.0[1]	37.0[1]	66.0	56.0	51.0
Return on equity (%)	17.7%	10.2%	7.9%	8.5%[2]	7.9%
Net debt/equity ratio (%)	(24.6%)[3]	(22.4%)[3]	(1.7%)	(0.2%)	0.2%

1 The FY20 approved interim fully franked dividend of 34 cents per share was paid on 30 September 2020 and is therefore reflected in FY21.

2 Return on Equity excludes the impact of a non-cash impairment of intangible assets in FY18 ($30 million).

3 Net debt has been calculated as cash and cash equivalents, less interest-bearing liabilities, representing bank loans.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year ended 31 July 2021.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The Directors of Premier Investments Limited approved a final dividend in respect of the 2021 financial year. The total amount of the dividend is $73,077,000 (2020: $57,191,000) which represents a fully franked dividend of 46 cents per share (2020: 36 cents per share). The dividend has not been provided for in the 2021 financial statements.

Subsequent to 31 July 2021, the Group's retail store network continues to be impacted by various Government mandated retail store closures related to COVID-19. The Group has had 661 stores temporarily closed across Australia and New Zealand through the majority of the month of August 2021, noting it has since progressively been able to reopen over 170 of these stores in the past two weeks. During the temporary store closures, the Group continues to operate through its online channel.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Certain likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to the period ended 31 July 2021 are referred to in the preceding operating and financial review. No additional information is included on the likely developments in the operations of the Group and the expected results of those operations as the Directors reasonably believe that the disclosure of such information would be likely to result in unreasonable prejudice to the Group if included in this report, and it has therefore been excluded in accordance with section 299(3) of the *Corporations Act 2001*.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not subject to any significant environmental obligations or regulations.

Directors' Report continued

SHARE OPTIONS AND SHARES ISSUED DURING THE FINANCIAL YEAR

Unissued Shares:

As at the date of this report, there were 673,886 (2020: 813,410) unissued performance rights. Refer to the remuneration report for further details of the options outstanding.

Shares Issued as a Result of the Exercise of Options:

A total of 139,524 shares (2020: 294,579) were issued during the year pursuant to the Group's Performance Rights Plan. No other shares were issued during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

To the extent permitted by law, the company indemnifies every person who is or has been a director or officer of the company or of a wholly-owned subsidiary of the company against liability for damages awarded or judgments entered against them and legal defence costs and expenses, arising out of a wrongful act, incurred by that person whilst acting in their capacity as a director or officer provided there has been no admission, or judgment, award or other finding by a court, tribunal or arbitrator which establishes improper use of position, or committing of any criminal, dishonest, fraudulent or malicious act.

The officers include the Directors, as named earlier in this report, the Company Secretary and other officers, being the executive senior management team. Details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors, and Officers, liability insurance contracts are not disclosed as such disclosure is prohibited under the terms of the contracts.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

AUDITOR INDEPENDENCE

The Directors received a copy of the Auditor's Independence Declaration in relation to the audit for this financial year and is presented on page 35.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The nature and scope of each type of non-audit service provided means that independence was not compromised.

Details of non-audit services provided by the Group's auditor, Ernst & Young, can be found in Note 31 of the Financial Report.

ROUNDING

The company is a company of the kind specified in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016. In accordance with that ASIC instrument amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

CORPORATE GOVERNANCE STATEMENT

To view Premier's Corporate Governance Statement, please visit www.premierinvestments.com.au/about-us/board-policies.

DIRECTOR INTERESTS IN SHARES AND RIGHTS OF THE COMPANY

At the date of this report, the interests of the Directors in the shares and performance rights of the company were:

Solomon Lew	4,437,699 ordinary shares**
Timothy Antonie	5,001 ordinary shares
Sally Herman	11,500 ordinary shares
Henry Lanzer AM	27,665 ordinary shares
Michael McLeod	28,186 ordinary shares
Mark McInnes	982,100 ordinary shares *(resigned as director: 19 August 2021)*

**Mr. Lew is an associate of Century Plaza Investments Pty. Ltd. and Metrepark Pty. Ltd (Associated Entities). The Associated Entities, collectively, have a relevant interest in 59,804,731 shares in the company. However, Mr. Lew does not have a relevant interest in the shares of the company held by the Associated Entities.

DIRECTORS' MEETINGS

The number of meetings of the Board of Directors during the financial year, and the number of meetings attended by each director were as follows:

	BOARD MEETINGS		AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
DIRECTOR	MEETINGS HELD	NUMBER ATTENDED	MEETINGS HELD	NUMBER ATTENDED	MEETINGS HELD	NUMBER ATTENDED
Solomon Lew	15	15	-	-	-	-
Mark McInnes	15	9	-	1	-	-
Timothy Antonie	15	15	5	5	2	2
David Crean	15	14	5	5	-	-
Sylvia Falzon	15	14	5	5	-	-
Sally Herman	15	13	5	5	-	-
Henry Lanzer AM	15	15	-	2	-	-
Terrence McCartney	15	15	-	3	2	2
Michael McLeod	15	15	-	-	2	2

REMUNERATION REPORT

The Remuneration Report, which forms part of this Directors' Report, is presented from page 13.

The Directors' Report is signed in accordance with a resolution of the Board of Directors.

Solomon Lew
Chairman
1 October 2021

Directors’ Report continued

REMUNERATION REPORT

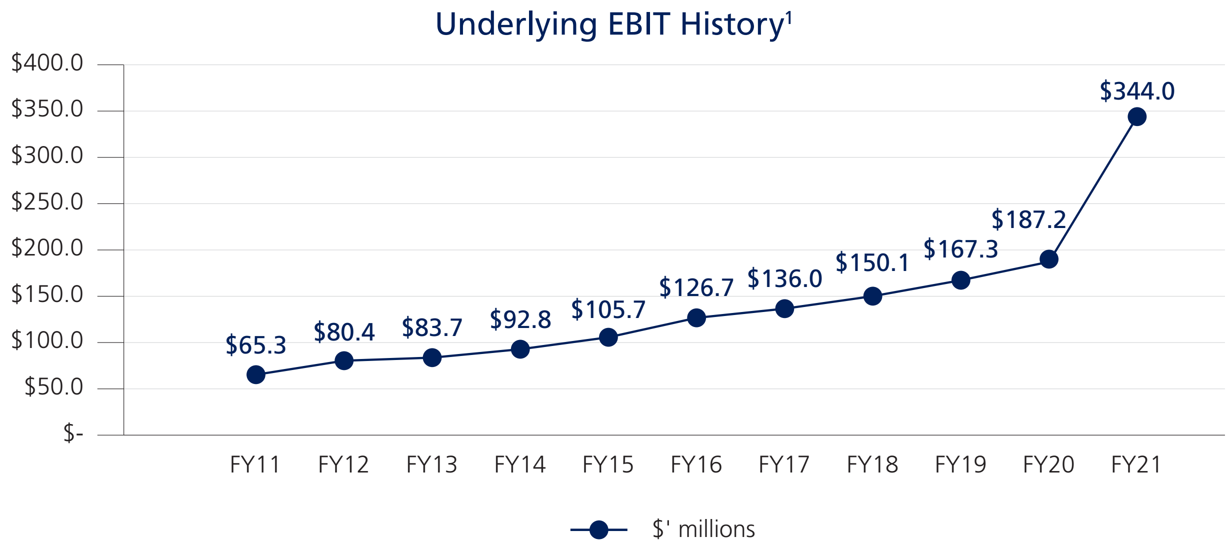
Dear Shareholders,

As Chairman of the Remuneration and Nomination Committee, I am pleased to present Premier Investments’ remuneration report for the 53 weeks ended 31 July 2021. This report outlines, in detail, the remuneration outcomes and incentive arrangements, related to our performance.

It has been a year like no other. The COVID-19 health crisis has continued to present numerous challenges for our business, many that required swift and decisive action from our experienced Board and leadership team in an effort to protect and build on the success of our business, for our teams, shareholders and many other stakeholders, reliant on a robust Premier business. Premier has remained focused on the safety and wellbeing of our global teams and our customers during this health crisis.

It is our exceptional and highly experienced business leadership, through their meticulous execution of the Group’s strategies, and dedication of our entire global team that have delivered a result for this financial year that have surpassed expectations.

For the 2021 financial year, Premier Retail has delivered a record Earnings before Interest and Taxation (“EBIT”) of $344.0 million (comparable 52 weeks) – a remarkable result amidst a challenging and uncertain macro-economic backdrop.

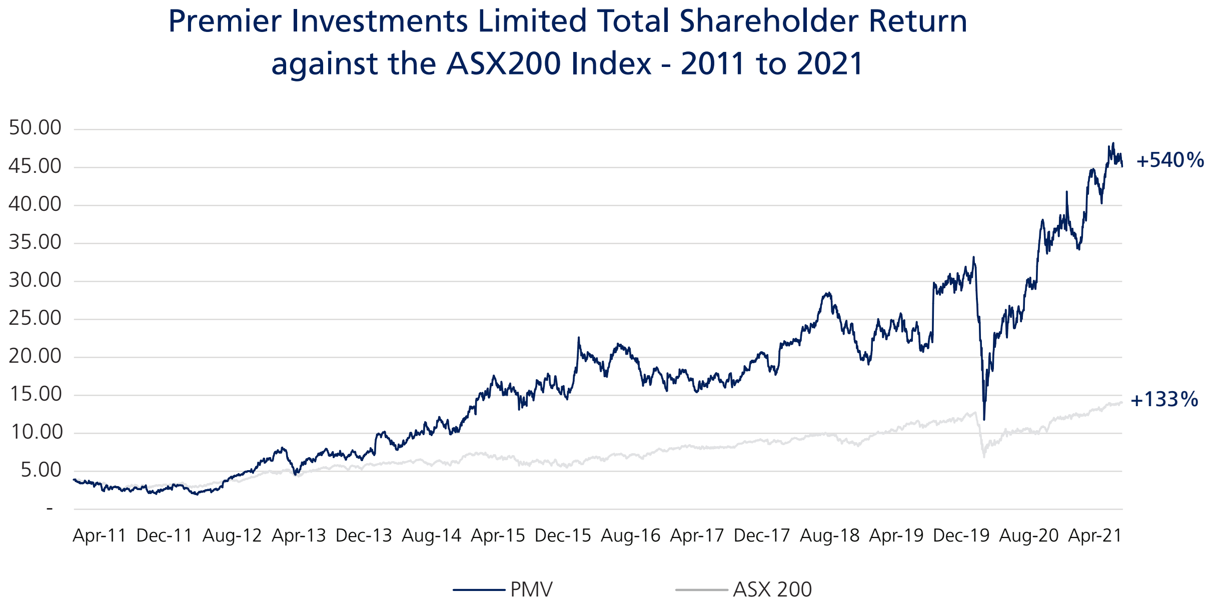


[1] Refer to page 9 of the Directors’ Report for a definition and reconciliation of underlying EBIT. FY20 and FY21 Underlying EBIT is presented on a pre-AASB 16 basis. FY21 and FY16 Underlying EBIT represent a comparable 52-week period.

For 52 of the 53 trading weeks during the 2021 financial year, Premier faced temporary store closures across its global store network due to government mandated closures. Over 400 stores were closed in July 2021 - the final key trading weeks of the reporting period.

The Directors believe that the exceptional result delivered for this financial year, amidst a very challenging global background, was a function of the swift response of the Group’s world-class management team, led by Premier Retail CEO, Mark McInnes. This has been a year of great turmoil in the retail market, here in Australia as well as for our international operations, which has required the very best executives to deliver the result. Key strategic decisions to significantly invest in inventory, to be in stock for critical trading periods such as Black Friday, Christmas, Mother’s Day and across both the summer and winter seasons have set the Group apart from its competitors.

A skilled and experienced Board, working together with a highly motivated and proven management team, have led to Premier shareholders consistently enjoying some of the best returns of any listed company within the ASX200 over the past decade. Premier continues to encourage, incentivise and develop executives who understand this complex retail environment and proactively develop business outcomes that build shareholder wealth.



The Board believes that the strong financial returns enjoyed by shareholders stem, in large part, from the strategic appointment of high calibre key management personnel. The Board is proud of its diverse senior executive team, whom are all very well respected within the retail industry. Female senior leaders are responsible for five of our seven retail brands, and two of our major support functions, being Internet and Marketing and People and Culture. 50%[2] of the CEO's direct reports are female.

Across our over 1,100 stores in Australia, New Zealand, Asia and Europe, the critical support functions within those markets, our fast-growing online business and in the Group's head office, over 90% of the Group's workforce are female. Female management represents approximately 74%[2] of management. We will continue to encourage and support a business leadership structure that reflects the values of equal opportunity across the Group.

In January 2021, Premier Retail CEO, Mark McInnes advised the Board of his decision to step down from his role. Mark's exceptional leadership over the past 10 years have led to record year on year Premier Retail operational and financial performance. Premier Retail have thrived during this time, whilst many of our competitors have come and gone. The Board expresses its sincere thanks to Mark for a decade of service to the Group.

Following Mark's resignation, the Board was delighted to advise the market in April 2021 of the appointment of Richard Murray to the role of Premier Retail CEO. Richard commenced with the Group on 6 September 2021. This represents a new chapter for the Group, as we continue to grow our brands both locally and globally, whilst carefully managing through the continued effects of COVID-19.

The Group received a disappointing "first strike" against its Remuneration Report at its 2020 Annual General Meeting. The Board is committed to transparent disclosure of Key Management Personnel remuneration, and therefore certain areas of this year's remuneration report have been expanded on.

The report summarises our remuneration strategies, the way in which incentives are calculated and the connection between those strategies and the achievement of positive returns for shareholders.

Terrence McCartney

Chairman, Remuneration and Nomination Committee

[2] As per the Just Group Limited Australian Workplace Gender Equality Agency Report 2020-2021.

REMUNERATION REPORT (AUDITED)

This remuneration report for the 53 weeks ended 31 July 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* (Cth), as amended (the "Act") and its regulations. This information has been audited as required by section 308 (3C) of the Act.

The remuneration report is presented under the following headings:

1. Introduction
2. Remuneration Governance
3. Executive remuneration arrangements:
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Fixed remuneration objectives
   D. Detail of incentive plans
4. Executive remuneration outcomes (including link to performance)
5. Remuneration of outgoing CEO Premier Retail, Mr. McInnes
6. Remuneration framework of incoming CEO Premier Retail, Mr. Murray
7. Executive service agreements
8. Non-Executive Director remuneration arrangements
9. Remuneration of Key Management Personnel
10. Additional disclosures relating to Rights and Shares
11. Additional disclosures relating to transactions and balances with Key Management Personnel

1. INTRODUCTION

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The table below outlines the Group's KMP during the 53 weeks ended 31 July 2021. Unless otherwise indicated, the individuals were KMP for the entire financial year.

KEY MANAGEMENT PERSONNEL

(i) Non-Executive Directors

Solomon Lew	Chairman and Non-Executive Director
David Crean	Deputy Chairman and Non-Executive Director
Timothy Antonie	Non-Executive Director and Lead Independent Director
Sylvia Falzon	Non-Executive Director
Sally Herman	Non-Executive Director
Henry Lanzer AM	Non-Executive Director
Terrence McCartney	Non-Executive Director
Michael McLeod	Non-Executive Director

REMUNERATION REPORT (AUDITED) (CONTINUED)

1. INTRODUCTION (CONTINUED)

KEY MANAGEMENT PERSONNEL (CONTINUED)

(ii) Executive Director

Mark McInnes	Executive Director and Chief Executive Officer Premier Retail *(see note (a))*

(iii) Executives

John Bryce	Chief Financial Officer, Just Group Limited
Marinda Meyer	Company Secretary, Premier Investments Limited

(a) Mr. McInnes resigned on 15 January 2021 and commenced gardening leave on 14 August 2021 until the end of his 12-month notice period, being 15 January 2022. Mr. McInnes resigned as a Director of Premier Investments Limited effective 19 August 2021. Refer to Section 5 for further information. Mr. Richard Murray was appointed as CEO Premier Retail effective 6 September 2021.

There were no other changes to the KMP after the reporting date and before the date the financial report was authorised for issue.

2. REMUNERATION GOVERNANCE

Remuneration and Nomination Committee

The Remuneration and Nomination Committee ("Committee") of the Board of Directors of the Group ("Board") comprises three Non-Executive Directors. The Committee is led by Terrence McCartney, an independent Non-Executive Director, and the majority of its members are independent Non-Executive Directors. This demonstrates an ongoing commitment to the independence of the Committee. The Committee has delegated decision-making authority for some matters related to the remuneration arrangements for KMP and is required to make recommendations to the Board on other matters.

Specifically, the Board approves the remuneration arrangements of the Chief Executive Officer Premier Retail ("CEO Premier Retail") and other executives, including awards made under the short-term incentive ("STI") and long-term incentive ("LTI") plans, following recommendations from the Committee. The Board also sets the aggregate remuneration for Non-Executive Directors (which is subject to shareholder approval) and Non-Executive Director fee levels. The Committee approves, having regard to recommendations made by the CEO Premier Retail, the level of the Group STI pool.

The Committee meets regularly. The CEO Premier Retail attends certain Committee meetings by invitation, where management input is required. The CEO Premier Retail is not present during discussions relating to his own remuneration arrangements.

Further information relating to the Committee's role, responsibilities and membership can be seen at *www.premierinvestments.com.au*.

Use of remuneration advisors

The Committee may from time to time seek external remuneration advice to ensure it is fully informed when making remuneration decisions. Remuneration advisors are engaged by, and report directly to, the Committee.

No remuneration advisors were engaged during the 2021 financial year.

Directors’ Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS

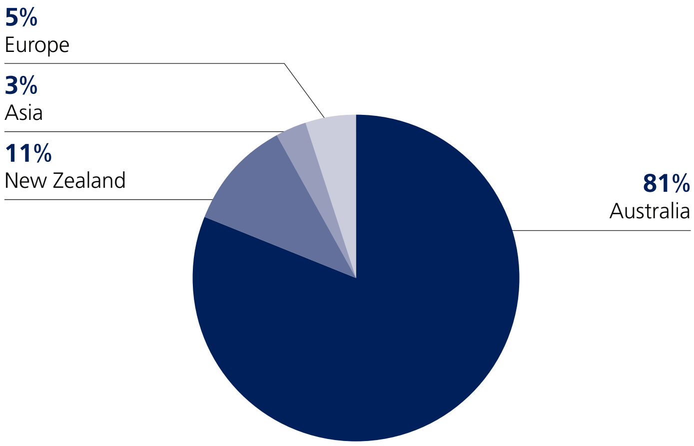
3A. Remuneration principles and strategy

The Group’s executive remuneration strategy is designed to attract, motivate and retain high performing individuals, and align the interests of executives with shareholders.

The Group operates mainly in the retail industry, with significant revenues earned in its traditional markets of Australia and New Zealand. The retail industry in these markets has seen marked structural change over recent years, including a prevalence in the use of new and existing technology, an increase in international competitors and significant changes in general consumer sentiment. Globally, as a result of the COVID-19 health crisis, temporary store closures and the ongoing government implementation of social distancing in each of the countries and markets the Group operates in, customer shopping behaviour continues to change significantly.

Complementing its strong market position in Australia and New Zealand, the Group continues to operate in international markets in Asia and Europe. The Group remains committed to growing its existing international presence.

Revenue from customers per Geographic Area FY21



The market for skilled and experienced executives in the retail industry continues to be increasingly competitive and international in nature. The Group’s strong domestic position, as well as global reach, provides exposure to an international pool of talent and access to a diverse range of strategies to respond to industry changes.

Given these structural changes and the Group’s growth focus, the Board believes it is both critical to the future success of the business, and in the best interest of shareholders, to attract, retain and develop the best possible executive team through the provision of competitive remuneration packages, and incentive arrangements which are aligned to growth and performance. The year-on-year growth in performance and shareholder value over the last 10 years, is a testament to Premier’s remuneration strategy.

The Group’s strategic objective is to be recognised as a leader in the retail industry and build long term value for shareholders.

The Group is committed to ensuring that executive remuneration outcomes are explicitly linked to the overall performance and success of the Group. This section illustrates this link between the Group’s strategic objectives and its executive remuneration strategies.

REMUNERATION REPORT (AUDITED) (CONTINUED)

EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3A. Remuneration principles and strategy (continued)

Group Objective

To be recognised as a leader in our industry and build long-term value for our shareholders

Remuneration strategy linkages to Group objective

Align the interests of executives with shareholders

- The remuneration framework incorporates "at-risk" components, through STI and LTI plans.
- Performance is assessed against a suite of financial and non-financial measures relevant to the success of the Group and generating returns for shareholders.

Attract, motivate and retain high performing individuals

- Remuneration is competitive as compared to companies of a similar size and complexity.
- Longer-term remuneration frameworks and "at-risk" components encourage retention, development and a multi-year performance focus.

Component	Vehicle	Purpose	Link to performance
Fixed remuneration	Comprises base salary, superannuation contributions and other benefits	To provide competitive fixed remuneration with reference to the applicable role, market and relevant executive's experience.	Both the executive's performance, and the performance of the Group, are considered during regular remuneration reviews.
STI	Awarded in cash	Rewards executives for their contribution to achievement of Group and business unit annual outputs and performance outcomes.	Key financial metrics based primarily on Premier Retail's underlying earnings before interest and taxation ("EBIT") of each business unit, as well as a suite of other internal financial and non-financial measures.
LTI	Awarded in performance rights	Rewards executives for their contribution to the creation of shareholder value over the long term.	Vesting of performance rights is dependent on both a positive total shareholder return ("TSR") Premier and testing against the Comparison Peer Group (defined in Section 3D of this report).
Discretionary Bonus	Awarded in cash or performance rights	Rewards executives in exceptional circumstances linked to long term shareholder outcomes.	Granted at the discretion of the Board upon recommendation of the Committee in exceptional circumstances, and when in the best interests of the Group.

Directors' Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3B. Approach to setting remuneration

For the 53 weeks ended 31 July 2021, the executive remuneration framework comprised of fixed remuneration, STI and LTI, as outlined below. Details of Mr. McInnes' remuneration is provided in section 5 of this report.

The Group aims to reward executives with a competitive level and mix of remuneration appropriate to their position and responsibilities and linked to shareholder value creation.

3C. Fixed remuneration objectives

Fixed remuneration is reviewed by the Committee. The process consists of a review of the Group, applicable business unit and executive's individual performance, relevant comparative remuneration (both externally and internally) and, where appropriate, external advice. The Committee has access to external advice independent of management.

3D. Detail of incentive plans

Short term incentive ("STI")

The Group operates an annual STI program which is awarded subject to the attainment of clearly defined financial and non-financial Group and business unit measures.

Who participates?	Executives who have served a minimum of nine months.
How is STI delivered?	Cash.
What is the STI opportunity?	Executives have an STI opportunity of between 0% and 100% of their fixed remuneration.
What are the applicable financial performance measures?	STI payments awarded to each executive are explicitly aligned to the key value drivers of Premier Retail, such that rewards will only be payable when the following criteria have been met: • budgeted EBIT of Premier Retail has been achieved and an incentive pool has been created; • the executive receives a performance appraisal on target or above; • the executive's minimum performance outcomes have been achieved (hurdle); and • the executive's key performance indicators ("KPIs") have been met (qualifiers). The financial performance measures are chosen with reference to the strategic objective to promote both short term success and provide a framework for delivering long term value. The hurdle criteria are designed to ensure STI outcomes are aligned to the creation of shareholder value. If the hurdles are not met, the STI is not payable. The qualifier criteria aligns the individual activities and focus of the executive to shareholder value. Each executive is set multiple KPIs covering financial, non-financial, Group and business unit measures of performance. The KPIs are quantifiable and weighted according to their value. The budgeted EBIT for each year is expected to incorporate growth on the previous year. As such, in a year in which STI payments are made, executives must exceed the actual result in the prior year to achieve an STI in the following year. This mechanism ensures the STI scheme continues to build shareholder returns over time.

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3D. Detail of incentive plans (continued)

Short-term incentive ("STI") (continued)

What are the applicable non-financial performance measures?	The award of an STI is also dependent on the executive achieving individual aligned non-financial performance indicators, such as: • retention of existing customers through outstanding customer service; • implementation of key growth initiatives; • demonstrated focus on a continuous improvement in safety performance; and • demonstrated focus on the growth and development of leadership and team talent to encourage leadership succession.
How is performance assessed?	After the end of the financial year, following consideration of the financial and non-financial performance indicators, the Committee obtains input from the CEO Premier Retail in relation to the amount of STI to be paid to eligible executives. The Committee then provides its recommendations to the Just Group Board for approval. The provision of any STI payments is subject to the sole discretion of the Chairman.

Long-term incentive ("LTI")

Premier's LTI plan seeks to create shareholder value over the long term by aligning executive remuneration with the Group's strategic objectives.

Refer to section 5 for details surrounding Mr McInnes' LTI arrangements.

Prior to the 2020 financial year, LTI performance rights were granted to executives annually and eligible to vest three years from the date of the grant. During the 2020 financial year, certain amendments were made to LTI performance rights granted to executives, which have been described in more detail below.

Who participates?	Executives.
How is LTI delivered?	Performance rights.
What were the performance measures for the 2021 and 2020 financial years?	LTI rights awarded to each executive are subject to a two-stage performance test - an absolute and relative test - based on Premier's TSR. Broadly, TSR is the percentage growth achieved from an investment in ordinary shares over the relevant testing period (assuming all dividends are reinvested). The two-stage performance measure approach ensures that the LTI plan operates as a key driver for performance whilst also providing an incentive to executives. The absolute test requires Premier to achieve a positive TSR over the testing period. If the TSR is negative over the testing period, then the performance rights lapse. If the TSR is positive over the testing period, the relative test is undertaken, which compares Premier's TSR with the S&P/ASX200 Industrials excluding overseas and resource companies ("Comparison Peer Group"). The Comparison Peer Group represents over 100 companies in the ASX200, which reflects the Group's competitors for both capital and talent. The Comparator Peer Group consists of ASX200 companies, including companies within the consumer discretionary, consumer staple and information technology sectors.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3D. Detail of incentive plans (continued)

Long-term incentive ("LTI") (continued)

What were the performance measures for the 2021 and 2020 financial years (continued)?

Premier's performance against the Comparison Peer Group measure is determined according to its ranking against the Comparison Peer Group over the performance period.

The vesting schedule for rights issued prior to the 2020 financial year was as follows:

Target	Conversion ratio of rights to shares available to vest under the TSR performance condition
Below 50th percentile	0%
50th percentile	25%
Between 50th and 62.5th percentile	Pro Rata
62.5th percentile	50%
Between 62.5th and 75th percentile	Pro Rata
75th percentile and above	100%

For LTI rights issued during the 2020 financial year, the vesting schedule has been amended as follows:

Target	Conversion ratio of rights to shares available to vest under the TSR performance condition
Below 50th percentile	0%
50th percentile	50%
Between 50th and 75th percentile	Pro Rata
75th percentile and above	100%

The absolute test ensures that shareholders and executives are aligned in the goal of absolute wealth creation. The relative test provides alignment between comparative shareholder return and reward for executives.

Premier considers the suitability of the above performance conditions on an annual basis.

How is performance assessed?

TSR performance is calculated by an independent external advisor at the end of each performance period.

Section 10 of this report, titled "Additional disclosures relating to rights and shares", provides details of performance rights granted, vested, exercised and lapsed during the year.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3D. Detail of incentive plans (continued)

Long-term incentive ("LTI") (continued)

When does the LTI vest?	No new performance rights have been granted in the 2021 financial year. For rights issued prior to the 2020 financial year, the performance rights will generally vest over a period of three years subject to meeting performance measures. For rights issued during the 2020 financial year, the performance rights will vest in accordance with the following schedule: Tranche A: LTI rights will be tested for vesting from 1 May 2020 to 1 October 2022 (being the 1st Vesting Date). Tranche B: LTI rights will be tested for vesting from 1 May 2020 to 1 October 2023 (being the 2nd Vesting Date). Tranche C: LTI rights will be tested for vesting from 1 May 2020 to 1 May 2024 (being the 3rd Vesting Date). The performance rights issued during the 2020 financial year will be tested for vesting in three equal tranches. The three-tranche performance rights issue replaces the previous annual performance rights issue during the above vesting periods (e.g. additional performance rights will not be granted during the above vesting periods). Performance rights have no opportunity to re-test.
How are grants treated on termination?	Generally, all rights (whether vested or unvested) lapse and terminate on cessation of employment.
May participants enter into hedging arrangements?	Executives are prohibited from entering into transactions to hedge or limit the economic risk of the securities allocated to them under the LTI scheme, either before vesting or after vesting while the securities are held subject to restriction. Executives are only able to hedge securities that have vested but continue to be subject to a trading restriction and a seven-year lock, with the prior consent of the Board. No employees have any hedging arrangements in place.
Are there restrictions on disposals?	Once rights have been allocated, disposal of performance shares is subject to restrictions whereby Board approval is required to sell shares granted within seven years under the LTI plan.
Do participants receive distributions or dividends on unvested LTI grants?	Participants do not receive distributions or dividends on unvested LTI grants.

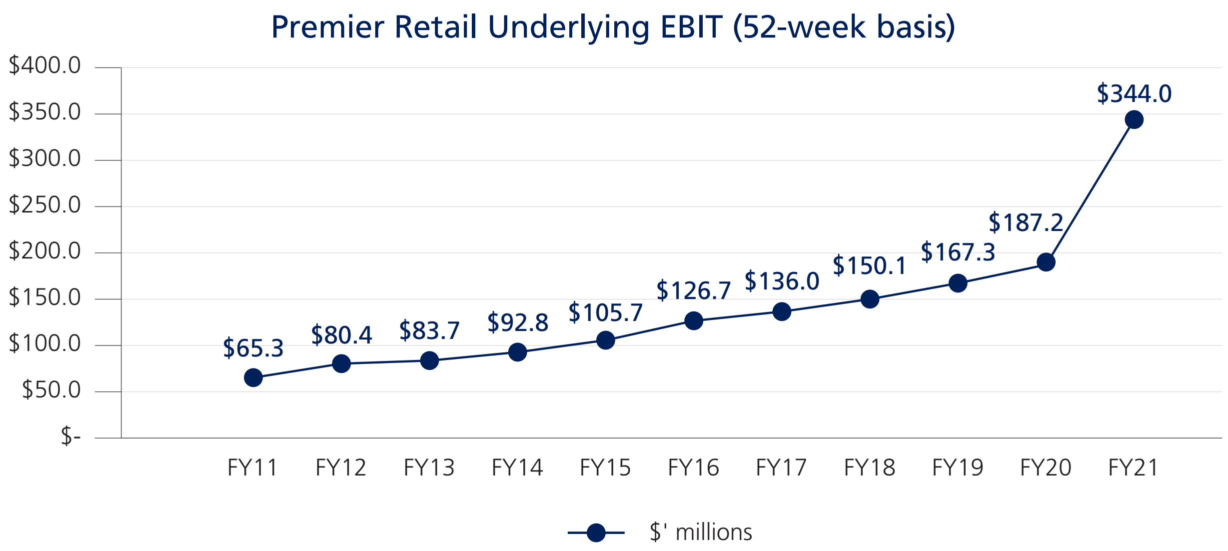
Directors' Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE)

Group performance and its link to STI

STI payment outcomes are primarily driven by Premier Retail's underlying EBIT growth. The following chart shows Premier Retail's underlying EBIT for the past ten years.



Note: The term underlying EBIT is not an IFRS defined term. Please refer to page 9 for a reconciliation between underlying EBIT and statutory reported operating profit before tax for the Retail Segment. FY21 and FY16 Underlying EBIT represent a comparable 52-week period.

Performance compared to STI payments made during the financial years ended 31 July 2021 and 25 July 2020

Mr Bryce received a discretionary bonus payment during the 2021 financial year amounting to $225,000. During the 2020 financial year, an amount of $215,851 was paid to Mr Bryce and combined both an STI payment and discretionary bonus payment. The STI payment was in line with hurdles and qualifiers relating to his 2019 financial year STI plan. This included the achievement of Premier Retail underlying EBIT.

Group performance and its link to LTI

The performance measure which drives LTI vesting is dependent on an absolute test, being a positive Premier TSR performance and a relative test, being a comparison against the Comparison Peer Group (as defined in section 3D of this report).

The table below illustrates the outcomes of the TSR testing performed during the 2020 and 2021 financial years in relation to KMP:

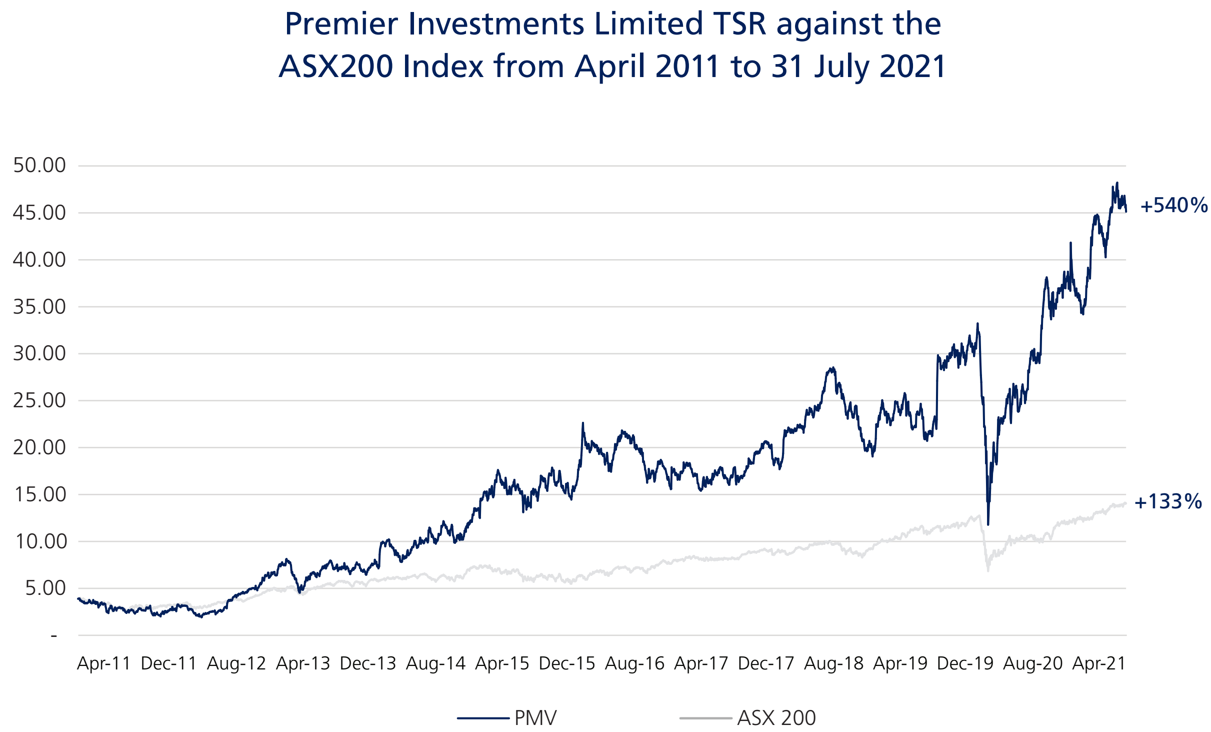
Testing Period	Share price at start of testing period	Share price at end of testing period	Dividends paid	TSR percentage	TSR percentile	Number of Performance Rights tested for KMP
4 Apr 2014 to 4 Apr 2020	$9.95	$11.55	$3.24 fully franked	54.73%	68.0	250,000*
1 Oct 2017 to 30 Sept 2020	$13.01	$20.56	$1.93 fully franked	75.38%	88.2	8,713

** Relates to Mr. McInnes, refer to section 5 of this report.*

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE) (CONTINUED)

The below chart shows the Premier TSR against the S&P/ASX200 Index, from April 2011 to 31 July 2021:



5. REMUNERATION OF OUTGOING CEO PREMIER RETAIL, MR. MCINNES

Mr. McInnes' fixed remuneration

Mr. McInnes' annual fixed remuneration for each of the 2020 and 2021 financial years was $2,750,000.

Mr. McInnes' notice period

Upon cessation of his employment, Mr. McInnes is entitled to 12 months' notice ("Notice Period") if he resigns or is terminated by Premier for any reason other than for serious misconduct, or for conduct otherwise giving rise to an entitlement at law to summarily dismiss ("Terminated Without Cause").

During the Notice Period, Premier may direct Mr. McInnes to continue in his role, perform no duties, reduced duties or alternative duties during the Notice Period, or elect to provide Mr. McInnes with payment in lieu of the Notice Period. The maximum amount of any payment in lieu of the Notice Period based on Mr. McInnes' current fixed remuneration for a 12-month period is $2,750,000 gross, less applicable tax.

Mr. McInnes provided notice of his resignation on 15 January 2021. Mr. McInnes remained CEO Premier Retail for the full financial year ended 31 July 2021, and commenced gardening leave on 14 August 2021 until the end of his Notice Period, being 15 January 2022.

Directors’ Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. REMUNERATION OF OUTGOING CEO PREMIER RETAIL, MR. MCINNES (CONTINUED)

Mr. McInnes’ STI arrangements

Mr. McInnes is entitled to receive a STI if the applicable performance targets and conditions set out below are met.

Calculation of Mr. McInnes’ STI is based on growth of Premier Retail EBIT, as compared to the previous financial year (“Base Year”). The relevant performance targets and corresponding STI payment amounts are as follows:

EBIT growth less than 5% of Base Year	No payment.
EBIT growth of 5% of Base Year	$1,375,000.
EBIT growth between 5% and 10% of Base Year	$1,375,000 plus a pro rata payment based on the % of the EBIT growth above 5%, up to a maximum of $2,750,000 for 10% EBIT growth.
EBIT growth of above 10% of Base Year	If Mr. McInnes considers that any additional payment is warranted based on EBIT growth of above 10%, he may make a request for an additional payment to the Chairman of Premier. The Chairman may determine whether or not to make any such payment in his sole and absolute discretion within 30 days of receiving any such request.

The maximum payment that Mr. McInnes may receive under the current STI scheme is $2,750,000, unless the Chairman decides to make an additional payment in his absolute discretion. The Chairman has not used such discretion during the 2020 or 2021 financial years.

As Mr. McInnes has resigned from his employment, he remains entitled to continue participating in the STI scheme until the end of the Notice Period in accordance with the above table (on a pro rata basis for the 2022 financial year as the Notice Period ends part way through the year).

Mr. McInnes’ STI entitlements for the financial years ended 31 July 2021 and 25 July 2020

For the 2021 financial year, Mr. McInnes was entitled to an STI payment of $2,750,000 which primarily reflected the significant growth achieved in Premier Retail’s EBIT for the 2021 financial year. This STI payment was paid on 27 September 2021 and has been reflected as part of Mr. McInnes’ remuneration for the 2021 financial year in section 9.

For the 2020 financial year, Mr. McInnes was entitled to an STI payment of $2,750,000 which primarily reflected the significant growth achieved in Premier Retail’s EBIT for the 2020 financial year. This STI payment was paid during the 2021 financial year, however, has been reflected as part of Mr. McInnes’ remuneration for the 2020 financial year in section 9.

The historical growth in Premier Retail’s underlying EBIT is detailed in the graph in section 4 of this report.

Mr. McInnes’ LTI arrangements

Mr. McInnes was entitled to 1,000,000 performance rights split into four equal tranches. The performance rights were granted at no cost to Mr. McInnes and, conditional on the performance hurdles being met, the performance rights were exercisable at no cost.

Shareholders approved the right of the Group to issue the 1,000,000 performance rights to Mr. McInnes at the 2015 Annual General Meeting of shareholders held on 27 November 2015. The rules pertaining to this grant were approved by shareholders at the Extraordinary General Meeting of shareholders held on 15 June 2016.

Mr. McInnes’ final tranche of performance rights vested during the 2020 financial year. McInnes had no active performance rights arrangements during the 2021 financial year.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. REMUNERATION OF OUTGOING CEO PREMIER RETAIL, MR. MCINNES (CONTINUED)

Mr. McInnes' LTI arrangements (continued)

The performance rights granted vested in four equal tranches subject to the achievement of both an absolute and relative TSR test. No value was received by Mr. McInnes if the performance rights lapsed prior to the vesting date.

Each tranche of performance rights has been tested against the TSR performance measure over different testing periods, as follows:

- Tranche A – 4 April 2014 to 4 April 2017
- Tranche B – 4 April 2014 to 4 April 2018
- Tranche C – 4 April 2014 to 4 April 2019
- Tranche D – 4 April 2014 to 4 April 2020 *(Final tranche tested in FY20, see Section 5)*

(each date being a "Vesting Date").

The share price baseline for each tranche was $9.88, which was the volume weighted average share price ("VWAP") of the ordinary shares on ASX for the five trading days prior to 4 April 2014. Premier's TSR was calculated based on the percentage growth achieved from the share price baseline of $9.88 to the share price on the relevant Vesting Date (calculated by the VWAP of the ordinary shares on ASX for the five trading days prior to the relevant Vesting Date).

The first stage absolute test required that the TSR over the testing period is positive.

If the TSR is positive, the second stage relative test required the TSR to be assessed against the relative performance of the Comparison Peer Group.

The relative TSR performance targets and the corresponding vesting percentages were as follows:

Target	Conversion ratio of performance rights to shares available to vest under the TSR performance condition:
Below the 50th percentile	0%
50th percentile	25%
Between 50th and 62.5th percentile	Pro Rata
62.5th percentile	50%
Between 62.5th and 75th percentile	Pro Rata
75th percentile and above	100%

Premier's TSR and ranking within the Comparison Peer Group for each testing period was assessed by an external independent advisor.

The performance rights under each tranche lapsed if the applicable performance hurdles are not met (unless otherwise determined by the Board in its absolute discretion).

Shares issued as a result of vesting of performance rights issued to Mr McInnes for the financial years ended 31 July 2021 and 25 July 2020

During the 2020 financial year, the final tranche of 250,000 performance rights (being Tranche D) were tested for the period 4 April 2014 to 4 April 2020. The TSR over this period was 54.73%, placing Premier in the 68.0 percentile of the Comparison Peer Group, resulting in vesting of 72% of the performance rights. Details of this test have been presented in Section 4 of this report. The Board, in its absolute discretion under the Performance Rights Plan, performed an indicative TSR test over two alternative testing periods, being 4 April 2014 to 29 April 2020, and 4 April 2014 and 28 February 2020, to provide the Board with further clarity on the impact on the short-term global share price volatility on Premier's TSR resulting from the COVID-19 pandemic.

Directors’ Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. REMUNERATION OF OUTGOING CEO PREMIER RETAIL, MR. MCINNES (CONTINUED)

Shares issued as a result of vesting of performance rights issued to Mr McInnes for the financial years ended 31 July 2021 and 25 July 2020 (continued)

The results of these two TSR tests reflected an indicative percentile ranking of 75.7 percentile and 78.6 percentile, respectively. Therefore, both indicative tests would have resulted in 100% of the performance rights qualifying for vesting into newly issued shares. Based on the circumstances surrounding the testing period for Tranche D, the results of the extended indicative TSR tests and the Group’s compounding growth achieved over the testing period, the Board exercised its discretion provided under the Performance Rights Plan. As a result, 250,000 performance rights vested into newly issued shares in May 2020. This is the first incidence where the Board has exercised its discretion under the Performance Rights Plan in relation to performance rights for members of Premier’s KMP.

Mr. McInnes had no performance rights plans in place during the 2021 financial year, therefore no performance rights were tested for vesting during the year ended 31 July 2021. No shares were issued to Mr. McInnes during the 2021 financial year.

Mr. McInnes’ post-employment restrictions

If Mr. McInnes’ employment ends, Premier may elect to restrict Mr. McInnes from certain conduct in competition with Premier for a period of either 12 months or 24 months from the end of the Notice Period (“Post-employment Restrictions”).

If Premier elects to enforce the Post-employment Restrictions, it is required to provide Mr. McInnes with his total fixed remuneration during the relevant period (up to a maximum period of 24 months).

Following Mr. McInnes’ resignation on 15 January 2021, Premier elected to implement the Post-employment Restrictions for a 12-month period, ending on 15 January 2023. As a result, Mr. McInnes will receive a total of $2,750,000 gross, less applicable tax.

Premier remains entitled to implement the Post-employment Restrictions for a further 12-month period ending 15 January 2024 (therefore a maximum 24-month period). If Premier elects to enforce the Post-employment Restrictions for maximum of 24 months, Mr. McInnes would receive a total of $5,500,000 gross, less applicable tax.

The payments outlined above may be considered a termination benefit within the meaning of Part 2D.2 of the Act.

Termination benefits

The STI and Post-employment Restrictions payments and benefits outlined above may be considered termination benefits within the meaning of Part 2D.2 of the Act.

At an Extraordinary General Meeting held on 15 June 2016, shareholders approved these potential termination benefits for the purposes of Part 2D.2 of the Act.

6. REMUNERATION FRAMEWORK OF INCOMING CEO PREMIER RETAIL, MR. MURRAY

On 28 April 2021, Premier announced the appointment of Mr. Richard Murray as incoming CEO Premier Retail, commencing 6 September 2021. The material terms of Mr. Murray's employment contract were provided to the ASX on 28 April 2021, and are summarised below:

Contract Term	No fixed term, ongoing until terminated by either party in accordance with the employment contract.
Fixed Remuneration	$2,000,000 per annum (subject to annual review).
Sign-on Retention	Subject to shareholder approval and other threshold conditions, the Company will grant Mr. Murray 200,000 performance rights as a once off sign-on retention. The performance rights will be tested, and if applicable, will vest in four equal tranches as follows: • **Tranche 1**: 50,000 performance rights, tested 1 year after Commencement • **Tranche 2**: 50,000 performance rights, tested 2 years after Commencement • **Tranche 3**: 50,000 performance rights, tested 3 years after Commencement • **Tranche 4**: 50,000 performance rights, tested 4 years after Commencement Vesting of each tranche of performance rights is subject to Mr. Murray being actively employed on the relevant vesting date of the respective tranche. If vested, each performance right is an entitlement to a fully paid ordinary share of the Company (Performance Shares). The Retention performance rights is subject to the terms and conditions of the Company's Performance Rights Plan Rules (**Rules**). In accordance with the Rules, disposal of Performance Shares is subject to restrictions whereby Board approval is required to sell shares granted within 7 years.
Short-term Incentive (STI)	The Company will provide Mr. Murray with an FY22 STI opportunity equivalent to between 37.5% and 75% of his fixed remuneration (pro-rata), subject to achievement of performance hurdles and other conditions to be determined.
Long-term Incentive (LTI)	Subject to shareholder approval and other threshold conditions, on Commencement the Company will grant Mr. Murray 600,000 performance rights. The performance rights will be tested, and if applicable, will vest in four equal tranches as follows: • **Tranche 1**: 150,000 performance rights, tested on 1 October 2024 • **Tranche 2**: 150,000 performance rights, tested on 1 October 2025 • **Tranche 3**: 150,000 performance rights, tested on 1 October 2026 • **Tranche 4**: 150,000 performance rights, tested on 1 October 2027 Vesting of each tranche of performance rights is subject to Mr. Murray being actively employed on the relevant vesting date of the respective tranche and a two-stage performance test – an absolute and relative test based on the Company's total shareholder return, with performance measures which are in line with Premier's current LTI plan. If vested, each performance right is an entitlement to a fully paid ordinary share of the Company. The Performance Rights are subject to the terms and conditions of the Company's Rules. In accordance with the Rules, disposal of Performance Shares is subject to restrictions whereby Board approval is required to sell shares granted within 7 years. Mr. Murray will not be entitled to any additional performance rights for the first four years of employment.
Notice Period	Either party may terminate the employment by providing 12 months' notice.
Post-employment restraint	Mr. Murray is subject to post-employment non-solicit and non-compete restraints for a maximum of two years commencing from the end of his employment. The Company may elect to pay Mr. Murray his base salary during some or all of this period.

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for KMP and other executives are formalised in written service agreements (with the exception of Ms. Meyer, whose relevant terms of employment are set out below). Material provisions of the service agreements are set out below:

					Termination benefits	
	Start date	**Term of agreement**	**Review period**	**Notice period required from Premier**	**Premier initiated**	**Notice period required from employee**
Mr. McInnes	4 April 2011	Open	Annual	12 months	12 months fixed rem. including notice	12 months fixed rem. including notice
Mr. Bryce	13 Dec 2016	Open	Annual	12 months	12 months fixed rem. including notice	12 months
Ms. Meyer	4 Feb 2019	Open	Annual	12 months	Nil	12 months

8. NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS

Determination of fees and maximum aggregate Non-Executive Director Remuneration

The Board seeks to set Non-Executive Director fees at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Group's constitution and the ASX listing rules specify that the Non-Executive Director maximum aggregate remuneration shall be determined from time to time by a general meeting. The most recent determination of this kind was at the 2016 Annual General Meeting held on 2 December 2016 when shareholders approved an aggregate remuneration of an amount not exceeding $1,500,000 per year.

The Chairman of the Group, consistent with his past practice, has declined to accept any remuneration for his role as a director or for his role on any committees.

Fee policy

Non-Executive Director's fees consist of base fees and committee fees. The payment of committee fees recognises the additional time commitment required by Non-Executive Directors who serve on Board committees.

Non-Executive Directors may be reimbursed for expenses reasonably incurred in attending to the Group's affairs. Non-Executive Directors do not participate in any incentive programs. Premier has not established any schemes for retirement benefits for Non-Executive Directors (other than superannuation).

9. REMUNERATION OF KEY MANAGEMENT PERSONNEL (KMP)

Details of the nature and amount of each element of compensation for services for KMP of the Group related to the financial year are as follows:

	Short-term		Post-employment	Share based		
2021	Salary/Fee	Cash	Superannuation	Long-term incentives	Total	Performance related
	$	$	$	$	$	%
Non-Executive Directors						
Mr. S. Lew	-	-	-	-	-	-
Mr. T. Antonie	140,000	-	-	-	140,000	-
Dr. D. Crean	164,321	-	15,679	-	180,000	-
Ms. S. Falzon	120,000	-	-	-	120,000	
Ms. S Herman	120,000	-	-	-	120,000	
Mr. H. D. Lanzer[1]	120,000	-	-	-	120,000	
Mr. T.L. McCartney	340,000	-	-	-	340,000	
Mr. M. R. I. McLeod	115,000	-	25,000	-	140,000	
Total Non-Executive Directors	**1,119,321**	**-**	**40,679**	**-**	**1,160,000**	
Executives						
Mr. M. McInnes[2]	2,725,000	2,750,000	25,000	-	5,500,000	50%
Mr. J.S. Bryce[3]	463,492	225,000	21,850	89,054	799,396	39%
Ms. M. Meyer	341,500	75,000	21,850	-	438,350	17%
Total executives	**3,529,992**	**3,050,000**	**68,700**	**89,054**	**6,737,746**	
TOTAL 2021	**4,649,313**	**3,050,000**	**109,379**	**89,054**	**7,897,746**	

[1] Mr. Lanzer's director's fees were paid to Arnold Bloch Leibler.
[2] Mr. McInnes is entitled to an STI payment of $2,750,000 in relation to the 2021 financial year. Refer to page 25 for further information on the STI payment reflected in the above table. In addition, refer to pages 24 and 27 for further details of Mr. McInnes' notice period and post-employment entitlements and restrictions beyond FY21.
[3] Refer to page 23 for further information relating to the bonus payment for Mr. Bryce.

.

Directors' Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. REMUNERATION OF KMP (CONTINUED)

2020	Short-term Salary/Fee	Short-term Cash	Post-employment Superannuation	Share based Long-term incentives	Total	Performance related
	$	$	$	$	$	%
Non-Executive Directors						
Mr. S. Lew	-	-	-	-	-	-
Mr. T. Antonie	121,333	-	-	-	121,333	-
Dr. D. Crean	142,466	-	13,534	-	156,000	-
Ms. S. Falzon	99,662	-	4,338	-	104,000	-
Ms. S Herman	99,662	-	4,338	-	104,000	-
Mr. H. D. Lanzer[1]	104,000	-	-	-	104,000	-
Mr. T.L. McCartney	294,667	-	-	-	294,667	-
Mr. M. R. I. McLeod	96,333	-	25,000	-	121,333	-
Total Non-Executive Directors[2]	**958,123**	**-**	**47,210**	**-**	**1,005,333**	
Executives						
Mr. M. McInnes[3]	2,452,083	2,750,000	22,917	444,444	5,669,444	56.34%
Mr. J.S. Bryce[4]	386,097	215,851	19,310	60,278	681,536	40.52%
Ms. M. Meyer	316,254	-	23,731	-	339,985	-
Total executives	**3,154,434**	**2,965,851**	**65,958**	**504,722**	**6,690,965**	
TOTAL 2020	**4,112,557**	**2,965,851**	**113,168**	**504,722**	**7,696,298**	

[1] Mr. Lanzer's director's fees were paid to Arnold Bloch Leibler.
[2] In response to the uncertainties surrounding the COVID-19 pandemic at the time, all Non-Executive Directors voluntarily did not receive any remuneration for April 2020 and received 80% of their monthly remuneration for the months of May – July 2020.
[3] In response to the uncertainties surrounding the COVID-19 pandemic at the time, Mr. McInnes voluntarily did not receive any remuneration for April 2020 and received 80% of his monthly gross remuneration for May 2020. Mr. McInnes was entitled to an STI payment of $2,750,000 in relation to the 2020 financial year. Refer to page 25 for further information on the STI payment reflected in the above table
[4] Refer to page 23 for further information relating to the bonus payment for Mr. Bryce.

REMUNERATION REPORT (AUDITED) (CONTINUED)

10. ADDITIONAL DISCLOSURES RELATING TO RIGHTS AND SHARES OF KMP

a) Rights awarded, vested and lapsed during the year:

The table below discloses the number of performance rights granted to KMP as remuneration for the financial year ended 31 July 2021, as well as the number of rights vested and lapsed during the year:

	Terms and conditions					Rights vested and lapsed during 2021	
2021	Grant year	Rights granted during the year No.	Grant date	Fair value per right at grant date $	Expiry and Exercise date	Rights vested No.	Rights lapsed No.
Mr. M. McInnes	-	-	-	-	-	-	-
Mr. J.S. Bryce	2018	-	19-Feb-18	-	-	8,713	-

b) Value of rights awarded, exercised and lapsed during the year:

2021	Value of rights granted during the year $	Value of rights exercised during the year $	Value of rights lapsed during the year $	Remuneration consisting of rights for the year %
Mr. M. McInnes	-	-	-	-
Mr. J.S. Bryce	-	189,682	-	11.14%

There were no alterations to the terms and conditions of rights awarded as remuneration since their award date. The value of rights exercised during the year represent the intrinsic value of the rights based on the share price on the relevant day of vesting.

c) Shares issued on exercise of rights:

2021	Shares issued No	Paid per share $	Unpaid per share $
Mr. J.S. Bryce	8,713	-	-

There were no alterations to the terms and conditions of rights awarded as remuneration since their award date.

d) Rights holdings of KMP:

						At 31 July 2021
2021	Balance at 25 July 2020	Granted as remuneration	Rights exercised	Rights lapsed	Balance at 31 July 2021	Rights not exercisable
Mr. M. McInnes	-	-	-	-	-	-
Mr. J.S. Bryce	40,449	-	(8,713)	-	31,736	31,736

Rights granted to key management personnel were made in accordance with the provisions of the Group's Performance Rights Plan.

Directors' Report continued

REMUNERATION REPORT (AUDITED) (CONTINUED)

10. ADDITIONAL DISCLOSURES RELATING TO RIGHTS AND SHARES OF KMP (CONTINUED)

e) Number of Ordinary Shares held in Premier Investments Limited by KMP:

2021	Balance at 25 July 2020	Shares acquired under performance rights plan	Balance at 31 July 2021
NON-EXECUTIVE DIRECTORS			
Mr. S. Lew *	4,437,699	-	4,437,699
Mr. T. Antonie	5,001	-	5,001
Dr. D.M. Crean	-	-	-
Ms. S. Falzon	-	-	-
Ms. S. Herman	11,500	-	11,500
Mr. H.D. Lanzer	27,665	-	27,665
Mr. T.L. McCartney	-	-	-
Mr. M.R.I. McLeod	28,186	-	28,186
EXECUTIVES			
Mr. M. McInnes	982,100	-	982,100
Mr. J.S. Bryce	-	8,713	8,713
Ms. M. Meyer	-	-	-
TOTAL	**5,492,151**	**8,713**	**5,500,864**

* Mr. Lew is an associate of Century Plaza Investments Pty. Ltd. and Metrepark Pty. Ltd (Associated Entities). The Associated Entities, collectively, have a relevant interest in 59,804,731 (2020: 59,804,731) shares in the company. However, Mr. Lew does not have a relevant interest in the shares in the company held by the Associated Entities.

f) Details and terms and conditions of other transactions and balances with KMP and their related parties

Mr. Lanzer is the managing partner of the legal firm Arnold Bloch Leibler. Group companies use the services of Arnold Bloch Leibler from time to time. Legal services totalling $2,809,669 (2020: $2,396,209), including Mr. Lanzer's Director fees, GST and disbursements were invoiced by Arnold Bloch Leibler to the Group, with $544,387 (2020: $713,866) remaining outstanding at year-end. The fees paid for these services were at arm's length and on normal commercial terms.

Mr. Lanzer is a director of Loch Awe Pty Ltd. During the year, operating lease payments totalling $42,158 (2020: $223,293) including GST was paid to Loch Awe Pty Ltd, with $177,852 outstanding rent payments at year-end (2020: nil). The payments were at arm's length and on normal commercial terms.

Mr. Lew is a director of Voyager Distributing Company Pty Ltd. During the year, purchases totalling $22,990,422 (2020: $17,273,036) including GST have been made by Group companies from Voyager Distributing Co. Pty Ltd, with $9,843,740 (2020: $4,058,067) remaining outstanding at year-end. The purchases were all at arm's length and on normal commercial terms.

Mr. Lew is a director of Century Plaza Trading Pty. Ltd. Premier and Century Plaza Trading Pty Ltd are parties to a Services Agreement to which Century Plaza Trading agrees to provide certain administrative services to the Company to the extent required and requested by Premier. Premier is required to reimburse Century Plaza Trading for costs it incurs in providing the Company with the services under the Service Agreement. Premier reimbursed a total of $561,000 (2020: $512,600) costs including GST incurred by Century Plaza Trading Pty Ltd.

10. ADDITIONAL DISCLOSURES RELATING TO TRANSACTIONS AND BALANCES WITH KMP

f) Details and terms and conditions of other transactions and balances with KMP and their related parties (continued)

Amounts recognised in the financial report at the reporting date in relation to other transactions:

i) Amounts included within Assets and Liabilities

	2021 $'000
Current Liabilities	
Trade and other payables	10,566
	10,566

ii) Amounts included within Profit or Loss

	2021 $'000
Expenses	
Purchases/ Cost of goods sold	21,161
Lease rental expense	200
Legal fees	2,554
Other expenses	561
Total expenses	24,476

Auditor’s Independence Declaration

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor’s Independence Declaration to the Directors of Premier Investments Limited

As lead auditor for the audit of the financial report of Premier Investments Limited for the financial period ended 31 July 2021, I declare to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Premier Investments Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Glenn Carmody
Partner
1 October 2021

Statement of Comprehensive Income

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020

	NOTES	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Revenue from contracts with customers	4	1,443,174	1,216,316
Other revenue	4	1,422	2,464
Total revenue		1,444,596	1,218,780
Other income	4	14,063	30,182
Total revenue and other income		1,458,659	1,248,962
Changes in inventories		(515,271)	(474,582)
Employee expenses	5	(334,818)	(247,612)
Lease rental benefits (expenses)	5	7,544	(17,532)
Depreciation, impairment and amortisation of non-current assets	5	(178,258)	(250,060)
Advertising and direct marketing		(18,510)	(14,171)
Finance costs	5	(11,574)	(16,716)
Other expenses		(52,086)	(50,786)
Total expenses		(1,102,973)	(1,071,459)
Share of profit of associate	20	23,897	17,696
Profit from continuing operations before income tax		379,583	195,199
Income tax expense	6	(107,743)	(57,446)
Net profit for the period attributable to owners		**271,840**	**137,753**
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Net gain (loss) on cash flow hedges	24	12,568	(9,886)
Foreign currency translation	24	802	(868)
Net movement in other comprehensive loss of associates	24	(3,782)	(688)
Income tax on items of other comprehensive income (loss)	6	(3,772)	2,964
Other comprehensive income (loss) which may be reclassified to profit or loss in subsequent periods, net of tax		**5,816**	**(8,478)**
Items not to be reclassified subsequently to profit or loss			
Net fair value gain (loss) on listed equity investment	24	28,820	(28,747)
Income tax on items of other comprehensive income (loss)	6	(8,646)	8,623
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of tax		**20,174**	**(20,124)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS		**297,830**	**109,151**
Earnings per share from continuing operations attributable to the ordinary equity holders of the parent:			
- basic, profit for the year (cents per share)	7	171.15	86.89
- diluted, profit for the year (cents per share)	7	170.39	86.56

The accompanying notes form an integral part of this Statement of Comprehensive Income.

Statement of Financial Position

As at 31 July 2021 and 25 July 2020

	NOTES	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents	21	523,356	448,832
Trade and other receivables	9	9,490	30,320
Inventories	10	208,760	156,590
Other financial instruments	25	7,073	-
Other current assets	11	10,326	10,531
Total current assets		759,005	646,273
Non-current assets			
Property, plant and equipment	17	137,798	155,134
Right-of-use assets	12	167,087	231,790
Intangible assets	18	827,004	826,888
Deferred tax assets	6	55,494	66,924
Listed equity investment at fair value	19	63,462	18,132
Investment in associate	20	271,372	257,391
Total non-current assets		1,522,217	1,556,259
TOTAL ASSETS		**2,281,222**	**2,202,532**
LIABILITIES			
Current liabilities			
Trade and other payables	13	164,269	208,979
Income tax payable		58,218	66,172
Interest-bearing liabilities	22	69,000	-
Lease liabilities	14	159,050	189,221
Provisions	15	45,610	38,297
Other financial instruments	25	815	4,008
Other current liabilities	16	15,120	8,588
Total current liabilities		512,082	515,265
Non-current liabilities			
Interest-bearing liabilities	22	77,834	146,659
Deferred tax liabilities	6	68,319	65,427
Lease liabilities	14	78,435	114,668
Provisions	15	11,421	10,603
Other financial instruments	25	-	2,316
Other non-current liabilities	16	226	146
Total non-current liabilities		236,235	339,819
TOTAL LIABILITIES		**748,317**	**855,084**
NET ASSETS		**1,532,905**	**1,347,448**
EQUITY			
Contributed equity	23	608,615	608,615
Reserves	24	(10,001)	(37,847)
Retained earnings		934,291	776,680
TOTAL EQUITY		**1,532,905**	**1,347,448**

The accompanying notes form an integral part of this Statement of Financial Position.

Statement of Cash Flows

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020

	NOTES	CONSOLIDATED 2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		1,620,975	1,344,202
Payments to suppliers and employees (inclusive of GST)		(1,115,786)	(829,742)
Interest received		1,313	2,436
Borrowing costs paid		(4,632)	(5,422)
Interest on lease liabilities		(6,676)	(11,080)
Income taxes paid		(111,674)	(16,812)
NET CASH FLOWS FROM OPERATING ACTIVITIES	21(b)	**383,520**	**483,582**
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from investment in associate		12,227	14,235
Payment for trademarks		(116)	(273)
Purchase of investments		(16,510)	-
Payment for property, plant and equipment		(2,917)	(7,316)
NET CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES		**(7,316)**	**6,646**
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity dividends paid		(165,171)	(58,636)
Payment of lease liabilities		(137,180)	(150,958)
Proceeds from borrowings		-	137,000
Repayment of borrowings		-	(158,000)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(302,351)**	**(230,594)**
NET INCREASE IN CASH HELD		**73,853**	**259,634**
Cash at the beginning of the financial year		448,832	190,255
Net foreign exchange difference		671	(1,057)
CASH AT THE END OF THE FINANCIAL YEAR	21(a)	**523,356**	**448,832**

The accompanying notes form an integral part of this Statement of Cash Flows.

Statement of Changes in Equity

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020

	CONSOLIDATED							
	CONTRIBUTED EQUITY	CAPITAL PROFITS RESERVE	PERFORMANCE RIGHTS RESERVE	CASH FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	RETAINED PROFITS	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 26 July 2020 (Original)	608,615	464	19,359	(4,419)	5,781	(59,032)	776,680	1,347,448
Adjustment due to accounting policy change by associate (Note 20)	-	-	-	-	-	-	(3,024)	(3,024)
At 26 July 2020 (Adjusted)	608,615	464	19,359	(4,419)	5,781	(59,032)	773,656	1,344,424
Net profit for the period	-	-	-	-	-	-	271,840	271,840
Other comprehensive income (loss)	-	-	-	8,796	(2,980)	20,174	-	25,990
Total comprehensive income for the period	**-**	**-**	**-**	**8,796**	**(2,980)**	**20,174**	**271,840**	**297,830**
Transactions with owners in their capacity as owners:								
Performance rights issued	-	-	1,856	-	-	-	-	1,856
Dividends paid and payable	-	-	-	-	-	-	(111,205)	(111,205)
Balance as at 31 July 2021	**608,615**	**464**	**21,215**	**4,377**	**2,801**	**(38,858)**	**934,291**	**1,532,905**
At 28 July 2019	608,615	464	17,746	2,503	7,337	(38,908)	751,529	1,349,286
Net profit for the period	-	-	-	-	-	-	137,753	137,753
Other comprehensive loss	-	-	-	(6,922)	(1,556)	(20,124)	-	(28,602)
Total comprehensive income for the period	**-**	**-**	**-**	**(6,922)**	**(1,556)**	**(20,124)**	**137,753**	**109,151**
Transactions with owners in their capacity as owners:								
Performance rights issued	-	-	1,613	-	-	-	-	1,613
Dividends paid and payable	-	-	-	-	-	-	(112,602)	(112,602)
Balance as at 25 July 2020	**608,615**	**464**	**19,359**	**(4,419)**	**5,781**	**(59,032)**	**776,680**	**1,347,448**

The accompanying notes form an integral part of this Statement of Changes in Equity

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020

1 GENERAL INFORMATION

The financial report contains the consolidated financial statements of the consolidated entity, comprising Premier Investments Limited (the 'parent entity') and its wholly owned subsidiaries ('the Group') for the 53 weeks ended 31 July 2021. The financial report was authorised for issue by the Directors on 1 October 2021.

Premier Investments Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

The notes to the financial statements have been organised into the following sections:

(i) *Other significant group accounting policies:* Summarises the basis of financial statement preparation and other accounting policies adopted in the preparation of these consolidated financial statements. Specific accounting policies are disclosed in the note to which they relate.

(ii) *Group performance:* Contains the notes that focus on the results and performance of the Group.

(iii) *Operating assets and liabilities:* Provides information on the Group's assets and liabilities used to generate the Group's performance.

(iv) *Capital invested:* Provides information on the capital invested which allows the Group to generate its performance.

(v) *Capital structure and risk management:* Provides information on the Group's capital structure and summarises the Group's Risk Management policies.

(vi) *Group structure:* Contains information in relation to the Group's structure and related parties.

(vii) *Other disclosures:* Summarises other disclosures which are required in order to comply with Australian Accounting Standards and other authoritative pronouncements.

2 OTHER SIGNIFICANT GROUP ACCOUNTING POLICIES

The consolidated financial report is prepared for the 53 weeks from 26 July 2020 to 31 July 2021.

Below is a summary of significant group accounting policies applicable to the Group which have not been disclosed elsewhere. The notes to the financial statements, which contain detailed accounting policy notes, should be read in conjunction with the below Group accounting policies.

(a) BASIS OF FINANCIAL REPORT PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for other financial instruments and listed equity investments at fair value, which have been measured at fair value as explained in the relevant accounting policies throughout the notes.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000), unless otherwise stated, as the Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016.

(b) STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

2 OTHER SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(c) BASIS OF CONSOLIDATION

The consolidated financial statements are those of the consolidated entity, comprising Premier Investments Limited and its wholly owned subsidiaries as at the end of each financial year. A list of the Group's subsidiaries is included in note 27.

Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries held by Premier Investments Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment losses. Dividends received from subsidiaries are recorded as a component of other revenue in the separate statement of comprehensive income of the parent entity, and do not impact the recorded cost of the investment.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

(d) COMPARATIVE AMOUNTS

The current reporting period, 26 July 2020 to 31 July 2021, represents 53 weeks and the comparative reporting period is from 28 July 2019 to 25 July 2020 which represents 52 weeks. From time to time, management may change prior year comparatives to reflect classifications applied in the current year.

(e) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified certain critical accounting policies for which significant judgements, estimates and assumptions are required. These key judgements, estimates and assumptions have been disclosed as part of the relevant note to the financial statements. Actual results may differ from those estimated under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

The Group's operations continued to be impacted during the 2021 financial year as a direct result of the ongoing COVID-19 pandemic. In particular, the Group experienced a disruption to trading conditions, mainly due to widespread temporary retail store closures. In respect of the financial statements for the 2021 financial year, the impact of COVID-19 is particularly relevant to estimates of future performance. This, in turn, has an impact on areas of impairment of assets as well as the estimation of the expected lease term of retail store leases in holdover. The extent of the impact of the pandemic on future trading performance is unclear, and estimations in this environment entail a great degree of uncertainty. In response to these estimation uncertainties, key assumptions have been critically assessed and incorporate the possibility of a level of continued COVID-19 restrictions and regulations, along with the Group's proposed responses in these circumstances. Assumptions have been based on management's best estimates and information available in respect of conditions that existed at the reporting date, amidst this global health crisis.

2 OTHER SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(f) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current versus non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold in the normal operating cycle, or primarily held for the purpose of trading, or is expected to be realised within twelve months after the reporting period, or;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when it is:

- Expected to be settled in the normal operating cycle, or primarily held for the purpose of trading, or is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

(h) FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Both the functional and presentation currency of the parent entity and its Australian subsidiaries is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All exchange differences are taken to profit or loss in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

As at the reporting date the assets and liabilities of the overseas subsidiaries are translated into the presentation currency of the parent entity at the rate of exchange ruling at the reporting date and the statements of comprehensive income are translated at the weighted average exchange rates for the period. Exchange variations resulting from the translations are recognised in the foreign currency translation reserve in equity.

(i) GOODS AND SERVICES TAX (GST), INCLUDING OTHER VALUE-ADDED TAXES

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

2 OTHER SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(i) GOODS AND SERVICES TAX (GST), INCLUDING OTHER VALUE-ADDED TAXES (continued)

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(j) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in accounting policies, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for new and amended Australian Accounting Standards and AASB Interpretations relevant to the Group and its operations that are effective for the current annual reporting period, described below. These new and amended Accounting Standards did not have a material impact on the consolidated financial report of the Group.

Amendments to AASB 3: *Definition of a Business*

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

Amendments to AASB 7, AASB 9 and AASB 139 *Interest Rate Benchmark Reform*

The amendments to AASB 9 and AASB 139 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Amendments to AASB 101 and AASB 108 *Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

IFRIC agenda decision – Configuration or Customisation Costs in a Cloud Computing Arrangement

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision for configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement. SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement.

Where costs incurred to configure or customise SaaS arrangements 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.

2 OTHER SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(j) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Changes in accounting policies, disclosures, standards and interpretations (continued)

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are recognised as expenses over the duration of the SaaS contract.

This change in accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements has not had a material impact on the Group.

Accounting Standards and Interpretations issued but not yet effective

Recently issued or amended Australian Accounting Standards and Interpretations that have been identified as those which may be relevant to the Group in future reporting periods, but are not yet effective, have not been early adopted by the Group for the reporting period ended 31 July 2021. The Group does not anticipate that the below amended standards and interpretations will have a material impact on the Group:

- Amendments to AASB 101: *Classification of Liabilities as Current or Non-current*;
- Reference to the Conceptual Framework – *Amendments to AASB 3*;
- Property, Plant and Equipment: Proceeds before Intended Use – *Amendments to AASB 116*; and
- Onerous Contracts – Costs of Fulfilling a Contract – *Amendments to AASB 137*

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

GROUP PERFORMANCE

3 OPERATING SEGMENTS

Identification of operating segments

The Group determines and presents operating segments based on the information that is internally provided and used by the chief operating decision maker in assessing the performance of the Group and in determining the allocation of resources.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segments are identified by management based on the nature of the business conducted, and for which discrete financial information is available and reported to the chief operating decision maker on at least a monthly basis.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets, head office expenses and income tax assets and liabilities.

Reportable Segments

Retail

The retail segment represents the financial performance of a number of speciality retail fashion chains.

Investment

The investment segment represents investments in securities for both long and short term gains, dividend income and interest.

Accounting policies

The key accounting policies used by the Group in reporting segments internally are the same as those contained in these financial statements.

Income tax expense

Income tax expense is calculated based on the segment operating net profit using the Group's effective income tax rate.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to the segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The table on the following page presents revenue and profit information for operating segments for the periods ended 31 July 2021 and 25 July 2020.

GROUP PERFORMANCE

3 OPERATING SEGMENTS (CONTINUED)

(A) OPERATING SEGMENTS

	RETAIL		INVESTMENT		ELIMINATION		CONSOLIDATED	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
REVENUE AND OTHER INCOME								
Revenue from contracts with customers	1,443,174	1,216,316	-	-	-	-	1,443,174	1,216,316
Interest revenue	392	159	756	2,131	-	-	1,148	2,290
Other revenue	240	147	165,034	53,027	(165,000)	(53,000)	274	174
Other income	4,946	14,296	9,117	15,886	-	-	14,063	30,182
Total revenue and other income	1,448,752	1,230,918	174,907	71,044	(165,000)	(53,000)	1,458,659	1,248,962
Total revenue per the statement of comprehensive income							**1,458,659**	**1,248,962**
RESULTS								
Depreciation and amortisation	24,452	42,337	1,505	1,368	-	-	25,957	43,705
Impairment – property, plant and equipment	-	31,254	-	-	-	-	-	31,254
Depreciation – right-of-use asset	155,552	175,932	-	-	(3,251)	(3,251)	152,301	172,681
Impairment – right-of-use asset	-	2,420	-	-	-	-	-	2,420
Interest expense	8,757	14,057	2,931	2,879	(114)	(220)	11,574	16,716
Share of profit of associate	-	-	23,897	17,696	-	-	23,897	17,696
Profit before income tax expense	**352,112**	**165,776**	**192,497**	**82,343**	**(165,026)**	**(52,920)**	**379,583**	**195,199**
Income tax expense							(107,743)	(57,446)
Net profit after tax per the statement of comprehensive income							**271,840**	**137,753**

	RETAIL		INVESTMENT		ELIMINATION		CONSOLIDATED	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
ASSETS AND LIABILITIES								
Segment assets	1,006,557	970,254	1,420,029	1,381,509	(145,364)	(149,231)	2,281,222	2,202,532
Segment liabilities	622,906	733,215	187,845	242,195	(62,434)	(120,326)	748,317	855,084
Capital expenditure	8,579	19,024	-	-	-	-	8,579	19,024

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

GROUP PERFORMANCE

3 OPERATING SEGMENTS (CONTINUED)

(B) GEOGRAPHIC AREAS OF OPERATION

	AUSTRALIA	NEW ZEALAND	ASIA	EUROPE	ELIMINATION	CONSOLIDATED
	2021 $'000	**2021 $'000**	**2021 $'000**	**2021 $'000**	**2021 $'000**	**2021 $'000**
REVENUE AND OTHER INCOME						
Revenue from contracts with customers	1,171,833	160,179	34,152	77,010	-	1,443,174
Other revenue and income	18,170	3	3,962	4,622	(11,272)	15,485
Total revenue and other income	**1,190,003**	**160,182**	**38,114**	**81,632**	**(11,272)**	**1,458,659**
Segment non-current assets	1,403,407	30,990	13,483	34,512	39,815	1,522,217
Capital expenditure	7,594	878	25	82	-	8,579

	AUSTRALIA	NEW ZEALAND	ASIA	EUROPE	ELIMINATION	CONSOLIDATED
	2020 $'000	**2020 $'000**	**2020 $'000**	**2020 $'000**	**2020 $'000**	**2020 $'000**
REVENUE AND OTHER INCOME						
Revenue from contracts with customers	929,747	126,507	61,709	98,353	-	1,216,316
Other revenue and income	49,250	6	14,594	296	(31,500)	32,646
Total revenue and other income	**978,997**	**126,513**	**76,303**	**98,649**	**(31,500)**	**1,248,962**
Segment non-current assets	1,420,303	33,522	17,767	47,281	37,386	1,556,259
Capital expenditure	15,633	2,221	1,139	31	-	19,024

4 REVENUE AND OTHER INCOME

	CONSOLIDATED 2021 $'000	2020 $'000
REVENUE		
Revenue from contracts with customers	1,443,174	1,216,316
(Disaggregated revenue from contracts with customers is presented in note 3B, *Operating Segments)*		
OTHER REVENUE		
Sundry revenue	274	174
Interest received	1,148	2,290
TOTAL OTHER REVENUE	1,422	2,464
TOTAL REVENUE	**1,444,596**	**1,218,780**
OTHER INCOME		
Net gain from settlement of cash flow hedges	-	13,207
Gain on investment in associate resulting from share issue	9,117	15,886
United Kingdom COVID-19 lockdown grants	4,622	-
Other	324	1,089
TOTAL OTHER INCOME	14,063	30,182
TOTAL REVENUE AND OTHER INCOME	**1,458,659**	**1,248,962**

REVENUE RECOGNITION ACCOUNTING POLICY

Revenue recognition occurs at the point in time when control of the goods is transferred to the customer, generally at the point of sale or on delivery of the goods.

The Group estimates the value of expected customer returns that will arise as a result of the Group's returns policy, which entitles the customer to a refund of returned unused products within the specified timeframe for the respective brands. At the same time, the Group recognises a right of return asset, being the former carrying amount of the inventory, less any expected costs to recover the goods the Group expects to be returned by customers as a result of the returns policy.

The Group operates certain loyalty programmes, which allow customers to accumulate points when products are purchased, and which can be redeemed for free or discounted product once a minimum number of points have been accumulated. Loyalty points give rise to a separate performance obligation providing a material right to the customer, therefore a portion of the transaction price is allocated to the loyalty programme based on the relative stand-alone selling prices.

The Group recognises a contract liability upon the sale of gift cards and recognises revenue when the customer redeems the gift card, and the Group fulfils its performance obligation. The Group also recognises revenue on the portion of unredeemed gift cards for which redemption is unlikely, known as gift card breakage. Gift card breakage is estimated and recognised as revenue in proportion to the pattern of rights exercised by customers. On expiry of the gift card, any unused funds are recognised in full as breakage.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

GROUP PERFORMANCE

	NOTES	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
5 EXPENSES			
LEASE RENTAL (BENEFITS) EXPENSES			
Variable lease expenses		7,501	4,135
Other lease expenses		15,986	28,410
COVID-19 related rent concessions		(19,521)	(15,013)
Other Australia and New Zealand holdover rent concessions		(9,960)	-
Other		(1,550)	-
NET LEASE RENTAL EXPENSES		**(7,544)**	**17,532**
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-CURRENT ASSETS			
Depreciation of property, plant and equipment	17	25,957	43,682
Depreciation of right-of-use assets	12	152,301	172,681
Impairment of right-of-use assets	12	-	2,420
Impairment of property, plant and equipment	17	-	31,254
Amortisation of leasehold premiums	18	-	23
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-CURRENT ASSETS		**178,258**	**250,060**
FINANCE COSTS			
Interest on lease liabilities		6,676	11,080
Interest on bank loans and overdraft		4,898	5,636
TOTAL FINANCE COSTS		**11,574**	**16,716**
OTHER EXPENSES INCLUDE:			
Net loss on disposal of property, plant and equipment		5	982

EMPLOYEE EXPENSES

Premier recognises that the Australian Federal Government's JobKeeper initiative was fundamental to keeping employees and employers connected during the once in a century health crisis. On 3 May 2021, the Group announced that it will voluntarily return the $15.6 million FY21 net JobKeeper wage subsidy benefit that it received under the scheme rules, to the Australian Taxation Office. As a result, the Group recorded no net JobKeeper benefit in its FY21 statement of comprehensive income. The Group was not eligible for the second phase of the Australian Government JobKeeper scheme from 28 September 2020 onwards. The Group continued to pay its full and part time Australian team members their contracted hours whilst these teams were unable to work during various state government mandated temporary store closures from October 2020 through to July 2021, when the Federal Government made available its temporary COVID disaster payment scheme directly to impacted team members.

For the 52 weeks ended 25 July 2020, the financial impact of COVID-19 was most severe for the period March 2020 to May 2020, when global sales were down approximately $131.1 million on the prior comparable period, with retail store sales down 78.4%. As a result of this devastating impact on the Group's FY20 global sales, the Group became eligible for $68.7 million of global wage subsidies across seven countries.

5 EXPENSES (CONTINUED)

EMPLOYEE EXPENSES (CONTINUED)

Of the total amount, $35.5 million was passed directly through to eligible employees unable to work. In addition, in Australia, many of the Group's casual and part time work force received subsidy payments in excess of their normal working arrangements in accordance with the rules of the government scheme. The funds received were used to support standing up the Group's employees as stores gradually re-opened under COVID-19 safe plans. The Government wage subsidies have been recorded as a reduction in employee expenses in the statement of comprehensive income.

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
6 INCOME TAX		
The major components of income tax expense are:		
(a) INCOME TAX RECOGNISED IN PROFIT OR LOSS		
CURRENT INCOME TAX		
Current income tax charge	106,275	68,047
Adjustment in respect of current income tax of previous years	475	(479)
DEFERRED INCOME TAX		
Relating to origination and reversal of temporary differences	993	(10,122)
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	**107,743**	**57,446**
(b) STATEMENT OF CHANGES IN EQUITY		
Deferred income tax related to items credited directly to equity:		
Net deferred income tax on movements on cash-flow hedges	3,772	(2,964)
Net deferred income tax on unrealised gain (loss) on listed equity investment at fair value	8,646	(8,623)
INCOME TAX EXPENSE (BENEFIT) REPORTED IN EQUITY	**12,418**	**(11,587)**
(c) RECONCILIATION BETWEEN TAX EXPENSE AND THE ACCOUNTING PROFIT BEFORE TAX MULTIPLIED BY THE GROUP'S APPLICABLE AUSTRALIAN INCOME TAX RATE		
Accounting profit before income tax	379,583	195,199
At the Parent Entity's statutory income tax rate of 30% (2020: 30%)	113,875	58,560
Adjustment in respect of current income tax of previous years	475	(479)
Expenditure not allowable for income tax purposes	697	544
Effect of different rates of tax on overseas income	(1,345)	2,203
Effect of tax losses not recognised	-	693
Income not assessable for tax purposes	(5,791)	(4,175)
Other	(168)	100
AGGREGATE INCOME TAX EXPENSE	**107,743**	**57,446**

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

GROUP PERFORMANCE

6 INCOME TAX (CONTINUED)

(*d*) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
DEFERRED TAX RELATES TO THE FOLLOWING:		
Foreign currency balances	192	1,162
Potential capital gains tax on financial investments	(42,516)	(30,654)
Deferred gains and losses on financial instruments	(1,877)	1,910
Inventory provisions	1,748	878
Lease arrangements	8,153	11,001
Employee provisions	9,400	7,519
Other receivables and prepayments	-	(1,679)
Property, plant and equipment	3,546	(3,195)
Impairment of store plant and equipment	-	6,822
Other provisions	2,769	3,461
Other	5,760	4,272
NET DEFERRED TAX (LIABILITIES) ASSETS	**(12,825)**	**1,497**
REFLECTED IN THE STATEMENT OF FINANCIAL POSITION AS FOLLOWS:		
Deferred tax assets	55,494	66,924
Deferred tax liabilities	(68,319)	(65,427)
NET DEFERRED TAX (LIABILITIES) ASSETS	**(12,825)**	**1,497**

INCOME TAX ACCOUNTING POLICY

Income tax expense comprises current tax (amounts payable or receivable within 12 months) and deferred tax (amounts payable or receivable after 12 months). Tax expense is recognised in profit or loss, unless it relates to items that have been recognised in equity as part of other comprehensive income or directly in equity. In this instance, the related tax expense is also recognised in other comprehensive income or directly in equity.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities based on the current and prior period taxable income. The tax rates and tax laws used to calculate tax amounts are those that are enacted or substantially enacted by the reporting date.

Deferred income tax

Deferred income tax is recognised on taxable temporary differences at the reporting date between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes based on the expected manner of recovery of the carrying value of an asset or liability.

GROUP PERFORMANCE

6 INCOME TAX (CONTINUED)

INCOME TAX ACCOUNTING POLICY (CONTINUED)

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

Deferred income tax liabilities are recognised for all temporary differences except:

- When the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss: and
- When the taxable temporary difference is associated with investments in subsidiaries, associates and interest in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all taxable temporary differences, except for the following:

- When the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit;
- When the deductible temporary difference is associated with investments in subsidiaries, associates and interest in joint ventures, in which case the deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available to utilise the deferred tax asset.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax assets and tax liabilities are offset only if a legally enforceable right exists to set off and the tax assets and tax liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

Premier Investments Limited and its wholly owned Australian controlled entities have implemented a tax consolidation group. The head entity, Premier Investments Limited and the controlled entities continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach to determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At reporting date the possibility of default is remote.

In addition to its own current and deferred tax amounts, Premier Investments Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Deferred tax assets are recognised for taxable temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

GROUP PERFORMANCE

6 INCOME TAX (CONTINUED)

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised in the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to profit or loss in the statement of comprehensive income.

	CONSOLIDATED	
	2021 $'000	2020 $'000
7 EARNINGS PER SHARE		
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net profit for the period	271,840	137,753

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares used in calculating:		
- basic earnings per share	158,829	158,540
- diluted earnings per share	159,538	159,134

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

EARNINGS PER SHARE ACCOUNTING POLICY

Basic earnings per share are calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for costs of servicing equity, the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses, and other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

GROUP PERFORMANCE

	CONSOLIDATED	
	2021 $'000	2020 $'000
8 A) DIVIDENDS		
DIVIDENDS APPROVED AND/ OR PAID		
Approved during the year:		
Interim franked dividends:		
2021 Approved and paid: 34 cents per share	54,014	-
2020 Approved: 34 cents per share (i)	-	53,966
Approved and paid during the year:		
Final franked dividends for 2020:		
36 cents per share (2019: 37 cents)	57,191	58,636
TOTAL FOR THE YEAR	**111,205**	**112,602**

(i) The 2020 interim dividend was paid on 30 September 2020.

DIVIDENDS APPROVED AND NOT RECOGNISED AS A LIABILITY:		
Final franked dividend for 2021:		
46 cents per share (2020: 36 cents)	73,077	57,191

The Directors of Premier Investments Limited approved a final dividend in respect of the 2021 financial year. The total amount of the dividend is $73,077,000 (2020: $57,191,000) which represents a fully franked dividend of 46 cents per share (2020: 36 cents per share).

	CONSOLIDATED	
	2021 $'000	2020 $'000
B) FRANKING CREDIT BALANCE		
The amount of franking credits available for the subsequent financial year are:		
franking account balance as at the end of the financial year at 30% (2020: 30%)	231,271	196,701
franking credits that will arise from the payment of income tax payable as at the end of the financial year	56,181	59,205
franking debits that will be used on the payment of dividends subsequent to the end of the financial year	(31,319)	(47,639)
TOTAL FRANKING CREDIT BALANCE	**256,133**	**208,267**

The tax rate at which paid dividends have been franked is 30% (2020: 30%). Dividends proposed will be franked at the rate of 30% (2020: 30%).

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

OPERATING ASSETS AND LIABILITIES

	CONSOLIDATED	
	2021 $'000	2020 $'000
9 TRADE AND OTHER RECEIVABLES (CURRENT)		
Sundry debtors	9,490	30,320
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	**9,490**	**30,320**

(a) Impairment losses

Receivables are non-interest-bearing and are generally on 30 to 60 day terms. An allowance for credit losses is recognised based on the expected credit loss from the time the financial asset is initially recognised. Bad debts are written off when identified. No material allowance for credit losses has been recognised by the Group during the financial year ended 31 July 2021 (2020: $nil). During the year, no material bad debt expense (2020: $nil) was recognised. It is expected that sundry debtor balances will be received when due.

(b) Fair value

Due to the short-term nature of these receivables, their carrying value is considered to approximate their fair value.

TRADE AND OTHER RECEIVABLES ACCOUNTING POLICY

Trade and other receivables are classified as non-derivative financial assets and are recognised initially at their transaction value. After initial measurement, these assets are measured at amortised cost, less any allowance for any expected credit losses.

	CONSOLIDATED	
	2021 $'000	2020 $'000
10 INVENTORIES		
Finished goods	208,760	156,590
TOTAL INVENTORIES AT COST	**208,760**	**156,590**

INVENTORIES ACCOUNTING POLICY

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Finished goods and work-in-progress - purchase cost plus a proportion of the purchasing department, freight, handling and warehouse costs incurred to deliver the goods to the point of sale.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated direct costs necessary to make the sale.

OPERATING ASSETS AND LIABILITIES

	CONSOLIDATED	
	2021 $'000	2020 $'000
11 OTHER ASSETS (CURRENT)		
Deposits and prepayments	10,326	10,531
TOTAL OTHER CURRENT ASSETS	**10,326**	**10,531**
12 RIGHT-OF-USE ASSETS		
Opening balance	231,790	-
Recognition of asset on initial application of AASB 16	-	364,643
Additions / Remeasurements	86,621	43,700
Depreciation expense	(152,301)	(172,681)
Impairment expense	-	(2,420)
Exchange differences	977	(1,452)
TOTAL RIGHT-OF-USE ASSETS	**167,087**	**231,790**

RIGHT-OF-USE ASSETS ACCOUNTING POLICY

The Group recognises right-of-use assets at the commencement date of the lease, being the date that the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment of right-of-use assets

The carrying values of the right-of-use assets are reviewed for impairment annually. If an indication of impairment exists, and where the carrying value of the asset exceeds the estimated recoverable amount, the assets or cash-generating units (CGU) are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value-in-use. Value-in-use refers to an asset's value based on the expected future cash flows arising from its continued use, discounted to present value using a post-tax discount rate that reflect current market assessments of the risks specific to the asset.

The recoverable amount was estimated on an individual store basis, as this has been identified as the CGU of the Group's retail segment.

No impairment loss was recognised in relation to the Group's right-of-use assets during the current financial year (2020: $2,420,000). The impairment loss recognised in 2020 relates to the closure of certain retail stores ahead of their contracted lease end dates, therefore writing down the associated right-of-use assets to their recoverable amount.

Notes to the Financial Statements

OPERATING ASSETS AND LIABILITIES

	CONSOLIDATED	
	2021 $'000	2020 $'000
13 TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors	76,231	69,637
Interim dividend payable	-	53,966
Other creditors and accruals	88,038	85,376
TOTAL CURRENT TRADE AND OTHER PAYABLES	**164,269**	**208,979**

(a) Fair values

Due to the short-term nature of these payables, their carrying values approximate their fair values.

TRADE AND OTHER PAYABLES ACCOUNTING POLICY

Trade and other payables are recognised and carried at original invoice cost, which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Group.

	CONSOLIDATED	
	2021 $'000	2020 $'000
14 LEASE LIABILITIES		
Opening balance	303,889	-
Recognition of liability on initial application of AASB 16	-	410,193
Additions / Remeasurements	87,569	50,315
Interest expense	6,676	11,080
Payments	(137,180)	(150,958)
COVID-19 related rent concessions	(19,521)	(15,013)
Other Australia and New Zealand holdover rent concessions	(4,527)	-
Other	(1,550)	-
Exchange rate differences	2,129	(1,728)
TOTAL LEASE LIABILITIES	**237,485**	**303,889**
COMPRISING OF:		
Current lease liability	159,050	189,221
Non-current lease liability	78,435	114,668
TOTAL LEASE LIABILITIES	**237,485**	**303,889**

LEASE LIABILITIES ACCOUNTING POLICY

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date, and amount expected to be paid under residual value guarantees. The variable lease payments which are not included in the measurement of the lease liability are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

14 LEASE LIABILITIES (CONTINUED)

LEASE LIABILITIES ACCOUNTING POLICY (CONTINUED)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date, if the rate implicit in the lease cannot be readily determined, using inputs such as government bond rates for the lease period and the Group's expected borrowing margin. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, a change in the assessment to purchase the underlying asset, or a change in the amounts expected to be payable under a residual value guarantee.

The Group applies the low-value assets recognition exemption to leases of certain office equipment that are considered of low value. Lease payments on low-value assets are recognised as a lease expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Where a lease enters holdover, the Group estimates the expected lease term based on reasonably certain information available as at balance date. Any adjustments required due to changes in estimates or entering into a new lease agreement are recognised in the period in which the adjustments are made.

Significant judgement in determining the incremental borrowing rate

The Group has applied judgement to determine the incremental borrowing rate, which affects the amount of lease liabilities and right-of-use assets recognised. The Group assesses and applies the incremental borrowing rate on a lease by lease basis at the relevant lease commencement date, based on the term of the lease. The incremental borrowing rate is determined using inputs including the Group's expected lending facility margin and applicable government bond rates at the time of entering into the lease, which reflects the expected lease term.

COVID-19 related rent concessions

The Group has adopted the practical expedient issued by the Australian Accounting Standards Board whereby it has not accounted for rent concessions which are a direct consequence of the COVID-19 pandemic as lease modifications. Instead, the Group recognised these concessions in the statement of comprehensive income for the year ended 31 July 2021 and 25 July 2020 as a variable amount as and when incurred.

The practical expedient may be applied where the following conditions apply:

- The changed lease payments were substantially the same or less than the payments prior to the rent concession;
- The reductions only affect payments which fall due before 30 June 2021; and
- There has been no substantive change in the terms and conditions of the lease.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

OPERATING ASSETS AND LIABILITIES

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
15 PROVISIONS		
CURRENT		
Employee entitlements – Annual Leave	16,359	12,591
Employee entitlements – Long Service Leave	10,363	9,297
Provision for make-good in relation to leased premises	12,490	13,091
Refund liability	2,088	2,088
Other provisions	4,310	1,230
TOTAL CURRENT PROVISIONS	**45,610**	**38,297**
NON-CURRENT		
Employee entitlements – Long Service Leave	2,469	2,061
Provision for make-good in relation to leased premises	4,595	4,764
Other provisions	4,357	3,778
TOTAL NON-CURRENT PROVISIONS	**11,421**	**10,603**
MOVEMENT IN PROVISIONS		
Provision for make-good in relation to leased premises		
Opening balance	17,855	6,087
Charged to profit or loss	-	11,988
Utilised during the period	(770)	(220)
CLOSING BALANCE (CURRENT AND NON-CURRENT)	**17,085**	**17,855**

PROVISIONS ACCOUNTING POLICIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time-value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the risks specific to the liability and the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

EMPLOYEE ENTITLEMENTS ACCOUNTING POLICIES

Current annual leave

The provisions for employee entitlements to wages, salaries and annual leave (which are expected to be settled wholly within 12 months of the reporting date) represent the amount which the Group has a present obligation to pay, resulting from employees' services provided up to the reporting date. The provisions have been calculated at nominal amounts based on current wage and salary rates, and include related on-costs.

OPERATING ASSETS AND LIABILITIES

15 PROVISIONS (CONTINUED)

EMPLOYEE ENTITLEMENTS ACCOUNTING POLICIES (CONTINUED)

Long service leave and non-current annual leave

The liability for long service leave and non-current annual leave (which are not expected to be settled wholly within 12 months of the reporting date) is recognised in the provision for employee benefits and measured as 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. Related on-costs have also been included in the liability.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match as closely as possible the estimated cash outflow.

Retirement benefit obligations

All employees of the Group are entitled to benefits from the Group's superannuation plan on retirement, disability or death. The Group operates a defined contribution plan. Contributions to the plan are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is made available.

PROVISION FOR MAKE-GOOD IN RELATION TO STORE PLANT AND EQUIPMENT ACCOUNTING POLICY

A provision has been recognised in relation to make-good costs arising from contractual obligations in lease agreements, in regions where the Group has such a present obligation. The provision recognised represents the present value of the estimated expenditure required to remove these store plant and equipment.

16 OTHER LIABILITIES

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
CURRENT		
Deferred income	15,120	8,588
TOTAL CURRENT	**15,120**	**8,588**
NON-CURRENT		
Deferred income	226	146
TOTAL NON-CURRENT	**226**	**146**

DEFERRED INCOME ACCOUNTING POLICY

Unredeemed gift cards are expected to be largely redeemed within a year.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL INVESTED

17 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED					
	LAND $'000	BUILDINGS $'000	PLANT AND EQUIPMENT $'000	LEASED PLANT AND EQUIPMENT $'000	CAPITAL WORKS IN PROGRESS $'000	TOTAL $'000
AT 31 JULY 2021						
Cost	21,953	59,577	463,737	343	4,753	550,363
Accumulated depreciation and impairment	-	(7,370)	(404,852)	(343)	-	(412,565)
NET CARRYING AMOUNT	**21,953**	**52,207**	**58,885**	**-**	**4,753**	**137,798**
RECONCILIATIONS:						
Carrying amount at beginning of the financial year	21,953	48,855	72,866	-	11,460	155,134
Additions	-	-	3,285	-	5,294	8,579
Transfers between classes	-	4,857	7,074	-	(11,931)	-
Depreciation	-	(1,505)	(24,452)	-	-	(25,957)
Disposals	-	-	(5)	-	-	(5)
Exchange differences	-	-	117	-	(70)	47
Carrying amount at end of the financial year	**21,953**	**52,207**	**58,885**	**-**	**4,753**	**137,798**
AT 25 JULY 2020						
Cost	21,953	54,720	469,790	343	11,460	558,266
Accumulated depreciation and impairment	-	(5,865)	(396,924)	(343)	-	(403,132)
NET CARRYING AMOUNT	**21,953**	**48,855**	**72,866**	**-**	**11,460**	**155,134**
RECONCILIATIONS:						
Carrying amount at beginning of the financial year	21,953	50,223	128,702	-	9,977	210,855
Additions	-	-	15,696	-	3,328	19,024
Transfers between classes	-	-	1,845	-	(1,845)	-
Depreciation	-	(1,368)	(42,314)	-	-	(43,682)
Disposals	-	-	(982)	-	-	(982)
Impairment	-	-	(31,254)	-	-	(31,254)
Exchange differences	-	-	1,173	-	-	1,173
Carrying amount at end of the financial year	**21,953**	**48,855**	**72,866**	**-**	**11,460**	**155,134**

LAND AND BUILDINGS

The land and buildings with a combined carrying amount of $74,160,000 (2020: $70,808,000) have been pledged to secure certain interest-bearing borrowings of the Group (refer to note 22).

CAPITAL INVESTED

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT ACCOUNTING POLICY

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a systematic basis over the estimated useful life of the asset as follows:

-	Buildings	40 years
-	Store plant and equipment	3 to 10 years
-	Other plant and equipment	2 to 20 years

Freehold land is not depreciated.

KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary and are accounted for as a change in accounting estimate, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Depreciation methods used reflect the pattern in which the asset's future economic benefits are expected to be consumed and are reviewed at least at each financial year-end. Adjustments to depreciation methods are made when considered necessary and are accounted for as a change in accounting estimate, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Impairment testing of Property, Plant and Equipment and key accounting estimates and assumptions

The carrying values of property, plant and equipment are reviewed for impairment annually. If an indication of impairment exists, and where the carrying value of the asset exceeds the estimated recoverable amount, the assets or cash-generating units (CGU) are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal and value-in-use. Value-in-use refers to an asset's value based on the estimated future cash flows arising from its continued use, discounted to present value using a post-tax discount rate that reflect current market assessments of the risks specific to the asset. These value-in-use calculations use cash flow projections based on financial estimates covering a period of up to five years, discounting using a post-tax discount rate of 10.5%.

If an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. The recoverable amount was estimated for certain items of plant and equipment on an individual store basis, as this has been identified as the CGU of the Group's retail segment.

No impairment loss was recognised during the current financial year (2020: $31,254,000).

During the 2020 financial year, the temporary global closures of stores and ongoing government implementation of social distancing measures due to COVID-19 had significantly impacted customer shopping behaviour. Customers increasingly chose to shop online in this highly uncertain macro-environment.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL INVESTED

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment testing of Property, Plant and Equipment and key accounting estimates and assumptions (continued)

Given these changed consumer behaviours, the Group reviewed each retail store's future estimated cash flows, using financial estimates covering a period of up to five years, discounted using a post-tax discount rate of 10.5%. These estimated cash flows considered the possibility of a continued adverse impact on future estimated cash flows as a result of the COVID-19 pandemic. Furthermore, consideration was given to the fact that the Group has maximum flexibility within its current retail store portfolio, given that over 70% of its Australian and New Zealand store leases are currently in holdover, or are due to expire within 2020. As a result of the uncertain future trading environment of traditional bricks-and-mortar stores due to COVID-19, together with the accelerating growth of the online channel the Group has recognised an impairment loss on store plant and equipment during the 2020 financial year.

18 INTANGIBLES

RECONCILIATION OF CARRYING AMOUNTS AT THE BEGINNING AND END OF THE PERIOD

	CONSOLIDATED				
	GOODWILL $'000	BRAND NAMES $'000	TRADEMARKS $'000	LEASEHOLD PREMIUMS $'000	TOTAL $'000
YEAR ENDED 31 JULY 2021					
As at 26 July 2020 net of accumulated amortisation and impairment	477,085	346,179	3,624	-	826,888
Trademark registrations	-	-	116	-	116
As at 31 July 2021 net of accumulated amortisation and impairment	**477,085**	**346,179**	**3,740**	**-**	**827,004**
AS AT 31 JULY 2021					
Cost (gross carrying amount)	477,085	376,179	3,740	979	857,983
Accumulated amortisation and impairment	-	(30,000)	-	(979)	(30,979)
NET CARRYING AMOUNT	**477,085**	**346,179**	**3,740**	**-**	**827,004**
YEAR ENDED 25 JULY 2020					
As at 28 July 2019 net of accumulated amortisation and impairment	477,085	346,179	3,351	24	826,639
Trademark registrations	-	-	273	-	273
Amortisation	-	-	-	(23)	(23)
Exchange differences	-	-	-	(1)	(1)
As at 25 July 2020 net of accumulated amortisation and impairment	**477,085**	**346,179**	**3,624**	**-**	**826,888**
AS AT 25 JULY 2020					
Cost (gross carrying amount)	477,085	376,179	3,624	979	857,867
Accumulated amortisation and impairment	-	(30,000)	-	(979)	(30,979)
NET CARRYING AMOUNT	**477,085**	**346,179**	**3,624**	**-**	**826,888**

CAPITAL INVESTED

18 INTANGIBLES (CONTINUED)

GOODWILL ACCOUNTING POLICY

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates.

Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

OTHER INTANGIBLE ASSETS (excluding goodwill) ACCOUNTING POLICY

Intangible assets acquired separately are initially measured at cost. Intangible assets acquired in a business combination are initially recognised at fair value. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

A summary of the key accounting policies applied to the Group's intangible assets are as follows:

	Brands	***Leasehold Premiums***	***Trademarks & Licences***
Useful life assessment?	Indefinite	Finite	Indefinite
Method used?	Not amortised or revalued	Amortised over the term of the lease	Not amortised or revalued
Internally generated or acquired?	Acquired	Acquired	Acquired
Impairment test/recoverable amount testing	Annually or more frequently if there are indicators of impairment	Amortisation method reviewed at each financial year end; reviewed annually for indicators of impairment	Annually or more frequently if there are indicators of impairment

Brand names, trademarks and licences are assessed as having an indefinite useful life, as this reflects management's intention to continue to operate these to generate net cash inflows into the foreseeable future. These assets are not amortised but are subject to impairment testing.

Intangible assets are tested for impairment where an indicator of impairment exists, or in the case of indefinite life intangibles, impairment is tested annually and where an indicator of impairment exists.

Where the carrying amount of an intangible asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of the asset's value-in-use and fair value less costs of disposal. Value-in use refers to an asset's value based on the expected future cash flows arising from its continued use, discounted to present value using a post-tax discount rate that reflect current market assessments of the risks specific to the asset.

If an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL INVESTED

18 INTANGIBLES (CONTINUED)

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The recoverable amounts of CGUs are determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations depend on management estimates and assumptions. In particular, significant estimates and judgements are made in relation to the key assumptions used in forecasting future cash flows and the expected growth rates used in these cash flow projections, as well as the discount rates applied to these cash flows. Management assesses these assumptions each reporting period and considers the potential impact of changes to these assumptions.

IMPAIRMENT TESTING OF GOODWILL

The key factors contributing to the goodwill relate to the synergies existing within the acquired business and also synergies expected to be achieved as a result of combining Just Group Limited with the rest of the Group. Accordingly, goodwill is assessed at a retail segment level, which is also an operating segment for the Group.

The COVID-19 pandemic has had a significant impact on the Group's operations. The extent of the impact of the pandemic on future trading performance is unclear, and an assessment of the impacts as they relate to estimated future cash flow projections entail a significant degree of estimation uncertainty. In response to these estimation uncertainties, the recoverable amount of the CGU has been determined based upon a range of value-in-use calculations, using estimated cash flow scenarios for a period of five years plus a terminal value.

The value-in-use calculations have been determined based on scenarios of cash flows using financial estimates for the 2022 financial year (FY22) and are projected for a further four years (FY23 – FY26) based on estimated growth rates. As part of the annual impairment test for goodwill, management assesses the reasonableness of profit margin assumptions by reviewing historical cash flow projections as well as future growth objectives.

The financial estimates for FY22 include a COVID-19 overlay, whereby the cash flow estimates have been adjusted to reflect the possibility of a continued COVID-19 impact in FY22 on the Group's Sales and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). These financial estimates are projected for a further four years based on average annual estimated growth rates for FY23 to FY26 of 0.875% (2020: 0.6% to 1.6%). Cash flow estimates beyond the five year period have been extrapolated using a growth rate ranging from 2% to 2.5% (2020: 2% to 2.5%), which reflects the long-term growth expectations beyond the five year period.

The post-tax discount rate applied to these cash flow projections is 9.4% (2020: 9.5%). The discount rate has been determined using the weighted average cost of capital which incorporates both the cost of debt and the cost of capital and adjusted for risks specific to the CGU.

In determining the possible scenarios of cash flows, management considered the reasonably possible changes in estimated sales growth, estimated EBITDA and discount rates applied to the CGU to which goodwill relates. These reasonably possible adverse change in key assumptions on which the recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

IMPAIRMENT TESTING OF BRAND NAMES

Brand names acquired through business combinations have been allocated to the following CGU groups ($'000) as no individual brand name is considered significant:

- Casual wear - $158,975
- Women's wear - $137,744
- Non Apparel - $49,460

18 INTANGIBLES (CONTINUED)

IMPAIRMENT TESTING OF BRAND NAMES (CONTINUED)

The recoverable amounts of brand names acquired in a business combination have been determined on an individual brand basis based upon value-in-use calculations. The value-in-use calculations have been determined based upon the relief from royalty method using cash flow estimates for a period of five years plus a terminal value

The COVID-19 pandemic has had a significant impact on the Group's operations. The extent of the impact of the pandemic on future trading performance is unclear, and an assessment of the impacts as they relate to estimated future cash flow projections entail a significant degree of estimation uncertainty. In response to these estimation uncertainties, the recoverable amount of brand names has been determined based upon a range of value-in-use calculations, using estimated cash flow scenarios for a period of five years plus a terminal value.

The value-in-use calculations have been determined based on scenarios of cash flows using financial estimates for the 2022 financial year (FY22) and are projected for a further four years (FY23 – FY26) based on estimated growth rates.

The financial estimates for FY22 include a COVID-19 overlay, whereby the cash flow estimates have been adjusted to reflect the possibility of a continued COVID-19 impact in FY22 in relation to sales. These financial estimates are projected for a further four years based on average annual estimated growth rates for FY23 to FY26. These extrapolated growth rate ranges at which cash flows have been estimated for the individual brands within each of the CGU groups were 0.875% (2020: a range of 0.6% - 6.1%).

Cash flow estimates beyond the five year period have been extrapolated using a growth rate ranging from 2% to 2.5% (2020: 2% to 2.5%), which reflects the long-term growth expectations beyond the five year period.

The post-tax discount rate applied to the cash flow projections for each of the three CGU groups is 8.3% (2020: 8.5%). The discount rate has been determined using the weighted average cost of capital which incorporates both the cost of debt and cost of capital and adjusted for risks specific to the CGU.

Royalty rates have been determined for each brand within the CGU groups by considering the brand's history and future expected performance. Factors such as the profitability of the brand, market share, brand recognition and general conditions in the industry have also been considered in determining an appropriate royalty rate for each brand. Consideration is also given to the industry norms relating to royalty rates by analysing market derived data for comparable brands and by considering the notional royalty payments as a percentage of the divisional earnings before interest and taxation generated by the division in which the brand names are used. Net royalty rates applied across the three CGU groups range between 3.5% and 8% (2020: 3.5% and 8%).

In addition to the range of cash flow scenarios, management has considered reasonably possible adverse changes in key assumptions applied to brands within the relevant CGU groups, each of which have been subjected to sensitivities. Key assumptions relate to estimated sales growth, net royalty rates and discount rates applied. Based upon the reasonably possible adverse changes in key assumptions, no brands within a CGU group indicated that its carrying value exceed its recoverable value.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL INVESTED

	CONSOLIDATED	
	2021 $'000	2020 $'000
19 LISTED EQUITY INVESTMENT AT FAIR VALUE		
INVESTMENT		
Investment in listed securities at fair value	63,462	18,132
TOTAL INVESTMENTS	**63,462**	**18,132**

FAIR VALUE LISTED EQUITY INVESTMENT ACCOUNTING POLICY

The listed equity investment comprises a non-derivative equity instrument not held for trading and relates to an equity investment in Myer Holdings Limited. The Group has made the irrevocable election to designate the listed equity investment as 'fair value through other comprehensive income', without subsequent reclassification of gains or losses nor impairment to profit or loss, as it is not held for trading, with only dividends recognised in profit or loss.

The fair value of equity investments in listed securities is determined by reference to quoted market bid prices at the close of business on the reporting date.

	CONSOLIDATED	
	2021 $'000	2020 $'000
20 INVESTMENT IN ASSOCIATE		
Movements in carrying amounts		
Carrying amount at the beginning of the financial year	257,391	238,732
Share of profit after income tax	23,897	17,696
Gain resulting from associate share issue	9,117	15,886
Share of other comprehensive income	(3,782)	(688)
Adjustment due to associate accounting policy change	(3,024)	-
Dividends received	(12,227)	(14,235)
TOTAL INVESTMENT IN ASSOCIATE	**271,372**	**257,391**

As at 31 July 2021, Premier Investments Limited holds 26.27% (2020: 26.73%) of Breville Group Limited ("BRG"), a company incorporated in Australia whose shares are quoted on the Australian Securities Exchange. The principal activities of BRG involves the innovation, development, marketing and distribution of small electrical appliances.

There were no impairment losses relating to the investment in associate and no capital commitments or other commitments relating to the associate. The Group's share of the profit after tax in its investment in associate for the year was $23,897,294 (2020: $17,695,527). As at 31 July 2021, the fair value of the Group's interest in BRG as determined based on the quoted market price was $1,173,460,147 (2020: $947,893,002).

During the 2021 financial year, BRG reconsidered its accounting treatment with regards to accounting for capitalised costs incurred in configuring or customising a supplier's application software in a cloud computing arrangement. The change in accounting policy led to a decrease in BRG's opening retained earnings. The Group share of this retained earnings adjustment due to a change in accounting policy was $3,024,000.

CAPITAL INVESTED

20 INVESTMENT IN ASSOCIATE (CONTINUED)

During the period, a gain of $9,117,000 (25 July 2020: $15,886,000) was recorded in other income resulting from an issue of shares by the associate, and the corresponding impact on the Group's method of equity accounting.

The financial year end date of BRG is 30 June. For the purpose of applying the equity method of accounting, the financial statements of BRG for the year ended 30 June 2021 have been used. The accounting policies applied by BRG in their financial statements materially conform to those used by the Group for like transactions and events in similar circumstances.

The following table illustrates summarised financial information relating to the Group's investment in BRG:

EXTRACT OF BRG'S STATEMENT OF FINANCIAL POSITION	**30 JUNE 2021 $'000**	**30 JUNE 2020 $'000**
Current assets	473,464	443,328
Non-current assets	297,176	200,836
Total assets	770,640	644,164
Current liabilities	(219,085)	(181,517)
Non-current liabilities	(45,070)	(36,247)
Total liabilities	(264,155)	(217,764)
NET ASSETS	506,485	426,400
Group's share of BRG net assets	**133,054**	**113,977**

EXTRACT OF BRG'S STATEMENT OF COMPREHENSIVE INCOME	**30 JUNE 2021 $'000**	**30 JUNE 2020 $'000**
Revenue	1,187,659	952,244
Profit after income tax	90,968	66,201
Other comprehensive income	(9,884)	62
Group's share of BRG profit after income tax	**23,897**	**17,696**

INVESTMENT IN ASSOCIATE ACCOUNTING POLICY

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group accounts for its investments in associate using the equity method of accounting in the consolidated financial statements. Under the equity method, the investment in the associate is initially recognised at cost. Thereafter, the carrying amount of the investment is adjusted to recognise the Group's share of profit after tax of the associate, which is recognised in profit or loss, and the Group's share of other comprehensive income, which is recognised in other comprehensive income in the statement of comprehensive income. Dividends received from the associate generally reduces the carrying amount of the investment.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate. At each reporting period, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the impairment loss in profit or loss in the statement of comprehensive income.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

	CONSOLIDATED	
	2021 $'000	**2020 $'000**
21 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	385,815	305,960
Short-term deposits	137,541	142,872
TOTAL CASH AND CASH EQUIVALENTS	**523,356**	**448,832**
(b) RECONCILIATION OF NET PROFIT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATIONS		
Net profit for the period after tax	271,840	137,753
Adjustments for:		
Amortisation	-	23
Depreciation	178,258	216,363
Impairment of non-current assets	-	33,674
Share of profit of associate	(23,897)	(17,696)
Gain on investment in associate resulting from share issue	(9,117)	(15,886)
Borrowing costs	174	166
Net loss on disposal of property, plant and equipment	5	982
Share-based payments expense	1,856	1,613
Movement in cash flow hedge reserve	8,796	(6,922)
Net exchange differences	132	188
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	20,830	(7,309)
Decrease in other current assets	205	4,157
(Increase) decrease in inventories	(52,170)	14,575
(Increase) decrease in other financial assets	(7,073)	6,119
Decrease (increase) in deferred tax assets	2,784	(16,626)
Increase in provisions	8,901	1,786
Increase in deferred tax liabilities	2,892	1,552
(Decrease) increase in trade and other payables	(14,045)	73,075
(Decrease) increase in other financial liabilities	(5,509)	3,776
Increase (decrease) increase in deferred income	6,612	(1,382)
(Decrease) increase in income tax payable	(7,954)	53,601
NET CASH FLOWS FROM OPERATING ACTIVITIES	**383,520**	**483,582**

21 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) FINANCE FACILITIES

	CONSOLIDATED 2021 $'000	CONSOLIDATED 2020 $'000
Working capital and bank overdraft facility		
Used	-	-
Unused	9,800	9,800
	9,800	9,800
Finance facility		
Used	147,000	147,000
Unused	82,000	82,000
	229,000	229,000
Bank guarantee facility		
Used	-	-
Unused	200	200
	200	200
Interchangeable facility		
Used	4,268	6,169
Unused	8,732	6,831
	13,000	13,000
Total facilities		
Used	151,268	153,169
Unused	100,732	98,831
TOTAL	**252,000**	**252,000**

CASH AND CASH EQUIVALENTS ACCOUNTING POLICY

Cash and cash equivalents in the statement of financial position comprise cash on hand and in banks, money market investments readily convertible to cash within two working days and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

	CONSOLIDATED	
	2021 $'000	2020 $'000
22 INTEREST-BEARING LIABILITIES		
CURRENT		
Bank loans ** secured	69,000	-
TOTAL INTEREST-BEARING LIABILITIES	**69,000**	**-**
NON-CURRENT		
Bank loans* unsecured	77,834	77,659
Bank loans ** secured	-	69,000
TOTAL INTEREST-BEARING LIABILITIES	**77,834**	**146,659**

* Bank loans are subject to a negative pledge and cross guarantee within the Just Group Ltd group. Premier Investments Limited is not a participant or guarantor of the Just Group Ltd financing facilities.

** Premier Investments Limited obtained bank borrowings amounting to $69 million. A $19 million borrowing is secured by a mortgage over Land and Buildings, representing the National Distribution Centre in Truganina, Victoria, and is repayable in full in January 2022. Premier Investments Limited obtained a further $50 million borrowing which is secured by a mortgage over Land and Buildings, representing an office building in Melbourne, Victoria, and is repayable in full in December 2021.

(a) *Fair values*

The carrying values of the Group's current and non-current interest-bearing liabilities approximate their fair values.

(b) *Defaults and breaches*

During the current and prior years, there were no defaults or breaches on any of the loans.

(c) *Changes in interest-bearing liabilities arising from financing activities*

	CONSOLIDATED			
	25 JULY 2020 $'000	CASH FLOWS $'000	OTHER $'000	31 JULY 2021 $'000
Non-current interest-bearing liabilities	146,659	-	175	146,834
TOTAL INTEREST-BEARING LIABILITIES	**146,659**	**-**	**175**	**146,834**

'Other' includes the effect of the amortisation of the capitalised borrowing costs, which are amortised over the life of the facility.

INTEREST-BEARING LIABILITIES ACCOUNTING POLICY

Interest-bearing liabilities are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, such items are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Fees paid on the establishment of loan facilities are amortised over the life of the facility while on-going borrowing costs are expensed as incurred.

	CONSOLIDATED	
	2021 $'000	2020 $'000

23 CONTRIBUTED EQUITY

	2021 $'000	2020 $'000
Ordinary share capital	608,615	608,615

(a) *MOVEMENTS IN SHARES ON ISSUE*

	NO. ('000)	$'000
Ordinary shares on issue 26 July 2020	158,724	608,615
Ordinary shares issued during the year (i)	140	-
Ordinary shares on issue at 31 July 2021	**158,864**	**608,615**
Ordinary shares on issue 28 July 2019	158,430	608,615
Ordinary shares issued during the year (i)	294	-
Ordinary shares on issue at 25 July 2020	**158,724**	**608,615**

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

(i) A total of 139,524 ordinary shares (2020: 294,579) were issued in relation to the performance rights plan.

(b) *CAPITAL MANAGEMENT*

The Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

The capital structure of the Group consists of debt which includes interest-bearing borrowings, cash and cash equivalents and equity attributable to the equity holders of Premier Investments Limited, comprising of contributed equity, reserves and retained earnings.

The Group operates primarily through its two business segments, investments and retail. The investments segment is managed and operated through the parent company. The retail segment operates through subsidiaries established in their respective markets and maintains a central borrowing facility through a subsidiary, to meet the retail segment's funding requirements and to enable the Group to find the optimal debt and equity balance.

The Group's capital structure is reviewed on a periodic basis in the context of prevailing market conditions, and appropriate steps are taken to ensure the Group's capital structure and capital management initiatives remain in line with the Board's objectives.

(c) *EXTERNALLY IMPOSED CAPITAL REQUIREMENTS*

Just Group Ltd, a subsidiary of Premier Investments Limited, is subject to a number of financial undertakings as part of its financing facility agreement. These undertakings have been satisfied during the period.

The Group is not subject to any capital requirements imposed by regulators or other prudential authorities.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

	CONSOLIDATED	
	2021 $'000	2020 $'000
24 RESERVES		
RESERVES COMPRISE:		
Capital profits reserve	464	464
Foreign currency translation reserve (a)	2,801	5,781
Cash flow hedge reserve (b)	4,377	(4,419)
Performance rights reserve (c)	21,215	19,359
Fair value reserve (d)	(38,858)	(59,032)
TOTAL RESERVES	**(10,001)**	**(37,847)**

(a) *FOREIGN CURRENCY TRANSLATION RESERVE*

Nature and purpose of reserve

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

- *Movements in the reserve*

	2021 $'000	2020 $'000
Opening balance	5,781	7,337
Foreign currency translation of overseas subsidiaries	802	(868)
Net movement in associate entity's reserves	(3,782)	(688)
CLOSING BALANCE	**2,801**	**5,781**

(b) *CASH FLOW HEDGE RESERVE*

Nature and purpose of reserve

Reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

- *Movements in the reserve*

	2021 $'000	2020 $'000
Opening balance	(4,419)	2,503
Net loss on cash flow hedges	(3,258)	(3,387)
Transferred to statement of financial position/ profit or loss	15,826	(6,499)
Deferred income tax movement on cash flow hedges	(3,772)	2,964
CLOSING BALANCE	**4,377**	**(4,419)**

	CONSOLIDATED	
	2021 $'000	**2020 $'000**

24 RESERVES (CONTINUED)

(c) *PERFORMANCE RIGHTS RESERVE*

Nature and purpose of reserve

Reserve is used to record the cumulative amortised value of performance rights issued to key senior employees, net of the value of performance shares acquired under the performance rights plan.

	2021 $'000	2020 $'000
- *Movements in the reserve*		
Opening balance	19,359	17,746
Performance rights expense for the year	1,856	1,613
CLOSING BALANCE	**21,215**	**19,359**

(d) *FAIR VALUE RESERVE*

Nature and purpose of reserve

Reserve is used to record unrealised gains and losses on fair value revaluation of listed equity investment at fair value.

	2021 $'000	2020 $'000
- *Movements in the reserve*		
Opening balance	(59,032)	(38,908)
Unrealised gain (loss) on revaluation of listed investment at fair value	28,820	(28,747)
Net deferred income tax movement on listed equity investment at fair value	(8,646)	8,623
CLOSING BALANCE	**(38,858)**	**(59,032)**

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

	CONSOLIDATED	
	2021 $'000	2020 $'000
25 OTHER FINANCIAL INSTRUMENTS		
CURRENT ASSETS		
Derivatives designated as hedging instruments		
Forward currency contracts – cash flow hedges	7,073	-
TOTAL CURRENT ASSETS	**7,073**	**-**
CURRENT LIABILITIES		
Derivatives designated as hedging instruments		
Forward currency contracts – cash flow hedges	-	4,008
Interest rate swaps – cash flow hedges	815	-
TOTAL CURRENT LIABILITIES	**815**	**4,008**
NON –CURRENT LIABILITIES		
Derivatives designated as hedging instruments		
Interest rate swaps – cash flow hedges	-	2,316
TOTAL NON-CURRENT LIABILITIES	**-**	**2,316**

(a) *DERIVATIVE INSTRUMENTS USED BY THE GROUP*

(i) *Forward currency contracts – cash flow hedges*

The majority of the Group's inventory purchases are denominated in US Dollars. In order to protect against exchange rates movements, the Group has entered into forward exchange contracts to predominantly purchase US Dollars.

The forward currency contracts are considered to be highly effective hedges as they are matched against forecast inventory purchases and are timed to mature when payments are scheduled to be made. Any gain or loss on the contracts attributable to the hedge risk are recognised in other comprehensive income and accumulated in the hedge reserve in equity.

The cash flows are expected to occur between one to twelve months from 31 July 2021 and the profit or loss within cost of sales will be affected over the next year as the inventory is sold.

(ii) *Interest rate swaps – cash flow hedges*

The Group has entered into interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts on certain of its interest-bearing liabilities. These interest rate swap contracts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest rate payments on the loans occur simultaneously. The amount accumulated in the hedge reserve in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

CAPITAL STRUCTURE AND RISK MANAGEMENT

25 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

(a) DERIVATIVE INSTRUMENTS USED BY THE GROUP (CONTINUED)

At reporting date, the details of outstanding forward currency contracts are:

	CONSOLIDATED			
	2021 $'000	2020 $'000	2021	2020
Buy USD / Sell AUD	NOTIONAL AMOUNTS $AUD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	133,430	128,198	0.7725	0.6938
Maturity 6 – 12 months	27,016	114,909	0.7403	0.7049
Buy USD / Sell NZD	NOTIONAL AMOUNTS $NZD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	22,990	21,876	0.7267	0.6479
Maturity 6 – 12 months	-	21,149	-	0.6573
Buy AUD / Sell NZD	NOTIONAL AMOUNTS $NZD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	-	4,602	-	1.0365

OTHER FINANCIAL INSTRUMENTS AND HEDGING ACCOUNTING POLICY

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. These derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at subsequent reporting dates.

Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges and are considered to be effective, are taken directly to profit or loss for the period.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to highly probable future purchases as well as cash flows attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect the statement of comprehensive income. The Group's cash flow hedges that meet the strict criteria for hedge accounting are accounted for by recognising the effective portion of the gain or loss on the hedging instrument directly in other comprehensive income and accumulated in the cash flow hedge reserve in equity, while the ineffective portion due to counterparty credit risk is recognised in profit or loss. Amounts taken to equity are reclassified out of equity and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's principal financial instruments comprise cash and cash equivalents, derivative financial instruments, listed equity investments at fair value, receivables, payables, bank overdrafts and interest-bearing liabilities.

RISK EXPOSURES AND RESPONSES

The Group manages its exposure to key financial risks in accordance with Board-approved policies which are reviewed annually and includes liquidity risk, foreign currency risk, interest rate risk and credit risk. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include, monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecasts for interest rate and foreign exchange prices. Liquidity risk is monitored through development of future cash flow forecast projections.

CREDIT RISK

The overwhelming majority of the Group's sales are on cash terms with settlement within 24 hours. As such, the Group's exposure to credit risk is minimal. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst a number of financial institutions.

With respect to credit risk arising mainly from cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Since the Group trades only with recognised creditworthy third parties, there is no requirement for collateral by either party.

Credit risk for the Group also arises from financial guarantees that members of the Group act as guarantor. At 31 July 2021, the maximum exposure to credit risk of the Group is the amount guaranteed as disclosed in note 34.

INTEREST RATE RISK

The Group's exposure to market interest rates relates primarily to its cash and cash equivalents that it holds and interest-bearing liabilities.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges:

		CONSOLIDATED	
	NOTES	2021 $'000	2020 $'000
Financial Assets			
Cash and cash equivalents	21	523,356	448,832
		523,356	448,832
Financial Liabilities			
Bank loans AUD	22	146,834	146,659
		146,834	146,659
NET FINANCIAL ASSETS		**376,522**	**302,173**

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

INTEREST RATE RISK (CONTINUED)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's objective of managing interest rate risk is to minimise the Group's exposure to fluctuations in interest rates that might impact its interest revenue, interest expense and cash flow. The Group manages this by locking in a portion of its cash and cash equivalents into term deposits. The maturity of term deposits is determined based on the Group's cash flow forecast.

The Group manages its interest rate risk relating to interest-bearing liabilities by having access to both fixed and variable rate debt which can be drawn down. The Group also entered into interest rate swaps, in which it agreed to exchange, at specific intervals, the difference between fixed and variable interest amounts, calculated on an agreed-upon notional principal amount.

i) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of cash and cash equivalents and interest-bearing liabilities affected. A 100 (2020:100) basis point increase and decrease in Australian interest rates represents management's assessment of the reasonably possible change in interest rates. The table indicates an increase or decrease in the Group's profit before tax.

	POST-TAX PROFIT TO INCREASE (DECREASE) BY:	
Impacts of reasonably possible movements:	**2021 $000**	**2020 $000**
CONSOLIDATED		
+1.0% (100 basis points)	3,117	3,035
-1.0% (100 basis points)	(3,117)	(3,035)

Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt in Australian and foreign countries, relationships with financial institutions, the level of debt that is expected to be renewed as well as a review of the last two years' historical movements and economic forecasters' expectations.
- The net exposure at reporting date is representative of what the Group was and is expecting to be exposed to in the next twelve months.
- The sensitivity analysis assumes all other variables are held constant, and the change in interest rates take place at the beginning of the financial year and are held constant throughout the reporting period.

FOREIGN OPERATIONS

The Group has operations in Australia, New Zealand, Singapore, Hong Kong, Malaysia, The Republic of Ireland and the United Kingdom. As a result, movements in the Australian Dollar and the currencies applicable to these foreign operations affect the Group's statement of financial position and results from operations. From time to time the Group obtains New Zealand Dollar denominated financing facilities from a financial institution to provide a natural hedge of the Group's exposure to movements in the Australian Dollar and New Zealand Dollar (AUD/NZD) on translation of the New Zealand statement of financial position. In addition, the Group, on occasion, hedges its cash flow exposure to movements in the AUD/NZD. The Group also on occasion, hedges its cash flow exposure in movements in the AUD/SGD and AUD/GBP.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

FOREIGN CURRENCY TRANSACTIONS

The Group has exposures to foreign currencies principally arising from purchases by operating entities in currencies other than their functional currency. Over 80% of the Group's purchases are denominated in United States Dollar (USD), which is not the functional currency of any Australian entities or any of the foreign operating entities.

The Group considers its exposure to USD arising from the purchases of inventory to be a long-term and ongoing exposure. In order to protect against exchange rate movements, the Group enters into forward exchange contracts to purchase US Dollars. These forward exchange contracts are designated as cash flow hedges that are subject to movements through equity and profit or loss respectively as foreign exchange rates move.

The Group's foreign currency risk management policy provides guidelines for the term over which foreign currency hedging will be undertaken for part or all of the risk. This term cannot exceed two years. Factors taken into account include:

- the implied market volatility for the currency exposure being hedged and the cost of hedging, relative to long-term indicators;
- the level of the base currency against the currency risk being hedged, relative to long-term indicators;
- the Group's strategic decision-making horizon; and
- other factors considered relevant by the Board

The policy requires periodic reporting to the Audit and Risk Committee, and its application is subject to oversight from the Chairman of the Audit and Risk Committee or the Chairman of the Board. The policy allows the use of forward exchange contracts and foreign currency options.

At reporting date, the Group had the following exposures to movements in the United States Dollar (USD), New Zealand Dollar (NZD), Singapore Dollar (SGD), Pound Sterling (GBP), Hong Kong Dollar (HKD), Malaysian Ringgit (MYR), and Euro (EUR):

2021	**USD**	**NZD**	**SGD**	**GBP**	**HKD**	**MYR**	**EUR**
CONSOLIDATED	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
FINANCIAL ASSETS							
Cash and cash equivalents	11,400	52,035	23,807	18,484	6	2,210	716
Trade and other receivables	678	-	19	-	-	-	-
Derivative financial assets	7,073	-	-	-	-	-	-
	19,151	52,035	23,826	18,484	6	2,210	716
FINANCIAL LIABILITIES							
Trade and other payables	51,287	7,539	339	4,490	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	51,287	7,539	339	4,490			
NET EXPOSURE	**(32,136)**	**44,496**	**23,487**	**13,994**	**6**	**2,210**	**716**

The Group has forward currency contracts designated as cash flow hedges that are subject to movements through other comprehensive income and profit or loss respectively as foreign exchange rates move (refer to Note 24)

CAPITAL STRUCTURE AND RISK MANAGEMENT

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

FOREIGN CURRENCY TRANSACTIONS (CONTINUED)

2020 CONSOLIDATED	USD $'000	NZD $'000	SGD $'000	GBP $'000	HKD $'000	MYR $'000	EUR $'000
FINANCIAL ASSETS							
Cash and cash equivalents	14,076	27,477	14,787	12,669	1,802	5,124	904
Trade and other receivables	755	-	48	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-
	14,831	27,477	14,835	12,669	1,802	5,124	904
FINANCIAL LIABILITIES							
Trade and other payables	44,954	5,876	191	3,297	257	-	-
Derivative financial liabilities	4,008	-	-	-	-	-	-
	48,962	5,876	191	3,297	257	-	-
NET EXPOSURE	**(34,131)**	**21,601**	**14,644**	**9,372**	**1,545**	**5,124**	**904**

FOREIGN CURRENCY RISK

The following sensitivity is based on the foreign exchange risk exposures in existence at the reporting date:

	POST-TAX PROFIT HIGHER/(LOWER)		OTHER COMPREHENSIVE INCOME HIGHER/(LOWER)	
CONSOLIDATED **Impacts of reasonably possible movements:**	**2021 $000**	**2020 $000**	**2021 $000**	**2020 $000**
CONSOLIDATED				
AUD/USD + 2.5%	1,023	685	(4,603)	(5,015)
AUD/USD – 10.0%	(4,111)	(3,192)	19,815	21,836
AUD/NZD + 2.5%	(1,085)	(527)	-	-
AUD/NZD – 10.0%	4,944	3,285	-	-
AUD/SGD + 2.5%	(573)	(357)	-	-
AUD/SGD –10.0%	2,610	1,627	-	-
AUD/GBP + 2.5%	(341)	(229)	-	-
AUD/GBP –10.0%	1,555	1,041	-	-
AUD/HKD + 2.5%	-	(50)	-	-
AUD/HKD –10.0%	1	229	-	-
AUD/MYR + 2.5%	(54)	(125)	-	-
AUD/MYR –10.0%	246	569	-	-
AUD/EUR + 2.5%	(17)	(22)	-	-
AUD/EUR –10.0%	80	100	-	-

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

FOREIGN CURRENCY RISK (CONTINUED)

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years historical movements and economic forecasters' expectations.
- The net exposure at reporting date is representative of what the Group was and is expecting to be exposed to in the next twelve months from reporting date.
- The effect on other comprehensive income is the effect on the cash flow hedge reserve.
- The sensitivity does not include financial instruments that are non-monetary items as these are not considered to give rise to currency risk.

LIQUIDITY RISK

Liquidity risk refers to the risk of encountering difficulties in meeting obligations associated with financial liabilities and other cash flow commitments. Liquidity risk management is ensuring that there are sufficient funds available to meet financial commitments in a timely manner and planning for unforeseen events which may curtail cash flows and cause pressure on liquidity. The Group keeps its short-, medium- and long-term funding requirements under constant review. Its policy is to have sufficient committed funds available to meet medium term requirements, with flexibility and headroom to make acquisitions for cash in the event an opportunity should arise.

The Group has, at reporting date, $385.8 million (2020: $306.0 million) cash held in deposit with 11am at call and the remaining $137.5 million (2020: $142.9 million) cash held in deposit with maturity terms ranging from 30 to 180 days (2020: 30 to 90 days). Hence management believe there is no significant exposure to liquidity risk at 31 July 2021 and 25 July 2020.

The Group aims to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans with a variety of counterparties.

At reporting date, the remaining undiscounted contractual maturities of the Group's financial liabilities are:

2021	**MATURITY 0 - 12 MONTHS**	**MATURITY > 12 MONTHS**
CONSOLIDATED	**$'000**	**$'000**
FINANCIAL LIABILITIES		
Trade and other payables	164,269	-
Bank loans	69,000	77,834
Lease liabilities	159,050	78,435
Forward currency contracts	189,492	-
	581,811	156,269

CAPITAL STRUCTURE AND RISK MANAGEMENT

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

LIQUIDITY RISK (CONTINUED)

2020 **CONSOLIDATED**	**MATURITY 0 - 12 MONTHS** **$'000**	**MATURITY > 12 MONTHS** **$'000**
FINANCIAL LIABILITIES		
Trade and other payables	208,979	-
Bank loans	-	146,659
Lease liabilities	189,221	114,668
Forward currency contracts	283,742	-
	681,942	261,327

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Group measures financial instruments, such as derivatives and listed equity investments at fair value, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in either the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability, which is accessible to the Group.

In determining the fair value of an asset or liability, the Group uses market observable data, to the extent possible. The fair value of financial assets and financial liabilities is based on market prices (where a market exists) or using other widely accepted methods of valuation.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – the fair value is calculated using quoted price in active markets for identical assets or liabilities.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

CAPITAL STRUCTURE AND RISK MANAGEMENT

26 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

	CONSOLIDATED					
	FINANCIAL YEAR ENDED 31 JULY 2021			FINANCIAL YEAR ENDED 25 JULY 2020		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
	$'000	$'000	$'000	$'000	$'000	$'000
FINANCIAL ASSETS						
Listed equity investment at fair value	63,462	-	-	18,132	-	-
Foreign Exchange Contracts	-	7,073	-	-	-	-
	63,462	7,073	-	18,132	-	-
FINANCIAL LIABILITIES						
Interest Rate Swaps	-	815	-	-	2,316	-
Foreign Exchange Contracts	-	-	-	-	4,008	-
	-	815	-	-	6,324	-

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

At 31 July 2021 and 25 July 2020, the fair values of cash and cash equivalents, short-term receivables and payables approximate their carrying values. The carrying value of interest-bearing liabilities is considered to approximate the fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

Foreign exchange contracts and interest rate swaps are initially recognised in the statement of financial position at fair value on the date which the contract is entered into, and subsequently remeasured to fair value. Accordingly, the carrying amounts of forward exchange contracts and interest rate swaps approximate their fair values at the reporting date. Foreign exchange contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spread between the respective currencies. Interest rate swaps are measured based on forward interest rates from observable yield curves at the end of the respective reporting period, and contract interest rates, which have been discounted at a rate that incorporates the credit risk of the counterparties.

GROUP STRUCTURE

27 SUBSIDIARIES

The consolidated financial statements include that of Premier Investments Limited (ultimate parent entity) and the subsidiaries listed in the following table. (* Indicates not trading as at the date of this report)

	COUNTRY OF INCORPORATION	2021 INTEREST	2020 INTEREST
Kimtara Investments Pty Ltd	Australia	100%	100%
Premfin Pty Ltd	Australia	100%	100%
Springdeep Investments Pty Ltd	Australia	100%	100%
Prempref Pty Ltd	Australia	100%	100%
Metalgrove Pty Ltd	Australia	100%	100%
Just Group Limited	Australia	100%	100%
Just Jeans Group Pty Limited	Australia	100%	100%
Just Jeans Pty Limited	Australia	100%	100%
Jay Jays Trademark Pty Limited	Australia	100%	100%
Just-Shop Pty Limited	Australia	100%	100%
Peter Alexander Sleepwear Pty Limited	Australia	100%	100%
Old Blues Pty Limited	Australia	100%	100%
Kimbyr Investments Limited	New Zealand	100%	100%
Jacqui E Pty Limited	Australia	100%	100%
Jacqueline-Eve Fashions Pty Limited *	Australia	100%	100%
Jacqueline-Eve (Hobart) Pty Limited *	Australia	100%	100%
Jacqueline-Eve (Retail) Pty Limited *	Australia	100%	100%
Jacqueline-Eve (Leases) Pty Limited *	Australia	100%	100%
Sydleigh Pty Limited *	Australia	100%	100%
Old Favourites Blues Pty Limited *	Australia	100%	100%
Urban Brands Retail Pty Ltd *	Australia	100%	100%
Portmans Pty Limited	Australia	100%	100%
Dotti Pty Ltd	Australia	100%	100%
Smiggle Pty Limited	Australia	100%	100%
Just Group International Pty Limited *	Australia	100%	100%
Smiggle Group Holdings Pty Limited *	Australia	100%	100%
Smiggle International Pty Limited *	Australia	100%	100%
Smiggle Singapore Pte Ltd	Singapore	100%	100%
Just Group International HK Limited*	Hong Kong	100%	100%
Smiggle HK Limited	Hong Kong	100%	100%
Just Group USA Inc.*	USA	100%	100%
Peter Alexander USA Inc.*	USA	100%	100%
Smiggle USA Inc.*	USA	100%	100%
Just UK International Limited*	UK	100%	100%
Smiggle UK Limited	UK	100%	100%
Peter Alexander UK Limited*	UK	100%	100%
Smiggle Ireland Limited	Ireland	100%	100%
Smiggle Netherlands B.V.*	Netherlands	100%	100%
ETI Holdings Limited*	New Zealand	100%	100%
Roskill Hill Limited*	New Zealand	100%	100%
RSCA Pty Limited*	Australia	100%	100%
RSCB Pty Limited*	Australia	100%	100%
Just Group Singapore Private Ltd *	Singapore	100%	100%
Peter Alexander Singapore Private Ltd *	Singapore	100%	100%
Smiggle Stores Malaysia SDN BHD	Malaysia	100%	100%

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

GROUP STRUCTURE

28 PARENT ENTITY INFORMATION

The accounting policies of Premier Investments Limited, being the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

	2021 $'000	2020 $'000
(a) Summary financial information		
Statement of financial position		
Current assets	212,017	225,111
Total assets	**1,482,514**	**1,461,108**
Current liabilities	77,725	114,731
Total liabilities	**136,742**	**190,029**
Shareholders' equity		
Issued capital	608,615	608,615
Reserves:		
- Foreign currency translation reserve	659	4,442
- Performance rights reserve	21,215	19,359
- Cash flow hedge reserve	(157)	(449)
Retained earnings	715,440	639,112
Net profit for the period	190,558	78,319
Total comprehensive loss for the period, net of tax	(3,492)	(628)

(b) *Guarantees entered into by the parent entity*

The parent entity has provided no financial guarantees in respect of bank overdrafts and loans of subsidiaries (2020: $nil).

The parent entity has also given no unsecured guarantees in respect of finance leases of subsidiaries or bank overdrafts of subsidiaries (2020: $nil).

(c) *Contingent liabilities of the parent entity*

The parent entity did not have any contingent liabilities as at 31 July 2021 (2020: $nil).

(d) *Contractual commitments for the acquisition of property, plant or equipment*

The parent entity did not have any contractual commitments to purchase property, plant and equipment as at 31 July 2021 or 25 July 2020.

GROUP STRUCTURE

29 DEED OF CROSS GUARANTEE

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, dated 17 December 2016, relief has been granted to certain wholly-owned subsidiaries in the Australian Group from the Corporations law requirements for preparation, audit and lodgement of financial reports.

As a condition of this instrument, Just Group Limited, a subsidiary of Premier Investments Limited, and each of the controlled entities of Just Group Limited entered into a Deed of Cross Guarantee as at 25 June 2009. Premier Investments Limited is not a party to the Deed of Cross Guarantee.

30 RELATED PARTY TRANSACTIONS

(a) *PARENT ENTITY AND SUBSIDIARIES*

The ultimate parent entity is Premier Investments Limited. Details of subsidiaries are provided in note 28.

(b) *KEY MANAGEMENT PERSONNEL*

	CONSOLIDATED	
	2021 $	**2020 $**
COMPENSATION FOR KEY MANAGEMENT PERSONNEL		
Short-term employee benefits	7,699,313	7,078,408
Post-employment benefits	109,379	113,168
Share-based payments	89,054	504,722
TOTAL	**7,897,746**	**7,696,298**

(c) *RELATED PARTY TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL*

Mr. Lanzer is the managing partner of the legal firm Arnold Bloch Leibler. Group companies use the services of Arnold Bloch Leibler from time to time. Legal services totalling $2,809,669 (2020: $2,396,209), including Mr. Lanzer's Director fees, GST and disbursements were invoiced by Arnold Bloch Leibler to the Group, with $544,387 (2020: $713,866) remaining outstanding at year-end. The fees paid for these services were at arm's length and on normal commercial terms.

Mr. Lanzer is a director of Loch Awe Pty Ltd. During the year, operating lease payments totalling $42,158 (2020: $223,293 including GST was paid to Loch Awe Pty Ltd, with $177,852 outstanding rent payments at year-end (2020: nil). The payments were at arm’s length and on normal commercial terms.

Mr. Lew is a director of Voyager Distributing Company Pty Ltd. During the year, purchases totalling $22,990,422 (2020: $17,273,036) including GST have been made by Group companies from Voyager Distributing Co. Pty Ltd, with $9,843,740 (2020: $4,058,067) remaining outstanding at year-end. The purchases were all at arm’s length and on normal commercial terms.

Mr. Lew is a director of Century Plaza Trading Pty. Ltd. The company and Century Plaza Trading Pty Ltd are parties to a Services Agreement to which Century Plaza Trading agrees to provide certain administrative services to the company to the extent required and requested by the company. The company is required to reimburse Century Plaza Trading for costs it incurs in providing the company with the services under the Service Agreement. The company reimbursed a total of $561,000 (2020: $512,600) costs including GST incurred by Century Plaza Trading Pty Ltd.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

OTHER DISCLOSURES

	CONSOLIDATED	
	2021 **$**	**2020** **$**
31 AUDITOR'S REMUNERATION		
The auditor of Premier Investments Limited is Ernst & Young (Australia). Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
Audit or review of the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	709,350	804,262
Other assurance services or agreed-upon-procedures under other legislation or contractual arrangements not required to be performed by the auditor	39,287	38,696
Other non-audit services	11,613	29,144
SUB-TOTAL	760,250	872,102
Amounts received, or due and receivable, by overseas member firms of Ernst & Young (Australia) for:		
Audit of the financial report of any controlled entities	230,940	225,209
TOTAL AUDITOR'S REMUNERATION	**991,190**	**1,097,311**

32 SHARE-BASED PAYMENT PLANS

(a) *RECOGNISED SHARE-BASED PAYMENT EXPENSE*

	CONSOLIDATED	
	2021 **$'000**	**2020** **$'000**
TOTAL EXPENSE ARISING FROM EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS	**1,856**	**1,613**

(b) *TYPE OF SHARE-BASED PAYMENT PLANS*

Performance rights

The Group grants performance rights to executives, thus ensuring that the executives who are most directly able to influence the Group's performance are appropriately aligned with the interests of shareholders.

A performance right is a right to acquire one fully paid ordinary share of the Group after meeting a three- or four-year performance period, provided specific performance hurdles are met. The number of performance rights to vest is determined by a vesting schedule based on the performance of the Company. These performance hurdles have been discussed in the Remuneration Report section of the Directors' Report.

OTHER DISCLOSURES

32 SHARE-BASED PAYMENT PLANS (CONTINUED)

(b) TYPE OF SHARE-BASED PAYMENT PLANS (CONTINUED)

Performance rights (continued)

The fair value of the performance rights has been calculated as at the respective grant dates using an appropriate valuation technique. The valuation model applied, being the Monte-Carlo simulation pricing model is dependent on the assumptions underlying the performance rights granted to ensure these are appropriately factored into the determination of fair value.

In determining the share-based payments expense for the period, the number of instruments expected to vest has been adjusted to reflect the number of executives expected to remain with the Group until the end of the performance period, as well as the probability of not meeting the Total Shareholder Return ("TSR") performance hurdles.

The following table shows the share-based payment arrangements in existence during the current and prior reporting periods, as well as the factors considered in determining the fair values of the performance rights in existence:

GRANT DATE (DD/MM/YYYY)	NUMBER OF RIGHTS GRANTED	SHARE ISSUE PRICE	OPTION LIFE	DIVIDEND YIELD	VOLATILITY	RISK-FREE RATE	FAIR VALUE
26/04/2016	1,000,000	$9.88	3-6 years	5.5%	30%	2.06%	$9.96
10/04/2017	120,124	$15.70	2.5 years	5%	30%	1.79%	$6.89
19/02/2018	148,237	$12.91	2.5 years	3.4%	16%	2.14%	$7.85
12/04/2019	124,472	$18.18	2.5 years	3.4%	30%	1.44%	$6.81
01/05/2020	544,809	$13.21	2.5 – 4 years	3.5%	36%	0.40%	$8.33

(c) SUMMARY OF RIGHTS GRANTED UNDER PERFORMANCE RIGHTS PLANS

The following table illustrates the number (No.) and weighted average exercise prices ("WAEP") of, and movements in, performance rights issued during the year:

	2021 No.	2021 WAEP	2020 No.	2020 WAEP
Balance at beginning of the year	813,410	-	615,637	-
Granted during the year	-	-	544,809	-
Exercised during the year (i)	(139,524)	-	(294,579)	-
Expired during the year	-	-	(52,457)	-
Balance at the end of the year	**673,886**	**-**	**813,410**	**-**

(i) The weighted average share price at the date of exercise of rights exercised during the year was $21.77 (2020: $15.86).

Since the end of the financial year and up to the date of this report, no performance rights have been exercised, no performance rights have been forfeited and no performance rights have expired.

Notes to the Financial Statements

For the 53 weeks ended 31 July 2021 and the 52 weeks ended 25 July 2020 (continued)

OTHER DISCLOSURES

32 SHARE-BASED PAYMENT PLANS (CONTINUED)

(d) WEIGHTED AVERAGE FAIR VALUE

The weighted average fair value of performance rights granted during the year was $nil (2020: $8.33).

SHARE-BASED PAYMENT ACCOUNTING POLICIES

The Group provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions). The plan in place to provide these benefits is a long-term incentive plan known as the performance rights plan ("PRP").

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instrument at the date at which they are granted.

The cost of equity-settled transactions is recognised in profit or loss, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to profit or loss in the statement of comprehensive income is the product of: the grant date fair value of the award, the extent to which the vesting period has expired, and the current best estimate of the number of awards that will vest as at the grant date.

The charge to profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vested, irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are met.

KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

The fair value of share-based payment transactions is determined at the grant date using an appropriate valuation model, which takes into account the terms and conditions upon which the instruments were granted to key executives. The terms and conditions require estimates to be made of the number of equity instruments expected to vest, as well as the probabilities of meeting the relevant TSR performance hurdles. These accounting estimates and assumptions would have no impact on the carrying amounts of assets or liabilities within the next annual reporting period, but may impact the share-based payment expense and performance rights reserve within equity.

33 EVENTS AFTER THE REPORTING DATE

The Directors of Premier Investments Limited approved a final dividend in respect of the 2021 financial year. The total amount of the dividend is $73,077,000 (2020: $57,191,000) which represents a fully franked dividend of 46 cents per share (2020: 36 cents per share). The dividend has not been provided for in the 2021 financial statements.

Subsequent to 31 July 2021, the Group's retail store network continues to be impacted by various Government mandated retail store closures related to COVID-19. The Group has had 661 stores temporarily closed across Australia and New Zealand through the majority of the month of August 2021, noting it has since progressively been able to reopen over 170 of these stores in the past two weeks. During the temporary store closures, the Group continues to operate through its online channel.

34 CONTINGENT LIABILITIES

The Group has bank guarantees and outstanding letters of credit totalling $4,267,668 (2020: $6,168,632).

Directors' Declaration

In accordance with a resolution of the Directors of Premier Investments Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of Premier Investments Limited for the financial year ended 31 July 2021 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 July 2021 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) in the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the 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.

Note 2(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration by the Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 31 July 2021.

On behalf of the Board

Solomon Lew
Chairman

1 October 2021

Independent Auditor's Report

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's report to the Members of Premier Investments Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Premier Investments Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 July 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 July 2021 and of its consolidated financial performance for the year ended on that date; and

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Carrying value of intangible assets

Why significant	How our audit addressed the key audit matter
As at 31 July 2021, the Group held $827.0 million (or 36.4% of total assets) in goodwill and indefinite-life brand names recognised from historical business combinations. As outlined in Note 18 of the financial report, the goodwill and brand names are tested by the Group for impairment annually. The recoverable amount of these assets was determined based on a value in use model referencing discounted cash flows of the retail segment for goodwill, and the casual wear, women's wear and non-apparel cash generating units (CGUs) for brand names. The model contains estimates and significant judgements regarding future cash flow projections which are critical to the assessment of impairment, particularly planned sales growth in the casual wear and women's wear CGUs and discount rates applied. At 31 July 2021, the Group's performance, and the economy as a whole, continue to be impacted by the restrictions and economic uncertainty resulting from the COVID-19 pandemic. Significant assumptions used in the impairment testing referred to above are inherently subjective and in times of economic uncertainty the degree of subjectivity is higher than it might otherwise be. Changes in certain assumptions can lead to significant changes in the recoverable amount of these assets. Accordingly, given the significant judgements and estimates involved in assessing impairment of intangible assets we considered this a key audit matter. For the same reasons we consider it important that attention is drawn to the information in Note 18.	Our audit procedures included the following: ▶ Assessed the application of the valuation methodologies applied. ▶ Evaluated whether the determination of CGUs was in accordance with Australian Accounting Standards. ▶ Agreed the cashflows within the impairment model to forecast cashflows. ▶ Considered the impact of COVID-19 on the cash flow assumptions used in the impairment model. ▶ Considered the historical accuracy of the Group's cash flow forecasting process. ▶ Compared the forecast cash flows used in the value in use model to the actual current year financial performance of the underlying CGUs for reasonability. ▶ Assessed key inputs being discount rates, relief from royalty rates and sales growth rates adopted in the value in use model including comparison to available market data for comparable businesses. ▶ Performed sensitivity analysis on key inputs and assumptions included in the forecast cashflows and impairment models including the discount rates, to assess the risk of the CGU carrying value exceeding the recoverable amount. ▶ Compared earnings multiples derived from the Group's value in use model to those observable from external market data of comparable listed entities. ▶ Assessed the adequacy of the disclosures included in the financial report. Our valuation specialists were involved in the conduct of these procedures where considered relevant.

Independent Auditor's Report continued

Building a better working world

Existence and valuation of inventory

Why significant	How our audit addressed the key audit matter
As at 31 July 2021, the Group held $208.8 million in inventories. Inventories are held at several distribution centres, as well as at over 1,200 retail stores. As detailed in Note 10 of the financial report, inventories are valued at the lower of cost and net realisable value. The cost of finished goods includes a proportion of purchasing department costs, as well as freight, handling, and warehouse costs incurred to deliver the goods to the point of sale. Provisions are recorded for matters such as aged and slow moving inventory to ensure inventory is recorded at the lower of cost and net realisable value. This requires a level of judgement with regard to changing consumer demands and fashion trends. Such judgements include the Group's expectations for future sales and inventory mark downs. Accordingly, the existence and valuation of inventory was considered to be a key audit matter.	Our audit procedures included the following: ▸ Assessed the application of valuation methodologies applied for compliance with Australian Accounting Standards. ▸ Assessed the effectiveness of relevant controls over the determination of standard costs ▸ Selected a sample of inventory lines and recalculated standard costs based on supporting supplier invoices and assessed the allocation of costs absorbed from the purchasing department, freight and warehouse costs. ▸ Attended store and distribution centre inventory counts on a sample basis and assessed the stock counting process which addressed inventory quantity and condition. ▸ Assessed the basis for inventory provisions, including the rationale for recording specific provisions. In doing so we examined the ageing profile of inventory, considered how the Group identified specific slow-moving inventories, assessed future selling prices and historical loss rates. ▸ Tested the slow-moving inventory reports for accuracy and completeness. ▸ Considered the completeness of inventory provisions by identifying mark down sales at or subsequent to year end.

Building a better working world

AASB 16 *Leases*

Why significant	How our audit addressed the key audit matter
The Group holds a significant volume of leases by number and value over retail sites as a lessee, which makes the impact of this standard significant to the financial statements of the Group. The recognition and measurement of remeasured lease agreements executed during the year in accordance with AASB 16 *Leases* ("AASB 16") are dependent on a number of key judgements and estimates. These include: ▶ The treatment of the option to extend and the lease term under holdover; ▶ The impact of COVID-19 rental abatements and backdated rent variations; and ▶ The calculation of incremental borrowing rates. Accordingly, given the significant judgements and estimates involved in assessing the treatment of lease remeasurements we considered this a key audit matter.	Our audit procedures included the following: ▶ Assessed the mathematical accuracy of the Group's AASB 16 lease calculation model. ▶ For a sample of leases, agreed the Group's inputs in the AASB 16 lease calculation model in relation to those leases, such as, key dates, fixed and variable rent payments, renewal options and incentives, to the relevant terms of the underlying signed lease agreements. ▶ Assessed the accounting treatment applied to renegotiated lease agreements during the year, including the impact of abatements and backdated rental savings on the lease balances recognised. ▶ Considered the Group's assumptions in relation to the treatment of the option to extend and lease term under holdover. ▶ Assessed the incremental borrowing rates used to discount future lease payments to present value. ▶ Assessed the adequacy of the disclosures included in the financial report. ▶ We assessed the Group's calculations of the financial impact of the standard and the accounting policies, estimates and judgements made in respect of the Group's right of use assets and lease liabilities, as well as related depreciation and interest expense recognised through the Consolidated Statement of Comprehensive Income.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

If, based on the work we have performed on the other information 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.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Building a better working world

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 judgment 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

Building a better working world

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

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 July 2021.

In our opinion, the Remuneration Report of Premier Investments Limited for the year ended 31 July 2021, complies with section 300A of the *Corporations Act 2001*.

Building a better
working world

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.

Ernst & Young

Ernst & Young

Glenn Carmody
Partner
Melbourne
1 October 2021

ASX Additional Information

as at 12 October 2021

TWENTY LARGEST SHAREHOLDERS

NAME	TOTAL	% IC	RANK
CENTURY PLAZA INVESTMENTS PTY LTD	51,569,400	32.46%	1
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,482,238	16.04%	2
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,295,425	15.92%	3
CITICORP NOMINEES PTY LIMITED	11,091,107	6.98%	4
METREPARK PTY LTD	8,235,331	5.18%	5
SL SUPERANNUATION NO 1 PTY LTD <SL SUPER FUND NO 1 A/C>	4,437,699	2.79%	6
NATIONAL NOMINEES LIMITED	3,764,500	2.37%	7
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,544,881	2.23%	8
LINFOX SHARE INVESTMENT PTY LTD	2,577,014	1.62%	9
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	2,379,568	1.50%	10
BNP PARIBAS NOMS PTY LTD <DRP>	1,426,423	0.90%	11
ARGO INVESTMENTS LIMITED	1,250,000	0.79%	12
UBS NOMINEES PTY LTD	711,181	0.45%	13
MILTON CORPORATION LIMITED	590,321	0.37%	14
MR MARK MCINNES	582,100	0.37%	15
MR CON ZEMPILAS	470,000	0.30%	16
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	259,261	0.16%	17
GEOMAR SUPERANNUATION PTY LTD <CHAPMAN SUPER FUND A/C>	250,000	0.16%	18
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	247,899	0.16%	19
DAVID ALAN BULL	201,472	0.13%	20
TOTAL FOR TOP 20:	**144,365,820**	**90.87%**	

SUBSTANTIAL SHAREHOLDERS

NAME	TOTAL UNITS	% IC
CENTURY PLAZA INVESTMENTS PTY LTD AND ASSOCIATES	58,552,420	42.43%
PERPETUAL LIMITED AND ITS SUBSIDIARIES	14,120,975	8.89%
AIRLIE FUNDS MANAGEMENT PTY LTD ON ITS OWN BEHALF AND ON BEHALF OF MAGELLAN FINANCIAL GROUP LIMITED AND RELATED BODIES CORPORATE	12,381,525	7.80%

DISTRIBUTION OF EQUITY SHAREHOLDERS

	1 TO 1,000	1,001 TO 5,000	5,001 TO 10,000	10,001 TO 100,000	100,001 TO (MAX)	TOTAL
Holders	6,206	2,168	263	174	29	8,840
Ordinary Fully Paid Shares	2,191,965	4,778,273	1,940,680	4,176,147	145,776,894	158,863,959

The number of investors holding less than a marketable parcel of 17 securities ($29.91 on 12 October 2021) is 217 and they hold 627 securities.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

Corporate Directory

A.C.N. 006 727 966

DIRECTORS
Mr. Solomon Lew *(Chairman)*
Dr. David M. Crean *(Deputy Chairman)*
Mr. Timothy Antonie *(Lead Independent Director)*
Ms. Sylvia Falzon
Ms. Sally Herman
Mr. Henry D. Lanzer AM
Mr. Terrence L. McCartney
Mr. Mark McInnes *(resigned: 19 August 2021)*
Mr. Michael R.I. McLeod

COMPANY SECRETARY
Ms. Marinda Meyer

REGISTERED OFFICE
Level 7
417 St Kilda Road
Melbourne Victoria 3004
Telephone (03) 9650 6500
Facsimile (03) 9654 6665

AUDITOR
Ernst & Young
8 Exhibition Street
Melbourne Victoria 3000

SHARE REGISTER AND SHAREHOLDER ENQUIRIES
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Telephone (03) 9415 5000

LAWYERS
Arnold Bloch Leibler
Level 21
333 Collins Street
Melbourne Victoria 3000
Telephone (03) 9229 9999

WEBSITE
www.premierinvestments.com.au

EMAIL
info@premierinvestments.com.au


smiggle®
where a smile meets a giggle