

YESTERDAY. TODAY.TOMORROW.

integrated annual report 2014



GRAND PARADE
INVESTMENTS LIMITED

About this report

Introducing this report

The 2014 Integrated Annual Report (IAR) builds on the disclosures in Grand Parade Investments Ltd's (GPI) previous reports and addresses financial and non-financial elements of the Group's performance and prospects, as required by the King Code of Governance Principles for South Africa (King III).

In addition to the above, and in accordance with the Companies Act, 71 of 2008, as amended (Companies Act), this report includes summarised annual financial statements (AFS). The full report is available on our website (www.grandparade.co.za). The aim of GPI's integrated approach to reporting is to enable investors, potential investors and all stakeholders – including government, communities and employees to make an informed assessment of the value GPI creates in society and its long-term sustainability. The Board believes that the information provided in the report is pertinent, relevant and sufficient to enable stakeholders to make informed decisions.

Scope and boundary

The IAR for the year ended June 2014 covers the activities of GPI and all its subsidiaries. These include GPI's investments in casinos, GPI's Limited Payout Slot Machine (LPM) assets held through GPI Slots (Pty) Ltd (GPI Slots), GPI's Food group, GPI's technology division and GPI's property division.

The issues reported on in this IAR has been identified through an internal process of engagement with executive management. This process was aimed at determining those material factors that would substantively influence the assessments and decisions of GPI's stakeholders and ultimately impact on the sustainability of GPI. This report has been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, King III and the JSE Listings Requirements, while management has also considered the reporting guidelines of the Integrated Reporting Committee of South Africa.

External assurance

The Group's external auditor, Ernst & Young Incorporated (EY) has provided assurance on the AFS, as confirmed in the independent auditor's report on page 3 of the full AFS. The Group has not sought external verification of the content of the IAR.

Forward-looking statements

This IAR contains certain forward-looking statements, which relate to the financial position and results of the operations of the Group. These statements, by their nature, involve risk and uncertainty as they relate to future events and depend on circumstances that may occur in the future.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, interest rates, exchange rates and regulatory delays or changes.

The forward-looking statements have not been reviewed or reported on by the Group's external auditors.

Approval of the Integrated Annual Report

The Board acknowledges its responsibility to ensure the integrity of the IAR. The directors confirm they have collectively assessed the content of the IAR and believe it is a fair representation of the Group's material issues and integrated performance. The Board has therefore approved the 2014 IAR for release to stakeholders.



Go online

more information about
this can be found at
www.grandparade.co.za



A handwritten signature in black ink, appearing to read 'H. Adams'.

Hassen Adams
Executive Chairman

22 September 2014

A handwritten signature in black ink, appearing to read 'A. Keet'.

Alan Keet
Chief Executive Officer

Key facts

Grand Parade Investments Limited

Established in 1997

A Western Cape-based black-owned and controlled holding company listed on the JSE

All of GPI's investments are quality assets in the gaming and food industry that have shown strong growth and solid earnings performance over the years

The investment portfolio has consistently grown to the benefit of its stakeholders year on year (since inception, GPI's share value has grown phenomenally, from the original investment of R28 million to a net asset value of R2.1 billion)

Investor tools



Gaming



Food

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Our vision

GPI is committed to promoting broad-based black economic empowerment (BBBEE) and our very roots stem from offering ordinary people an opportunity to enter the business environment in a sustainable and responsible manner. GPI aims to use its positioning to build its investment base in the gaming, food and related industries.

GPI values

GPI strives

to promote BBBEE in as meaningful and inclusive a way as possible

GPI strives

to uphold the highest ethical and moral standards

GPI conducts

business in line with best business practice

GPI invests

in quality people and promotes personal growth

Mission

Maintaining our

broad-based black ownership through careful monitoring of our shareholder base

Aligning

stakeholders' expectations with those of management

Partnering

with companies with sound management and good growth potential

Maintaining

an appropriate level of liquidity and solvency

Holding

meaningful and strategic stakes in investee companies

Six-year financial review

Consolidated statement of comprehensive income for the year ended 30 June

	2014 R'000s	2013 R'000s	2012 R'000s	2011 R'000s	2010 R'000s	2009 R'000s
Continuing						
Revenue	134 976	15 593	430 651	324 782	6 329	6 733
Cost of sales	(85 107)	(3 288)	(231 248)	(184 343)	–	–
Gross profit	49 869	12 305	199 403	140 439	6 329	6 733
Operating costs	(165 385)	(49 590)	(107 599)	(88 529)	(26 479)	(13 189)
(Loss)/profit from equity-accounted investments	(528)	–	131 072	119 566	117 628	130 492
– (Loss)/profit from jointly-controlled entities	(528)	–	126 860	88 643	82 200	97 600
– Profit from associates	–	–	4 212	30 923	35 428	32 893
Remeasurement of investment	32 838	–	–	–	42 488	–
Realisation of fair value reserve	–	–	35 588	–	–	–
Gain on acquisition of investment	23 637	–	–	–	–	80 623
Profit on sale of investments	–	–	60 248	151	–	–
Depreciation and amortisation	8 755	(9 651)	(38 610)	(36 010)	(479)	–
Reversal of impairments	–	–	336	15 000	–	–
Impairment of investments	–	–	–	(128 485)	(3 860)	–
Net (loss)/profit before finance costs and taxation	(68 324)	(46 936)	280 438	22 132	135 627	204 659
Finance income	8 621	4 502	6 797	3 405	–	–
Finance costs	(18 026)	(12 415)	(24 225)	(32 916)	(29 835)	(31 939)
Net (loss)/profit before taxation	(77 729)	(54 849)	263 010	(7 379)	105 792	172 720
Taxation	18 846	3 438	(11 598)	(15 292)	(1 084)	(1 000)
(Loss)/profit for the year from continuing operations	(58 883)	(51 411)	251 412	(22 671)	104 708	171 720
Discontinued operations						
Profit for the year from discontinued operations	121 972	178 526	–	–	–	–
Profit for the year	63 089	127 115	251 412	(22 671)	104 708	171 720
Headline earnings	14 774	130 036	163 637	88 694	70 226	96 473
Adjusted headline earnings	106 083	140 013	136 530	102 496	87 596	96 516

Consolidated statement of financial position as at 30 June

	2014 R'000s	2013 R'000s	2012 R'000s	2011 R'000s	2010 R'000s	2009 R'000s
Non-current assets	301 692	1 530 221	1 406 887	1 631 715	2 156 126	1 876 394
Assets classified as held for sale	1 655 335	–	–	451 000	–	–
Current assets	218 203	472 190	462 586	112 179	122 352	79 363
Total assets	2 175 230	2 002 411	1 869 473	2 194 894	2 278 478	1 955 757
Shareholders' interest	1 682 715	1 649 098	1 613 539	1 756 792	1 767 402	1 639 715
Non-controlling interest	(9 407)	(1 957)	–	–	4 978	–
Non-current liabilities						
– Provisions	490	768	173	126	94	–
– Finance lease liabilities	945	244	1 134	1 500	–	–
– Deferred tax liabilities	18 557	12 107	11 525	23 618	17 112	2 384
– Interest-bearing borrowings	60 000	83 436	36 000	88 000	108 058	–
– Cumulative redeemable preference shares	132 691	132 424	101 670	193 157	256 961	285 124
Liabilities classified as held for sale	170 124	–	–	–	–	–
Current liabilities	119 115	126 291	105 432	131 701	123 873	28 534
Total equity and liabilities	2 175 230	2 002 411	1 869 473	2 194 894	2 278 478	1 955 757

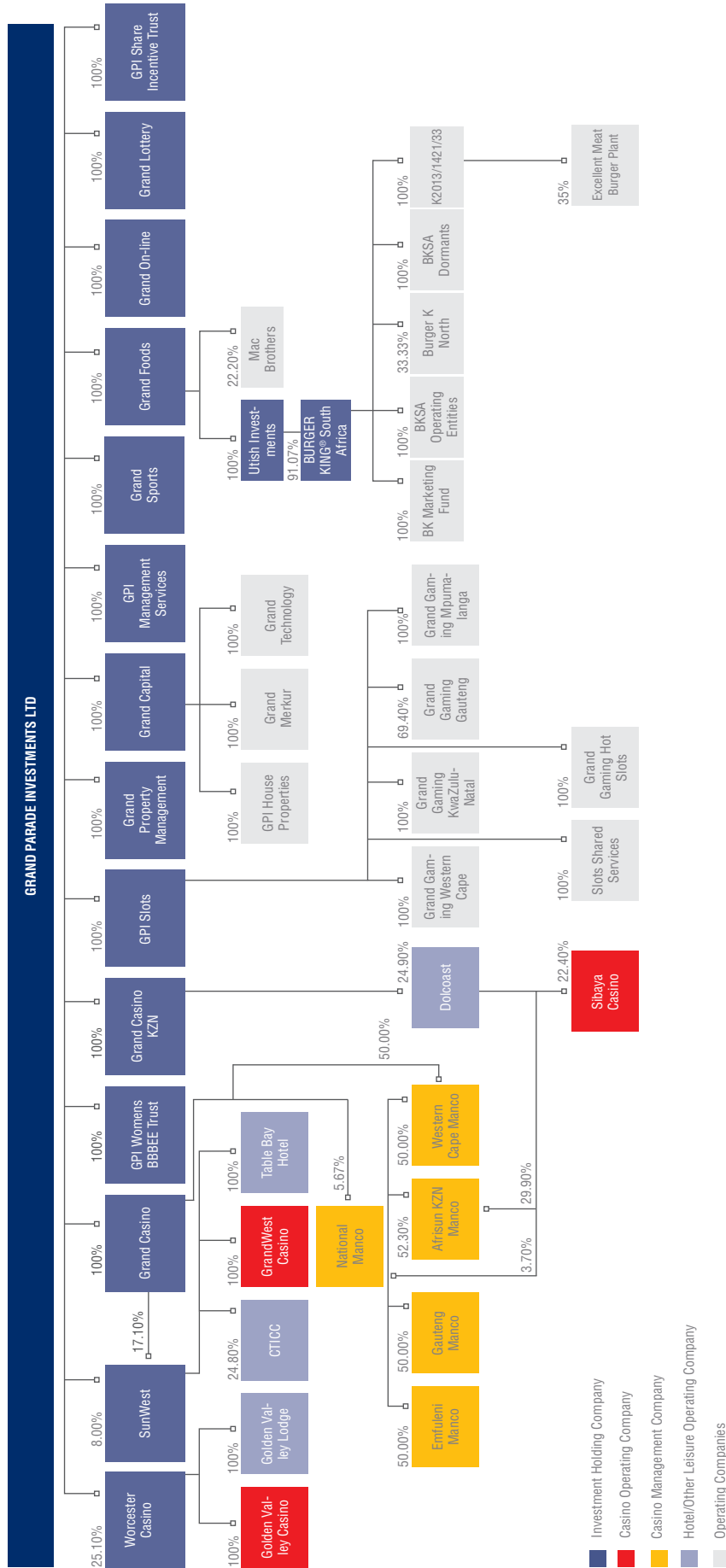
Share statistics

	2014 000's	2013 000's	2012 000's	2011 000's	2010 000's	2009 000's
Shares in issue (before deducting treasury shares)	484 403	460 680	460 680	470 459	462 331	449 581
Adjusted shares in issue (after deducting treasury shares)*	466 170	459 648	459 510	468 239	456 511	443 761
Weighted average number of shares in issue	466 738	460 680	469 195	463 757	454 507	462 033
Adjusted weighted average number of shares in issue*	462 985	459 623	467 166	457 937	448 687	462 033
Diluted weighted average number of shares in issue	468 719	460 680	469 195	463 757	454 507	462 033
Diluted adjusted weighted average number of shares in issue*	464 966	459 623	467 166	457 937	448 687	462 033
	Cents	Cents	Cents	Cents	Cents	Cents
Basic earnings/(loss) per share	15.20	28.02	53.58	(4.89)	23.04	37.17
Diluted basic earnings/(loss) per share	15.13	28.02	53.58	(4.89)	23.04	37.17
Headline earnings per share	3.17	28.23	34.88	19.13	15.45	20.88
Diluted headline earnings per share	3.15	28.23	34.88	19.13	15.45	20.88
Adjusted headline earnings per share*	22.91	30.46	29.23	22.38	19.52	20.89
Adjusted diluted headline earnings per share*	22.82	30.46	29.23	22.38	19.52	20.89
Ordinary dividend per share**	–	15.00	12.50	10.00	7.50	7.50
Special ordinary dividend per share**	–	–	7.50	60.00	–	–
Tangible net asset value per share	293	309	312	347	351	365
Adjusted tangible net asset value per share	307	309	314	349	356	370
Net asset value per share	345	358	351	373	383	365
Adjusted net asset value per share	361	358	352	375	388	370
Opening price	335	245	300	235	230	220
Closing price	592	360	255	305	220	225
Closing high for the period	650	375	320	335	235	225
Closing low for the period	340	245	230	200	220	220
Dividend yield	2.53	3.39	4.90	3.28	3.41	3.33
PE ratio	20.39	11.31	11.44	16.8	11.46	10.01

* The consolidation of the Grand Parade Share Incentive Trust (GPSIT) and the GPI Womens BBBEE Empowerment Trust (BBBEE Trust) is reversed as the Group does not receive the economic benefits of these Trusts.

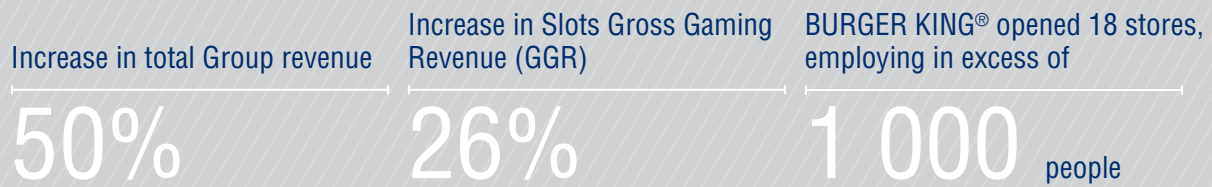
** Dividends declared in respect of the year-end.

GROUP STRUCTURE – 30 JUNE 2014





Financial highlights



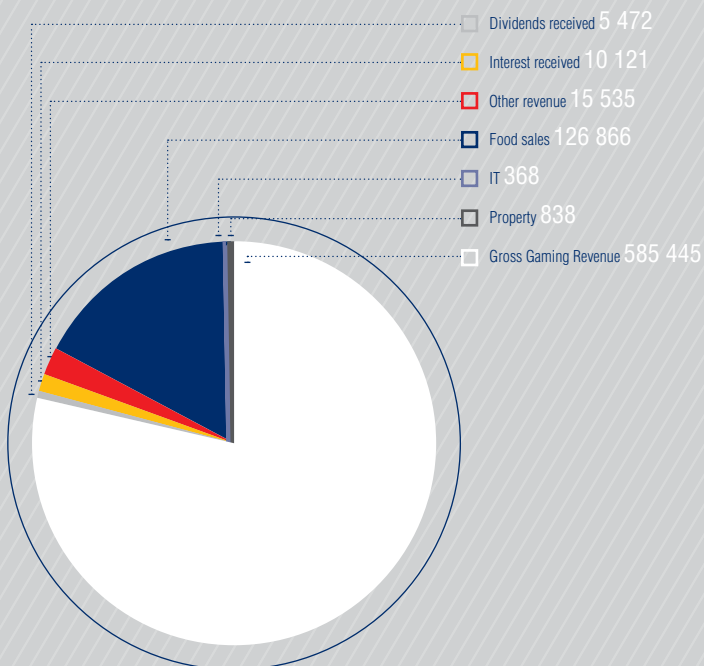
R8.2 million

contributed to corporate social investment projects

Sale of significant gaming assets,

subject to certain conditions precedent, realising cash for reinvestment

Revenue mix (R'000s)



In little more than 10 years, GPI has grown from its humble beginning into a powerhouse in the South African leisure and gaming industry, with assets worth billions of Rands, a landmark listing on the JSE, and growth in the rest of Africa.

**YESTERDAY.
TODAY. TOMORROW.**

YESTERDAY. 1997...

and six people met on the 23rd group representing the diversity of marginalised industry. One of the group, Hassen Adams, calls facade of the Victorian-era City Hall lying beneath journey that South Africa has yet witnessed.

▶ 1997



GPI was incorporated to conduct business as an investment holding company with interests in the leisure, hotel and gaming sectors – specifically for the express purpose of partnering with Sun International South Africa (Pty) Ltd (SISA), as its primary black economic empowerment (BEE) partner in the Western Cape, in the award of the exclusive casino licence for the Western Cape Metropole.

The Table Bay Hotel in the Victoria & Alfred Waterfront was opened.

▶ 1998



GPI converted to a public company.

▶ 1999



SunWest International (Pty) Ltd (SunWest) emerged as the triumphant bidding vehicle and was awarded the exclusive licence for the GrandWest Casino and Entertainment World (GrandWest) in Goodwood, Cape Town.

▶ 2006



The GPI Special Purpose Vehicle Trust (SPV Trust) and the GPI Broad-Based Black Economic Empowerment Trust established to enhance and sustain the Company's empowerment status and raise capital to repay debt.

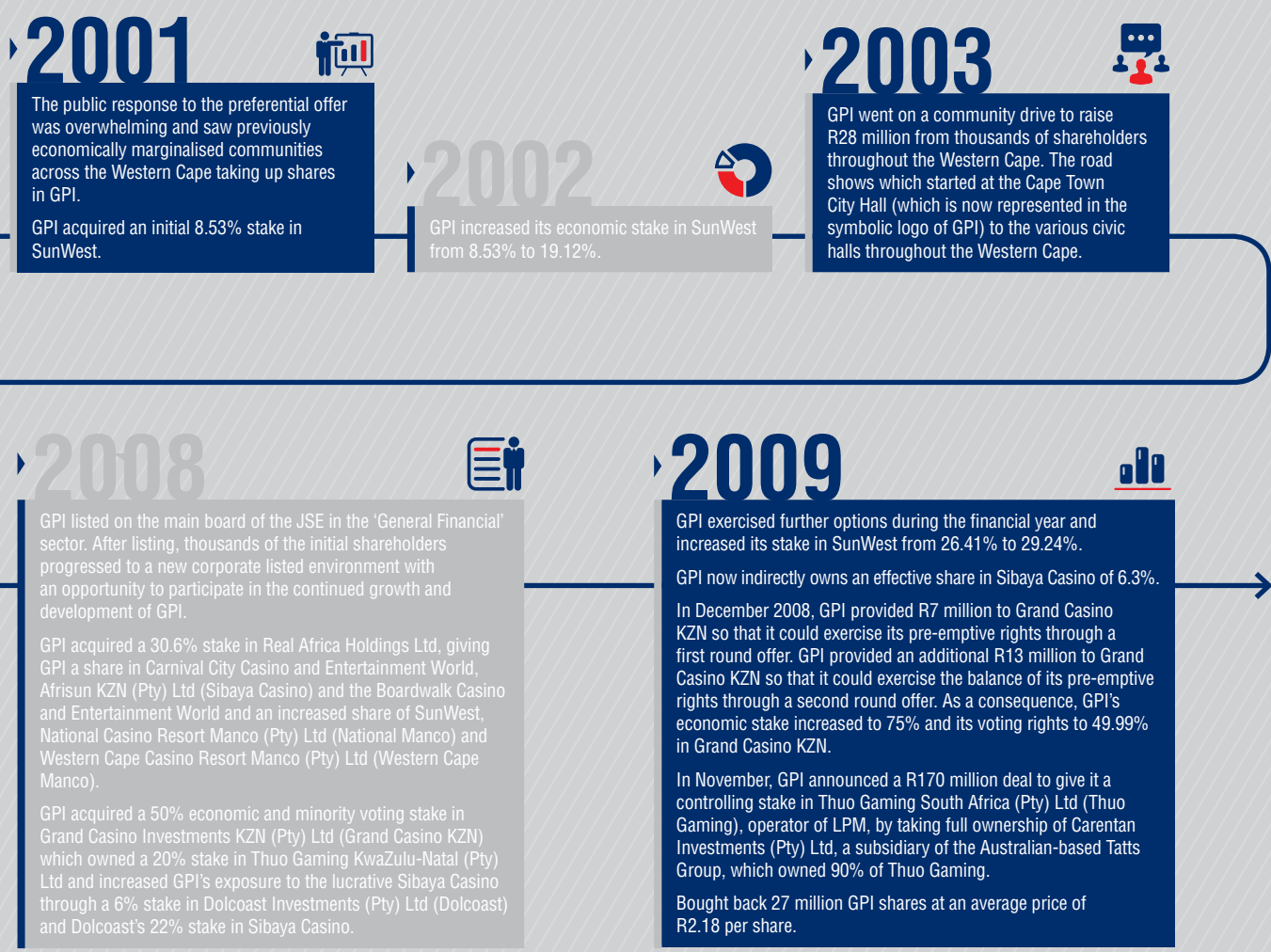
The SPV Trust owned 8.17% directly in GPI and this, together with the units held in the GPI Broad-Based Black Economic Empowerment Trust and the units locked in by black shareholders by agreement amounts to an effective lock in of 28% until 2012.

▶ 2007



GPI increased its stake in SunWest to 26.41%.

floor of a central Cape Town office block to discuss the establishment of an empowerment communities in the Western Cape, which will invest in the tourism, leisure and gaming their attention to the vista of the city beneath, punctuated by the Grand Parade and iconic Table Mountain. This moment was the start of what has been the most remarkable BBEE



YESTERDAY.

2010



Watershed year from investor to operator.

- Invested R192 million and became a leading Slots operator
- Invested R28 million to increase the Group's direct stake in SunWest to over 30%
- Invested R4 million to increase the Group's stake in Worcester Casino (Pty) Ltd (Golden Valley Casino or Worcester Casino) to 44.4% and achieved joint control
- Grew its indirect stake in Sibaya Casino through the increased stake in Dolcoast, which increased from 18.5% to 23%
- Remained dividend-active by matching prior year's 7.5 cents declaration
- Increased the Group's net asset base by 8% and the decline in adjusted headline earnings per share was contained to 7%

2011



In 2011, despite the global recession, GPI embarked upon adopting a policy of sustainability and growth. GPI continued to seek opportunities by leveraging its strong financial position whilst maintaining its promise of being a dividend-active Company.

- Reached an agreement to restructure certain common interests with Sun International Ltd (Sun International)
- Increased the dividend by 33% to 10 cents per share
- Increased adjusted HEPS by 15%
- Acquired a LPM route operator licence in Gauteng
- Successfully completed the integration of the Slots business and the restructure of the acquired Slots Group
- Acquired the remaining effective 7.5% interest in Kingdomslots to effect 100% control

TODAY.

2014



- Acquired two additional route operator licences in Mpumalanga and Gauteng
- Opened 18 BURGER KING® stores
- Submitted our National Lottery Bid and was short listed to one of four participants
- Acquired two additional buildings
- Awarded 20.2 million share options to key personnel
- Sale of significant gaming assets
- Acquired remaining 41% in Grand Casino KZN and in so doing became the 100% owners of this entity

more information about
this can be found at
www.grandparade.co.za



2012



In 2012 GPI created a war-chest through the sale of some of its assets to Sun International, which also resulted in a substantial dividend payout to shareholders. The Company focused on growing the business by challenging new frontiers and entrenching a philosophy of investing in people to ensure that the execution of these new ventures is well managed through our in-house capabilities.

- Concluded the agreement to restructure certain common assets with Sun International
- Increased revenue by 33.5%
- Increased Slots GGR by 25.1%
- Net profit after tax increased by 1 209%
- Increased adjusted HEPS by 30.6%
- Generated net cash of R335.9 million
- Paid a special ordinary dividend of 60 cents per share during January 2012 from the proceeds of the Sun International deal
- Declared a final ordinary dividend of 12.5 cents per share and a second special dividend of 7.5 cents per share, totalling 20 cents per share subsequent to year-end

2013



Built an iconic head office in Heerengracht Street by refurbishing an old building and this has now become our landmark.

The recent acquisition of BURGER KING® South Africa spiked GPI's market capitalisation by R650 million and we successfully launched BURGER KING® on 9 May 2013 in Heerengracht Street Cape Town.

- Group revenue by 13.6%
- Slots GGR by 17.1%
- Adjusted HEPS by 5.9%
- Increase of 20% on final ordinary dividend to 15c per share
- Invested in and opened the first BURGER KING® store in South Africa
- Acquired an additional office building which houses GPI's Gauteng router operator Grand Gaming Gauteng

TOMORROW.

2015 – 2016

The next 12 months will see us focus on consolidating our position in the Gaming and Quick Service Restaurants (QSR) arena. The GPI brand has been elevated to a point where there is a lot of interest in us from an investor and business partner point of view, but we are very careful to grow the business at a rate that we are comfortable with and that will benefit all our stakeholders.

With the implementation of our growth plan, our prospects for the next five years are well defined and gives us an opportunity to establish targets driven by Key Performance Indicators (KPIs). We are confident that our existing and newly acquired businesses will drive GPI to new heights.

So much has already been achieved by GPI, yet much more lies ahead for it. Little more than a decade after that first, historic meeting in central Cape Town, the GPI journey has only just begun...



“Greatness is not achieved in reaching your destination, but rather in the journey that lies ahead.”

Hassen Adams
Executive Chairman



With the implementation of GPI's growth plan, our prospects for the next five years are well defined and give the Company an opportunity to establish targets driven by KPIs. GPI is confident that its existing and newly acquired businesses will drive it to new heights.

OUR JOURNEY


Since listing in 2008, GPI has been determined to remain in control of its own destiny. The journey, so far, has been an exciting one in which GPI has challenged new frontiers and substantially diversified its interests. GPI's five-year strategy is coming together and its implementation is at an advanced stage.

The Group decided to migrate its gaming assets from bricks-and-mortar gambling to technology gaming, which resulted in the sale of GPI's prized casino assets. GPI brokered a substantial deal with Sun International and Tsogo Sun Holdings Ltd (Tsogo Sun), the two largest casino operators, to sell its interests in GrandWest and Worcester Casino, as well as its indirect interest in Sibaya Casino. The SunWest and Worcester Casino transactions will result in significant value for GPI shareholders and represents an excellent return on investment. It will also entrench GPI's relationship with these casino operators which, in turn, will support the Group's gaming machine manufacturing initiative.


GPI also embraced its partnership with Sun International by selling them a percentage of the Group's Slots business. This partnership changes the whole landscape of the Group's Slots business in the Group's drive to be the biggest and the best LPM operator in South Africa. It also allows the Group to expand into other countries, especially with the support, track record and experience of Sun International as our partner. The Slots business has grown substantially and it is the Group's intention to grow this business to 10 000 LPMs throughout the country within the short to medium term.



GOALS ACHIEVED IN 2013 | 2014



Concluded sale agreements of significant gaming assets.




BURGER KING® has surpassed all expectations with regards to hype and interest.

STATED OBJECTIVES FOR 2014 | 2015

7 500
LPMs

The Group's stated objective is to attain licences for 7 500 LPMs in the short term.



Improving GPI's public profile.

In each of the abovementioned transactions there was a significant opportunity to generate cash, which enables GPI to accelerate its ambitious growth strategy. Importantly, these transactions place the Group in good stead to take advantage of a larger shareholding by exercising meaningful influence.

GPI has established an online sports betting business and is presently operating as GrandPlay. GPI is also one of the four bidders for the third Lottery Licence. Winning this bid would be a great step forward in GPI's technology gaming strategy. At the time of writing this report no announcement has been made of the successful candidate.

The decision to invest in the food business has changed the face of GPI, championed by the BURGER KING® investment. It has enhanced the GPI image and significantly influenced its overall value proposition. GPI's annuity income from gaming assets will be replaced by that of the Group's BURGER KING® operations in future. The BURGER KING® investment also gave the Group the opportunity to venture into the manufacturing and production of food. The Group established a joint-venture relationship with Excellent Meat Burger Plant (Pty) Ltd (Excellent Meat), which affords the Company an export opportunity, and GPI purchased a catering equipment manufacturing company, Mac Brothers Catering Equipment (Pty) Ltd (Mac Brothers), which complements our vertical integration strategy.

After year-end, GPI announced the acquisition of a 10% stake in Spur Corporation Ltd (Spur). Spur is a market leader in its category and GPI is excited to be its chosen partner and GPI sees many opportunities for collaboration, especially in the supply chain.

These transactions signify GPI's coming of age. It has always been GPI's dream to play a greater part in the South African economy, without sacrificing our corporate identity. As a BBEE company, our vision is to grow the intrinsic value of our business, and in doing so, to take our

The decision to invest in the food business has changed the face of GPI, championed by the BURGER KING® investment.

community-based shareholders along on this journey. It is essential for the Company, as one of the pioneering BBEE companies, to create a tradition that will allow GPI to grow even further.

The Group's strategy is mapped out and the implementation of the Group's growth plan is in full swing. GPI now have the necessary tools to venture into new frontiers through acquisitions and other exciting opportunities, which the Group is pursuing vigorously.

This year, I was awarded the Ernst & Young Entrepreneurial Award in the Exceptional Category for Africa, which would not have been possible without the assistance and support of my colleagues, and my profile at GPI.

I would like to express my sincere appreciation to the Board of Directors, management, employees and consultants for their support and tireless efforts throughout the year. This journey cannot be possible without their dedication and passion for the business.



Hassen Adams
Executive Chairman





“GPI has demonstrated that it is dynamic in its approach to new investment opportunities.”

Alan Keet
Chief Executive Officer



In 2014, significant events crystallised in **GPI's strategy** and demonstrated the potential the Group has to grow as an empowered company with significant cash, exciting assets and a **strong management team**.

The past 12 months at GPI have been characterised by change and progress. In 2014, significant events crystallised in GPI's strategy and demonstrated the potential the Group has to grow as an empowered company with significant cash, exciting assets and a strong management team.

Our relationship with Sun International precipitated the sale of almost all of GPI's gaming assets in June. The Western Cape casino assets were the Company's first investments, so it was not without some hesitation that the decision was made. However, this transaction realised the best value for all our stakeholders. The realisation of these assets, projected to be concluded by year-end, has unlocked the discount applied by the market and has realised significant value for GPI.

STRATEGY

GPI has demonstrated that it is dynamic in its approach to new investment opportunities. The Group is committed to ensuring that it has a clear strategy in place to guide its thinking and against which GPI can measure its decisions. Recent events have brought the need for a formal strategy to the fore and the Group has spent a great deal of time discussing with various stakeholders what can be expected from GPI in future.

The Group's key competitive strengths – its BBBEE credentials, its strong financial position, its entrepreneurial spirit and sound management – position it well to continue with its goal of building up a diverse portfolio of assets. In particular, the Group remains focused on the food industry and on assets where our unique value proposition can command attractive



The sale of the Group's gaming assets was prompted by our assessment that their sale would extract more value from them and coincided with a shift in focus towards BURGER KING® and its associated activities.

pricing and demonstrate added value. The Group's ultimate objective is to position GPI as the BBBEE investment partner of choice in South Africa.

It is GPI's intention to invest in, and sometimes with, the management teams of our investment entities. However, GPI also finds itself exposed to start-up businesses, especially in the gaming sector. GPI approach these opportunities and, where it sees value, uses its experience to develop and nurture them until it is appropriate to realise value. Therefore, the Group's portfolio will contain a mix of minority and controlled holdings, with the intention to always hold a stake that is significant enough to add influence. All GPI's investment decision-making will be benchmarked against aggressive financial performance indicators, which GPI sets as hurdles for the investment to achieve.

GPI is also aware of the growth potential in the rest of Africa and how it compares with the modest growth prospects in the South African economy. GPI is prepared to consider expansion, in a responsible and conservative basis, into jurisdictions that can participate in this growth, provide income from hard currencies, and where the risks are mitigated through a combination of factors. This strategy will be executed by assisting our own existing and future assets to expand into Africa or to buy into companies that have exposure to foreign income.

2014 HIGHLIGHTS

- increase in share price to R5.92 per share
- 18 BURGER KING® stores rolled out
- 50% increase in Group revenue

It is difficult to pinpoint only a few highlights in a year that has seen so many, but the ones that clearly stand out as transformative transactions for GPI are: the sale of the casino assets (which remains subject to regulatory approval), the accelerated roll-out of BURGER KING®, and the sale of a controlling share of GPI's Slots business.

2014 | 2015 STRATEGY

GAMING DIVISION

FOOD DIVISION

The excitement and interest around BURGER KING® has opened doors for the Company and raised its profile. The sale of the physical gaming assets was prompted by an assessment that their sale will extract more value from them and coincided with a shift in focus towards BURGER KING® and its associated activities. BURGER KING® is a world-renowned asset and GPI intends to maximise its involvement with the brand through expansion, acquisition of complementary businesses, specifically within the supply chain to BURGER KING® and investment in operational best practices.

PERFORMANCE

GPI's assets are largely exposed to consumer behaviour and, consequently, to macro-economic factors beyond its control – the weakness of the rand, high inflation, labour issues and increasing interest rates all combined South African economy. Despite this, I am pleased to report that our gaming assets and BURGER KING® have proven especially resilient, producing strong performances during the financial year. Our experience is that GPI can mitigate external challenges by investing in world-class brands operated by leading management teams, who have extensive knowledge of their product and international experience to call upon, when local challenges present themselves.

Our casino assets performed best in their peer group and our Slots business also performed well. BURGER KING® is still in a “honeymoon” phase and GPI is aware that it cannot expect these revenue numbers from its stores indefinitely. As expected, the food costs also exceed industry norms, but GPI has addressed this and expect to see these normalise in the short term. In many ways, GPI is fortunate to be establishing essentially two businesses during tough economic times – namely, BURGER KING® and Slots – as this instils discipline and forces the Company to be efficient with its resources.

GOALS ACHIEVED IN 2013 | 2014

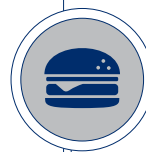


EBITDA performance of the Slots Group exceeded the terms of the sale to Sun International by 8%.



Impeccable BEE credentials and the establishment of the BBBEE Trust.

STATED OBJECTIVES FOR 2014 | 2015



Localising BURGER KING® supply chain and increasing food margins.



Investing in quality assets by leveraging GPI's strengths.



To be involved in the full suite of game offerings.



Expand the BURGER KING® brand and integrating a vertical supply chain.

GAMING

Casinos

The casino assets delivered results that are in line with their performance record. GrandWest and Sibaya Casino rank as the two best casinos in the Sun stable and delivered robust performances for the year. Their growth in revenue of 8.2% and 5.3% respectively was remarkable, given the current trading environment and GPI was able to receive dividends of R113.0 million and R10.3 million respectively from these two assets. The management at Golden Valley Casino embarked on several strategies to reverse the loss-making trend, but they operate in a very difficult environment and, despite an increase in revenue of 12.2% to R144.1 million, their EBITDA was down 6.3%, to R26.7 million, which resulted in a net profit after tax of R1.1 million before exceptional items.

LPMs

The Slots business performed well, exceeding the previous year's GGR by 26%. The EBITDA performance exceeded the terms of the sale agreement with Sun International by 8%, which is significant in terms of our sale price. GPI restructured the Slots Group at the beginning of the year, which has yielded the required outcome in that management is now individually responsible for their respective unit's performance. At year-end the Slots Group had 5 LPM licences across four provinces allowing it to roll out up to 5 000 LPMs.

GPI believes that the Slots Group has surpassed its critical mass and future increases in revenue will exceed the relative increase in overheads. Therefore, the acquisition of KZN Slots (Pty) Ltd (KZN Slots) will contribute positively to the Group's earnings from the effective date, 11 August 2014.

Lottery

Our response to the third National Lottery licence request for proposal (RFP) was a focal point for the financial year. GPI undertook this venture with a clear vision that GPI had the appropriate knowledge, industry experience, resources and business partners, to allow the Company to submit a competitive bid. The winning bidder should be announced before the end of September.

Sports betting

In June, GPI launched GrandPlay, its sports betting offering. GPI is pleased with the launch, though it anticipates that the building of this business will take time, as GPI build our database of players. GPI hope to bring it to a breakeven point within 12 months and continues looking for synergy within its other assets to facilitate future growth. The experience acquired in the operation of this business, coupled with the Lottery bid, stands the Company in good stead in anticipation of future online gaming licence applications.

FOOD

BURGER KING®

BURGER KING® has surpassed our expectations, yet GPI is aware that hype around a brand does not make it a good business by default. The accelerated growth, GPI has already opened 18 stores, was deliberate and it is supported by strong management and supply chain in every aspect of the business. I congratulate the BURGER KING® management for delivering more than expected in trying circumstances. The launch in South Africa has been the most successful in BURGER KING® International's history and GPI is confident that this foundation will enable the growth of the brand throughout the continent. GPI expects that BURGER KING® will break even by the end of the 2015 financial year although it will still contribute meaningfully to the Group's financial performance. GPI is happy with its potential and the profile it has brought to GPI.

During the financial year, GPI entered into a joint venture with a local, family-owned business, called Excellent Meat. The company has been approved to supply BURGER KING® with burger patties and it has established a dedicated plant for this purpose. Excellent Meat delivered R4 million in revenue for the period and has already proven that it is important in the delivery of quality product and is integral to BURGER KING®'s success. Our partners in this venture have been fantastic and GPI looks forward to growing a mutually-beneficial relationship with them going forward.

Challenges

GPI currently faces three major challenges, which it engages with on a daily basis: keeping our focus on our intended strategy, maintaining our BBBEE status and devising a suitable succession plan for the Executive Chairman.

Firstly, on the issue of maintaining strategic focus, GPI will look at opportunities that make immediate sense from a financial perspective. GPI prefers to add value to its investments through existing skills and relationships, as opposed to remaining operationally passive. GPI intends to develop its business around the food and gaming sectors and, from there, into other selected industries. So as not to pass up on any lucrative opportunities that are either non-core or too small to warrant a direct investment, GPI is considering using a partnership model or fund structure appropriate for this type of investment, which would allow the Company to co-invest with industry or private equity experts. This would afford the Company the opportunity of an interest in these high-growth assets, while facilitating empowerment and growth within an efficient structure that requires minimal management time. The performance of the fund would still need to meet all the criteria GPI has set as its investment benchmarks.



The next 12 months will see us focus on consolidating our position in the Gaming and QSR arena.



Secondly, our level 2 BBBEE status is imperative to our business model, where it is required for certain gaming licences and where GPI can add value to target companies, and is an aspect of the business that is core to our philosophy. GPI intends to honour the objective of empowerment legislation in South Africa by maximising the opportunities its BBBEE status affords the Company and delivering superior returns to its stakeholders, many of whom have been with the Company since its inception in 1996.

Thirdly, GPI has embarked on a succession planning strategy by enabling senior executives to take full ownership of their respective divisions. GPI has been led by Hassen Adams since inception and GPI acknowledges that his leadership strength, foresight and deal-making ability will be difficult to replace. GPI is working to develop people who can take over these responsibilities in such a way that the transition will be seamless when GPI feels it is appropriate for the Chairman to exit his executive role.

Why GPI?

From an investor point of view, management believes that it is an attractive option. GPI has minimum benchmarks on returns, which outweigh the returns implied by this net asset value (NAV) and GPI has a proven track record of conservative and appropriate asset allocation, providing substantial room for growth.

Shareholders can expect more of the same and management will position itself to focus on key existing assets over the short term, while looking for opportunities that can grow the business into the future. Our recent announcements provide an indication of where GPI is heading.

The acquisition of 65% of Mac Brothers represents a controlling investment in the BURGER KING® supply chain and the subscription for 10% of Spur (still subject to conditions precedents) demonstrates the intention to invest in quality assets by leveraging our strengths, adding value to an existing business and, ultimately, benefiting our shareholders. Due to the low current gearing levels our hurdle return rate is not at its optimal level; GPI is formulating a funding policy that will look to optimise the hurdle return rate.

To date, our dividend policy has been to pass on any dividends received from SunWest, after allowing for central costs and some debt servicing, to our shareholders. The Company is now entering a growth phase and will need to adapt the expectation around dividends going forward. GPI has always said that it is a dividend-active company and that philosophy has not changed. However, GPI has assessed its financial resource requirements for growth in the medium term, particularly in light of the cash that is expected to be generated from the sale of the Sun International assets and has therefore decided not to pay a dividend.

Conclusion

This year was an active year for GPI, which saw much change and growth. Without the unwavering support and expertise of our financial advisors, Leaf Capital, and our legal advisors, Bernardt Vukic Potash & Gets (BVPG), GPI would not have had the success it has experienced. I thank them for their hard work and the spirit in which it has been conducted.

Our management team and employees have excelled again and I am grateful for their dedication, long hours and sacrifice, which enables the Company to continue managing the existing businesses while considering new opportunities. Thanks to the Board of GPI for their direction and the faith they have in the executive team. GPI remains confident of delivering on the expectations that have been set.

Alan Keet
Chief Executive Officer



“We aim to realise maximum returns on our investments and to ensure that shareholder value increases in the medium to long term.”

Sukena Petersen
Financial Director



Despite the continued global economic challenges, GPI has again managed to find opportunities which crystallized its strategy for the short term. The Group results include for the first time BURGER KING®'s full year performance since the first store opened on 9 May 2013. Certain of the Group's major achievements during the 2014 financial year include:

- Increased Slots Group GGR by 26%
- Opened 18 BURGER KING® stores, employing in excess of 1 000 people
- Acquired two additional route operator licences in Gauteng and Mpumalanga
- Concluded agreements to dispose of certain gaming assets

ACCOUNTING POLICIES

The AFS have been prepared in accordance with IFRS, the Companies Act, and the JSE Listings Requirements.

The Board of Directors approved the IAR, the AFS and the abridged AFS on 22 September 2014.

The accounting policies adopted and methods of computation used in the preparation of the AFS are in terms of IFRS and are consistent with those for the year ended 30 June 2013, except for the adoption of new or revised accounting standards and interpretations. For further information refer to accounting policy note 1.4 in the full AFS.

ABRIDGED ANNUAL FINANCIAL STATEMENTS

Abridged AFS have been included in this IAR. A full set of AFS are available on our website (www.grandparade.co.za).

KEY FINANCIAL CHALLENGES

Summarised below are a few of the key financial challenges the Group faced during the financial year.

Skilled resources

For the opportunities mentioned elsewhere in the IAR, AFS and the Group's strategy going forward to realise, the Group will remain focused on retaining and acquiring skilled resources. Employee costs are budgeted to double during the next financial year especially in light of the BURGER KING® roll out.

Cost savings initiatives

Management continuously reviews expenditure and finds ways of implementing cost savings initiatives. Overcoming these financial challenges are key to the Group's business model. GPI aims to realise maximum returns on its investments and to ensure that shareholder value is increased in the medium to long term, while acting responsibly and



appropriately. One such initiative is localising BURGER KING® supply chain as discussed in the Food Division review which will result in food margins increasing during the 2015 financial year.

Broad-based black economic empowerment

BBBEE remains one of the key focus areas of the business to ensure that we procure and implement systems that will enhance the Group's rating over time.

FINANCIAL PERFORMANCE

The 2014 financial year has definitely proven to be one of significant milestones and implementing strategic growth.

During the year, GPI entered into various sale agreements with Sun International, as discussed in the Chairman's and Chief Executive Officer's reports. The related assets and liabilities have been disclosed separately on the statement of financial position, comprehensive income and cash flow as discontinued operations. This disclosure makes it difficult to compare year-on-year, as these amounts are now disclosed in a different category. The profit after tax from discontinued operations includes the deferred tax effect of R69.9 million due to the decision to sell these assets. For more information on the separately disclosed assets and liabilities refer to note 21 of the full AFS.

GPI's main revenue streams for the 2014 financial year are the Slots Group and BURGER KING®. GGR from the Slots Group increased by 26% from R463.3 million to R585.4 million. BURGER KING® contributed R126.8 million towards revenue. BURGER KING® was only part of the Group for six weeks during the 2013 financial year and generated revenue of R4.9 million during this period. Though only 18 stores were rolled-out in 2014, the increase in revenue is astonishing. Other revenue contributors are our property, IT and corporate divisions. Going forward revenue from continuing operations will consist of foods sales, dividend income, property income and IT fees.

The 2014 results include the Group's stake in Mac Brothers and Excellent Meat. These investments have been accounted for as investments in joint ventures and associates, and their earnings as loss from equity-accounted investments.

Overall the net loss from continuing operations after tax decreased from R51.4 million to R58.8 million, mainly due to the BURGER KING® roll-out costs incurred.

KEY PERFORMANCE INDICATORS

	2014 R000's	2013 R000's	Change %
Revenue			
– Continuing operations	134 976	15 593	766
– Discontinued operations	599 616	473 692	27
EBITDA	210 734	182 566	15
Net profit after tax			
– Continuing operations	(58 883)	(51 411)	15
– Discontinued operations	121 972	178 526	(32)
	Cents	Cents	
Headline earnings per share	3.17	28.23	(89)
Adjusted headline earnings per share	22.91	30.46	(25)

OPERATING COSTS

Overall operating costs increased from R142.8 million to R270.7 million mainly due to the BURGER KING® roll-out. Operating costs also include R21 million in transaction fees, which are expensed and reversed for adjusted headline earnings per share (HEPS). Of these costs, R13 million relate to GPI's lottery bid and the remainder to all deals concluded during the year. The roll-out of BURGER KING® affected all levels of costs as the Group are currently investing in the infrastructure to support future roll-out plans.

TAXATION

During the year, management identified areas of non-compliance in the supplier VAT status of some of GPI's subsidiaries. This stemmed from the fact that the legacy accounting system was not configured to distinguish between VAT registered vendors and non-VAT registered vendors. The total impact of the error was quantified and disclosed to the South African Revenue Service (SARS) as part of the voluntary disclosure programme. Management has corrected the treatment through month-end adjustments, until the accounting system can be reconfigured accordingly.

EARNINGS

HEPS decreased by 88.7% from 28.2 cents per share to 3.2 cents per share and adjusted HEPS decreased by 24.9% from 30.5 cents per share to 22.9 cents per share. The decrease is mainly due to the additional establishment costs incurred by BURGER KING®, which is consistent with the growth phase.

CASINO REVIEW

SunWest

SunWest's attributable profit consists of profit from attributable earnings from GrandWest and the Table Bay Hotel. Overall, SunWest's revenue increased by 10% to R2.2 billion (2013: R2 billion) and its attributable earnings increased by 4.3% to R459 million (2013: R440 million).

GrandWest

GrandWest remains our prime asset. GrandWest's revenue increased by 8.2% to R2 billion (2013: R1.9 billion) resulting in its earnings before interest tax depreciation and amortisation (EBITDA) increasing by 5.6% to R833 million (2013: R789 million). These increases resulted in profit after tax increasing by 0.5% to R489 million.

The Table Bay Hotel

The Table Bay Hotel incurred a R25.4 million loss after tax for the year. The loss is 45.4% lower than that of 2013. The Table Bay Hotel's revenue increased by 28.6% from R181.2 million to R233.1 million resulting in an EBITDA increase of 127% to R49 million. Average room occupancy was 68.3% (2013: 53.0%) for the year at an average rate of R2 121 per room (2013: R2 086). Management continuously assesses ways of reducing the cost base.

Golden Valley Casino

Golden Valley Casino's revenue increased by 12.2% to R144.1 million (2013: R128.5 million). However, its EBITDA decreased by 6.3% to R26.7 million.

Grand Casino Investments KZN

Through GPI's investment in Grand Casino KZN, GPI has an indirect stake of 5.6% in Sibaya Casino. On 19 November 2013, all conditions precedent were met and we effectively acquired 100% of Grand Casino KZN. GPI's stake in Sibaya Casino is one of the assets in the Sun International transaction referred to below. For the 2014 financial year, we received R10.3 million in dividends from this investment.

GAMING DIVISION REVIEW

For a detail overview of the Slots Group refer to the Gaming Division overview report.

FOODS DIVISION REVIEW

All stores currently in operation are owner-occupied stores. No debt has been incurred to date as the roll-out was funded from available cash resources within the Group. A debt model is currently being considered for BURGER KING® and will be implemented during the 2015 financial year. Refer to the Food Division overview report for further information on the performance of BURGER KING®.

PROPERTY REVIEW

During the year GPI, through its wholly-owned subsidiary GPI House Properties (Pty) Ltd (GPI House), acquired three additional properties situated in Atlantis and Goodwood, Western Cape. The third property in Atlantis is in the process of being transferred into the name of GPI House. The Goodwood property has been earmarked for a BURGER KING® drive-through and related plans are currently being reviewed.

SIGNIFICANT DEVELOPMENTS

As mentioned above, GPI entered into various sale agreements with Sun International to decrease or dispose of certain of its assets. Listed below are further details of these transactions.

Disposal of investment in Dolcoast Investments (Pty) Ltd

On 13 May 2014, Grand Casino KZN entered into an agreement with SISA whereby Grand Casino KZN will dispose of its 24.9% stake in Dolcoast to SISA for a cash consideration of R130 million. The transaction is subject to the fulfilment or waiver of certain conditions precedent.

One of the conditions precedent require the remaining shareholders of Dolcoast to: (a) waive their pre-emptive rights, that were triggered by the sale agreement with SISA and (b) provide consent for SISA to conduct a due diligence investigation on Dolcoast. Neither of these conditions have been fulfilled as the remaining shareholders have indicated that they would like to enter into an agreement with Grand Casino KZN whereby Dolcoast buys back its shares from Grand Casino KZN. The terms of the buy-back are currently being negotiating with the remaining shareholders. SISA have agreed to extend their agreement with GPI and Grand Casino KZN until 30 September 2014.

Management expects to conclude the share buy-back agreement with Dolcoast and for the transaction to become effective prior to 31 December 2014. GPI shareholder approval was obtained on 21 August 2014.

Disposal of GPI Slots (Pty) Ltd

On 13 May 2014, GPI entered into an agreement with Sun International to dispose of up to 70% of its stake in GPI Slots. The disposal will comprise three tranches, whereby 25.1% will be sold to Sun International in the first tranche allowing Sun International to exercise call options to acquire an additional 25.0% in the second tranche and 19.9% in the third tranche. The call option available to Sun International in the second tranche will be available from 1 July 2015, while the call option available in the third tranche, subject to the second option being exercised, will be available from 1 July 2016.

The agreement also provides GPI with two call repurchase options, whereby it can acquire the total amount previously sold to Sun International, to bring its stake in GPI Slots back to 100%, in the event that Sun International does not exercise either the second or third tranches of their call options.

The purchase consideration for each tranche has been set at a multiple of the consolidated EBITDA of the GPI Slots group, being 8.5 times for the first tranche and 7.5 times for the second and third tranches.

The transaction is subject to the fulfilment or waiver of certain conditions precedent, which includes; approval of the transaction by the shareholders of Sun International and GPI, the respective gambling authorities in each of the provinces that GPI Slots operates in and the Competitions Commission. Management expects that the first tranche of the transaction will become effective prior to 31 December 2014. GPI shareholder approval was obtained on 21 August 2014.

Disposal of SunWest International (Pty) Ltd

On 13 May 2014, GPI and Grand Casino Investments (Pty) Ltd (Grand Casino) entered into an agreement with Sun International and SunWest, whereby SunWest will buy back 25.1% of its shares being the combined holding of GPI and Grand Casino in SunWest, for a cash consideration of R1 527.9 million. The transaction is subject to the fulfilment or waiver of certain conditions precedent, which includes approval of the transaction by GPI shareholders, the Western Cape Gambling and Racing Board (WCGRB) and the Competitions Commission. Management expects the transaction to become effective before 31 December 2014. GPI shareholder approval was obtained on 21 August 2014.

Disposal of Worcester Casino (Pty) Ltd

On 13 May 2014, GPI entered into an agreement with Sun International and Worcester Casino, whereby Worcester Casino will buy back 25.1% of its shares from GPI for a cash consideration of R22.1 million. The transaction is subject to the fulfilment or waiver of certain conditions precedent, which includes approval of the transaction by the shareholders of GPI, the WCGRB and the Competitions Commission. Management expects the transaction to become effective before 31 December 2014. GPI shareholder approval was obtained on 21 August 2014.

Acquisition of 10% of Spur Corporation Ltd

On 30 July 2014, GPI, through its wholly-owned subsidiary GPI Investments 1 (Pty) Ltd (BEECo) entered in to an agreement with Spur whereby BEECo will subscribe for 10% of the shares of Spur for a total consideration of R294.7 million. The purchase consideration represents a 10% BBBEE lock-in discount to the volume-weighted average trading price (VWAP) of Spur's shares on the JSE for the 90-days trading prior to 30 July 2014. In terms of the BBBEE lock-in discount, BEECo are restricted from trading their Spur shares and are required to maintain their BBBEE ownership credentials for a five-year period starting from the effective date of the transaction. The purchase consideration in made up of R72.3 million cash and the balance of an issue of BEECo cumulative redeemable preference shares to the Standard Bank of South Africa Ltd (Standard Bank) (R150.0 million) and Spur (R72.3 million). The transaction is subject to the fulfilment or waiver of certain conditions precedent, which include approval of the transaction by the shareholders of Spur. Management expects the transaction to become effective before 31 December 2014.

Acquisition of 65% of Mac Brothers Catering Equipment (Pty) Ltd

The acquisition of Mac Brothers took place in two transactions. In the first transaction, which became effective on 4 April 2014, Grand Foods (Pty) Ltd (Grand Foods), a wholly-owned subsidiary of GPI, acquired 22.2% of Mac Brothers for a cash consideration of R22.2 million. In the second transaction, which became effective on 23 July 2014, Grand Foods acquired a further 42.8% of Mac Brothers for a cash consideration of R42.8 million and increased its total investment to 65%.

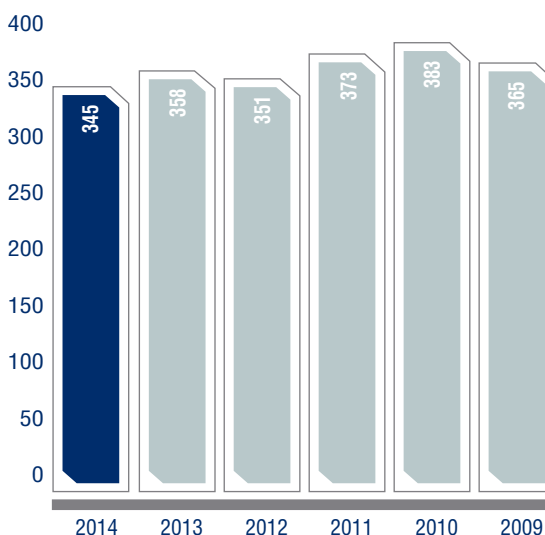
Acquisition of 51% of Grand Tellumat (Pty) Ltd

On 21 August 2014, GPI announced that it has entered into a manufacturing joint venture with leading electronics contract manufacturer Tellumat (Pty) Ltd (Tellumat). In this deal, GPI will acquire 51% of the new company Grand Tellumat Manufacturing (Pty) Ltd (Grand Tellumat) for R25.5 million, the remaining 49% will be owned by Tellumat. The transaction is essentially a merger of the engineering skills and manufacturing capabilities of Grand Tellumat with the investment know-how of GPI. The newly created company aims to position itself as the manufacturer of choice for electronic and related technology products, which will be eligible for procurement by government departments and local infrastructure projects. The partners anticipate that the government's localisation initiative will create more local manufacturing opportunities and act as a catalyst for job creation.

NET ASSET VALUE

Tangible net asset value decreased from 309 cents per share to 293 cents per share while net asset value per share decreased from 358 cents per share to 345 cents per share mainly due to the decrease in profits for the year and the issuing of GPI shares. The dilution effect of the share option was also taken into account in number of shares in issue at year-end.

Net asset value per share



CAPITAL EXPENDITURE

Property, plant and equipment increased significantly due to the BURGER KING® roll-out and the increase in the number of properties acquired by the Group.

Based on the steep roll-out plan for BURGER KING®, capital expenditure of approximately R350 million will be incurred during the next financial year.

DEBT

The Group's overall debt exposure is fairly minimal. The debt remaining on the Group's statement of financial position are preference shares owing to Standard Bank and Depfin Investments (Pty) Ltd (Depfin), finance lease liabilities and the term loan in respect of 33 On Heerengracht, our head office building. This preference share facility will be settled once all conditions precedent are met on the sale of SunWest. Interest rates incurred on the preference share facility and the term loan are 90% of the prime interest rate and JIBAR plus 3.15% respectively. Finance charges increased during the year as a result of the term loan relating to GPI's head office. The original term loan obtained at the time of acquiring the Slots Group in 2010 was repaid in June 2014. The Group obtained additional facilities with Investec Ltd (Investec) and Standard Bank to the value of R100 million and R120 million respectively. The cash equivalents held with Investec of R100 million, are held as security for the R100 million preference share facility. The facilities with Investec and Standard Bank were fully drawn down subsequent to year-end.

	30 June 2014	30 June 2013
Total debt equity ratio*	19.83	21.57
Interest cover ratio**	9.52	12.09

* Debt equity ratio is the relationship between shareholder equity after minority interest and total debt.

** Interest cover ratio is the relationship between earnings before interest and tax and finance charged.

The above ratios take both continuing and discontinued operations into account.

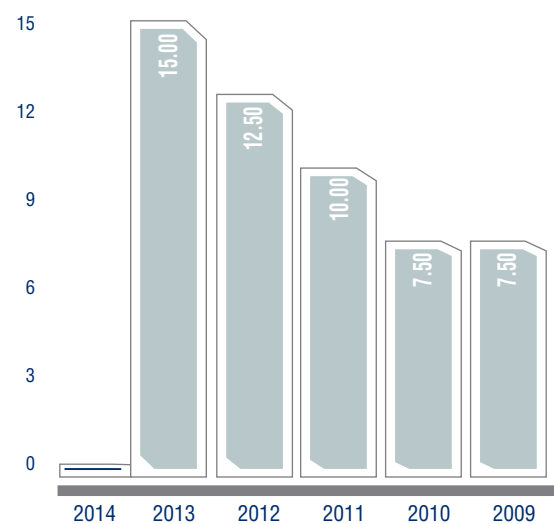
SHARE OPTIONS

To align key employee remuneration goals with the creation of shareholder wealth, 20.2 million options were awarded to key personnel, which included the executive directors, on 9 October 2013. These options will vest in 4 annual tranches starting from 30 August 2015. Participants have a 180-day period from the respective strike dates during which options can be exercised. This resulted in to R3.0 million being expensed in profit or loss in the statement of comprehensive income.

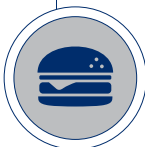

DIVIDENDS

GPI has a track record of paying dividends. Our policy is to pay out as much of the dividends received after adjusting for capital and interest payments on borrowings and reserving an appropriate amount for projected capital expenditure and working capital. No dividend has been declared in respect of the 2014 financial year.

Ordinary dividends per share



STATED OBJECTIVES FOR 2014 | 2015

-  Localising BURGER KING® supply chain and increasing food margins.
-  Continue to focus on operating costs.

TECHNOLOGY

As referred to in the corporate governance report – governance of IT– Grand Technology is servicing the Group entities with providing and reviewing our IT framework in which we operate. During the year, approximately R2.5 million was spent on acquiring additional infrastructure to support the Group infrastructure. Various projects are currently being reviewed by Grand Technology to provide a central IT service.

PROSPECTS AND FINANCIAL TARGETS

Currently the food margins are tight. However, by largely localising the BURGER KING® input, the margins will reset during the 2015 financial year.

As mentioned in the challenges section above, containing of operating costs remains a challenge and each division will implement the necessary strategies to achieve their targets. The Group will continue focusing on operating costs to ensure that we are able to unlock efficiency within the various business units.

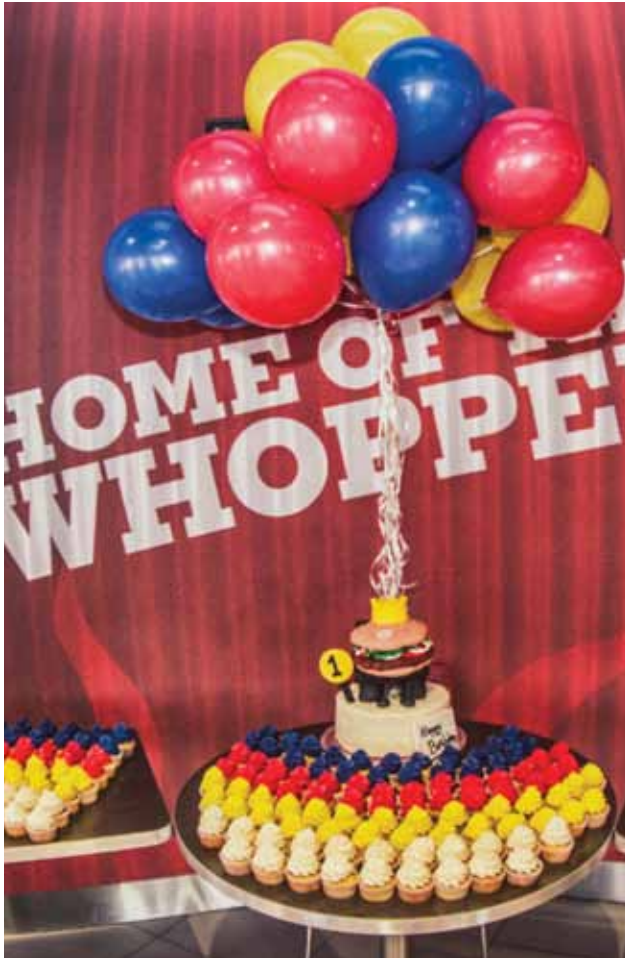
With the roll-out of BURGER KING®, net profit after tax will be affected by the accelerated roll-out plan, the budget for 2015 indicate that BURGER KING® will be in a breakeven position at a store level by the end of 2015.

APPRECIATION

In closing, I would like to thank my finance team and colleagues, fellow Board members and all our advisors for their commitment and dedication shown in achieving and maintaining high standards of financial reporting and disclosure.



Sukea Petersen
Financial Director





EXECUTIVE DIRECTORS

BOARD OF DIRECTORS – EXECUTIVE DIRECTORS

1 | HASSEN ADAMS (62)

Executive Chairman

Appointed 11 February 2011

HDip Civil Engineering (PenTech), PrTech Eng.

Hassen, an engineer by profession, has been instrumental in establishing a number of successful businesses, most importantly, GPI, which he co-founded.

In addition to being the Executive Chairman of GPI, Hassen is the non-executive chairman of BURGER KING® South Africa (Pty) Ltd (BKSA) and of SunWest; the chairman of GPI's Investment Committee and serves on the Board's Social and Ethics Committee in an executive capacity. He holds directorships in diverse industries including construction, gaming, shipping, entertainment and leisure, and he has extensive experience in corporate finance.

3 | ALEXANDER ABERCROMBIE (63)

Executive Director Gambling Operations

Appointed 11 June 2012

**AttAdmDipl (UWC), PgD (Company Law) (Stell),
Cert (Sports Law) (UCT)**

Alex is an attorney and was previously a director at DLA Cliffe Dekker Hofmeyr. He has been a non-executive director on the GPI Board since inception. Alex is responsible for the implementation of strategy in the Slots Group and on 11 June 2012, he was appointed as the Executive Director responsible for the GPI Group's gambling operations.

Alex is also a director of the Grand Gaming Corporate Social Investment Company and a member of the Board's Investment Committee and Social and Ethics Committee.

2 | ALAN EDWARD KEET (46)

Chief Executive Officer

Appointed 10 April 2012

BCompt (Hons) (Unisa), CA(SA)

Alan is a chartered accountant by profession. He joined the Group in April 2012 as Chief Executive Officer, prior to which he was the chief executive officer of Nolands Cape Town and Nolands South Africa, where he served his articles and subsequently became a partner in 1998. During his time at Nolands he served on several boards gaining experience in a variety of industries from property funds to insurance underwriters and various service industries.

Alan serves on all the Board committees in an executive capacity.

4 | SUKENA PETERSEN (34)

Group Financial Director

Appointed 11 February 2011

BCom (Hons) (UWC) CA(SA)

Sukena, a qualified chartered accountant, joined GPI as Group Financial Manager. She played a key role in the executive management of the Company for several years before being appointed as the Financial Director where her professional skills and highly relevant experience are used to good effect. She serves on all the Board committees in an executive capacity.

more information about
this can be found at
www.grandparade.co.za





NON-EXECUTIVE DIRECTORS



ADMINISTRATION

BOARD OF DIRECTORS – NON-EXECUTIVE DIRECTORS

1 | DR NORMAN VICTOR MAHARAJ (63)

Lead Independent Director
Appointed 11 February 2011
MBChB (UCT)

Norman is a qualified medical doctor and former member of the Public Service Commission. He has extensive public service and trade union experience as well as analytical and decision-making skills. He has filled the role of Lead Independent Director since February 2011, when Hassen Adams was appointed as Executive Chairman. He is also a member of the Board's Audit and Risk Committee and the Social and Ethics Committee. Norman was also appointed as the chairman of Board's Remuneration and Nomination Committee.

3 | ANTHONY WILLIAM BEDFORD (60)

Non-executive Director
Appointed 20 October 1997
BAdmin (Hons) (Industrial Psychology) (Unisa), NDip
(Accounts and Finance) (PenTech)

Tony has extensive local and international experience in general management, human resource management and marketing. He serves as a non-executive director on the boards of a number of local companies and is involved in various personal enterprises with interests in property, motor repairs, commodity trading and gaming. Tony was chairman of our Board's Remuneration and Nomination Committee and remains a committee member.

5 | WALTER GEACH (59)

Independent Non-executive Director
Appointed 17 September 2013
CA(SA) BA LLB (UCT) MCom FCIS

Walter Geach is a chartered accountant, an admitted advocate of the High Court of South Africa and a professor in the Department of Accounting at the University of the Western Cape, where he is also the subject head of Taxation. Among his many other academic achievements, he has also authored and/or co-authored over 14 published books on a variety of subjects such as company law, corporate governance, financial accounting, taxation, financial planning, and trusts. The books are used extensively in practice by accountants, consultants, lawyers and financial planners.

In addition, Walter serves as a non-executive director on the boards of Grindrod Ltd and Grindrod Bank, and he is a member of the audit committee of both companies. He is also a non-executive director of QDOS (Pty) Ltd and CareCross Health (Pty) Ltd.

2 | NOMBEXO MLAMBO (68)

Independent Non-executive Director
Appointed 20 October 1997
BA (Unisa), BEd (UCT), MA in Counselling Psychology
(Durham University)

Nombeko has served on the GPI Board since inception. In 1982, she co-founded the Council for Black Education and Research Trust, an educational NGO, and currently chairs the Western Cape Women Investment Forum. She is a member of the Board's Remuneration and Nomination Committee and serves on the boards of the operating slots companies.

4 | COLIN MICHAEL PRIEM (55)

Independent Non-executive Director
Appointed 20 August 2012
BCom (Hons) (UWC)

Colin is a part-time lecturer at the University of the Western Cape where he lectures on financial management modules, and is currently reading for his MCom degree. Colin has comprehensive experience in the finance, investment and strategic management fields gained as an academic and through active involvement in business.

He also has some 20 years' experience in landscape design, construction and maintenance fields, and is currently the chief executive officer of a large services business in Cape Town.

ADMINISTRATION

6 | LAZELLE CHRISTIAN PARTON (57)

Group Company Secretary
Appointed 11 February 2011
BA (Political Science) (UN)

Lazelle has some 30 years of legal, law administration and compliance experience gained in both the public and private sectors. She has extensive experience at provincial government level, where she was the first female to be appointed as the executive secretary of the then provincial executive committee (now referred to as the provincial cabinets) and as parliamentary officer for the province. Thereafter, she was appointed as the director responsible for policy and legislation development as well as regulatory oversight of the gambling industry in the province, which she performed for several years. Since leaving provincial government, she has gained commercial experience in the private sector and has adapted her strong communication, legal and compliance expertise accordingly. In addition to her company secretary role for the GPI Group, she also provides advisory services to the various subsidiaries.

HIGHLIGHTS

Grew its employee base by

77%

Created over

1 000 new job opportunities

Improved its HDI representation of employees by

11%

Improved its HDI representation at management level by

28%

Improved its age profile of employees under 40 to

92%

Over the past year, GPI has grown its employee base by more than four times due to the BURGER KING® expansion and this has tested our processes and policies.

OVERVIEW

GPI aspires to be an employer of choice, as it believes that the sustainability and growth of the Group is as dependent on its people as it is on its operational processes and investment deals. Over the past year, GPI has grown our employee base by more than four times due to the BURGER KING® expansion and this has tested our processes and policies.

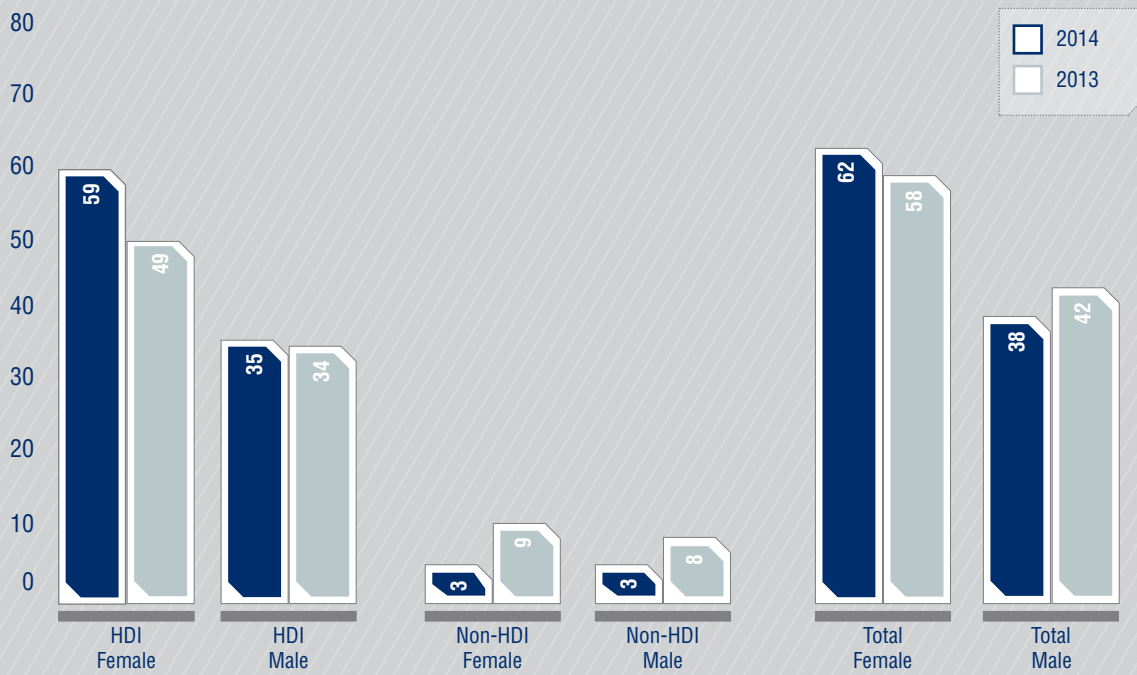
With the Slots operations at a mature level, the focus is on nurturing and developing the BURGER KING® brand.

It is critical that the group policies and procedures reflect a fair and sustainable employment environment. The growth in employee numbers will continue at an accelerated pace and GPI is determined to meet the challenge this brings by ensuring that training and development opportunities are available to all of its people. It is imperative that GPI has the appropriate human resources policies and processes in place, which ensure that everyone in the Group can grow and develop to their full potential, irrespective of ethnicity, gender, social standing or disability.

CHALLENGES

The competition for talent, and our commitment to meeting the aspirations of all employees, creates significant challenges for the leadership of the business. The business environment is competitive and GPI constantly has to come up with new and innovative ways of meeting employee expectations.

Group EE Stats (%)



The timeous recruitment of suitable employees to meet the roll-out of our BURGER KING® stores remains challenging. Matching employees with store locations is imperative in ensuring a sustainable workforce; GPI does not want its employees to travel too far to get to work, as this affects their travel costs, time spent travelling and ability to work shifts. As such, a great deal of attention is paid to streamlining employee recruitment with new site assessments.

RECRUITMENT

The Group is pleased to note that for the year ended June 2014, GPI created over 1 000 new jobs, mainly through its BURGER KING® operations. In line with its focus on youth employment and employing the previously unemployed, GPI have established a partnership with Harambee, and through their accelerated youth employment programme, GPI placed 899 employees over the past year.

Harambee is a business initiative that provides a sustainable way of successfully employing and retaining first-time entrants into the job market. A young South African who can get, and keep, a first job for 12 months or more has an 85% chance of being employed for the rest of their lives (Development Bank of South Africa).

Harambee's accelerated youth development programme bridges the gap between school and workplace readiness, through the provision of training, i.e. basic work life, time management, maths, language skills, budgeting and many other skills needed to be successful in a job.

Of the 1 285 appointments made during the year, 64% were female and 98% have been Historical Disadvantage Individuals (HDI) appointments.

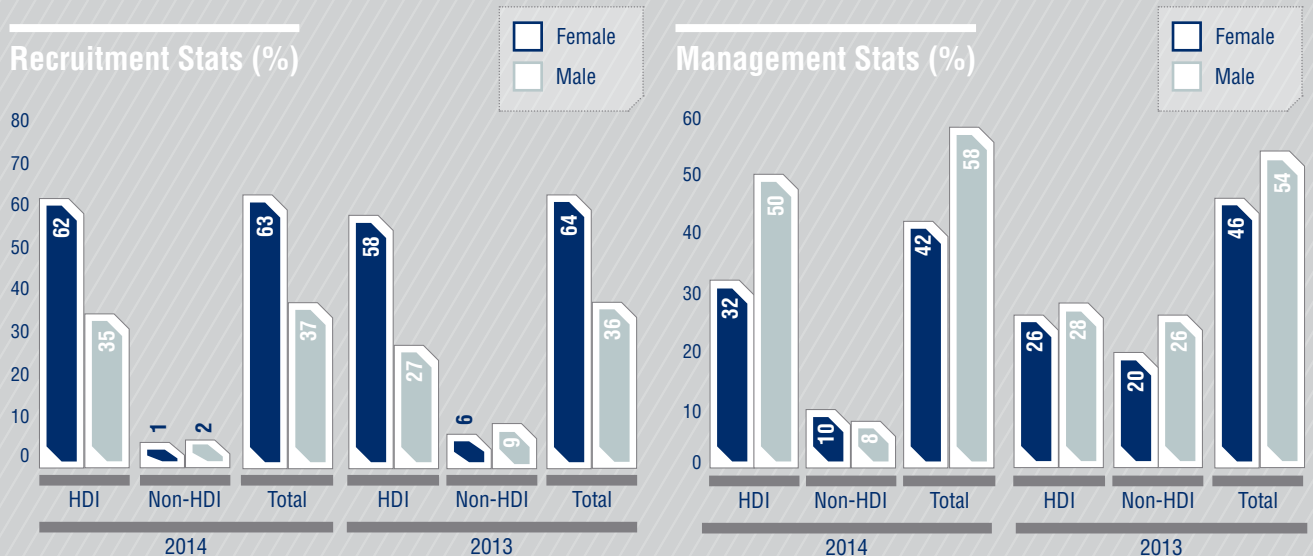


Recruitment

Shoekree Jason (22) grew up in Manenberg and attended Silverstream Senior Secondary School. During his high school years, he engaged in community-related projects. He is a self-professed animal lover, volunteered as a part-time veterinary assistant at the Peoples Dispensary for Sick Animals (PDSA) for three years. He assisted with the basic care of the animals and cleaning the kennels. In testament to his hard work, PDSA offered him a scholarship to become a qualified veterinary assistant in Pretoria; however, his mother felt that Pretoria was too far away from home, and would not give her permission. Shoekree also assisted his father at Fair Cape with bread deliveries during school holidays.

He started his career with BURGER KING® on 8 July 2013 as a crew member. In January 2014, he was promoted to crew trainer, a mere six months after being employed, and by April 2014, had earned his second promotion to supervisor-in-training. This ambitious young man attributes his success to being passionate about BURGER KING®'s brand and his desire to make his family proud. He also plans to rewrite his matric.

Shoekree is proof that, regardless of where you start, with hard work and perseverance, success is achievable.



LEARNING AND DEVELOPMENT

All BURGER KING® employees undergo mandatory training before they are placed in-store. The high volume of new employees has necessitated a focused approach to training and GPI has established training facilities in the Western Cape and Gauteng. A number of dedicated internal BURGER KING® trainers have been appointed to facilitate the training, which is overseen by BURGER KING® Europe to ensure that the brand's rigorous standards are maintained.

To date, GPI has spent over R3 000 000 on training, which excludes the salary cost of training. GPI has trained more than 1 100 employees and spent over 7 000 man-hours training employees.

Internship

Annually, GPI offers internships to HDI graduates from various institutions. Interns who display the behavioural and performance attributes GPI expect of its employees are presented with employment or further training opportunities.

Promotions

At GPI, it is important that excellence in the workplace is rewarded as GPI believe that investing in its own people is the surest way to retain valuable human capital in the business. Through its performance management processes, GPI is constantly seeking opportunities to advance high-achieving employees within the Group structure.



Learning and development – internship

Morné Lee Scheaffers (26) attended Hoërskool President and matriculated in 2006. As an aspiring rugby player, he had big hopes of making a career in rugby and attended the Boland Rugby Academy for two years, completing an NQF 4 in Sports Management. In 2009, he enrolled with TSIBA Education for Bachelors in Business Administration (BBA), which he successfully completed in 2013. This gave him the opportunity to learn about the business world and its various functions.

He was appointed as an intern in the finance department at Grand Gaming Western Cape, a subsidiary of GPI. He performed very well in this role and was considered for an assistant accountant position. His temporary contract was extended, after which he successfully applied for permanent position as a premises accountant.

Morné is still an avid rugby player and enjoys spending time with his friends on the rugby field. He intends to use this opportunity at GPI to grow and achieve his short-term goals, and more importantly, he believes that this is a stepping stone to meeting his long-term objectives.



Learning and development – promotion

Farahnaaz Abrahams (29) was recently appointed as a Junior Regional Operations Manager. Farahnaaz grew up in Woodstock. She attended Harold Cressy High School in 1998, and she took advantage of all the sports programmes available, participating in cricket, soccer, touch rugby, hockey, netball and athletics. During her time at high school, Farahnaaz was awarded many accolades, such as Sportsperson of the year, the best performance awards for both Cricket and Soccer and she was a member of the Western Province U/19 girls' cricket team.

In 2002, she matriculated and enrolled at Cape College to study Business Management. Unfortunately due to financial and family reasons, Farahnaaz was unable to complete her studies.

In May 2003, she started as a part-time employee at KFC. Farahnaaz quickly climbed the career ladder, earning her first promotion after only six months and, within four years, had been appointed as restaurant manager. During the 10 years at KFC, Farahnaaz facilitated three restaurant openings, worked in nine different stores and trained a total of 15 supervisors and managers and was awarded the best back of house (BOH) team member.

In search of new growth and development opportunities, she decided to join the BURGER KING® team as an assistant manager in April 2013. Since joining BURGER KING®, Farahnaaz has gone from strength to strength, and was even awarded the Golden Whopper for excellence. In July 2014, all her hard work and diligence paid off and she was promoted to junior regional operations manager.

The best way to sum up Farahnaaz's journey of success, would be through her own humble words, "I can only thank the Almighty for guiding me through my path, making the right choices and also giving me the strength and ability to work as hard as I can and do my best to grow further."

GPI, is proud to have Farahnaaz as part of BURGER KING® team, and expect great things to come for this rising star.



Learning and development – promotion

Mandisa Sikolpati (38) grew up in King Williams Town in the Eastern Cape. She started with GPI as a cleaner in the technical department in 2006, where she worked for five and a half years. When the Company advertised for a receptionist in May 2012, she successfully applied for the position. She worked there for about six months and was successful in the role.

That same year, a temporary vacancy arose for a controlled stationery officer. Mandisa was appointed in this role, and excelled in the position. When a permanent vacancy arose for a controlled stationary officer, Mandisa was the clear choice.

Mandisa is passionate about everything she does, and takes great pride in her work. As a testament to her determination, she attended night school in an effort to complete her Grade 12. She is currently awaiting her results.

Mandisa's philosophy is that life is difficult, but if you work hard, you can achieve what you want. She is passionate about always doing her best in every opportunity that comes her way.

TRANSFORMATION

The Group's focus remains on transformation as a key part of its business strategy, and this is reflected in its recruitment and management statistics. Having recruited 85% of our employees from the HDI grouping and by improving HDI representation at management level to 82% (2013: 54%); GPI continues proving its commitment.

With the focus on youth employment and employment of the previously unemployed, the age profile has changed dramatically, with 92% of employees being under 40 compared with 83% in 2013.

GPI remains committed to assisting the country in achieving its transformation objectives as laid down in legislation and the principles of BBBEE and transformation are embedded in the strategic and operational plans of the business.

PERFORMANCE MANAGEMENT

This is the second year after the roll-out of our new performance management system and the results are beginning to show. Quarterly reviews take place at an executive level and biannual reviews are in place for all other employees.

Managers and employees undergo performance management training on an annual basis, to ensure that the principles of performance management remain uppermost in their minds. The training includes an understanding of how performance is linked to the achievement of organisational objectives, as well as the measurement of these.

Remuneration and promotional opportunities are directly linked to the performance management system, and each year this is refined to ensure that it remains in tune with business objectives.

REWARD AND RECOGNITION

In line with best practice, the Group has a job grading and remuneration benchmarking system in place. All jobs are graded on the Peromnes grading system and executive jobs are measured using Execeval. Remuneration data is submitted annually to the Deloitte Remuneration Survey.

Benchmarking of all jobs against the survey takes place twice annually and these results are used in the budgeting process to ensure that the Company remains competitive in the remuneration space.

Performance reward programmes are linked to specific roles in the Company, which drives the achievement of specific business objectives, in particular, revenue generation, acquisition and customer service. For more detail, turn to our remuneration report on page 68.

A three tier recognition programme is place to motivate employees to perform at higher levels. Through this programme, employees are eligible for instant petty rewards, financial rewards and the Employee of the Year award.

In 2013 GPI recognised 15 employees for five years of long service and these awards included a certificate, R5 000 cash and five days extra leave per employee. GPI also recognised a number of employees for living the GPI values and this included awards for:

- Grand team
- Grand ambassador
- Grand attitude
- Above and beyond
- Managers Award

EMPLOYEE ENGAGEMENT AND WELL-BEING

This year, the Group conducted its second employee engagement survey to which GPI received a 74% response rate. The results and findings of this study showed loyalty towards the brand and employees understanding their purpose within the greater scheme.

Statistically, 77% of employees were proud to be a part of the organisation and 76% were happy to put in extra effort if and when needed. Areas for improvement were communication, workload management and remuneration.

Overall the results were constructive and showed insight into increasing overall efficiency. These results were filtered back to the business for incorporation into the HR strategic plan and departmental planning.

The Group recognises the strong connection between employee wellness and productivity.

GPI has partnered with Aon's Elevate programme to provide its employees with a comprehensive employee wellness programme. Through this programme, our employees and their immediate dependants have 24/7-telephonic access to:

- Psycho-social counselling
- Physical and health counselling
- Financial advice
- Family counselling
- Legal advice

Furthermore, they can attend six face-to-face sessions with a qualified counsellor for more in-depth issues that need to be addressed. Employees also have access to the Elevate website for health and wellness education and receive a monthly newsletter on topical issues.

GPI also hosts an annual wellness day event for all employees, which includes various activities such as Biofit fitness testing, eyesight testing, HIV testing and the Discovery screening that includes blood and cholesterol testing.

Employee well-being is a key contributor to assisting employees during times of illness or personal challenge, and serves to create awareness of health and wellness in the form of preventative action.

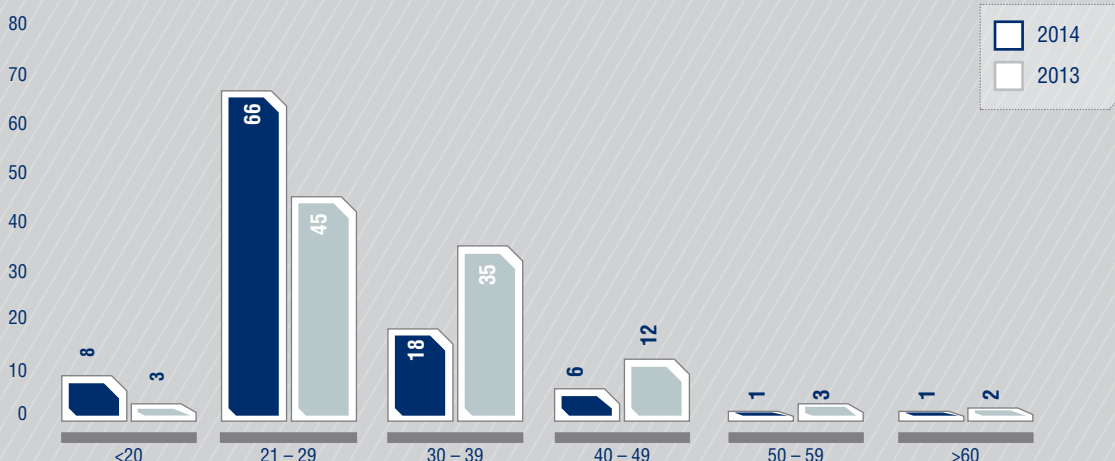
OUTLOOK

The 2015 outlook is a busy one and, with the continued growth in the Group, to achieve our objectives GPI needs to remain vigilant in keeping its employees engaged and motivated. GPI will continue focusing on recruitment, training and development, as well as ensuring that it meets its transformation targets.

As HR GPI tries to partner with the broader business, building relationships at all levels with the primary aim of maximising the value of its human capital and creating a balance between the needs of our employees and the needs of the business. GPI aims to achieve this through:

- Developing a workforce reflective of the society within which GPI operates, that is safe, free of discrimination and harassment, and ensuring that GPI upholds the spirit of the law in everything it does.
- Partnering with service providers that share our passion and values of investing in our employees, to uplift our communities and give impetus to the South African transformation agenda.
- Attracting and retaining talented employees, through an effective employee value proposition, developing effective leaders and nurturing a high-performance culture that fosters and rewards teamwork, inclusivity, ethical behaviour, service delivery and responsible profitability.

Employee profile age (%)



The Group's stated objective is to attain licences for 7 500 LPMs in the short term

Grandslots enjoyed an annual GGR market share of

55.6%

Kingdomslots enjoyed an annual GGR market share of

41.3%

Grand Gaming Slots: Gauteng and Hot Slots enjoyed a combined annual GGR market share of

36.2%

Our first Type-B site at the Royal Park Hotel has just completed its first full year of operation and is now performing well.

OVERVIEW

The Slots Group consolidated its market-leader status in the major provinces during the financial year. This was complemented by the successful integration of the Grand Gaming Hot Slots (Pty) Ltd (Hot Slots) business and the finalisation of the acquisition of the KZN Slots (Pty) Ltd (KZN Slots) licence. Although the effective date of this acquisition is after year-end, GPI has spent some months managing the business and have been able to effect changes that will make this acquisition and integration seamless from the effective date of 11 August 2014. GPI continued making headway in negotiations with the various gaming boards relating to the introduction of more Type B licences, independent site operators, and relaxation of the rules relating to the sub-minimum allocation of licences per region. Consequently GPI was able to reallocate licences within the regions to areas that perform better. GPI has highlighted several sites for conversion from a Type A to a Type B licence. All of these changes will improve performance and use of the licence allocation.

The Company's manufacturing and technology betting divisions gained traction during the year and the first batch of locally assembled LPMs was completed in December 2013, while in the second half of the year the trial of just over 50 casino slots commenced across a number of Sun International, Tsogo Sun and Peermont casinos.

Costings of locally assembled LPMs are complete and GPI is confident that these savings will have a positive impact on the operating costs of the Company's LPM business, and generate revenue through sales to other operators. GPI would have completed the necessary quality assurance checks by the time this report is published after which it will commence local production in earnest.

The online sports betting business, GrandPlay, has commenced operations following its launch in mid-June. GPI is confident that with the chosen technology, advertising and promotional campaigns, and a solid customer support and relationship programme in place GPI will be able to assert itself in the market. The team GPI has employed have significant betting experience and they will entrench this product as a preferred gaming platform.





KEY HIGHLIGHTS

- GGR for the Slots Group was up by 26% year on year. LPMs licensed from 1 July 2013 (new machines) contributed 6% of this increase.
- A total of 121 new sites were licensed resulting in an additional 518 new machines. The total number of LPMs operated by the Group at year-end was 2 637 (including the 486 machines added through the acquisition of Hot Slots in Gauteng and Zimele in Mpumalanga).
- Successful acquisition of the Hot Slots unit.
- In Gauteng, a GGR growth of 22.9% resulted in the two licences commanding a GGR market share of 36.2%. (Natural market share is 40%).
- Similarly Grand Gaming KwaZulu-Natal (Pty) Ltd (Kingdomslots) showed strong revenue growth, which resulted in a 41.3% market share with a natural market share of 25% in the Province.
- The Western Cape continued showing steady revenue growth with Grand Gaming Western Cape (Pty) Ltd (Grandslots) maintaining daily average machine GGR of R1 008 and a 55.6% market share against a natural market share of 50% The GGR represents the revenue generated by a slot machine and comprises the amount of cash played through the LPM, less payouts to players.
- First LPM kits assembled locally.
- Activation of our GrandPlay online sports betting website.

The regulatory environment

Some of the regulatory challenges experienced in gaming include:

- Lengthy testing and approval process of all gaming software and hardware
- Sports betting marketing constraints (not enforced uniformly across all provinces)
- Regional machine allocations per province that limit growth
- Lack of new RFPs allowing the roll out of more licences in established markets

OPERATING CONTEXT

The South African gaming sector comprises approximately 23 000 active casino slot machines and around 10 000 active LPMs. The LPM sector still offers significant scope not only for replacement stock, but also as a larger number of licensed sites are activated (at year-end 9 761 LPMs were active in South Africa out of an approved 18 500 compared to 8 021 at year-end last year).

Conservatively, around 2 500 casino slots are purchased each year to

refresh the relevant operators' existing offering and to replace old and redundant stock. The LPM sector on the other hand has grown organically by approximately 1 200 machines per year, and replaces old and redundant stock by an estimated 1 000 LPMs per year. Therefore, yearly production is approximately 2 500 casino slots and 2 200 LPMs. At present there are about a dozen casino slots suppliers in South Africa and half that many for LPMs.

Province	LPM allocation	Licensed LPMs	Licences awarded %	Active LPMs
Gauteng	10 000	5 000	50.00	1 910
Mpumalanga	4 000	2 000	50.00	667
North West	3 000	1 500	50.00	584
KwaZulu-Natal	9 000	4 000	44.40	2 283
Eastern Cape	6 000	2 000	33.30	1 368
Limpopo	3 000	1 000	33.30	980
Free State	4 000	1 000	25.00	262
Western Cape	9 000	2 000	22.20	1 707
Northern Cape	2 000	–	–	–
Total: June 2014	50 000	18 500	37.00	9 761
Total: June 2013	50 000	18 500	37.00	8 021

These estimations present a significant opportunity for GPI's local gaming manufacturing operation. Notwithstanding the size of the market and the savings GPI expects from its local production, its commitment to maintaining a high BBBEE rating will ensure its competitive edge in that our locally procured products will ensure higher procurement spend points for its customers' BBBEE ratings.

In addition to these opportunities, there is a further manufacturing opportunity within the bingo sector. As at year-end, four provinces have awarded Bingo licences that include the operation of electronic bingo terminals (EBTs). At the time of going to print approximately 2 500 active EBTs are being serviced by three suppliers. GPI has engaged with a possible partner to distribute and manufacture EBTs locally.

FINANCIAL PERFORMANCE

	2014	2013	% change
Grandslots			
Total revenue (Rm)	328.94	284.29	16%
Profit after tax (Rm)	48.56	33.19	55%
Percentage contribution to Slots Group revenue	55%	60%	
Percentage contribution to Slots Group profit	95%	96%	
Kingdomslots			
Total revenue (Rm)	174.67	143.71	22%
Profit after tax (Rm)	17.81	7.50	157%
Percentage contribution to Slots Group revenue	29%	31%	
Percentage contribution to Slots Group profit	35%	22%	
Grand Gaming Gauteng			
Total revenue (Rm)	56.48	41.21	37%
Profit after tax (Rm)	(12.40)	(0.03)	3100%
Percentage contribution to Slots Group revenue	9%	9%	
Percentage contribution to Slots Group profit	(24%)	0%	
Grand Gaming Hot Slots			
Total revenue (Rm)	32.75	NA	NA
Profit after tax (Rm)	(1.52)	NA	NA
Percentage contribution to Slots Group revenue	5%	NA	
Percentage contribution to Slots Group profit	(3%)	NA	
Grand Gaming Mpumalanga			
Total revenue (Rm)	4.48	–	–
Profit after tax (Rm)	(3.0)	(0.13)	1437%
Percentage contribution to Slots Group revenue	1%	0%	
Percentage contribution to Slots Group profit	(6%)	0%	



OPPORTUNITIES AND RISKS

Opportunity	Risks/Challenges	GPI response
Sale of GPI Slots stake	<ul style="list-style-type: none"> • Conditions precedent in the sale agreement not being met 	<ul style="list-style-type: none"> • The value of the Slots business would have been fully demonstrated.
LPM expansion	<ul style="list-style-type: none"> • No new request for proposals are currently being issued 	<ul style="list-style-type: none"> • Acquire remaining route operator licences. • Exploit Type B and Independent Site Operator (ISO) opportunities where these licences are being issued.
Invest in top performing machine brands	<ul style="list-style-type: none"> • Relying on limited suppliers to generate the bulk of the Group's GGR 	<ul style="list-style-type: none"> • Find alternative products that will produce the optimum machine mix.
Slots manufacturing	<ul style="list-style-type: none"> • Accessing an already mature market with existing long-term supplier relationships 	<ul style="list-style-type: none"> • Leverage BBBEE status and value proposition to operators and ensure strong product performance and customer support.
Electronic bingo	<ul style="list-style-type: none"> • Legislation is still 'grey' as to the legality of EBTS • Legislation may be amended and EBTS in their current 'slots' guise are forced to be withdrawn from the market 	<ul style="list-style-type: none"> • Pursue provinces that have approved EBTS (Gauteng, Eastern Cape, Mpumalanga and North West)
Sports betting	<ul style="list-style-type: none"> • Software service provider loses their gaming licence • Onerous activation process that requires all customers to be FICAed prior to engaging in any online sports betting • Varying implementation by provincial regulators of advertising and marketing rules does not mean a 'level playing field' 	<ul style="list-style-type: none"> • Continually manage the relationship with our service provider to ensure that any possible risk is mitigated well in advance. • Engage with the local regulator to assess their concerns and seek to reach an amicable solution. • Adhere to current Western Cape guidelines but engage with the regulator in assisting the Company with being competitive nationally.
Online gambling	<ul style="list-style-type: none"> • GPI is not successful in its bid to win licence if and when a RFP is issued by the National Gambling Board 	<ul style="list-style-type: none"> • Secure as much intelligence as possible on existing legislative frameworks and continue engaging with regulators and legislators regarding commentary on draft bills and legislation. • International experts secured to assist in analysing best practice and proposing practical solutions.

KEY STAKEHOLDERS

The manufacturing and LPM divisions are reliant on five key stakeholders:

- Our contracts manufacturing service provider, Grand Tellumat.
- Our international gaming manufacturing partners.
- Local gaming operators, our customers.
- Punters, the ultimate end-users of our products.
- Gaming boards that create the regulatory environment in which GPI operates.

Managing these relationships is essential to the success of our local manufacturing endeavours and Slots operations. To date the assistance and support from all stakeholders has ensured unhindered access to the product and the relevant consumers. The continuous challenge is to exceed the operators' expectations in terms of support and the consumers' expectations in terms of entertainment value for money.

GrandPlay, our sports betting operation is heavily reliant on three key stakeholders:

- The data feed service provider, Bet Radar, that supplies our ongoing sports odds for both pre-match and 'in-Play' betting.
- Our software service provider, BetTech, that manages our website system.
- The employees that manage the odds to ensure GPI is competitive and commercially viable.

Despite its relative infancy, the GrandPlay team has managed to facilitate a relatively smooth entry into the market and the current challenge is to position it as a formidable competitor in the industry.

CORPORATE SOCIAL INVESTMENT

GPI Slots distributed R2.5 million towards various social causes in KwaZulu-Natal and the Western Cape over the past year. The funds are collected by the Grand Gaming Corporate Social Investment (CSI) committee as part of the 5% of pre-tax profit from Grandslots and from 0.2% of GGR in KwaZulu-Natal. The registered organisations GPI identified and funded as part of our CSI programme are as follows:

Region	Beneficiary
Western Cape	Little Fighters Cancer Trust
	Rape Crises Heidelberg
	Melkbos Care Centre
	Zakheni Arts Therapy Foundation
	Tafelberg School
	Iris House Children's Hospice
	Home of Hope
	Educo Africa
	Epilepsy South Africa
	Little Lambs
	Shawco
	Tehillah Community Collaborative
	Ubomi
	Elim Home
	Quad Para Association of Western Cape
	Anna Foundation
	Think Twice
Loeriehof	
South African Education and Environment Project	
KwaZulu-Natal	Vulamehlo Health Resource
	Bobbi Bear
	Choc Durban
	Issy Geshen Home for the Aged
	KZN Blind and Deaf



SUSTAINABILITY OVERVIEW

One of our goals is to create jobs in the communities GPI operates in. In addition, GPI monitors certain areas of spend that contribute towards enterprise development, taxes and the national responsible gambling programmes.

Grand Gaming Gauteng	2014	2013	2012	2011
Energy used (kWh)	122 820	71 854	68 159	–
Gaming Taxes paid (R million)	6.9	5.2	3.5	–
Responsible Gaming (R million)	0.038	0.021	0.005	–
Capital expenditure (R million)	19.1	2.4	3.7	4.4
Grandslots				
Energy used (kWh)	246 989	298 385	371 228	275 832
Taxes paid (R million)	107.6	82.9	75.2	61.5
Social investment (R million)	2.3	2.0	1.6	1.4
Responsible Gaming (R million)	0.3	0.2	0.2	0.2
Capital expenditure (R million)	47.79	5.5	4.4	8.3
Kingdomslots				
Energy used (kWh)	299 245	273 608	240 433	231 921
Gaming Taxes paid (R million)	22.9	21.4	20.3	27.5
Social investment (R million)	0.3	0.2	0.4	–
Responsible gaming (R million)	0.1	0.1	0.1	0.1
Capital expenditure (R million)	40.8	4.8	3.0	4.8
Grand Gaming Hot Slots				
	2014	2013	2012	2011
	(6 months)			
Energy used (kWh)	55 968	–	–	–
Gaming Taxes paid (R million)	4.7	–	–	–
Responsible gaming (R million)	0.05	–	–	–
Capital expenditure (R million)	7.1	–	–	–
Grand Gaming Mpumalanga				
	2014	2013	2012	2011
Energy used (kWh)	3 468	–	–	–
Gaming Taxes paid (R million)	0.4	–	–	–
Responsible gaming (R million)	0.0006	–	–	–
Capital expenditure (R million)	12.5	–	–	–

OUTLOOK

2015 targets: Manufacturing and Sports betting

- Our intention is to commence with local manufacture and assembly of LPMs with an estimated production of 300 to 400 LPM cabinets by the end of the 2015 calendar year.
- The costing and initial trial assembly of casino slot machines are scheduled to commence in the second half of the new financial year.
- GrandPlay is expected to secure an initial database in excess of 5 000 customers during its first year of operation through strategic marketing initiatives and proactive customer engagement and reactivation.

2015 targets: Slots Group

- The Slots Group will have secured its sixth route operator licence early in 2015 and will optimise the business through various economies of scale.
- Maintaining dominance in a mature market such as the Western Cape and in a semi-mature market such as KwaZulu-Natal will be a key goal in 2015, while gaining new market share in Gauteng and Mpumalanga operations will also be a priority.
- In addition, the Slots Group plans to achieve the following key performance indicators in 2015:
 - 36% growth in the number of LPMs
 - 38% increase on GGR, a R219 million growth
 - 23% EBITDA margin or R168 million
 - R123 million of profit before tax
 - 11% net profit after tax or R93 million

Longer term

- Securing a seventh route operator will further cement GPI Slots' position as a leading LPM operator in South Africa.

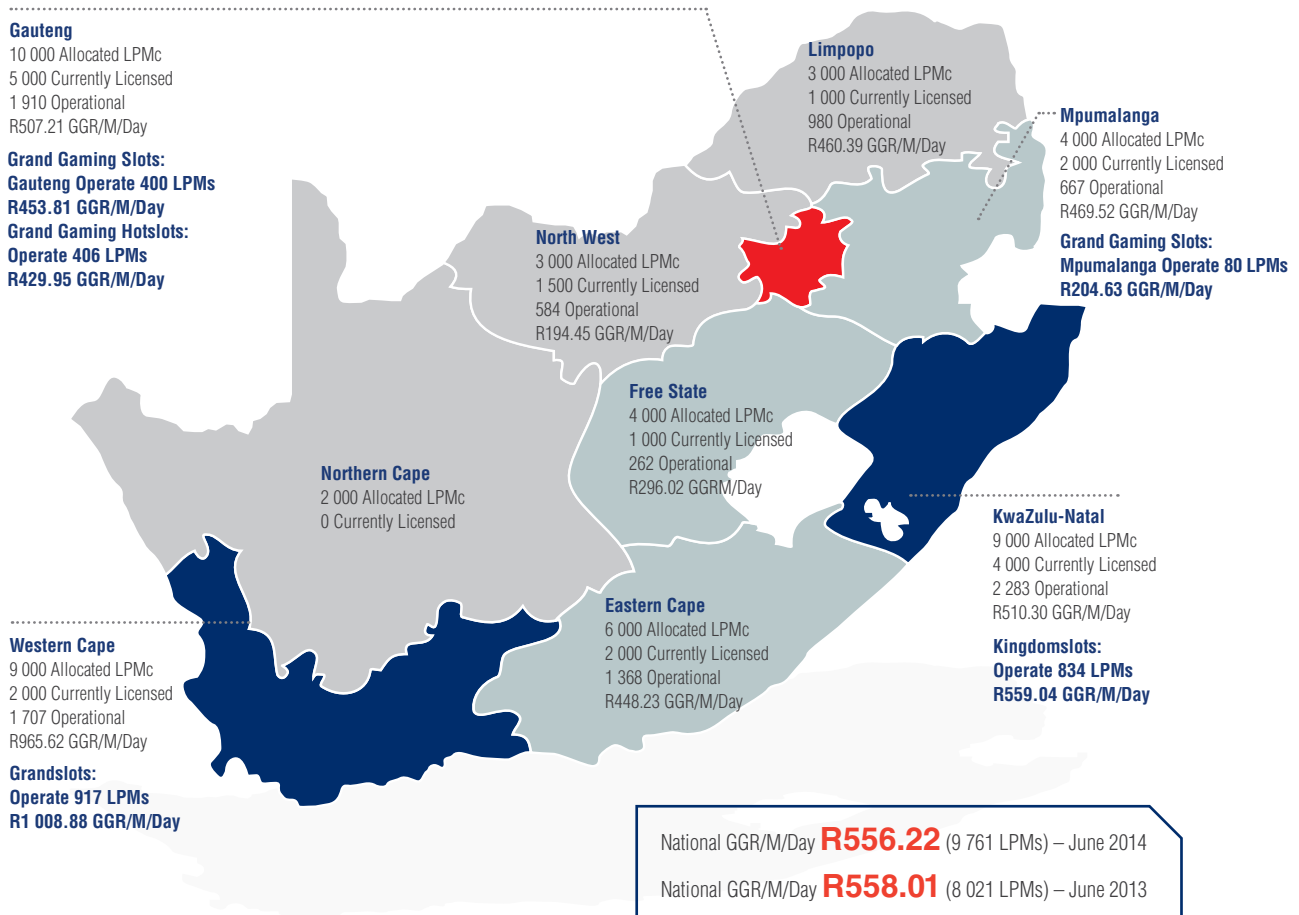
KEY DATA

Geographic footprint

LPMs

Below is an overview of how LPMs are spread out in South Africa:

NATIONAL LPM FOOTPRINT



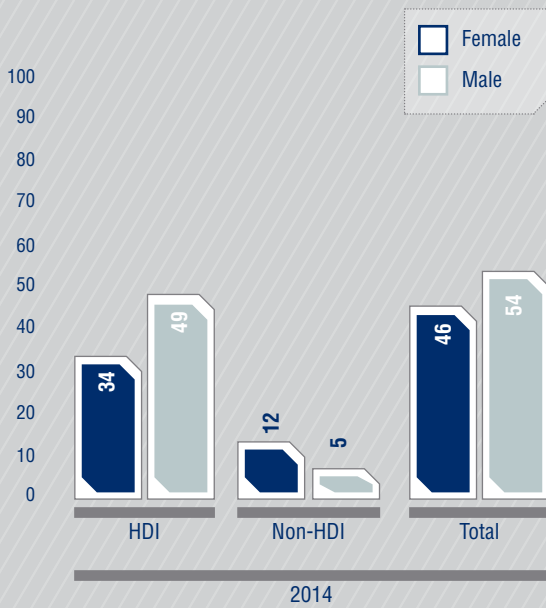
GRANDSLOTS	2014 Q4	FY2013 Q4	YTD 2014	YTD 2013
GGR market share	54.91%	55.47%	55.57%	56.12%
LPM market share	53.72%	52.78%		
Active LPMs	917	854		
Competitor active LPMs	790	764		
Average/GGR/machine/day (GPI Slots)	1 023.97	920.35	1 008.88	878.84
Competitor average/GGR/machine/day	951.88	833.71	916.49	803.63
Percentage held	8.06%	8.15%	8.08%	8.36%

	2014 Q4	2013 Q4	YTD 2014	YTD 2013
KINGDOMSLOTS				
GGR market share	41.63%	39.32%	41.31%	40.05%
LPM market share	36.53%	39.38%		
Active LPMs	834	836		
Competitor active LPMs	1 449	1 287		
Average/GGR/machine/day (GPI Slots)	591.07	491.48	559.04	496.48
Competitor average/GGR/machine/day	481.96	480.47	480.80	444.71
Percentage held	8.14%	8.34%	8.15%	8.58%
GRAND GAMING GAUTENG				
GGR market share	18.02%	16.02%	17.17%	15.76%
LPM market share	20.94%	16.50%		
Active LPMs	400	229		
Competitor active LPMs	1 510	1 159		
Average/GGR/machine/day (GPI Slots)	438.33	512.48	453.81	464.99
Competitor average/GGR/machine/day	515.63	533.57	519.90	501.03
Percentage held	8.23%	8.73%	8.33%	8.71%
GRAND GAMING HOT SLOTS				
GGR market share	18.68%	20.08%	18.98%	20.66%
LPM market share	21.26%	25.43%		
Active LPMs	406	353		
Competitor active LPMs	1 504	1 035		
Average/GGR/machine/day (GPI Slots)	435.76	415.00	429.95	398.10
Competitor average/GGR/machine/day	517.20	569.77	529.50	528.48
Percentage held	7.88%	8.64%	7.93%	9.39%
GRAND GAMING: GAUTENG AND HOT SLOTS				
GGR market share	36.69%	36.10%	36.16%	36.42%
LPM market share	42.20%	41.93%		
Active LPMs	806	582		
Competitor active LPMs	1 104	806		
Average/GGR/machine/day (GPI Slots)	437.02	453.26	440.96	424.53
Competitor average/GGR/machine/day	545.11	586.20	554.37	546.99
Percentage held	8.05%	8.64%	8.12%	9.08%
GRAND GAMING: MPUMALANGA				
GGR market share	4.20%	0.00%	3.85%	0.00%
LPM market share	11.99%	0.00%		
Active LPMs	80	0		
Competitor active LPMs	587	595		
Average/GGR/machine/day (GPI Slots)	171.07	0.00	204.63	0.00
Competitor average/GGR/machine/day	526.18	491.91	495.20	492.32
Percentage held	10.35%	0.00%	10.35%	0.00%

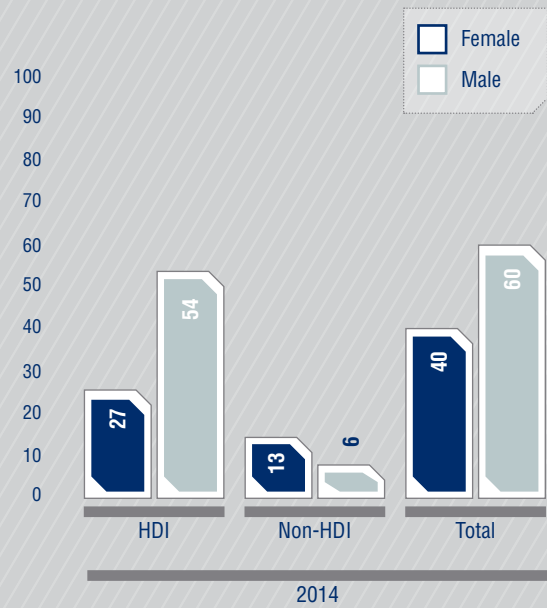
Gaming division overview *continued*

GPI SLOTS	2014 Q4	2013 Q4	YTD 2014	YTD 2013
GGR market share (GPI Slots)	43.40%	41.99%	43.07%	42.54%
LPM market share (GPI Slots)	40.16%	39.69%		
Active LPMs (GPI Slots)	2 637	2 272		
Competitor active LPMs	3 930	3 452		
Average/GGR/machine/day (GPI Slots)	682.80	644.11	677.33	629.28
Competitor average/GGR/machine/day	601.96	584.92	592.14	555.26
Percentage held (GPI Slots)	8.09%	8.28%	8.12%	8.54%

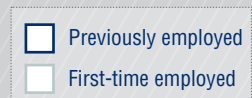
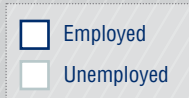
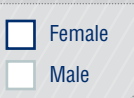
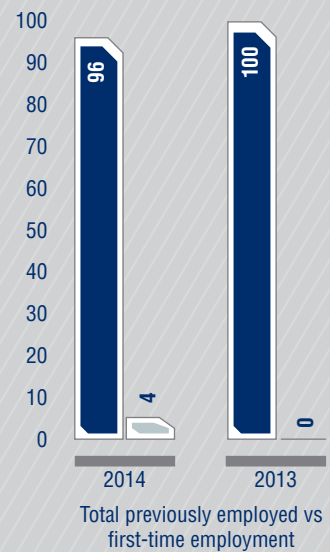
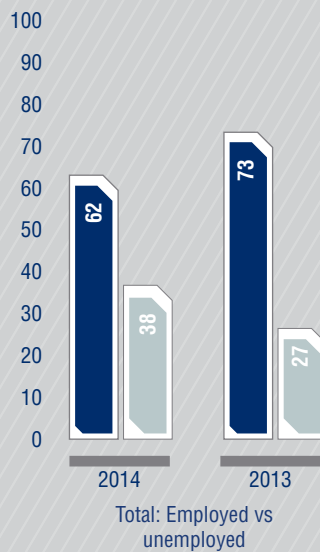
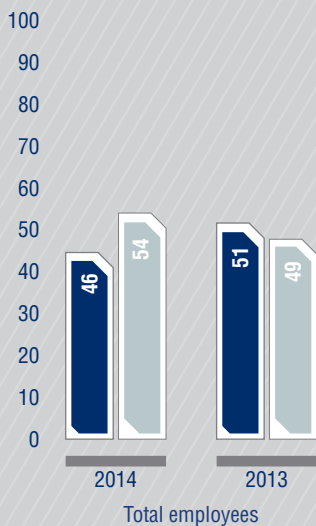
GAMING EE Stats (%)



GAMING MANAGEMENT Stats (%)



EMPLOYEES (%)



GrandPlay had one staff member effective 1 June 2014.

The Group's stated objective is to open 100 stores within South Africa by June 2015.

opened a total of

18 stores in Gauteng, Western Cape and KwaZulu-Natal

trained and certified more than

1 000 employees

served more than

1.8 million customers

BURGER KING®'s beef patty plant, a joint venture with Excellent Meat, officially opened in May 2014 and was certified by BURGER KING® Worldwide in June 2014, further enforcing our commitment to localising our supply chain. This dedicated plant is the first of its kind in Africa and can meet the growing demand of BURGER KING® South Africa and service an export market.

OVERVIEW

BURGER KING® strives to be the most profitable QSR in South Africa serving high-quality food in an environment that is accessible and friendly at a price that is affordable.

This will be achieved through leveraging the franchise's significant heritage – which dates back to 1954 – and profile as a giant in the global QSR industry serving over a million customers a day in 13 000 restaurants in over 88 countries.

KEY HIGHLIGHTS

During the financial year, BURGER KING® South Africa opened a total of 18 stores in Gauteng, Western Cape and KwaZulu-Natal, and served more than 1.8 million customers. In addition, the company has trained and certified more than 1 000 employees.

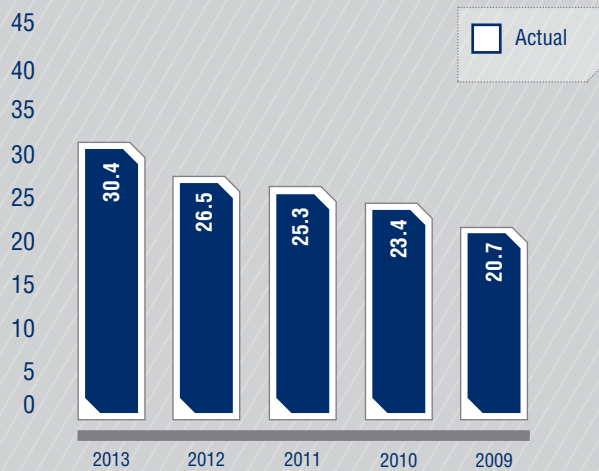
BURGER KING®'s beef patty plant, a joint venture with Excellent Meat, officially opened in May 2014 and was certified by BURGER KING® Worldwide in June 2014, further enforcing our commitment to localising our supply chain. This dedicated plant is the first of its kind in Africa and can meet the growing demand of BURGER KING® South Africa and service an export market.





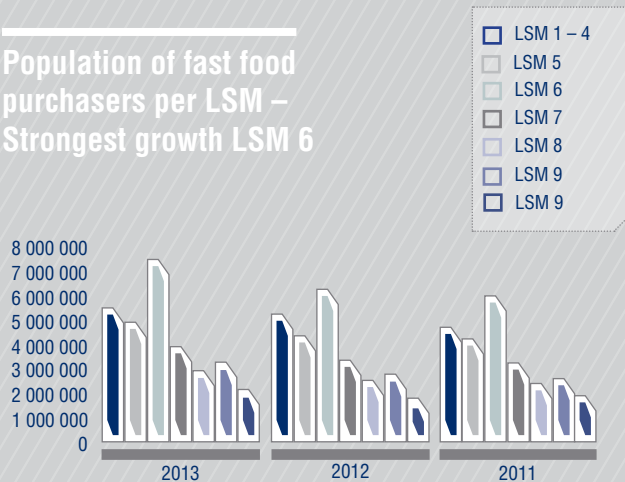
Food division overview *continued*

Fast food (R million) – Personally bought in the past 4 weeks: 2009 – 2013



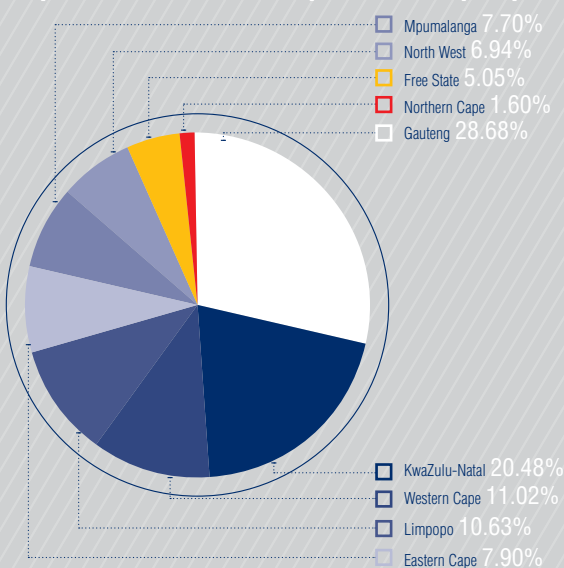
Source: Analytix Business Intelligence

Population of fast food purchasers per LSM – Strongest growth LSM 6



Source: Analytix Business Intelligence

Population of fast food purchasers per province



Source: Analytix Business Intelligence

CHALLENGES

Our most significant challenge is finding and training the right people to meet our rigorous roll-out plan. GPI has overcome this by establishing dedicated training facilities in the three provinces where GPI currently operates, and by partnering with Harambee, a recruitment NGO.

Supply chain challenges arose around identifying local suppliers that can meet BURGER KING® Worldwide's exacting and stringent criteria, and that have the capacity and willingness to develop and deliver products consistently.

All our local suppliers have met the standards set and have committed to the development and investment required to meet our growing national demand.

OPERATING CONTEXT

The South African QSR market was valued at R26.7 billion (2012: R24.6 billion) at the end of December 2013 (growth rate: 8.6%).

The burger section represented 16.8% of the QSR market in 2013 and grew by 8.6%.

Market Size	2013	2012	Growth	Share
QSR	26 670.30	24 563.60	8.58%	
Chained	19 245.40	17 685.40	8.82%	72.16%
Independent	7 424.90	6 878.20	7.95%	27.84%

The number of people who purchased goods from QSR establishments have grown considerably over the past few years and are forecast to continue growing at a robust rate.

The amount of people who spend more than R100.00 at QSRs per instance has increased from 23% in 2009 to 32% in 2013.

The most prolific users of the QSR market come from the Living Standards Measure (LSM) 6 and are aged +16 with an evenly split between male and female.

On a national level, the largest sales at QSR are in Gauteng followed by KwaZulu-Natal and Western Cape. Therefore, this confirms that our roll-out plan is in line with QSR spend and GPI is operating in the top three provinces.

As much as the South African economy remains under pressure, the QSR market continues growing. This is mainly due to time pressure on families during dinner times, and as a result, convenience encourages more people to make use of the QSR market.

GPI is making sure that our roll-out strategy, pricing models and product offerings allow all users of the QSR market access to our stores.

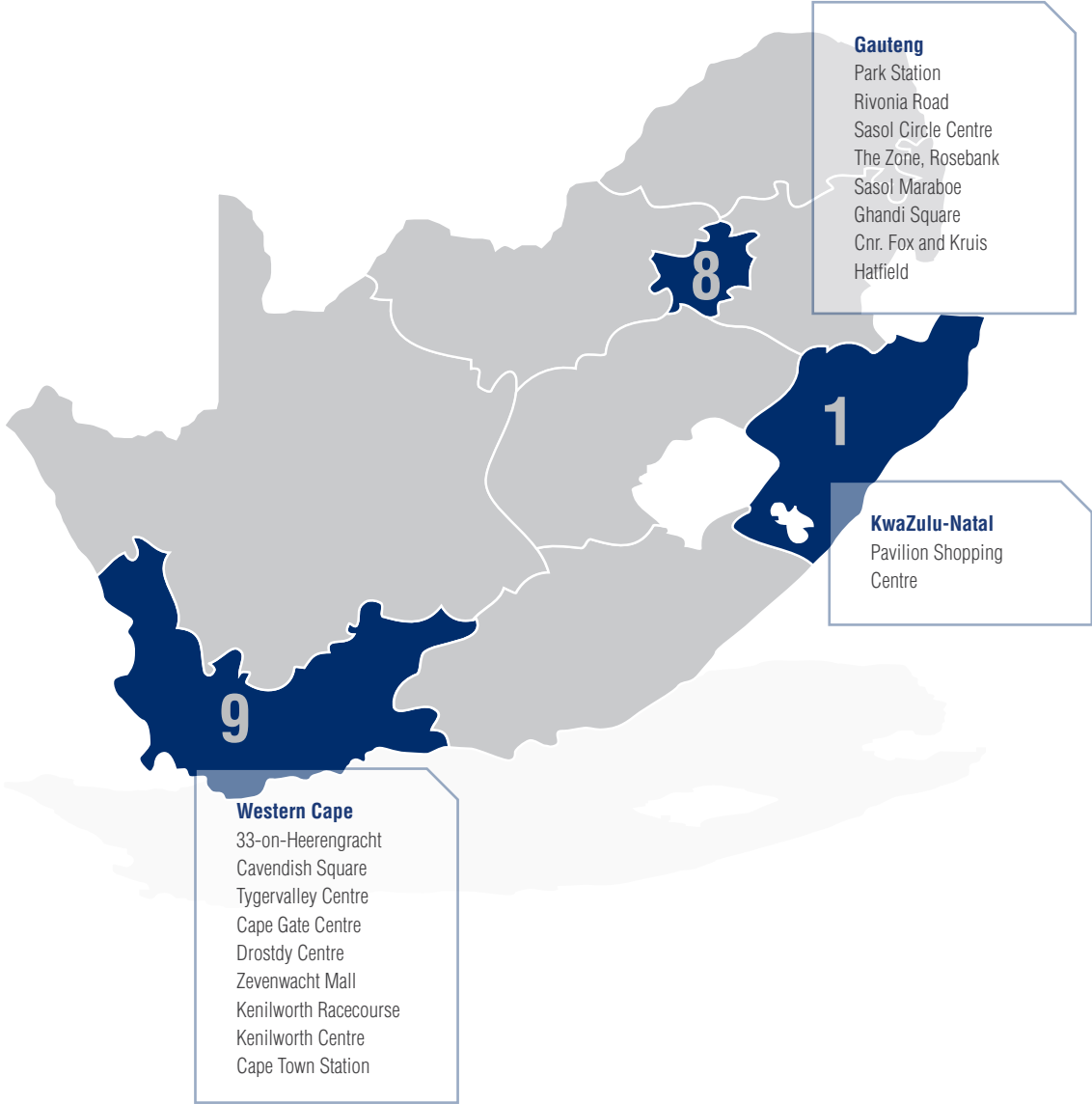
FINANCIAL PERFORMANCE

	2014	2013	Change %
Total revenue (R million)	126.8	4.9	2 488
Loss after tax (R million)	(52.7)	(16.2)	225
Percentage contribution to Group revenue	17%	1%	
Percentage contribution to Group profit	(83%)	(13%)	

OPPORTUNITIES AND RISKS

Opportunity	Associated risk	GPI response
Rapid growth of BURGER KING®	Supply chain and distribution not able to meet demand.	Partnering with market leaders in their respective fields.
Expansion into Africa	Availability of product from suitably qualified suppliers and distributors.	Expansion into Africa will progress in a responsible manner once GPI is confident that the supply chain and distribution centres are able to deliver the necessary product at the required quality and standards.
	Training employees to meet the exacting standards required by BURGER KING®.	Training facilities are being established throughout South Africa to accommodate training of employees across Africa.
Local supply (Excellent Meat partnership)	Reliant on supply from a single plant.	GPI has ensured that adequate insurance is in place to cover any unforeseen event that could affect the plant's operations, and a second plant is being investigated.
Maintaining international BURGER KING® standards	Failing to maintain standards and objectives could lead to the cancellation of the master franchise and development agreement.	Constant internal and external monitoring within the guidelines stipulated by BURGER KING® to ensure any deviation is flagged and rectified within suitable time frames.
Reputational damage	Service or product-related issues that will cause the brands reputation or image to be questioned.	GPI has a dedicated call centre that logs all calls and complaints, which are escalated to the relevant parties to ensure GPI addresses any issues immediately.
		Social media is continually monitored to make sure no comments or posts are left unanswered.
Employee training and retention	Ensuring consistency of product and service across the brand to maintain customer support and loyalty.	GPI have dedicated training facilities in Johannesburg, KwaZulu-Natal and the Western Cape, providing BURGER KING® approved training modules along with life skills training.
	Rapid growth nationally requires sufficiently skilled and qualified employees at store and corporate level.	GPI constantly evaluates employees to ensure standards are being maintained.
Suitable franchisees	Franchisees that do not meet BURGER KING® requirements could jeopardise the master franchise agreement.	To ensure GPI complies with the requirements in terms of our master agreement, background checks are performed on all applicants along with a financial due diligence.

GEOGRAPHIC FOOTPRINT



KEY STAKEHOLDERS

To identify our key stakeholders, GPI applied the following criteria:

- GPI must be able to clearly identify what GPI wants from the stakeholder.
- The stakeholder must have a fundamental impact on our business performance.
- GPI must want the dynamic relationship to grow.
- The stakeholder must be crucial to success.

Excellent Meat partnership

BURGER KING®'s joint venture with Excellent Meat – an established, family-run meat manufacturer and distributor – to develop a standalone dedicated beef patty plant is critical to the vertical integration of the business. The partnership ensures that the constant demand for quality patties in South Africa is, and will continue being, met as the scalability of the plant allows for rapid expansion. Once the plant is fully operational, GPI expects a production capacity of three million patties a month.

Mac Brothers

Mac Brothers is a kitchen equipment supplier that services the broad catering industry with a dealer network that extends throughout sub-Saharan Africa. Mac Brothers has been approved as a BURGER KING® equipment supplier. Through their extensive network they are able to help us meet our roll-out plan and to provide support and ongoing maintenance to our existing stores.

Sasol

Through our exclusive agreement with Sasol GPI can open BURGER KING® stores within Sasol's entire national network, further aiding our national roll-out and meeting fundamental milestones in development. This exclusive partnership allows us to create brand synergy and maximises our ability to leverage the brand in South Africa through retail opportunities that would not have been available to us otherwise.

Corporate social investment initiatives

During the year, BURGER KING® participated in numerous CSI projects as part of the broader group's commitment to corporate responsibility and community development:

- On 21 December 2013, BURGER KING® South Africa hosted 400 underprivileged children from shelters and orphanages around Cape Town to an early Christmas party.
- On 24 June 2014, Burger King Corporation (BKC) and Burger King South Africa executives handed over a \$485 403 (R5.2 million) donation to the Burger King McLamoreSM Foundation's Room to read.

- To celebrate Mandela Day on 18 July, BURGER KING® South Africa employees devoted their time to the elderly at the Kensington Old Age Home in Cape Town. BURGER KING® donated 90 new mattresses on the day, as well as toiletry hampers, food hampers, linen, curtains, cosmetics and slippers.
- Along with GPI, BURGER KING® donated R3 million to the under 17 and under 19 men's and women's provincial soccer tournaments as part of the SAFA development programme.

Employees

GPI's human resources goal and primary aim is to maximise the value of human capital within BURGER KING® and to balance the needs of the employees with the needs of the company by:

- Ensuring a diverse workforce in a safe environment that is free from discrimination and harassment by complying with employment laws and government regulations, international BURGER KING® standards, providing management and employee training, and developing policies and procedures.
- Hiring the most qualified employees by preplanning staffing needs, ensuring an effective internal interview process, increasing company visibility in the employment marketplace, identifying the best and most cost-effective recruitment resources, and conducting thorough reference checks.
- By partnering with Harambee, in the spirit of responsible recruiting in line with community upliftment, to ensure that GPI provides first-time job seekers from historically disadvantaged backgrounds with employment opportunities.
- Retaining our valued employees by assuring effective leadership qualities in our managers, providing competitive wages and benefits; and enhancing two-way communication between employees and management.

OUTLOOK

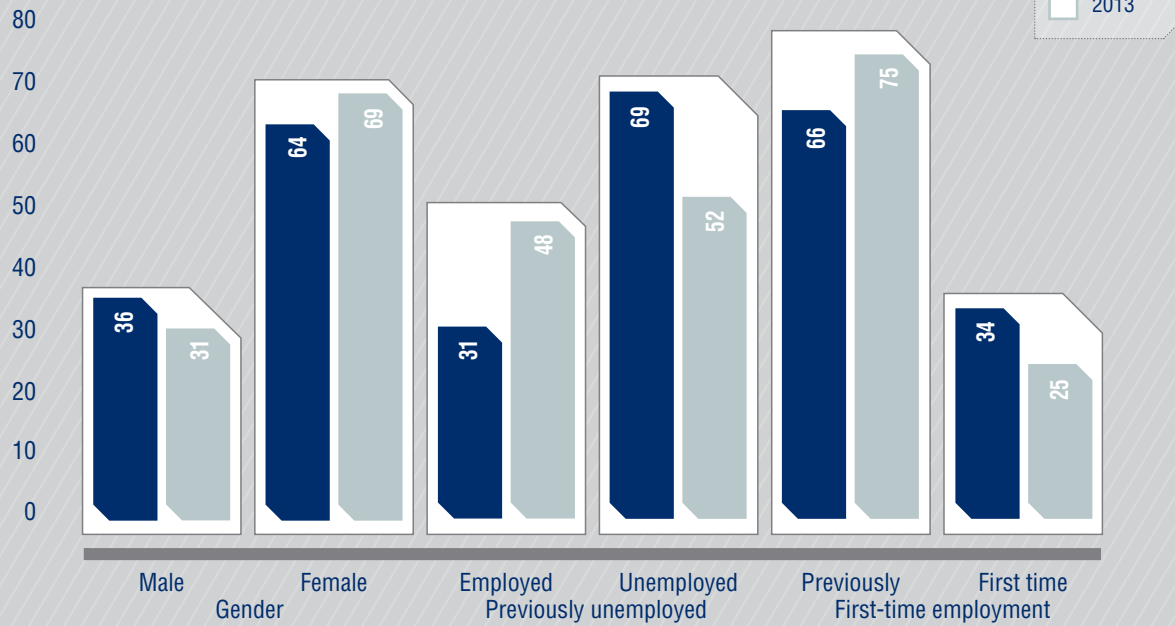
Our targets for 2015:

- To have 100 stores within South Africa
- To increase the gross margin
- To reduce capital expenditure costs associated with fitting out new restaurants

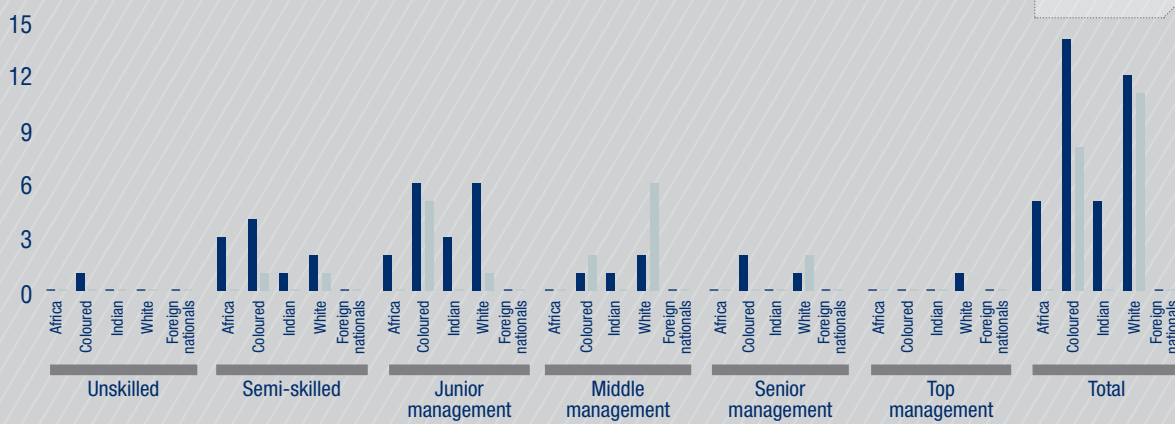
The long-term goals are to increase BURGER KING®'s market share in the QSR segment within South Africa, and to constantly evaluate opportunities within the African market.

Food division overview *continued*

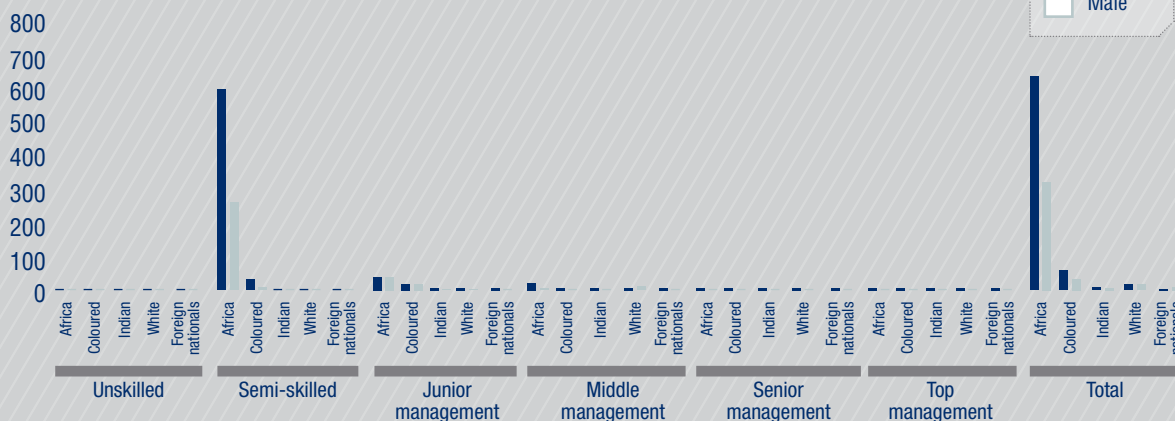
BURGER KING® employees (%)



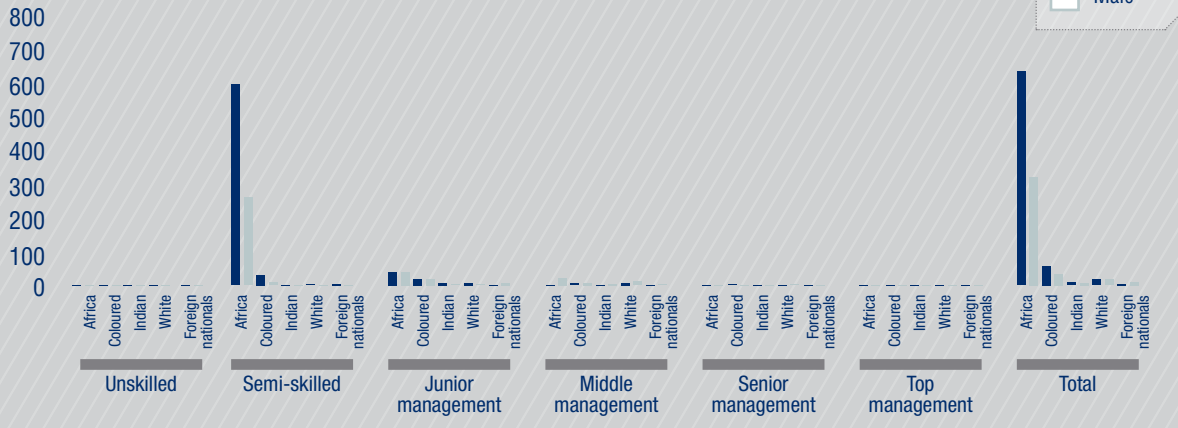
CORPORATE (numbers)



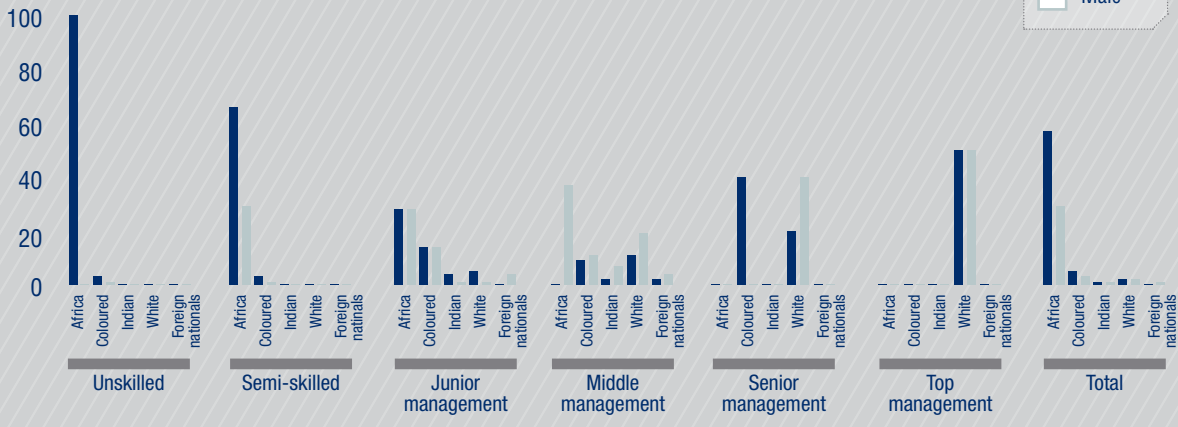
STORES/RESTAURANTS (numbers)



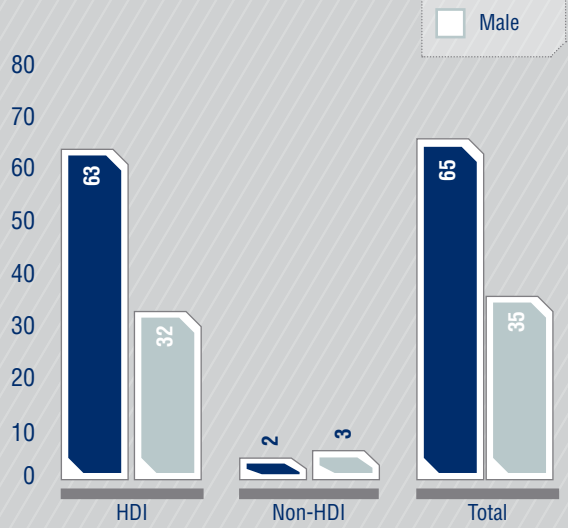
TOTAL BURGER KING (numbers)



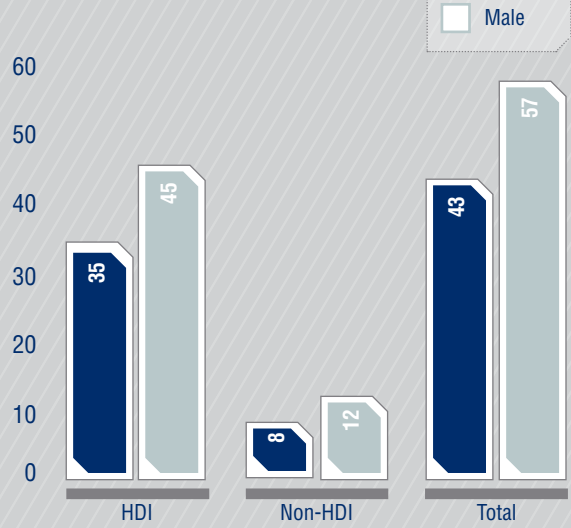
TOTAL BURGER KING (%)



STORE EE Stats (%)



MANAGEMENT EE Stats (%)



Corporate governance

GPI is listed on the JSE in the Financial Services sector and complies with the spirit and form of the JSE Listings Requirements' continuing obligations. The Board also endorses the Governance Principles set out in King III and confirms that the Group has complied with King III in all material respects for the year ended 30 June 2014.

An assessment of the Company's compliance with the 75 principles of King III is available in the Corporate Governance section on the GPI website at: www.grandparade.co.za.

The directors remain committed to practicing sound corporate governance through the promotion of positive relationships built on respect and trust, as well as the application of business processes aimed at sustainable and responsible growth in the interests of all stakeholders. To this end, the Board ensures that governance structures and procedures are regularly reviewed so that they remain relevant and dynamic and are able to meet the needs of the constantly changing operating environment.

Ongoing development continues in relation to formalising a governance, regulation and compliance framework for the Group's information technology services and infrastructure. In addition, work has commenced on developing and documenting a comprehensive business continuity management programme due specifically to the rapid expansion of the Company's business interests in general and in the food division in particular. The work is expected to be finalised during the 2015 financial year and further details will be reported on in the 2015 integrated report.

The trading environment in which GPI operates is complex as a result of the substantial body of legislation that applies to its various operations. These range from corporate laws governing companies and financial markets, legislation and codes of practice pertaining to broad-based black economic empowerment, consumer protection, privacy, and health and safety regulation. There were no breaches of any requirements pertaining to these laws during the financial year.

Furthermore, a number of GPI's subsidiaries are subject to national and provincial gambling laws and compliance regulations. Therefore, it is of material importance to ensure the retention of GPI's various gambling licences. There were no material breaches of the prescripts pertaining to gambling during the financial year, mainly due to the entrenched compliance culture that exists at operational level.

BOARD OF DIRECTORS

The Board is responsible for the strategic direction and control of the Company according to its Memorandum of Incorporation (MOI) and charter. It exercises this control through a governance framework comprising the various Board Committees – with clear reporting lines to and from the Board – by monitoring operational performance and holding management accountable for achieving objectives; by way of an assurance system on internal controls; and by reserving certain matters for decision at Board level.

A balance of power and authority is achieved by ensuring that the Board operates separately from executive management and that each have separate performance areas. This prevents any one individual or group of individuals from dominating Board decisions or exercising unfettered powers of decision-making.

The Board is satisfied that it discharged its duties and obligations in terms of its charter.

Board composition and attendance

The Board has a unitary structure and the requisite balance of executive to non-executive directors was maintained throughout the year. Two Board changes took place during the financial year as a result of Professor Walter Geach's appointment on 17 September 2013 and the resignation of Mr Faldi Samaai on 2 June 2014 – both in the capacity of non-executive director.

The Board's composition is currently as follows:

Executive directors

Hassen Adams – Executive Chairman
Alexander Abercrombie – Gaming Executive
Alan Keet – Chief Executive Officer
Sukena Petersen – Financial Director

Non-executive directors

Norman Maharaj – Lead Independent Director
Anthony Bedford
Walter Geach
Nombeko Mlambo
Colin Priem

Attendance registers for the Board and committee meetings is included in the corporate governance section on the Company's website at www.grandparade.co.za.

Chairman, Lead Independent Director and Chief Executive Officer

The Board took the King III principle regarding the independence of a chairman into consideration, but is of the view that Mr Hassen Adams' role as the Executive Chairman of GPI is mitigated by his extensive experience and expertise as well as his track record of serving the best interests of the Company and greater community. The Board is nevertheless mindful of the need for succession relative to this key role and has tasked the executive team to develop and implement a succession strategy for the specific purpose of enabling a seamless transition when Mr Adams steps down from the position of Executive Chairman.

As a result of this, the Board has appointed Dr Norman Maharaj as Lead Independent Director (LID) for the fourth year. His role as LID is to provide leadership to the Board, committees, directors and executives on matters where the Chairman may have a conflict of interest and, as chairperson of the Remuneration and Nomination Committee, he manages the performance appraisal of the Chairman.

Mr Alan Keet's primary role as the Group Chief Executive Officer, is to run the business and implement the decisions of the Board by means of written delegations of authority communicated through Board resolutions and standard approved levels of authority for capital expenditure, contracts and procurement.

Period of office and retirement

In accordance with the provisions of GPI's MOI, non-executive directors hold office for a period of three years after which at least a third must retire by rotation with the longest serving directors retiring first. Non-executive directors remain eligible for re-election provided they continue satisfying the eligibility and qualification criteria of the Companies Act, and adding value to the Company. Details of the directors who will be retiring by rotation are contained in the notice of annual general meeting on page 89 of this report.

As no non-executive directors were appointed during the year, shareholders will not be asked to confirm any appointments.

The tenure of executive directors is governed by way of their respective employment contracts, which contain provisions in keeping with best practice in the market. For more information, turn to our Remuneration Report on page 68.

Appointment and performance of directors

The Board's appointment procedures are formal and transparent and a matter for the Board as a whole, with guidance and advice from the Remuneration and Nomination Committee. When vacancies arise on the Board, the Committee assists the Board with the identification of potential directors and considers their skills and qualifications with due regard to the Board's knowledge and skills requirements, as well as those laid down in the Companies Act.

The committee also ensures that the eligibility and disqualification provisions of the Companies Act are taken into account before recommending a candidate for appointment to the Board. The Board ultimately decides on the appointment of the director and provides full disclosure of director appointments to shareholders.

On appointment, a director is provided with the relevant statutory information to ensure an understanding of the provisions of the Companies Act with particular reference to the duties and obligations of directors. The director is also provided with information on the Group's strategy, operational activities, and the products and services offered by the various divisions. New directors are informed of the closed periods for dealing in the Company's securities, the procedure they are required to follow before dealing in securities as well as details pertaining to related-party transactions.

The Board evaluates its own performance, processes and procedures as well as the performance of its Committees. The Chairman performs an annual evaluation of the attendance and performance of directors and the efficacy of Board Committees by way of an informal process in light of the collective experience of the directors and their extensive knowledge of the Company and its operating environment.

Independence assessment

A written self-assessment based on the criteria provided in King III and the JSE Listings Requirements was undertaken by each non-executive director at the end of June 2014. The results were reviewed by the Remuneration and Nomination Committee and subsequently considered by the Board.

The Board is satisfied that, based on the assessment criteria mentioned above, four of the five non-executive directors are independent, in keeping with the King III recommendation that the majority of non-executive directors should be independent. The Board also reviews the independence of directors who have served for periods longer than nine years, as well as the conduct of the non-independent director, and is satisfied that the directors concerned are independent of mind and judgement and that no conflicts of interest exist. Furthermore, the Board is of the view that, notwithstanding the extended length of directors' service, they contribute valuable experience to the Board.

Dealing in the Company's securities

A policy on share dealings and insider trading is applied across the Group to all GPI directors, the Company Secretary, prescribed officers and certain identified senior executives with access to financial results and other

price-sensitive information. These individuals may not deal in shares of the Company during the closed periods as defined in the JSE Listings Requirements or while the Company is operating under circumstances where it would be inappropriate to deal in the Company's shares, such as while operating under a cautionary or while the Company is in the process of price-sensitive negotiations or acquisitions.

Directors and the Company Secretary are obliged to obtain the Executive Chairman's written clearance (or in his absence, the LID's) prior to dealing in the Company's shares and all requests are referred through the Company Secretary for record-keeping purposes and to liaise with the Company's sponsors to disclose such dealings to shareholders on SENS.

Disclosures and conflicts of interest

Directors are obliged to avoid situations that may place them in conflict with the interests of the Company or the Group. In addition, interests must be declared before each Board meeting and procedures are in place for directors to provide the Company Secretary with full disclosure of any related-party transactions to which they or their immediate families may be party.

Access to Company information

Procedures are in place, through the Executive Chairman and the Company Secretary, giving the directors access, at reasonable times, to all relevant Company information and to senior management, to assist them in the discharge of their duties and responsibilities and to enable them to make informed decisions. Directors are expected to strictly observe the provisions of the statutes applicable to the use and confidentiality of information.

Independent professional advice and Company Secretary

A procedure is in place for directors to consult independent professional advisors, if necessary and within reason, at the Company's expense, subject to prior notification to the Executive Chairman or the Company Secretary. No such advice was sought during the financial year.

The Company Secretary serves as the central source of advice to the Board on the requirements of the Companies Act and the principles of corporate governance as contained in the JSE Listings Requirements and King III. In addition to the Company Secretary's statutory and other duties, she provides the Board as a whole, directors individually, and the committees with guidance as to the manner in which their responsibilities should be discharged in the best interests of the Company. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Board reviews (through the Remuneration and Nomination Committee through discussion and assessment) the qualifications, experience and competence of the Company Secretary and has noted that the Company Secretary performed all formalities and substantive duties timeously and in an appropriate manner. Furthermore, the Board is satisfied that the Company Secretary has the appropriate knowledge, skills and experience to execute her duties and that an arm's length relationship exists between the Company Secretary and the Board.

Board meetings

The Board meets quarterly to discharge its statutory obligations and to ensure adherence with the Company's strategic focus as determined by the directors prior to the commencement of the financial year. Additional meetings are held during the course of the year to attend to other specific business as and when the need arises.

Board and Board Committees

The Board governs through clearly mandated committees with clear terms of reference as approved by the Board and adopted by each of the committees.

BOARD COMMITTEES				
	Audit and Risk Committee	Remuneration and Nomination Committee	Investment Committee	Social and Ethics Committee
CONSTITUTION	Constituted in terms of section 94 of the Companies Act and comprises at least three members who are independent non-executive directors elected by the shareholders at the Company's annual general meeting.	Constituted in accordance with the recommendations of King III and comprises no less than three non-executive directors of whom the majority must be independent.	Appointed in terms of the provisions of the Company's Memorandum of Incorporation governing the Board's powers to appoint committees.	Constituted in terms of section 72(4), read with regulation 43(5), of the Companies Act.
MEMBERS	Colin Priem (chairperson) Norman Maharaj Walter Geach	Norman Maharaj LID (chairperson) Anthony Bedford Nombeko Mlambo Colin Priem	Hassen Adams (chairperson) Alex Abercrombie Alan Keet Colin Priem Sukena Petersen Dylan Pienaar	Hassen Adams (chairperson) Faldi Samaai Norman Maharaj Alex Abercrombie Alan Keet
MANDATE	<ul style="list-style-type: none"> Assist the Board with the discharge of its fiduciary duties and fulfilment of its oversight responsibility to shareholders, potential shareholders, the investment community and others with reference to: <ul style="list-style-type: none"> the integrity of the Company's and Group's financial statements; the Company's and Group's compliance with legal and regulatory requirements; and the independent external auditor firm's qualifications, performance and independence. Monitor the efficacy of internal controls; ensure that adequate accounting records are kept, that risk is properly managed and controlled, that all applicable laws and prescripts are universally complied with throughout the Group and oversee the compilation of the Group's integrated report. 	<ul style="list-style-type: none"> Recommend remuneration policies for directors and senior executives to the Board. Determine and recommend to the Board the terms and conditions of executive directors' employment agreements, including performance criteria. Evaluate the performance of executive directors (including any chief executives) according to the approved criteria and recommend rewards to the Board. Consider management's proposals for annual salary adjustments and performance-based rewards for the Group's employees and recommend the proposals to the Board. Approve changes to the benchmarking methodology used for setting base salaries and incentive targets, the conditions of employment and other benefits offered to Group employees. Ensure appropriate disclosure in the annual remuneration report included in the annual integrated report. recommend directors for appointment to the Board and the re-election of directors retiring by rotation. Annually review and make recommendations to the Board as to the independence of non-executive directors. Determine and recommend to the Board appropriate long-term succession plans for all key positions in the Group. 	<ul style="list-style-type: none"> Determine investment policies and guidelines subject to Board approval. Consider the viability of investments proposed by management with due regard to the sustainability of projected returns, the effect of the investments on the Group's liquidity and cash flow, and the Group's strategy. Approve new investments and/or extend existing investments subject to the total value of the investment not exceeding R20 million per investment. Recommend investments to the Board for approval. Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets. Evaluate the performance of assets/investments against the Group's strategy, compliance with the investment policy and guidelines and risk tolerance levels. 	<p>Perform its statutory duties in terms of the Companies Act and to perform the following delegated functions:</p> <ul style="list-style-type: none"> Monitoring the ethical conduct of the Company, its executives and senior officials from time to time according to policies approved by the Board. Review policies or statements on ethical standards or requirements within the Group. Monitor compliance with the ethics policies, the Company's Memorandum of Incorporation and the JSE Listings Requirements. Monitor compliance by Company directors and senior employees with the disclosure requirements relating to dealings in the Company's securities to ensure there are no breaches or threats of insider trading. Consider and make recommendations to the Board on any existing or potential conflicts of interests that may arise from time to time.
FREQUENCY OF MEETINGS	Four meetings per year but may have additional meetings if circumstances warrant this.	Two meetings per year but may have additional meetings if circumstances warrant this.	Two meetings per year but may have additional meetings if circumstances warrant this.	Two meetings per year if required.

RISK MANAGEMENT PROCESS

The Board assumes ultimate accountability for the risk management process and the Group's system of internal control. In collaboration with the Audit and Risk Committee, the Board has developed a risk management framework aimed at achieving the Group's overall strategic objectives and the creation of long-term value for shareholders.

The Audit and Risk Committee is responsible for ensuring that the risk management framework is applied across the Group and for ensuring that risk is appropriately managed and mitigated.

Operational risk management processes to promote occupational health and environmental responsibilities, safety management, asset management and protection, security and fire risk management, are implemented at enterprise level. Processes are in place for the prompt reporting of incidents to line managers and ultimately senior and executive management.

Risk Committees have been established at enterprise level, comprising senior management of each of the enterprises who are responsible for identifying and analysing risks and for developing and implementing risk responses, assigning responsibility for risk management to specific owners and for monitoring the effectiveness of the responses. Risk Committees meet quarterly to review risks and risk mitigation measures, to re-rank risks and to consider new risks that may have arisen during the preceding quarter or to anticipate potential risks.

Each risk is measured in terms of its probability and its potential impact on income items and the Group's financial position after which risks are ranked according to their severity. For more detail on our operating risks, see the Foods division report on page 56 and the Gaming division report on page 42.

A written record of the quarterly review proceedings is kept and management is obliged to table an executive summary thereof at the quarterly Board meetings of each of the operating enterprises. The executive summaries and enterprise risk registers are ultimately consolidated into a Group risk register and are reported to the Audit and Risk Committee with exceptions being escalated to the GPI Board.

The internal audit plan makes provision for the effectiveness of risk responses to be reviewed at enterprise level with direct reporting on the findings thereof, to the Audit and Risk Committee by the internal auditor.

Internal audit

The internal audit function provides support to management and the Board of directors by performing independent assessments of the Group's activities and the concomitant business risks, and providing impartial judgements thereon.

The purpose, terms of reference, and scope of the internal audit function is incorporated in an internal audit charter, which is reviewed annually by the Audit and Risk Committee and changes approved by the Board.

The scope of the internal audit function includes: performing annual and biannual internal audits as prescribed by the provincial gambling legislation; performing internal control adequacy and effectiveness reviews; determining compliance with policies and procedures; adding value by directing the audit scope, interpreting results and enabling improvements to the Group's governance, risk and control procedures; communicating findings to senior management and compiling comprehensive evidence-based reports for the Board

The internal auditor reports to the Audit and Risk Committee and has direct access to the Executive Chairman.

Combined assurance

In terms of its charter, the Audit and Risk Committee is required to ensure that a combined assurance model is applied. The objective is to provide a co-ordinated approach to all assurance activities, with particular reference to ensuring that the combined assurance received is appropriate to address all the significant risks facing the Company.

Management continually provides the Board with the assurance that the Group's risk management policy is implemented and integrated into the Group's day-to-day business activities and that internal controls are implemented and their efficacy monitored on a regular basis.

The internal audit function, operating under the auspices of the Audit and Risk Committee, provides an independent assessment of the effectiveness of the Company's system of internal control and risk management.

Our external auditors, EY Incorporated, have historically expressed and will continue expressing an opinion on the fair presentation of the Group's AFS.

Governance of information technology (IT)

In keeping with our support of the principles and practices around the governance of IT as set out in King III, the Board has delegated responsibility for IT governance functions to Grand Technology (Pty) Ltd (Grand Technology), which has in turn adopted an IT governance framework aligned directly with the King III principles.

Grand Technology's compliance with the relevant King III principles pertaining to IT governance is documented in the King III compliance register, which is available in the corporate governance section on the Company's website at: www.grandparade.co.za.

In light of the progress that has been made with regard to the adoption of an IT Governance Framework, GPI has constituted an IT Steering Committee which will be implemented in the new financial year.

Remuneration report

INTRODUCTION

The Group's approach to remuneration is designed to maximise the achievement of strategic objectives and the retention and motivation of employees. The Group makes use of remuneration consultants, Deloitte.

This report details GPI's philosophy and approach to remuneration, which supports our strategic objectives. Our approach is informed by market research and market best practice to attract and retain key talent and skills and to create shareholder value.

Our remuneration philosophy and practice is underpinned by an internationally recognised job evaluation and grading system, under licence from Deloitte Human Capital. GPI undertakes remuneration and benefit benchmarking, to ensure that it maintain an equitable and fair remuneration practice in the marketplace.

The Remuneration Committee plays an integral oversight role into the outcomes of our grading and benchmarking practices, ensuring remuneration practices meets our strategic objectives and compensation is in line with Company financial performance and growth.

POLICY OBJECTIVES

In line with best practice, the Group's remuneration policy aims to create an appropriate balance between:

- Shareholder interests and employee interest
- Operational and strategic objectives
- Attraction and retention of key talent

POLICY GUIDELINES

The policy ensures fair determination of remuneration based on current relevant market data. Taking into account the uniqueness of our business and our strategic business objectives, this data is customised to meet the needs of the Group. Other factors included in our guidelines are affordability, openness and transparency. Rewards accrue to employees who have achieved stated objectives. Employees who surpass these are granted a greater portion of the rewards pool.

The Group currently tracks the lower quartile of the remuneration market to determine base pay for all employees. As the growth and sustainability of the Company improves, this pay line will be enhanced.

The policy practice is robust enough to ensure the retention and motivation of employees. Where critical and scarce skills have been identified, additional mechanisms are in place to address these.

REMUNERATION STRUCTURE

Base Pay

Base pay is determined using market data and benchmarking. The Group operates on a cost-to-company (CTC) or base pay monthly salary basis. The CTC is made up of the following:

- Cash component (including travel allowance/shift allowance, etc.)
- Benefits:
 - Medical aid
 - Provident Fund:
 - Group Life
 - Income protection
 - Funeral cover

Short-term incentives

An annual incentive bonus scheme is in place to reward employees for achieving and exceeding agreed performance objectives. The scheme is based on a percentage of CTC, combined with fees relating to success on specific transactions, and adjusted according to personal contribution and impact on Company performance. The Remuneration Committee reviews all bonus proposals, before submitting to the Board for approval.

Long-term incentives

Long-term incentives take the form of share options, in terms of the Grand Parade Share Incentive Trust (GPSIT). These incentives are in place for executives, senior management and selected key employees.

The GPSIT aims to align the goals of executive remuneration with the creation of shareholder wealth. A key objective of the scheme is to ensure the long-term retention of key employees for the financial benefit and growth of the organisation. Employees benefit from the scheme when the share price of the Company is improved.

REMUNERATION MIX

Remuneration Type	Description	Level at which applicable		
		General Staff	Management Staff	Executive
Base pay	Consisting of: <ul style="list-style-type: none"> • Cash Salary • Allowances (job specific) • Travel allowance (if required) • Medical Aid • Retirement Funding • Insured benefits (group life, funeral) 	X	X	X
Discretionary bonus	Annual bonus <ul style="list-style-type: none"> • Based on a % of the employee salary • Subject to individual and Company performance 	X	X	X
Long-term incentive	Discretionary shares <ul style="list-style-type: none"> • Issuing of a limited amount of shares to employees, subject to conditions of the trust, Company and individual performance 	X	X	
	Share options <ul style="list-style-type: none"> • Governed by the SIT • Participants only gain if the share price increases • Participation multiple is a function of specific criteria Share option value is a function of guaranteed pay times participation multiple			X

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Abridged consolidated statements of comprehensive income
for the year ended 30 June 2014

	Note	GROUP		COMPANY	
		2014 R'000s	Restated 2013 R'000s	2014 R'000s	Restated 2013 R'000s
Continuing operations					
Revenue	4	134 976	15 593	106 238	101 134
Cost of sales	5	(85 107)	(3 288)	–	–
Gross profit		49 869	12 305	106 238	101 134
Operating costs	6	(165 385)	(49 590)	(19 140)	(8 017)
(Loss)/profit from operations		(115 516)	(37 285)	87 098	93 117
Loss from equity-accounted investments	7	(528)	–	–	–
Remeasurement of investment	11	32 838	–	–	–
Gain on acquisition of investment	11	23 637	–	–	–
Depreciation		(7 774)	(9 440)	(15)	(14)
Amortisation		(981)	(211)	–	–
(Loss)/profit before finance costs and taxation		(68 324)	(46 936)	87 083	93 103
Finance income	4	8 621	4 502	4 393	1 620
Finance costs	9	(18 026)	(12 415)	(9)	–
(Loss)/profit before taxation		(77 729)	(54 849)	91 467	94 723
Taxation	10	18 846	3 438	(1 133)	(411)
(Loss)/profit for the year from continuing operations		(58 883)	(51 411)	90 334	94 312
Discontinued operations					
Profit for the year from discontinued operations	11	121 972	178 526	35 986	37 985
Profit for the year		63 089	127 115	126 320	132 297
Other comprehensive income					
Items that will be reclassified subsequently to profit and loss					
Unrealised fair value loss on available-for-sale investments, net of tax		(5 189)	(1 887)	–	–
Total comprehensive income for the year		57 900	125 228	126 320	132 297
(Loss)/profit for the year from continuing operations attributable to:					
– Ordinary shareholders		(51 042)	(49 454)	90 334	94 312
Profit for the year from discontinued operations attributable to:					
– Ordinary shareholders		121 972	178 526	35 986	37 985
Non-controlling interest		(7 841)	(1 957)	–	–
		63 089	127 115	126 320	132 297
Total comprehensive income attributable to:					
– Ordinary shareholders		65 741	127 185	126 320	132 297
– Non-controlling interest		(7 841)	(1 957)	–	–
		57 900	125 228	126 320	132 297
		Cents	Cents		
Basic earnings per share	12	15.20	28.02		
– Diluted earnings per share	12	15.13	28.02		
Headline earnings per share	12	3.17	28.23		
– Diluted headline earnings per share	12	3.15	28.23		
Adjusted headline earnings per share	12	22.91	30.46		
– Diluted adjusted headline earnings per share	12	22.82	30.46		
Ordinary dividend per share		15.00	12.50		
Special ordinary dividend per share		–	7.50		

Abridged consolidated statements of financial position
as at 30 June 2014

	Note	GROUP			COMPANY	
		2014 R'000s	Restated 2013 R'000s	Restated 2012 R'000s	2014 R'000	2013 R'000s
ASSETS						
Non-current assets	13	301 692	1 530 221	1 406 887	48 573	174 033
Investments in joint ventures		–	1 053 361	1 062 182	–	150 079
Investments in associates		22 246	39 096	34 884	–	20 929
Available for sale investment		–	7 680	9 900	–	–
Investments in subsidiaries		–	–	–	48 555	3 002
Goodwill		377	122 934	122 934	–	–
Property, plant and equipment		246 673	223 794	101 972	18	23
Intangible assets		6 043	57 751	55 392	–	–
Deferred tax assets		26 353	25 605	19 623	–	–
Assets classified as held for sale	11	1 655 335	–	–	150 079	–
Current assets	14	218 203	472 190	462 586	721 608	560 721
Inventories		9 450	1 534	2 067	–	–
Trade and other receivables		36 638	49 402	33 095	3 847	3 253
Related party loans		23 705	16 822	20 009	603 523	222 847
Cash and cash equivalents		145 482	403 218	405 147	114 238	334 621
Income tax receivable		2 928	1 214	2 268	–	–
Total assets		2 175 230	2 002 411	1 869 473	920 260	734 754
EQUITY AND LIABILITIES						
Capital and reserves						
Total equity	15	1 682 715	1 649 098	1 613 539	886 130	721 042
Ordinary share capital and premium		830 230	730 364	730 364	825 779	725 913
Treasury shares		(72 709)	(2 070)	(2 346)	–	–
Accumulated profit/(loss)		920 217	914 258	877 088	56 731	(4 871)
Available-for-sale investments' fair value reserve		1 056	6 245	8 132	–	–
Share-based payment reserve		3 620	–	–	3 620	–
Capital redemption reserve fund		301	301	301	–	–
Non-controlling interest		(9 407)	(1 957)	–	–	–
Total shareholder's equity		1 673 308	1 647 141	1 613 539	886 130	721 042
Non-current liabilities	16	212 683	228 979	150 502	–	–
Cumulative redeemable preference share capital and premium		132 691	132 424	101 670	–	–
Interest-bearing borrowings		60 000	83 436	36 000	–	–
Finance lease liabilities		945	244	1 134	–	–
Deferred tax liabilities		18 557	12 107	11 525	–	–
Provisions		490	768	173	–	–
Liabilities classified as held for sale	11	170 124	–	–	–	–
Current liabilities	17	119 115	126 291	105 432	34 130	13 712
Trade and other payables		67 079	82 417	41 344	1 395	1 939
Provisions		9 791	8 272	5 311	–	–
Cumulative redeemable preference share capital and premium		–	–	30 754	–	–
Interest-bearing borrowings		32 195	23 195	16 000	25 000	–
Finance lease liabilities		207	634	681	–	–
Dividends payable		7 693	11 677	10 648	7 693	11 677
Taxation		150	96	694	42	96
Total equity and liabilities		2 175 230	2 002 411	1 869 473	920 260	734 754
		Cents	Cents	Cents		
Tangible net asset value per share		293	309	312		
Adjusted tangible net asset value per share		307	309	413		
Net asset value per share		345	358	351		
Adjusted net asset value per share		361	358	352		

Abridged consolidated statements of changes in equity
for the year ended 30 June 2014

	Ordinary share capital R'000s	Share premium R'000s	Share- based payment reserve R'000s	Treasury shares R'000s	Accumu- lated profits/(loss) R'000s	Available- for-sale reserve fair value R'000s	Capital redemption reserve fund R'000s	Non- controlling interest R'000s	Total equity R'000s
GROUP									
Balance at 01 July 2012	115	730 249	—	(2 346)	881 026	8 132	301	—	1 617 477
Prior period error	—	—	(3 938)	—	—	—	—	—	(3 938)
Balance at 01 July 2012 (restated)	115	730 249	—	(2 346)	877 088	8 132	301	—	1 613 539
Total comprehensive income/(loss) for the year	—	—	—	—	129 072	(1 887)	—	(1 957)	125 228
— Profit/(loss) for the year	—	—	—	—	129 072	(1 887)	—	(1 957)	127 115
— Other comprehensive income	—	—	—	—	(91 902)	—	—	—	(1 887)
Dividends declared	—	—	—	276	—	—	—	—	(91 902)
Treasury shares allocated to employees	730 249	(730 249)	—	—	—	—	—	—	276
Conversion of par value shares to non-par value shares	730 364	—	—	(2 070)	914 258	6 245	301	(1 957)	1 647 141
Balance at 30 June 2013	—	—	—	—	70 930	(5 189)	—	(7 841)	57 900
Total comprehensive income/(loss) for the year	—	—	—	—	70 930	(5 189)	—	(7 841)	63 089
— Profit/(loss) for the year	—	—	—	—	70 930	(5 189)	—	(7 841)	(5 189)
— Other comprehensive income	—	—	—	—	(68 964)	—	—	—	(68 964)
Dividends declared	—	—	—	—	4 384	—	—	—	4 384
Dividends prescribed and written back	—	—	—	(60 000)	—	—	—	—	40 000
Shares issued	100 000	—	—	(10 770)	—	—	—	—	(10 770)
Treasury shares acquired	—	—	3 620	—	—	—	—	—	3 620
Share-based payment reserve	—	—	—	—	(391)	—	—	391	—
Acquisition of subsidiary	—	—	—	—	—	—	—	—	—
Treasury shares allocated to employees	—	—	—	131	—	—	—	—	131
Share issue expenses	(134)	—	—	—	—	—	—	—	(134)
Balance at 30 June 2014	830 230	—	3 620	(72 709)	920 217	1 056	301	(9 407)	1 673 308

	Ordinary share capital R'000s	Ordinary share premium R'000s	Share- based payment reserve R'000s	Accumu- lated profits/(loss) R'000s	Total equity R'000s
COMPANY					
Balance at 01 July 2012	115	725 798	—	(45 031)	680 882
Total comprehensive income for the year	—	—	—	132 297	132 297
— Profit for the year	—	—	—	132 297	132 297
Dividends declared	—	—	—	(92 137)	(92 137)
Conversion of par value shares to non-par value shares	725 798	(725 798)	—	—	—
Balance at 30 June 2013	725 913	—	—	(4 871)	721 042
Total comprehensive income for the year	—	—	—	126 320	126 320
— Profit for the year	—	—	—	126 320	126 320
Dividends declared	—	—	—	(69 102)	(69 102)
Dividends prescribed and written back	—	—	—	4 384	4 384
Share-based payment reserve	—	—	3 620	—	3 620
Share issue expenses	(134)	—	—	—	(134)
Shares issued	100 000	—	—	—	100 000
Balance at 30 June 2014	825 779	—	3 620	56 731	886 130

Abridged consolidated statements of cash flows
for the year ended 30 June 2014

	Note	GROUP		COMPANY	
		2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
Cash flows from operating activities					
Net cash utilised in operations	19	(98 937)	(31 585)	(20 171)	(6 688)
Income tax paid		(1 950)	(1 310)	(1 187)	(316)
Finance income		8 621	4 502	4 393	1 620
Net cash from operating activities from discontinued operations		106 711	105 911	–	–
Net cash inflow/(outflow) from operating activities		14 445	77 518	(16 965)	(5 384)
Cash flows from investing activities					
Acquisition of plant and equipment		(76 207)	(21 231)	(11)	(8)
Acquisition of land and buildings		(42 172)	(88 434)	–	–
Acquisition of intangibles		(4 286)	(2 779)	–	–
Proceeds from disposal of property, plant and equipment		24	–	6	–
Inter-group loans advanced		–	–	(278 676)	(36 555)
Cash acquired through business combinations		5 930	–	–	–
Investments made		(43 331)	–	(21 005)	–
Consideration from the sale of investments		229	–	–	–
Dividends received		4 916	10 262	104 127	101 134
Net cash from investing activities from discontinued operations		34 087	72 318	35 986	37 985
Net cash (outflow)/inflow from investing activities		(120 810)	(29 864)	(159 573)	102 556
Cash flows from financing activities					
Dividends paid		(68 564)	(90 873)	(68 702)	(91 108)
Acquisition of treasury shares		(10 770)	–	–	–
Inter-group loans received		–	–	–	112
Increase in loans received	20	9 595	78 435	25 000	2 700
Share issued expenses		(134)	–	(134)	–
Finance costs		(17 702)	(11 721)	(9)	–
Net cash from financing activities from discontinued operations		(32 109)	(25 424)	–	–
Net cash outflow from financing activities		(119 684)	(49 583)	(43 845)	(88 296)
Net (decrease)/increase in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		403 218	405 147	334 621	325 745
Total cash and cash equivalents at the end of the year		177 169	403 218	114 238	334 621
Cash included in discontinued operations		(31 687)	–	–	–
Total cash and cash equivalents from continuing operations		145 482	403 218	114 237	334 621

Selected explanatory notes to the abridged annual financial statements for the year ended 30 June 2014

1. BASIS OF PREPARATION

The information contained in these abridged AFS has been extracted from the Group's 2014 audited AFS which has been prepared in accordance with the recognition and measurement principles of IFRS including IAS 34: Interim Financial Reporting and in compliance with the Companies Act.

The Group's AFS and these abridged AFS have been audited by the Group's external auditors, EY and their unqualified opinion on both such financial statements are available for inspection at the Company's registered office.

Changes to the accounting policies and disclosures arising from the adoption of new standards, amendments and interpretations to standards effective for the current year are disclosed in note 2.

2. ACCOUNTING POLICIES

The accounting policies adopted by the Group are consistent with those of the previous financial year, with the exception of the following applicable new and amended IFRS and IFRIC interpretations issued by the International Accounting Standards Board (IASB).

IFRS 7: Disclosure – offsetting financial Assets and Financial Liabilities

IFRS 10: Consolidated Financial Statements and IAS 27 Consolidated and Separate Financial Statements

IFRS 12: Disclosure of interest – other entities

IFRS 13: Fair value measurement

IAS 27: Consolidated and Separate Financial Statements

IAS 32: Financial Instruments: Presentation

3. PRIOR YEAR ERROR

During the current year management identified areas of non-compliance in some of the subsidiaries of GPI relating to the VAT status of suppliers which stemmed from the fact that the legacy accounting system was not configured to distinguish between VAT registered vendors and non-VAT registered vendors. The total impact of the error was quantified and disclosed to the South African Revenue Services (SARS) as part of the voluntary disclosure programme. Management has corrected the treatment by way of month end adjustments, until such time as the accounting system can be reconfigured to distinguish between the VAT status of suppliers. The impact on the financial performance of the Group is as follows:

	Restated 2013 R000's	Restated 2012 R000's
Statement of financial position		
Increase in deferred tax assets	507	366
Increase in income tax receivable	1 158	781
Increase in trade and other payables	(8 063)	(5 085)
Statement of changes in equity		
Decrease in opening balance	(3 938)	(2 050)
Decrease in net profit after tax	(2 461)	(1 888)
Statement of comprehensive income		
Decrease in revenue	(68)	(76)
Increase in cost of sales	(2 381)	(1 850)
Increase in operating costs	(32)	(99)
Increase in finance costs	(497)	(307)
	(2 978)	(2 332)
Decrease in taxation	517	444
Decrease in net profit after tax	(2 461)	(1 888)
	Cents	Cents
Basic and diluted earnings per share	(0.53)	(0.40)
Headline and diluted headline earnings per share	(0.53)	(0.40)
Adjusted and diluted adjusted headline earnings per share	(0.54)	(0.40)

4. REVENUE

Due to GPI's intention to sell various investments, the related assets and liabilities have been separately disclosed in terms of IFRS 5 – Non-current Assets held for Sale and Discontinued Operations. As these investments represents the Slots and Casino segments it meets the definition of a discontinued operation and as a result the statement of comprehensive income comparative figures were restated as required by IFRS 5. The effect of these transactions are disclosed in note 11.

Revenue from continuing operations comprises mainly of food sales from GPI's food division, dividends received from Grindrod Bank Limited (Grindrod), IT fees and rental income. Food sales from BURGER KING® amounted to R127 million for the year.

	GROUP		COMPANY	
	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
Revenue				
Food sales	124 468	4 965	–	–
Dividends received	4 916	10 262	106 127	101 134
– Subsidiaries	–	–	101 211	90 000
– Investment	–	–	–	872
– Other	4 916	10 262	4 916	10 262
Other revenue	4 386	–	111	–
IT Fees	368	–	–	–
Rental income	838	366	–	–
Revenue	134 976	15 593	106 238	101 134
Finance income	8 621	4 502	4 393	1 620
Total revenue	143 597	20 095	110 631	102 754

5. COST OF SALES

Costs of sales consists mainly of food costs. Food costs were higher than what is expected due to the temporary practice of importing of goods.

6. OPERATING COSTS

Overall operating costs increased as a result of the additional establishment costs of BURGER KING®. Included in operating costs are transaction costs to the value of R21 million which have been incurred during the year. R13 million of these costs relate to the lottery bid, the remainder relates to all other deals undertaken during the year. Transaction costs are added back in adjusted headline earnings.

7. LOSS FROM EQUITY-ACCOUNTED INVESTMENTS

Loss from equity-accounted investments is made up of a loss of R0.08 million from Mac Brothers for the period since acquiring the Group's 22.2% interest and losses of R0.4 million from equity-accounted investments from the food group in respect of the joint venture with Excellent Meat.

8. IFRS 3 BUSINESS COMBINATIONS

During 2012 GPI made an offer to acquire the remaining 41% interest in Grand Casino KZN which it did not already own. On 20 November 2013 all conditions precedent were met and the deal was concluded. Grand Casino KZN owns a 24.9% stake in Dolcoast, which in turn owns 22.4% of Sibaya Casino. This investment provided GPI with an effective 5.6% stake indirectly in Sibaya Casino. The R32.8 million relates to the remeasurement of the 59% previously held interest in Grand Casino KZN and arose due to acquiring 100% of this investment. A detailed fair value assessment of Grand Casino KZN was conducted at the time of this transaction and a R23.6 million gain on bargain purchase on the acquisition of the investment adjustment was accounted for. The cost of this investment is included in the cash flow as investments made during the year.

On 2 August 2013 GPI announced that the Mpumalanga Gambling Board (MGB) had approved the transfer of the LPM Route Operator Licence and related business assets held by Zimele to Grand Gaming Mpumalanga, a wholly-owned subsidiary of GPI Slots. The acquisition became unconditional on 17 July 2013 when the MGB approved the acquisition and transfer of the route operator licence resulting in GGM formally gaining control of the business on 18 July 2013. The only tangible assets acquired were the assets as defined per the agreement, which mostly consisted of property, plant and equipment. As for intangible assets the route operator licence and site operator licences were identified as intangible assets. No other intangible assets have been identified.

On 2 August 2013 GPI announced that, through its 100% held subsidiary GPI Slots, it had entered into an agreement to acquire 100% of the shares and loan accounts of Hot Slots. The effective date of the deal was 17 December 2013. As per IFRS 3R the acquirer, GPI Slots is required to identify all the assets purchased and liabilities assumed and to recognise these items, separately from goodwill, at the fair value on the acquisition date. As for intangible assets the route operator licence, site operator licences, brand and trademarks were identified as intangible assets. No other intangible assets have been identified.

On 1 July 2013 Grand Capital Investment Holding (Pty) Ltd (Grand Capital) acquired an 85% interest in Grand Tech. This acquisition is part of the Group's stated objective of investing in its own Information Technology infrastructure. The non-controlling interest in Grand Technology was based on the proportionate share of net assets. The Group acquired the remaining 15% held by minorities during the 2014 financial year.

Goodwill on the above acquisitions has arisen as a result of expected synergies, whereas the gain on acquisition of Grand Casino KZN has resulted from purchasing the business at a discount to the fair value of the net assets acquired. The discount realised can be attributed to the appreciation of the Dolcoast asset during the interim period of negotiations.

	Grand Casino KZN 20 November 2013	Zimele 2 August 2013	Hot Slots 17 December 2013	Grand Technology 1 July 2013
Acquisition date	2013	2013	2013	2013
Economic percentage acquired	41%	100%	100%	85%
Voting percentage acquired	60%	100%	100%	85%
Revenue since acquisition (R'000s)	6 461	44 480	32 746	6 982
Profit/(loss) since acquisition (R'000s)	6 557	(3 007)	(1 524)	(4 194)
Revenue if acquired 1 July 2013 (R'000s)	10 365	44 480	58 363	6 982
Profit/(loss) if acquired 1 July 2013 (R'000s)	10 531	(3 007)	(3 543)	(4 194)
Identifiable assets and liabilities	R'000s	R'000s	R'000s	R'000s
Assets				
Investment in associate	119 302	–	–	–
Property, plant and equipment	–	413	14 400	2 281
Intangible assets	–	4 836	27 682	–
Trade and other receivables	–	10	2 704	1 386
Cash and cash equivalents	4 672	–	2 261	1 258
Liabilities				
Deferred tax liabilities	(15 013)	(1 314)	(7 751)	–
Related party loans	–	–	–	(1 450)
Loan to holding company	–	–	(36 627)	–
Trade and other payables	(120)	–	(6 381)	(3 919)
Tax liabilities	–	–	(3 077)	–
Total identifiable net assets at fair value	108 841	3 945	(6 789)	(444)
Goodwill on acquisition	–	2 805	35 162	377
Non-controlling interest	–	–	–	67
Loans acquired	–	–	36 627	–
Remeasurement of investment	(32 838)	–	–	–
Fair value of existing equity interest	(31 378)	–	–	–
Gain on acquisition of investment	(23 637)	–	–	–
Purchase consideration	20 988	6 750	65 000	–

8. IFRS 3 BUSINESS COMBINATIONS *continued*

	Grand Casino KZN 20 November 2013	Zimele 2 August 2013	Hot Slots 17 December 2013	Grand Technology 1 July 2013
Purchase consideration made up as follows:				
Cash paid in respect of acquisition	20 988	6 750	25 000	–
Shares issued	–	–	40 000	–
	<u>20 988</u>	<u>6 750</u>	<u>65 000</u>	<u>–</u>
Analysis of cash flow on acquisition:				
Net cash acquired on acquisition	4 672	–	2 261	1 258
Cash paid in respect of acquisition	(20 988)	(6 750)	(25 000)	–
Net cash outflow	<u>(16 316)</u>	<u>(6 750)</u>	<u>(22 739)</u>	<u>1 258</u>

9. FINANCE COSTS

Finance costs increased year on year as a result of the long-term loan that was received at the end of the 2013 financial year from Sanlam Capital Markets (SCM) in respect of our head office building.

10. TAXATION

The tax charge in the statement of comprehensive income decreased compared to the prior year due to BURGER KING® only being part of the Group for six weeks during the prior year, whereas during the current year an additional R19 million deferred tax asset was raised, as a result of losses incurred.

11. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Due to GPI making a decision to sell various investments, the related assets and liabilities have been separately disclosed on the statement of financial position and statement of comprehensive income as required by IFRS 5. As these investments include the Slots and Casino segments it is considered to be separate major lines of businesses, and therefore meet the definition of discontinued operations and as a result the statement of comprehensive income and statement of cash flows comparative figures have been restated as required by IFRS 5.

GPI currently owns 100% of the Slots Group and has entered into an agreement to dispose of up to 70% of GPI Slots in three separate tranches. The effective date of the first tranche of 25% is 1 July 2014. The sale of the first tranche will result in the Group losing control of the assets and liabilities of the Slots Group and therefore it has been disclosed as held for sale.

GPI currently owns 25.1% in SunWest and Worcester Casino and through its investment in Dolcoast an effective indirect stake of 5.6% in Sibaya Casino. GPI will sell these investments during the next twelve months once all conditions precedent have been met.

GPI's investment in National Manco, which was classified as an available-for-sale instrument, is also being disposed of in this transaction. The investment is carried at its fair value of R1.3 million, based on the agreed transaction price, which is considered to be the best indication of the fair value of this investment. This measurement basis results in the asset being considered a level 3 investment (i.e. that the valuation is based on unobservable inputs). No significant change in the valuation is expected to impact the profit and loss and therefore no sensitivity has been provided.

Overall GGR from the Slots Group increased by 26% compared to the prior year. GGR is the term used for the net revenue generated by a LPM from the amount of cash played through the LPM less payouts to players. Cost of sales mainly consists of cost of sales in respect of LPM's, which includes direct costs such as commissions to site owners, gambling levies and monitoring fees. Cost of sales in respect of LPM's increased by 29%, due to additional taxes incurred as a result of the additional revenues. Included in the tax charge in the statement of comprehensive income is the deferred tax effect of R69.9 million as a result of the decision to sell these assets.

Profit from equity-accounted investments relates to the profit from SunWest and Grand Casino KZN. No profit from Worcester has been recognised due to the Company making losses during the year and the cumulative losses since acquisition exceeding the original cost, resulting in a carrying value of nil.

Selected explanatory notes to the abridged annual financial statements *continued*
for the year ended 30 June 2014

11. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE *continued*

The results of the Slots group, SunWest, Dolcoast and National Manco for the year are presented below.

	GROUP	
	2014 R'000s	2013 R'000s
Statement of comprehensive income		
Revenue	599 616	473 692
Cost of sales	(351 286)	(275 262)
Gross profit	248 330	198 430
Operating costs	(105 331)	(93 250)
Profit from operations	142 999	105 180
Profit from equity-accounted investments	127 304	114 672
Depreciation	(36 262)	(24 442)
Amortisation	(1 880)	(2 037)
Profit from before finance costs and taxation	232 161	193 373
Finance income	1 499	1 714
Finance costs	(4 115)	(2 685)
Profit before taxation	229 545	192 402
Taxation	(107 573)	(13 876)
Profit for the year from discontinued operations	121 972	178 526
Statement of financial position		
ASSETS		
NON-CURRENT ASSETS		
Investments in joint ventures	1 056 924	
Investment in associates	121 283	
Investments	1 300	
Goodwill	160 902	
Property, plant and equipment	132 130	
Intangible assets	85 006	
Loans receivables	3 110	
Deferred tax assets	4 478	
CURRENT ASSETS		
Inventories	2 529	
Trade and other receivables	52 585	
Loans receivable	1 933	
Income tax receivable	1 468	
Cash and cash equivalents	31 687	
TOTAL ASSETS	1 655 335	
NON-CURRENT LIABILITIES		
Finance lease liabilities	1 774	
Deferred tax liabilities	88 932	
Provisions	1 653	
CURRENT LIABILITIES		
Trade and other payables	70 578	
Provisions	4 478	
Finance lease liabilities	516	
Taxation	2 193	
TOTAL LIABILITIES	170 124	
NET ASSETS DIRECTLY ASSOCIATED WITH DISCONTINUED OPERATION	1 485 211	
	Cents	Cents
Basic earnings per share	26.20	38.96
Diluted basic earnings per share	41.00	38.96
COMPANY		
	2014 R'000s	2013 R'000s
Revenue		
Dividends received	35 986	37 985
Assets		
Investment in joint ventures	150 079	—

12. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share (EPS) amounts are calculated by dividing net profit/(loss) for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year. Diluted EPS are calculated by dividing the profit/(loss) for the year attributable to the ordinary equity holders of the parent company by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares that will be issued on the exercising of all share options awarded to Group key management.

HEPS decreased by 90% while adjusted HEPS decreased by 26%. The main reason for the decrease when compared to the prior year is the additional establishment costs incurred in BURGER KING®, which is consistent with the growth phase of a business.

	GROUP			
	2014		2013	
	Gross R'000s	Net R'000s	Gross Restated R'000s	Net Restated R'000s
Basic and diluted earnings per share reconciliation				
Profit for the year		63 089		127 115
– Continuing operations		(58 883)		(51 411)
– Discontinued operations		121 972		178 526
Non-controlling interest		7 841		1 957
Profit for the year attributable to ordinary shareholders		70 930		129 072
Headline earnings reconciliation				
Profit for the year attributable to ordinary shareholders	–	70 930	–	129 072
Gain on acquisition of investment	(23 637)	(23 637)	–	–
Remeasurement of investment	(32 838)	(32 838)	–	–
Loss on disposal of plant and equipment	190	137	733	528
Impairment of plant and equipment	–	–	316	316
<i>Adjustments by joint ventures</i>	253	182	167	120
– Loss on disposal of plant and equipment	253	182	167	120
Headline and diluted headline earnings				
Reversal of employee share trust consolidated*	(223)	(156)	(8)	73
Reversal of transaction costs	21 580	21 580	9 904	9 904
Change in intended recovery of investments	69 885	69 885	–	–
Adjusted and diluted adjusted headline earnings		106 083		140 013
Number of shares for basic EPS calculation				
– Weighted average number of shares in issue		466 738		460 680
Number of shares for headline EPS calculation				
– Weighted average number of shares in issue		466 738		460 680
– Adjusted weighted average number of shares in issue**		462 985		459 623
– Diluted weighted average number of shares in issue		468 719		460 680
– Adjusted diluted weighted average number of shares in issue		464 966		459 623
		Cents		Cents
Basic earnings per share		15.20		28.02
Diluted earnings per share		15.13		28.02
Headline earnings per share		3.17		28.23
Diluted headline earnings per share		3.15		28.23
Adjusted headline earnings per share		22.91		30.46
Adjusted diluted headline earnings per share		22.82		30.46

* The consolidation of the GPSIT and the BBBEE Trust are reversed as the Group does not receive the economic benefits of the trust.

** The weighted average number of shares in issue have been reduced by 18 232 211 (2013: 1 032 396) treasury shares held by the GPSIT and the BBBEE Trust.

Selected explanatory notes to the abridged annual financial statements *continued* for the year ended 30 June 2014

12. BASIC AND DILUTED EARNINGS PER SHARE *continued*

Reconciliation of weighted average of number of shares	2014 '000s	2013 '000s
Weighted average number of ordinary shares for basic EPS	466 738	460 680
Effect of dilution:		
Share options	1 981	–
Weighted average number of ordinary shares adjusted for the effect of dilution	468 719	460 680

13. NON-CURRENT ASSETS

Comparatively non-current assets decreased as a result of disclosing the Slots Group, SunWest, Worcester and Dolcoast as Assets Held for Sale. Remaining in non-current assets are property, plant and equipment acquired as a result of the establishment of BURGER KING® stores and our initial investment of 22.2% in Mac Brothers amounting to R22.3 million which is accounted for as an associate at year-end. Subsequent to year-end GPI acquired a further 42.8% in Mac Brothers.

14. CURRENT ASSETS

Current assets decreased as a result of a decrease in cash and cash equivalents. The cash utilised during the year was mainly used to fund the expansion of BURGER KING®, the acquisition of LPMS, new investments and servicing of debt.

15. INCREASE IN SHARES

During the year 8.9 million and 14.8 million ordinary GPI shares were issued at a price of 441 cents per share and 405 cents per share to the value of R40 million and R60 million respectively, which related to the purchase price of Hot Slots and the establishment of the BBBEE Trust. Both issues were done in terms of a specific issue to shareholders. The shares issued to the BBBEE Trust has been accounted for as treasury shares. In addition 2.5 million treasury shares were acquired at an average price of 431 cents per share in anticipation of the exercising of the options awarded to executives during October 2013.

16. NON-CURRENT LIABILITIES

During the year R32 million was repaid in respect of term loans. No capital amounts have been repaid on the cumulative redeemable preference shares.

17. CURRENT LIABILITIES

Current liabilities mainly comprise trade and other payables of R69.1 million, the current portion of the term loans with SCM of R7.2 million, dividends payable of R7.7 million, the current portion of finance leases of R0.02 million and R25 million relating to the facility with Standard Bank.

18. SEGMENTAL ANALYSIS

For management purposes the Group is organised into operating segments based on its products and services that are subject to risks and returns that are different from other operating segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from other segments operating in other economic environments.

IFRS 8: Operating Segments requires a "management approach" whereby segmental information is presented on the same basis as that used for internal reporting purposes to the chief decision-maker/makers. The chief decision-makers are considered to be the members of the Executive Committee, who review the Group's internal reporting by industry. The following reportable segments have been identified: SunWest, Grand Casino KZN, Golden Valley Casino, Grand Casino and National Manco are classified as Casinos. The GPI Slots Group is classified as Slots. The Casino and Slots segments have been classified as assets held for sale and have been separately classified in the segment analysis below as discontinued operations. GPI House is classified as Property. Grand Technology is classified as IT and BURGER KING® is classified as Food Division. All other expenses, finance costs and overheads are classified as Corporate.

On 1 July 2013, GPI restructured its operations to effectively split the central services costs, classified under the Services segment in the prior period, between its investment/corporate function and the operating divisions. The restructure has impacted how the executive management review the business and as a result the following items have been reclassified in the current segment report. The results of the operating services costs have been reallocated between Slots and the remainder of the services costs have been reallocated to the Corporate segment. The split of the central costs was also applied retrospectively and was allocated on a proportionate basis using the head count numbers during the prior year.

The segments have been further amended to take into account the assets and liabilities held for sale due to the sale of certain investments as discussed above in note 11. The directors do not review the Group's performance by geographical sector and therefore no such disclosure has been made.

18. SEGMENTAL ANALYSIS *continued*

Listed below is a detailed segmental analysis.

	External revenue		Inter-segment revenue		Operating costs	
	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
Property	838	366	13 348	2 987	8 143	939
Food	126 867	4 965	–	–	(108 101)	(22 688)
IT	368	–	5 406	–	(3 705)	–
Corporate	6 903	10 262	24 671	–	(61 722)	(27 841)
Continuing	134 976	15 593	43 425	2 987	(165 385)	(49 590)
Casinos	556	1 953	–	–	–	–
Slots	599 060	471 739	–	69 574	(105 331)	(93 250)
Discontinued	599 616	473 692	–	69 574	(105 331)	(93 250)

	EBITDA		Finance income		Finance expense	
	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
Property	8 982	1 306	729	85	(6 038)	(687)
Food	(66 820)	(20 920)	676	91	(71)	(159)
IT	(3 321)	–	–	–	(11)	–
Corporate	1 590	(17 671)	7 216	4 326	(11 906)	(11 569)
Continuing	(59 569)	(37 285)	8 621	4 502	(18 026)	(12 415)
Casinos	127 861	116 626	–	–	–	–
Slots	142 442	103 226	1 499	1 714	(4 115)	(2 685)
Discontinued	270 303	219 852	1 499	1 714	(4 115)	(2 685)

	Depreciation and amortisation		Equity accounted earnings		Taxation	
	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
Property	(1 144)	(672)	–	–	(679)	(9)
Food	(5 623)	(287)	(528)	–	18 879	5 074
IT	(862)	–	–	–	–	–
Corporate	(1 126)	(8 692)	–	–	646	(1 627)
Continuing	(8 755)	(9 651)	(528)	–	18 846	3 438
Casinos	–	–	127 304	114 672	–	–
Slots	(38 142)	(26 479)	–	–	(107 573)	(13 876)
Discontinued	(38 142)	(26 479)	127 304	114 672	(107 573)	(13 876)

	Profit/loss after taxation		Total assets		Total liabilities	
	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
Property	1 851	23	169 776	133 164	(70 159)	(75 727)
Food	(52 686)	(16 202)	180 864	83 512	(43 940)	(20 883)
IT	(4 194)	–	9 012	–	(7 966)	–
Corporate	(3 854)	(35 232)	160 243	408 362	(209 733)	(209 007)
Continuing	(58 883)	(51 411)	519 895	625 038	(331 798)	(305 617)
Casinos	127 860	116 625	1 179 507	1 092 469	–	–
Slots	(5 888)	61 901	475 828	284 904	(170 124)	(49 653)
Discontinued	121 972	178 526	1 655 335	1 377 373	(170 124)	(49 653)

The effects of inter-Company transactions have been eliminated from the segmental analysis.

Selected explanatory notes to the abridged annual financial statements *continued*
for the year ended 30 June 2014

	GROUP		COMPANY	
	2014 R'000s	2013 R'000s	2014 R'000s	2013 R'000s
19. CASH UTILISED IN OPERATIONS				
(Loss)/profit before taxation	(77 729)	(54 849)	91 467	94 723
Adjustments for:				
– Depreciation	7 774	9 440	15	14
– Amortisation	981	211	–	–
– Finance income	(8 621)	(4 502)	(4 393)	(1 620)
– Finance costs	18 026	12 415	9	–
– Dividends received	(4 916)	(10 262)	(106 127)	(101 134)
– Loss on disposal of property, plant and equipment	(21)	–	(5)	–
– Share-based payments expense	3 029	–	–	–
– Remeasurement of investment	(32 838)	–	–	–
– Gain on acquisition of investment	(23 637)	–	–	–
– Non-cash staff costs	(98)	276	–	–
– Loss from equity accounted investments	528	–	–	–
Net cash utilised in operations before working capital changes	(117 522)	(47 271)	(19 034)	(8 017)
Increase in inventory	(9 150)	(300)	–	–
(Increase)/decrease in trade and other receivables	(39 696)	1 270	(594)	256
Increase/(decrease) in trade and other payables	67 431	14 716	(543)	1 073
Net cash utilised in operations	(98 937)	(31 585)	(20 171)	(6 688)
20. INCREASE/(DECREASE) IN LOANS				
Loans receivable recovered	–	3 491	–	2 700
Loans receivable advanced	(10 232)	(1 450)	–	–
Employee loans receivable recovered	1 112	1 762	–	–
Finance leases received	1 188	–	–	–
Finance leases repaid	(37)	–	–	–
Term loans repaid	(7 436)	(368)	–	–
Term loans received	25 000	75 000	25 000	–
	9 595	78 435	25 000	2 700

21. DIRECTORS' EMOLUMENTS

Remuneration paid to directors, prescribed officers and three highest paid employees.

	Salary R'000s	Short-term benefits* R'000s	Long-term benefits R'000s	Bonuses R'000s	Directors fees R'000s	Audit and Risk Committee R'000s	Remuneration and Nomination Committee			Investment Committee R'000s	Total Remuneration R'000s	Share-based payments reserve R'000s
							R'000s	R'000s	R'000s			
2014												
Executive directors												
H Adams	2 826	568	423	1 750	-	-	-	-	-	-	5 567	819
A Abercrombie	1 341	70	201	450	-	-	-	-	-	-	2 062	334
A Keet	1 786	93	268	1 000	-	-	-	-	-	-	3 147	486
S Petersen	826	63	124	105	-	-	-	-	-	-	1 118	168
F Samaai**	107	-	-	-	-	-	-	-	-	-	107	-
Sub-total	6 886	794	1 016	3 305	-	-	-	-	-	-	12 001	1 807
Non-executive directors												
A Bedford	-	-	-	-	173	-	-	30	-	-	203	-
N Maharaj	-	-	-	-	206	68	-	-	-	-	274	-
N Mlambo	-	-	-	-	204	-	-	17	-	-	221	-
C Priem	-	-	-	-	181	132	-	-	15	-	328	-
F Samaai**	-	-	-	-	672	18	-	7	-	-	697	-
W Geach	-	-	-	-	122	41	-	-	-	-	163	-
Sub-total	-	-	-	-	1 558	259	-	54	15	-	1 886	-
Total	6 886	794	1 016	3 305	1 558	259	-	54	15	-	13 887	-
Top three senior employees												
	3 220	44	483	605	-	-	-	-	-	-	4 352	-
Prescribed officers#												
A Sadler-Almeida	965	43	145	350	-	-	-	-	-	-	1 503	187
R Hopton\$	222	375	42	120	-	-	-	-	-	-	759	-
L Parton	739	-	111	200	-	-	-	-	-	-	1 050	116
D Pienaar	783	-	117	305	-	-	-	-	-	-	1 205	150
R Petersen	609	-	91	-	-	-	-	-	-	-	700	90
D Pollock	1 011	1	152	255	-	-	-	-	-	-	1 419	208
F Mthembu	1 028	-	154	225	-	-	-	-	-	-	1 407	197
S Sadan	558	-	84	100	-	-	-	-	-	-	742	84
J Sinclair	1 244	-	187	-	-	-	-	-	-	-	1 431	330
Sub-total	7 159	419	1 083	1 555	-	-	-	-	-	-	10 216	1 362

* Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.

** F Samaai became an executive director on 2 June 2014. Included in his non-executive director fees are fees received from Grand Technology for services rendered during the year to this subsidiary.

All staff members making up the Executive Committee have been identified as prescribed officers in terms of the Companies Act.

\$ R Hopton resigned on 30 November 2013. Included in short term benefits are the amounts paid to him respect of a severance package and is leave.

21. DIRECTORS' EMOLUMENTS *continued*

Remuneration paid to directors and three highest paid employees.

2013	Salary R'000s	Short-term benefits* R'000s	Long-term benefits R'000s	Bonuses R'000s	Directors fees R'000s	Remuneration and Committee			Share-based payment reserve R'000s	
						Audit and Risk Committee R'000s	Nomination Committee R'000s	Investment Committee R'000s		
Executive directors										
H Adams	1 802	585	270	6 470	-	-	-	-	-	9 127
A Abercrombie	1 227	182	184	975	-	-	-	-	-	2 568
R Hopton†	275	28	41	150	-	-	-	-	-	494
A Keet	1 576	124	236	1 000	-	-	-	-	-	2 936
S Petersen	678	87	113	740	-	-	-	-	-	1 618
Sub-total	5 558	1 006	844	9 335	-	-	-	-	-	16 743
Non-executive directors										
A Bedford	-	-	-	-	145	-	40	-	-	185
N Maharaj	-	-	-	-	161	33	-	-	-	194
N Mlambo	-	-	-	-	171	-	20	-	-	191
F Samaai	-	-	-	-	139	18	20	-	-	177
C Priem**	-	-	-	-	127	59	-	7	-	193
Sub-total	-	-	-	-	743	110	80	7	7	940
Total	5 558	1 006	844	9 335	743	110	80	7	7	17 683
Top three senior employees										
	2 812	140	402	1 548	-	-	-	-	-	4 902
Prescribed officers#										
A Sadler-Almeida	903	45	128	730	-	-	-	-	-	1 806
D Pienaar	715	14	99	377	-	-	-	-	-	1 205
R Hopton†	385	38	58	375	-	-	-	-	-	856
F Mthembu	1 015	63	141	197	-	-	-	-	-	1 416
L Parton	685	-	103	476	-	-	-	-	-	1 264
D Pollock	893	32	134	621	-	-	-	-	-	1 680
S Sadan	454	-	69	75	-	-	-	-	-	598
J Sinclair	1 000	-	-	1 000	-	-	-	-	-	2 000
	6 050	192	732	3 851	-	-	-	-	-	10 825

* Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.

** C Priem was appointed as Director on 20 August 2012.

† R Hopton resigned as Director on 30 November 2012.

All staff members making up the Executive Committee have been identified as prescribed officers in terms of the Companies Act.

22. DIRECTORS' SHAREHOLDING

As at 30 June, the directors of the Company beneficially held direct and indirect ordinary shares in the issued share capital of the Company as follows:

	Beneficial direct 2014 000's	Beneficial indirect 2014 000's	Beneficial total shares 2014 000's	Beneficial total shares 2014 %	Beneficial direct 2013 000's	Beneficial indirect 2013 000's	Beneficial total shares 2013 000's	Beneficial total shares 2013 %
H Adams	3 565	52 770	56 335	11.63	3 565	50 391	53 956	11.71
A Abercrombie	5 838	300	6 138	1.27	5 237	300	5 537	1.20
A Bedford	175	3 988	4 163	0.86	375	3 988	4 363	0.95
N Mlambo	20	43	63	0.01	20	43	63	0.01
A Keet	600	1 725	2 325	0.48	600	293	893	0.19
F Samaai	29	377	406	0.08	29	377	406	0.09
N Maharaj	–	7	7	–	–	5	5	–
S Petersen	400	–	400	0.08	400	–	400	0.09
	10 627	59 210	69 837	14.41	10 226	55 397	65 623	14.24

There has been no change to the director shareholding from the date of the financial year-end up to the approval of the annual financial statements.

23. RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, entered into various arm's-length transactions with related parties. Any intra-group related party transactions and balances are eliminated in the preparation of the financial statements of the Group as presented.

24. SUBSEQUENT EVENTS

On 23 July 2014, Grand Food acquired a further 42.8% of Mac Brothers for a cash consideration of R 43 million thereby increasing its total investment to 65.8%.

On 30 July 2014, GPI, through its wholly owned subsidiary BEECo entered into an agreement with Spur whereby BEECo will subscribe for 10% of the shares of Spur for a total consideration of R294.7 million. The purchase consideration represents a 10%, BBEE lock-in, discount to the VWAP of Spur shares on the JSE Limited for the 90 days trading prior to 30 July 2014. This transaction is still subject to certain conditions precedent.

On 6 August 2014 approval was received from the KwaZulu-Natal Gambling Board regarding the acquisition of the KZN Slots route operator licence. The KZN Slots Purchase Consideration will be settled in a combination of a cash payment of 80%, equating to R 63 million and an issue of shares equating to 20% or R15 million (the KZN Slots Acquisition issue). The number of shares to be issued in terms of the KZN Slots Acquisition Issue will be calculated by dividing R15 million by a subscription price per GPI share equal to the 30 day VWAP of GPI shares on the JSE, for the 30 day period immediately preceding 1 July 2014.

On 21 August 2014 GPI announced that it has entered into a manufacturing joint venture with leading electronics contract manufacturer Tellumat. The deal will see GPI acquire 51% for R25.5 million of the joint venture company Grand Tellumat with Tellumat owning the balance of 49%.

No information in respect of the fair value of assets and liabilities has been disclosed as the purchase price allocation has not yet been completed on any of the business combinations mentioned in this subsequent events section.

	2014 R'000s	2013 R'000s
25. CAPITAL COMMITMENT		
– Property, plant and equipment	19 252	8 517

26. CONTINGENT LIABILITIES

The contingent liability relating to the additional tax assessment which was disclosed at the end of June 2013 was resolved with SARS and the R16 million paid to SARS in this regard was refunded.

No provision for penalties was raised in respect of the incorrect treatment of VAT as discussed in the prior year error note. The Group has embarked on a voluntary disclosure process with SARS.

Shareholders' information

Analysis of ordinary shareholders as at 30 June 2014

Size of holdings	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
1 – 1 000 shares	1 130	11.71%	670 167	0.14%
1 001 – 10 000 shares	5 916	61.31%	28 202 958	5.82%
10 001 – 100 000 shares	2 287	23.70%	63 562 337	13.12%
100 001 – 1 000 000 shares	250	2.59%	70 838 110	14.62%
1 000 001 shares and over	67	0.69%	321 129 830	66.30%
Total	9 650	100.00%	484 403 402	100.00%

Distribution of shareholders

Retail shareholders	8 935	92.59%	125 080 963	25.82%
Private companies	136	1.41%	100 852 422	20.82%
Collective investment schemes	55	0.57%	75 050 145	15.49%
Trusts	294	3.05%	69 215 410	14.29%
Custodians	16	0.17%	24 594 502	5.08%
Retirement benefit funds	20	0.21%	18 147 757	3.75%
Stockbrokers and nominees	18	0.19%	15 484 060	3.20%
Hedge funds	20	0.21%	14 968 819	3.09%
GPI Woman's BBEE Empowerment Trust	1	0.01%	14 814 815	3.06%
Investment partnerships	56	0.58%	8 508 796	1.76%
Assurance companies	5	0.05%	7 075 679	1.46%
Share schemes	2	0.02%	3 418 396	0.71%
Managed funds	9	0.09%	3 211 265	0.66%
Close corporations	65	0.67%	2 689 981	0.56%
Insurance companies	4	0.04%	639 416	0.13%
Foundations and charitable funds	13	0.13%	480 656	0.08%
Medical aid funds	1	0.01%	170 320	0.04%
Total	9 650	100.00%	484 403 402	100.00%

Shareholder type

Non-public shareholders	22	0.23%	88 069 381	18.18%
Directors and associates (direct holding)	12		10 626 358	2.19%
Directors and associates (indirect holding)	7		59 209 812	12.22%
GPI Woman's BBEE Empowerment Trust	1		14 814 815	3.06%
Share schemes	2		3 418 396	0.71%
Public shareholders	9 628	99.77%	396 334 021	81.82%
Total	9 650	100.00%	484 403 402	100.00%

Beneficial shareholders with a holding greater than 3% of the shares in issue	Number of shares	% of shares in issue
The Chandos Trust	47 268 792	9.76%
Nadeson Investments (Pty) Ltd	36 682 290	7.57%
Quintessence Opportunities (Pty) Ltd	31 070 614	6.41%
Sanlam Group	22 702 175	4.69%
Foord Asset Management	22 425 450	4.63%
GPI Woman's BBEE Empowerment Trust	14 814 815	3.06%
Total	174 964 136	36.12%

Top 5 fund managers

Foord Asset Management	24 841 286	5.13%
Sanlam Investment Management	23 560 626	4.86%
Regarding Capital Management	18 248 880	3.77%
Mazi Visio Capital Management	15 707 735	3.24%
Truffle Asset Management	11 135 418	2.30%
Total	93 493 945	19.30%



GRAND PARADE
INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/003548/06)

Share Code: GPL ISIN: ZAE000119814

Notice is hereby given of the Annual General Meeting of shareholders of Grand Parade Investments Ltd ("GPI" or "the Company" or "the Group"), to be held at 18:00 on Wednesday, 10 December 2014, at The Roof Terrace Room, Cape Town International Convention Centre, Foreshore, Cape Town, Western Cape. The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

AGENDA

1. Presentation of the audited annual financial statements of the Company and the Group, including the reports of the directors and the Audit and Risk Committee for the year ended 30 June 2014.
2. To consider and, if deemed fit, approve with or without modification the ordinary resolutions set out below.

ORDINARY RESOLUTIONS

Note: For any of the ordinary resolution numbers 1 to 7 to be adopted, more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.1. Retirement and re-election of directors

2.1.1 Ordinary resolution number 1

"Resolved that Mr A Bedford, who retires by rotation in terms of the Company's Memorandum of Incorporation and who is eligible and available for re-election be and is hereby reappointed as director of the Company."

A summary *curriculum vitae* of Mr Bedford is included on page 35.

2.1.2 Ordinary resolution number 2

"Resolved that Mr C Priem, who retires by rotation in terms of the Company's Memorandum of Incorporation and who is eligible and available for re-election be and is hereby reappointed as director of the Company."

A summary *curriculum vitae* of Mr C Priem is included on page 35.

Reason for and effect of ordinary resolution numbers 1 and 2

The reason for ordinary resolution numbers 1 and 2 is that the Company's Memorandum of Incorporation and to the extent applicable the Companies Act, require that a third of the non-executive directors must retire by rotation at the Company's Annual General Meeting and being eligible, may offer themselves for re-election.

2.2 Appointment of the members of the Audit and Risk Committee

For the avoidance of doubt, references to the Audit and Risk Committee of the Company, means the Audit Committee contemplated in the Companies Act.

2.2.1 Ordinary resolution number 3

"Resolved that Dr N Maharaj, being eligible, be and is hereby reappointed as a member of the Company's Audit and Risk Committee as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

A summary *curriculum vitae* of Dr Maharaj is included on page 35.

2.2.2 Ordinary resolution number 4

"Resolved that Mr C Priem, being eligible, be and is hereby reappointed as a member of the Company's Audit and Risk Committee as recommended by the Board of directors of the Company, until the next Annual General Meeting of the Company."

A summary *curriculum vitae* of Mr Priem is included on page 35.

2.2.3 Ordinary resolution number 5

"Resolved that Professor W Geach, being eligible, be and is hereby reappointed as a member of the Company's Audit and Risk Committee as recommended by the Board of directors of the Company, until the next Annual General Meeting of the Company."

A summary *curriculum vitae* of Professor Geach is included on page 35.

Reason for and effect of ordinary resolution numbers 3 to 5 (inclusive)

The reason for the abovementioned ordinary resolutions (inclusive) is that the Company, being a public listed Company, is required to appoint an Audit Committee in terms of the Companies Act, which also requires that the members of such Audit Committee be appointed, or reappointed, as the case may be, at each Annual General Meeting of the Company.

2.3 Reappointment of auditor

Ordinary resolution number 6

"Resolved that, on the recommendation of the Audit and Risk Committee of the Company, Ernst & Young Inc. be and is hereby reappointed as independent auditor of the Company and that Mr Chris Sickle be appointed as the designated registered auditor of the Company and the Group for the ensuing year."

Reason for and effect of ordinary resolution number 6

The reason for ordinary resolution number 6 is that the Company, being a public listed Company, must have its financial results audited by an independent external auditor and such auditor must be appointed or reappointed each year at the Company's Annual General Meeting in accordance with the provisions of the Companies Act.

2.4 Directors and/or Company Secretary to implement resolutions

Ordinary resolution number 7

"Resolved that the directors of the Company and/or the Company Secretary be and are hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to give effect to and implement the ordinary and special resolutions as set out in the notice convening the Annual General Meeting at which this ordinary resolution number 7 will be considered."

Reason for and effect of ordinary resolution number 7

The reason for ordinary resolution number 7 is to enable the Company and/or the Company Secretary to take appropriate steps to implement the resolutions that are passed at the Annual General Meeting.

SPECIAL RESOLUTION

3. To consider and if deemed fit, approve with or without modification the special resolution set out below.

Note: For special resolution number 1 to be adopted, the support of 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

3.1. General authority to acquire (repurchase) shares

Special resolution number 1

"Resolved that the Company be and is hereby authorised by way of a general authority, to acquire ordinary shares in the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of sections 46 and 48 of the Companies Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements which provide as follows:

- (a) this general authority shall be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- (b) the acquisition of ordinary shares in the aggregate in any one financial year may not exceed 5% (five percent) of the Company's issued ordinary share capital at the relevant times;
- (c) in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten per cent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, determined over the 5 (five) business days immediately preceding the date on which the transaction is effected and if such shares have not traded in the said 5 (five)-day period, the JSE must be consulted for a ruling;
- (d) authorisation for a general repurchase of shares must be authorised by the Company's Memorandum of Incorporation;
- (e) a resolution must be passed by the Company's Board of Directors, confirming that the repurchase has been authorised, that the Company has passed the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the Group;
- (f) the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;

- (g) at any point in time, the Company may appoint only one agent to effect any acquisition/s on its behalf;
- (h) the Company may not acquire ordinary shares in the Company during any prohibited period as defined in the JSE Listings Requirements unless they have in place a repurchase programme in which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed to the SENS prior to the commencement of the prohibited period;
- (i) an announcement must be published as soon as the Company has cumulatively repurchased 3% (three per cent) of the number of ordinary shares in issue at the time of the grant of this general authority ("initial repurchase"), and for each successive 3% (three per cent) in aggregate acquired after the initial repurchase; and
- (j) the Company must ensure that its sponsor provides the JSE with the required working capital information before it commences the repurchase of any shares."

Reason for and effect of special resolution number 1

The reason for and effect of special resolution number 1 is to obtain a general authority for the directors of the Company to acquire the Company's ordinary issued shares on the open market, subject to the JSE's Listings Requirements (as referred to above) and the provisions of the Companies Act and the Company's Memorandum of Incorporation.

It is the intention of the directors of the Company to apply the provisions of the general authority granted by this special resolution only if, in their opinion, prevailing circumstances and market conditions warrant its application.

The directors furthermore undertake that they will only use the general authority to repurchase the Company's ordinary issued shares as contemplated in this special resolution referred to above if they are of the opinion that the following conditions will be met:

- *the Company will be able to pay its debts in the ordinary course of business for a period of 12 (twelve) months following the date of the repurchase;*
- *the consolidated assets of the Company will be in excess of the consolidated liabilities of the Company. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Company;*
- *the ordinary share capital and reserves of the Company will remain adequate for the Company's ordinary business purposes for a period of 12 (twelve) months following the date of the repurchase; and*
- *the working capital of the Company will be adequate for the Company's ordinary business purposes for a period of 12 (twelve) months following the date of the repurchase.*

OTHER BUSINESS

4. To transact such other business as may be transacted at an annual general meeting or raised by shareholders.

Information relating to the special resolution

General information in respect of directors (page 98), major shareholders (page 88), directors' interests in securities (page 87), material changes (page 91) and the share capital of the Company (page 50 of the full AFS) is contained in this integrated report of which this notice forms a part.

Directors' responsibility statement

The directors, whose names are given on page 98 of this integrated report, collectively and individually accept full responsibility for the accuracy of the information given in this notice and certify that to the best of their knowledge and belief there are no facts that have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made.

Material changes

There have been no material changes in the financial position of the Group since the publication of the financial results for the period ended 30 June 2014 and the date of the notice.

Litigation statement

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Company is aware, which may have or have had a material effect on the financial position of the Group in the last 12 (twelve) months.

Voting and proxies

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company (“the Share Register”) for purposes of being entitled to receive this notice is Friday, 26 September 2014.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the Annual General Meeting is Friday, 5 December 2014, with the last day to trade being Friday, 28 November 2014.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or drivers’ licence to the Annual General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a member of the Company. A form of proxy, in which the relevant instructions for completion are set out, is enclosed for use by a certificated or own-name registered dematerialised shareholder who wishes to be represented at the Annual General Meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder’s proxy) at the Annual General Meeting.
5. Duly completed forms of proxy together with the documents conferring the authority to the signatory and under which it is signed (if any) must be forwarded to the transfer secretaries by not later than 18:00 on Monday, 8 December 2014, in accordance with the instructions therein.
6. Dematerialised shareholders, other than own name registered dematerialised shareholders, who wish to attend the Annual General Meeting must instruct their Central Securities Depository Participant (CSDP) or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholder and the CSDP or broker.
7. Dematerialised shareholders, other than own name registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to vote by way of proxy must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholder and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

Electronic participation in the Annual General Meeting

Shareholders or their proxy/(ies) may participate in the Annual General Meeting by way of telephone conference call. A total of 20 telecommunication lines will be available for such participation. Shareholders or their proxies who wish to participate in the Annual General Meeting by the teleconference facility must follow the instructions contained in Annexure [A] attached to this notice of Annual General Meeting.

Shareholders who wish to participate in the Annual General Meeting by phoning in must note that they will not be able to vote during the Annual General Meeting.

By order of the Board



Lazelle Parton
Company Secretary

ANNEXURE [A]: ELECTRONIC PARTICIPATION IN THE GENERAL MEETING

1. Shareholders or their proxies that wish to participate in the Annual General Meeting by electronic communication (“participants”), must apply to the Company’s transfer secretaries to do so by delivering the form below to the Company’s transfer office (“the application”), Computershare Investor Services, at Ground Floor, 70 Marshall Street, Johannesburg, 2001, by no later than 18:00 on Monday, 8 December 2014. If a shareholder does not wish to deliver the notice to that address, it may also be posted, at the risk of the shareholder, to Computershare Investor Services at PO Box 61051, Marshalltown, 2107, so as to be received by the transfer secretary by no later than the time and date set out in this paragraph.
2. Participants must note that they will not be able to vote during the Annual General Meeting. Such participants, should they wish to have their vote counted at the Annual General Meeting, must act in accordance with the voting instructions contained in this notice of Annual General Meeting, i.e. to the extent applicable:
 - (i) Complete the proxy form
 - (ii) Contact their CSDP
3. Important notice
 - 3.1 A total of 20 telecommunication lines will be available.
 - 3.2 Each participant will be contacted between 08:00 and 17:00 on Tuesday, 9 December 2014, by email and/or SMS with a code and the relevant telephone number to allow them to dial in.
 - 3.3 The cost of the shareholder’s phone call will be for his/her own expense and will be billed separately by their own telephone service providers.
 - 3.4 The cut-off time to participate in the meeting will be 18:00 on Wednesday, 10 December 2014. No late dial-in can be accommodated.

The application form:

Full name of the shareholder:	
ID number:	
Email address:	
Cell number:	
Telephone number:	
Name of CSDP or stockbroker (if shares are held in dematerialised format):	
Contact number of CSDP/stockbroker:	
Contact person at CSDP/stockbroker:	
Number of share certificate (if applicable):	
Signature:	
Date:	

Terms and conditions for participation at the Annual General Meeting by electronic communication

1. The cost of dialling in using a telecommunication line to participate at the Annual General Meeting is for the expense of the participant and will be billed separately by the participant’s own telephone service provider.
2. The shareholder acknowledges that the telecommunication lines are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else. In particular, but not exclusively, the shareholder acknowledges that it will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the Annual General Meeting.
3. The shareholder acknowledges that he/she will not be able to vote during the Annual General Meeting and that should the shareholder wish to have his/her vote counted at the Annual General Meeting, the shareholder undertakes to act in accordance with the voting instructions contained in the notice of Annual General Meeting, i.e. to the extent applicable:
 - (i) Complete the proxy form
 - (ii) Contact his/her CSDP
4. The application will only be deemed successful if this application form has been completed and fully signed by the shareholder/proxy.

Shareholder name: _____

Signature: _____

Date: _____

Form of proxy



GRAND PARADE

INVESTMENTS LIMITED

GRAND PARADE INVESTMENTS LTD
(Incorporated in the Republic of South Africa)
(Registration Number: 1997/003548/06
Share Code: GPL ISIN: ZAE000119814
("GPI" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALIZED SHAREHOLDERS ONLY

For use at the Annual General Meeting of ordinary shareholders of the Company, to be held at 18:00 pm on Wednesday, 10 December 2014, at The Roof Terrace Room, Cape Town International Convention Centre, Foreshore, Cape Town, Western Cape. .

I/We (Full name in print) _____

of (address) _____

being the registered holder of _____ ordinary shares hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairman of the annual general meeting,

as my proxy to vote for me/us at the Annual General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

	Number of shares		
	In favour of	Against	Abstain
Ordinary resolution number 1: To re-elect Mr A Bedford as director			
Ordinary resolution number 2: To re-elect Mr C Priem as director			
Ordinary resolution number 3: To reappoint Dr N Maharaj as a member of the Audit and Risk Committee			
Ordinary resolution number 4: To reappoint Mr C Priem as a member of the Audit and Risk Committee			
Ordinary resolution number 5: To reappoint Prof W Geach as a member of the Audit and Risk Committee			
Ordinary resolution number 6: To reappoint Ernst & Young Inc. as the external auditor and registered auditor			
Ordinary resolution number 7: To grant the directors and/or the Company Secretary general authority to implement the ordinary and special resolutions.			
Special resolution number 1: To authorise share buy-backs by the Company.			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at _____ on this _____ day of _____ 2014

Signature(s) _____

Assisted by (where applicable) (state capacity and full name) _____

Each GPI shareholder is entitled to appoint one or more proxy/(ies) (who need not be a shareholder(s) of the Company) to attend, speak and vote in his stead at the annual general meeting.

Form of proxy *continued*

Notes

1. A GPI shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A GPI shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the Annual General Meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the Company, Computershare Investor Services (Pty) Ltd (PO Box 61051, Marshalltown, 2107 or proxy@computershare.co.za or facsimile number 011 688 5238), by not later than 18:00 on Monday, 8 December 2014.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the annual general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to.

Shareholders' Diary

ANNUAL GENERAL MEETING

10 December 2014 at The Roof Terrace Room, Cape Town International Convention Centre, Foreshore, Cape Town, Western Cape

REPORTS/ACTIVITY

Announcement of annual results:

- the year ended 30 June 2014 August 2014
- 2014 integrated annual report published September 2014
- Annual General Meeting December 2014

Overview

Executive reports

Governance

Abridged annual financial statements

Company information

DIRECTOR DETAILS:

Hassen Adams
Alexander Abercrombie
Norman Victor Maharaj
Anthony William Bedford
Walter Geach
Alan Edward Keet
Nombeko Mlambo
Sukena Petersen
Colin Michael Priem

Executive Chairman
Executive Gaming
Lead Independent Director
Non-executive
Independent non-executive
Chief Executive Officer
Independent non-executive
Group Financial Director
Independent non-executive

NATURE OF BUSINESS:

Investment Holding Company

COMPANY SECRETARY:

Lazelle Christian Parton

PUBLIC OFFICER:

Sukena Petersen

TRANSFER SECRETARIES:

Computershare Investor Services (Pty) Ltd
PO Box 61051, Marshalltown, 2107

AUDITORS:

Ernst & Young Inc.

ATTORNEYS:

Bernadt Vukic Potash & Getz

BANKERS:

The Standard Bank of South Africa Limited

CORPORATE ADVISERS:

Leaf Capital (Pty) Ltd
PO Box 44302, Claremont, 7735

SPONSORS:

PSG Capital (Pty) Ltd
PO Box 7403, Stellenbosch, 7599

REGISTERED OFFICE:

10th Floor
33 on Heerengracht
Foreshore
Cape Town
8001

REGISTRATION NUMBER:

1997/003548/06

SHARE CODE:

GPL ISIN: ZAE000119814

DOMICILE AND COUNTRY OF INCORPORATION:

South Africa

Glossary of terms

Adjusted HEPS	Adjusted headline earnings per share
ARC	Audit and Risk Committee
Afriserv	Afriserve (Pty) Ltd
AFS	Annual financial statements
Afripark	Afripark (Pty) Ltd
AGM	Annual general meeting
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
BEECo	GPI Investments 1 (Pty) Ltd
BBBEE Trust	GPI Women's BBBEE Empowerment Trust
BK Centre	BK Centre (Pty) Ltd
BK Dormants	BK Grand (Pty) Ltd, K2013003386 (Pty) Ltd, K2013002814 (Pty) Ltd, K2013197655 (Pty) Ltd, K2013197681 (Pty) Ltd, K2013155270 (Pty) Ltd, K2013155298 (Pty) Ltd, K2013155911 (Pty) Ltd, K2013197651 (Pty) Ltd, K2014079710 (Pty) Ltd, K2014079643 (Pty) Ltd, K2014079978 (Pty) Ltd, K2014080005 (Pty) Ltd, K2013210027, (Pty) Ltd and K20132116129 (Pty) Ltd
BK Marketing	BK Marketing Fund (Pty) Ltd
BKSA	BURGER KING® South Africa (Pty) Ltd
BK 33	BK 33 On Heerengracht (Pty) Ltd
BKC	Burger King Corporation
Board	GPI Board of Directors
BOH	Back of House
BVPG	Bernardt Vukic Potash & Getz
CEO	Chief Executive Officer
CIPC	Companies and Intellectual Property Commission
Companies Act	Companies Act, No. 71 of 2008, as amended
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
CTC	Cost to company
Depfin	Depfin Investments (Pty) Ltd
Dolcoast	Dolcoast Investments (Pty) Ltd (Previously Dolcoast Investments Ltd)
DWT	Dividends withholding tax
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EBTs	Electronic Bingo Terminals
EY	Ernst & Young Incorporated
Excellent Meat	Excellent Meat Burger Plant (Pty) Ltd
GGB	Gauteng Gambling Board
GGR	Gross gaming revenue
Golden Valley Casino or Worcester Casino	Worcester Casino (Pty) Ltd

Glossary of terms *continued*

GPI	Grand Parade Investments Ltd
GPIMS	GPI Management Services (Pty) Ltd
GPI House	GPI House Properties (Pty) Ltd
GPI Slots	GPI Slots (Pty) Ltd
GPSIT	Grand Parade Share Incentive Trust
Grand Capital	Grand Capital Investment Holding (Pty) Ltd
Grand Casino	Grand Casino Investments (Pty) Ltd (Previously Business Venture Investments No. 575 (Pty) Ltd)
Grand Casino KZN	Grand Casino Investments KZN (Pty) Ltd (Previously Akhona Gaming Portfolio Investments (Pty) Ltd)
Grand Foods	Grand Foods (Pty) Ltd
Grand Gaming: Slots or GGG	Grand Gaming Gauteng (Pty) Ltd (Previously Thuo Gaming Gauteng (Pty) Ltd)
Grand Gaming: Slots or GGMP	Grand Gaming Mpumalanga (Pty) Ltd
Grand Merkur	Grand Merkur (Pty) Ltd
Grand Online	Grand Online (Pty) Ltd
Grand Property	Grand Property Management (Pty) Ltd (previously Grand Lifestyles (Pty) Ltd)
Grandslots or GGWC	Grand Gaming Western Cape (Pty) Ltd (Previously Thuo Gaming Western Cape (Pty) Ltd)
Grand Play or Grand Sport	Grand Sport (Pty) Ltd
Grand Technology	Grand Technology (Pty) Ltd
GrandWest	GrandWest Casino and Entertainment World
Grand Tellumat	Grand Tellumat Manufacturing (Pty) Ltd
Grindrod Bank	Grindrod Bank Ltd
Group	GPI and all its subsidiaries
HEPS	Headline earnings per share
HDI	Historically disadvantaged individuals
Hot Slots	Grand Gaming Hot Slots (Pty) Ltd (Previously Bohwa 1 Gaming (Pty) Ltd)
HR	Human resources
IAR	Integrated annual report
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IRC	Integrated Reporting Committee
Investec	Investec Limited
IT	Information technology
ISA	International Standards on Auditing
ISO	Independent Site Operator
JSE	JSE Ltd
King III	King III Report on Governance for South Africa
Kingdomslots or GGKZN	Grand Gaming KwaZulu-Natal (Pty) Ltd (Previously Thou Gaming KwaZulu-Natal (Pty) Ltd)
KZN	KwaZulu-Natal
KZN Slots	KZN Slots (Pty) Ltd
KPI	Key performance indicators

LID	Lead Independent Director
KZNGB	KwaZulu-Natal Gaming and Betting Board
LPM	Limited payout slot machine
LSM	Living Standard Measure
Mac Brothers	Mac Brothers Catering Equipment (Pty) Ltd
Merkur Gaming	Merkur Gaming GmbH
MGB	Mpumalanga Gaming Board
MOI	Memorandum of Incorporation
Nadesons Consulting	Nadesons Consulting Services (Pty) Ltd
Nadeson Projects	Nadeson Projects (Pty) Ltd
National Manco	National Casino Resort Manco (Pty) Ltd
NAV	Net asset value
Proman	Proman Project Management Services (Pty) Ltd
QSR	Quick service restaurant
RCF	Revolving credit facility
RFP	Request for proposals
Rowmoor	Rowmoor Investments 1003 (Pty) Ltd
RTT	Right track training programme
SARS	South African Revenue Services
SCM	Sanlam Capital Markets Ltd
Sibaya Casino	Afrisun KZN (Pty) Ltd
SISA	Sun International South Africa (Pty) Ltd
Slots Shared Services	Slots Shared Services (Pty) Ltd (previously GPI Management Services (Pty) Ltd)
Standard Bank	Standard Bank of South Africa Ltd
STC	Secondary tax on companies
Sun International	Sun International Ltd
SunWest	SunWest International (Pty) Ltd
Spur	Spur Corporation Ltd
SPV Trust	GPI Special Purpose Vehicle Trust
Tellumat	Tellumat (Pty) Ltd
TNAV	Tangible net asset value
Tsogo Sun	Tsogo Sun Holdings Ltd
Thuo Gaming	Thuo Gaming South Africa (Pty) Ltd
Utish	Utish Investments (Pty) Ltd
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WCGRB	Western Cape Gambling and Racing Board
Western Cape Manco	Western Cape Casino Resort Manco (Pty) Ltd
Zimele	Zimele Slots (Pty) Ltd



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