GRAND PARADE
INVESTMENTS LIMITED

GRAND PARADE INVESTMENTS LIMITED NOTICE OF ANNUAL GENERAL MEETING, FORM OF PROXY AND SUMMARISED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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GRAND PARADE INVESTMENTS LIMITED
LETTER TO SHAREHOLDERS

Dear Shareholder,

I am pleased to notify you that the annual financial statements of Grand Parade Investments Limited ("the Company") and the Group, for the financial year ended 30 June 2020, have been published and are available, without charge, on the Company's website at www.grandparade.co.za or upon request to the Company Secretary at amber@statucor.co.za during normal business hours.

You will find a copy of the Summarised Audited Financial Statements of the Company and the Group, for the financial year ended 30 June 2020 in this booklet and a copy thereof is also available on the Company's website as indicated in the paragraph above.

I am furthermore, pleased to notify you that the Annual General Meeting of the shareholders of the Company will be held on 7 December 2020 entirely by electronic means as a result of the COVID-19 pandemic, commencing at 18:30.

The notice of the Annual General Meeting is included and the Form of Proxy inserted.

Please ensure that Computershare has your current contact and banking details on record to prevent the non-delivery of our communications or the non-payment to you of any dividend payments. If you have not yet elected to receive communications by electronic means (email), please consider electing this as your preferred method of receiving communications from GPI and Computershare, as this will contribute to our efforts to embrace the use of technology to conserve our natural resources.

Sincerely,

Alex Abercrombie
Chairman

30 October 2020

NOTICE OF ANNUAL GENERAL MEETING

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 Limited ("**GPI**" or "the **Company**"), to be held at 18:30 on Monday, 7 December 2020 by electronic participation only ("the **Annual General Meeting**").

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

Agenda

- Presentation of the audited annual financial statements of the Company and its subsidiaries ("the Group"), which includes the report of the board of directors, the independent auditor's report and the audit and risk committee report for the financial year ended 30 June 2020.
- The Group's audited annual financial statements for the year ended 30 June 2020 are available on the Company's website, at www.grandparade.co.za or may be obtained, at no charge, upon request to the Company Secretary at amber@statucor.co.za or in person at the Company's registered office during office hours.
- To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out below.

Note:
For any of the ordinary resolutions numbers 1 to 11 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

1. RETIREMENT, RE-ELECTION AND CONFIRMATION OF APPOINTMENT OF DIRECTORS

(Biographical details of all of the directors of the Company are set out in **Annexure 2** hereto)

1.1 Ordinary resolution number 1

"Resolved that Prof Walter Geach, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the Company."

1.2 Ordinary resolution number 2

"Resolved that Mr Mark Bowman, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the Company."

1.3 **Ordinary resolution number 3**

"Resolved that Mr Monde Nkosi's appointment as a non-executive director of the Company, in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

1.4 **Ordinary resolution number 4**

"Resolved that Mrs Rozanna Kader's appointment as a non-executive director of the Company, in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

1.5 **Ordinary resolution number 5**

"Resolved that Mr Jayson October's appointment as an executive director of the Company, in terms of the memorandum of incorporation of the Company, be and is hereby confirmed."

The reason for ordinary resolutions numbers 1 to 2 (inclusive) is that the memorandum of incorporation of the Company, the JSE Limited ("**JSE**") Listings Requirements and, to the extent applicable, the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), require that a component of the non-executive directors rotate at every annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

The reason for ordinary resolutions numbers 3 to 5 (inclusive) is that the memorandum of incorporation of the Company and the JSE Listings Requirements ("**JSE Listings Requirements**") require that any director appointed by the Board of the Company be confirmed by the shareholders at the next annual general meeting of the Company.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

(Biographical details of all of the directors of the Company are set out in **Annexure 2** hereto)

Note:
For avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.1 Ordinary resolution number 6

"Resolved that, subject to the approval of ordinary resolution number 1 above, Prof Walter Geach, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

2.2 Ordinary resolution number 7

"Resolved that Ms Ronel van Dijk, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

2.3 Ordinary resolution number 8

"Resolved that, subject to the approval of ordinary resolution number 2 above, Mr Mark Bowman, being eligible, be and is hereby appointed as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company."

The reason for ordinary resolutions numbers 6 to 8 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of such company.

3. APPOINTMENT OF AUDITOR

Ordinary resolution number 9

"Resolved that Ernst & Young Inc. be and is hereby re-appointed as the independent external auditors of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the individual designated auditor being Mr Pierre du Plessis, as registered auditor and partner in the firm on the recommendation of the audit and risk committee of the Company."

The Board and the audit and risk committee have evaluated the independence and qualifications of Ernst & Young Inc. and Mr Pierre du Plessis and recommends their re-appointment as external auditors and individual designated auditor of the Company.

The reason for ordinary resolution number 9 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed, as the case may be, each year at the Annual General Meeting of the Company as required by the Companies Act and the JSE Listings Requirements.

- To consider and, if deemed fit, pass, with or without modification, the following non-binding advisory resolutions:

4. NON-BINDING ENDORSEMENT OF GPI'S REMUNERATION POLICY AND IMPLEMENTATION REPORT

(A copy of the remuneration policy and implementation report is set out in **Annexure 3** hereto)

4.1 Resolution Number 10: Approval of the Company's remuneration policy

"Resolved by way of a non-binding advisory vote, that the remuneration policy of the Company as set out in **Annexure 3** of this notice of Annual General Meeting, be and is hereby endorsed."

In terms of the King IV Report on Corporate Governance™ for South Africa (King IV™) and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the Company's remuneration policy. The vote allows shareholders to express their views on the remuneration policy adopted, but will not be binding on the Company. The Company's remuneration policy is set out in **Annexure 3** to this notice of Annual General Meeting.

4.2 Resolution Number 11 – Approval of the Company's implementation report

"Resolved by way of a non-binding advisory vote, that the implementation report in respect of its remuneration policy as set out in **Annexure 3** to this notice of Annual General Meeting, be and is hereby endorsed."

In terms of King IV™ and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the implementation report of the Company's remuneration policy at each annual general meeting of the Company. The vote allows shareholders to express their views on the extent of implementation of the Company's remuneration policy, but will not be binding on the Company. The Company's implementation report on the remuneration policy is set out in **Annexure 3** to this notice of Annual General Meeting.

Shareholders are reminded that in terms of King IV™ and the JSE Listings Requirements, should 25% or more of the votes cast be against one or both of these non-binding advisory resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations based on the feedback received.

- To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:

For any of the special resolutions numbers 1 to 4 to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolutions numbers 1.1 to 1.3

Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors on the basis set out below, provided that this authority will be valid until the next annual general meeting of the Company.

5.1 Special resolution number 1.1: remuneration of the chairperson of the Board

Resolved that the chairperson of the Board be paid the following fees:

PROPOSED FEES
1 January 2021 to 31 December 2021

	Number of meetings per annum (indicative)	Base fee R	Attendance fee R	Attendance fee above minimum number of meetings R
Non-executive Chairperson	4	658 580	19 855	11 495

Note: All amounts are exclusive of VAT

5.2 Special resolution number 1.2: remuneration of the lead independent director

Resolved that the lead independent director of the Board be paid the following fees:

PROPOSED FEES
1 January 2021 to 31 December 2021

	Number of meetings per annum (indicative)	Base fee R	Attendance fee R	Attendance fee above minimum number of meetings R
Lead independent director	4	123 310	19 855	11 495

Note: All amounts are exclusive of VAT

5.3 Special resolution number 1.3: remuneration of the non-executive directors

Resolved that the non-executive board members be paid the following fees:

PROPOSED FEES
1 January 2021 to 31 December 2021

	Number of meetings per annum (indicative)	Base fee R	Attendance fee R	Attendance fee above minimum number of meetings R
Non-executive Directors	4	81 510	19 855	11 495
Chairpersons of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee and Investment Committee	4	45 980	31 350	
Members of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT

The reason for special resolutions numbers 1.1 to 1.3 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolutions numbers 1.1 to 1.3, if passed, will be that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next annual general meeting of the Company.

6. SPECIAL RESOLUTION NUMBER 2: SHARE REPURCHASE BY GPI AND ITS SUBSIDIARIES

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its subsidiaries ("the Group") have satisfied 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;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect, if passed, of special resolution number 2 is to grant the directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 2. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of any class of a company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

7. INTER-COMPANY FINANCIAL ASSISTANCE

7.1 Special resolution number 3: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect, if passed, of special resolution number 3 is to grant the directors of the Company the authority to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

7.2 Special resolution number 4: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the board of the Company may determine for the purpose of, or in connection with the subscription for any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company ."

The reason for and effect, if passed, of special resolution number 4 is to grant the directors the authority to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or in any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for or acquiring any options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raises funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

Additional disclosure in respect of special resolution number 3 and special resolution number 4.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.
- In addition, the board will only approve the provision of any financial assistance contemplated in special resolutions numbers 3 and 4 above, where:
- the board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

8. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

Information relating to the special resolutions

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 2 to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the Group would not be compromised as to the following:
   - the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this Annual General Meeting and for a period of 12 months after the repurchase;
   - the consolidated assets of the Group (fairly valued) will at the time of the Annual General Meeting and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the Group (fairly valued). The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
   - the ordinary capital and reserves of the Group after the repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the Annual General Meeting and after the date of the share repurchase; and
   - the working capital available to the Group after the repurchase will be sufficient for the Group's ordinary business purposes requirements for a period of 12 months after the date of the notice of the Annual General Meeting and for a period of 12 months after the date of the share repurchase.

General information in respect of major shareholders, material changes and the share capital of the Company is set out in **Annexure 4** hereto, as well as the full set of annual financial statements, being available on the Company's website at www.grandparade.co.za or which may be obtained, at no charge upon request to the company secretary at amber@statucor.co.za or in person at the registered office of the Company during office hours.

2. The directors, whose names appear in **Annexure 2** hereto, collectively and individually accept full responsibility for the accuracy of the information given 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 and that this notice of Annual General Meeting contains all information required by law and the JSE Listings Requirements.

ELECTRONIC PARTICIPATION AND VOTING

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, 23 October 2020**.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this Annual General Meeting is **Friday, 27 November 2020**, with the last day to trade being **Tuesday, 24 November 2020**.
3. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish 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. Forms of proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by no later than 18:30 on **Thursday, 3 December 2020**, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the Chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.
4. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the Annual General Meeting in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
6. Shareholders who are participating via the electronic platform or by proxy at the AGM, will have one vote in respect of each share held.

ELECTRONIC ATTENDANCE AND PARTICIPATION

1. The Company has retained the services of the transfer secretaries, being Computershare Investor Services Proprietary Limited to host the Annual General Meeting on an interactive platform, in order to facilitate electronic participation and voting by shareholders. Any shareholder (or a representative or proxy for a shareholder) who wishes to participate in and/or vote at the Annual General Meeting by way of electronic participation, must either:

   - register online using the online registration portal at www.smartagm.co.za, prior to the commencement of the Annual General Meeting; or
   - contact Computershare by sending an email to proxy@computershare.co.za by 18:30 **Thursday, 3 December 2020**, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how to access the Annual General Meeting by means of electronic participation. Shareholders may still register/apply to participate in and/or vote electronically at the Annual General Meeting after this date, provided, however, that those shareholders are verified (as required in terms of section 63(1) of the Companies Act) and are registered at the commencement of the Annual General Meeting.

   All shareholders are entitled to attend and participate via the use of the electronic platform.

   In terms of section 63(1) of the Companies Act, any person participating in the Annual General Meeting must present reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a representative or proxy for a shareholder) has been reasonably verified. Shareholders of the Company who wish to participate in the Annual General Meeting electronically should provide such identification when making application to so participate.
2. The cost of electronic participation in the Annual General Meeting is for the expense of the participant and will be billed separately by the participant's own service provider.
3. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the Annual General Meeting.

   The Company cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

By order of the Board

Statucor (Pty) Ltd
Per **AJ Rich**
Company Secretary
30 October 2020
Cape Town

INTRODUCTION

The 2020 financial year has been a tale of two halves. In the first six months GPI delivered a strong set of results with all major financial metrics up on the prior year. Revenue for the first six months increased by 19% while comparable EBITDA was up 23%. The second half of the year was dominated by the impact of COVID-19 and the government-imposed lockdown restrictions. Under the level 5 restrictions all GPI's operational businesses were closed for the entire month of April while all gaming related businesses remained closed for the period from April to June. The ceasing of operations eroded all gains achieved in the first half of the year. During this period management acted swiftly and shifted focus to preserve cash through a series of cost-cutting initiatives that included rental reductions, salary reductions and the sale of non-core assets. These initiatives have improved liquidity and have allowed GPI to navigate through the worst of the lockdown.

For the 2020 financial year GPI has reported a considerable decrease of 262% in its headline earnings, deteriorating from a profit of R38.0 million to a loss of R61.7 million in the current year as a result of a sharp decline in both the Foods and Gaming businesses as well as the prospective application of IFRS 16. Over the financial year GPI delivered on its commitment to deleverage the business and to reduce central costs. Debt to equity ratio reduced by 50% whilst central cost reduced by 22%.

In this financial year, GPI has adopted IFRS 16, which has impacted the disclosure surrounding leases, the accounting for leases and also the comparability of the Statement of Comprehensive Income.

Operating profit from continuing operations remained in line with prior year reducing slightly from a profit of R44.2 million to a profit of R41.7 million. This is largely as a result of the adoption of IFRS 16 in the current year whereby rentals were accounted for on the statement of financial position with finance charges and depreciation accounted for lower down on the Statement of Comprehensive Income.

In addition to the financial impact that COVID-19 has had on the business the pandemic has also affected the Group's strategy to unlock value through a controlled sale of assets. Before the lockdown GPI was in the process of disposing its 30% stake in Sun Slots and had announced the sale of Burger King South Africa and Grand Foods Meat Plant ("BKSA Sale"). As a direct result of COVID-19 the Sun Slots deal was not consummated and management was forced to renegotiate the BKSA Sale. More information has been provided in the subsequent events section of this report.

GROUP FINANCIAL REVIEW

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. The reason for using headline earnings is that it eliminates the once-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

GPI reported a significant decrease in headline earnings of 262%. Headline earnings deteriorated from a profit of R38.0 million in the prior year to a loss of R61.7 million at the end of June 2020.

The main contributors to the decline in headline earnings are:

- Burger King has reported a decline in its headline earnings contribution of 317%. Adding back the effect of IFRS 16 Burger King made a small loss despite being closed for April 2020 and only operating through home delivery for May 2020. Burger King returned to full operations during June 2020 and has showed resilience during these uncertain times with sales returning to comparable levels despite a sharp decline in sit down sales.
- Mac Brothers was affected by the slow-down in the manufacturing industry in the first half of the year reporting a loss contribution of R9.6 million for the first six months. The decline in the construction and manufacturing sectors was further exacerbated by a complete shutdown of the business during the month of April and May which resulted in a decline of R40.9 million in their headline earnings contributions for the year.
- The gaming businesses were severely affected by the government imposed lockdown restrictions and remained completely shut down from April to June. Sun Slots and SunWest reported a year-on-year decline in headline earnings contribution of R24.4 million and R35.0 million respectively. Both these businesses have resumed operations during July under very strict COVID-19 operational protocols

The following improvements offset the effect of the declines mentioned above:

- The investment in Spur improved headline earnings contribution by R6.6 million as a result of a reduction in debt and finance-related expenses.
- Grand Foods Meat plant reduced headline loss contribution by R0.7 million.
- The savings associated with the liquidation and subsequent closure of Dunkin' Donuts and Baskin-Robbins led to a reduction in the loss contribution of Dunkin' and Baskin-Robbins of R31.4 million.
- Corporate costs before net central finance income for the period decreased by 22% to R34.1 million compared to R43.6 million in the prior year. This is largely due to the restructuring of the head office and cost cutting initiatives implemented by management at the start of the lock-down.

The table below reflects the contribution each investment made to Group headline earnings:

	30 June 2020 R'000	30 June 2019 R'000	Movement R'000	%
Food	**(60 256)**	**10 454**	**(70 710)**	**(676%)**
Burger King	**(25 501)**	11 749	(37 250)	(317%)
Mac Brothers	**(40 986)**	(212)	(40 774)	(19 233%)
Spur	**7 077**	512	6 565	1 282%
Grand Foods Meat Plant	**(846)**	(1 595)	749	(47%)
Gaming	**68 954**	**132 136**	**(63 182)**	**(48%)**
SunWest	**39 899**	74 855	(34 956)	(47%)
Sun Slots	**30 744**	55 121	(24 377)	(44%)
Worcester Casino	**(50)**	2 160	(2 210)	(102%)
Atlas Gaming	**(1 639)**	–	(1 639)	(100%)
Central costs	**(63 396)**	**(61 039)**	**(2 357)**	**(4%)**
Corporate costs (excluding net finance income)	**(34 094)**	(43 551)	9 457	22%
Transaction, legal and taxation	**(11 475)**	(327)	(11 148)	(3 409%)
Net corporate finance income	**(13 394)**	(16 932)	3 538	21%
GPI Properties	**(4 433)**	(229)	(4 204)	(1 836%)
CONTINUING OPERATIONS	**(54 698)**	**81 551**	**(136 249)**	**(167%)**
DISCONTINUED OPERATIONS	**(6 963)**	(43 564)	36 601	84%
Dunkin' Donuts	**(3 549)**	(25 147)	21 598	86%
Baskin-Robbins	**(1 686)**	(11 466)	9 780	85%
Bakery	**(1 728)**	(6 951)	5 223	75%
HEADLINE EARNINGS/(LOSS)	**(61 661)**	37 987	(99 648)	(262%)

DIVIDENDS

No dividends were declared and paid during the financial year.

CAPITAL STRUCTURE

The Group reduced its debt by R302.3 million during the year due to a repayment of R287.5 million on its preference debt and R14.8 million on its term loan and finance leases.

		30 June 2020 R'000	30 June 2019 R'000	Movement R'000	%
Holding company facilities		**203 095**	**490 551**	**(287 456)**	**(59%)**
SunWest and Sun Slots	Preference shares	**203 095**	230 267	(27 172)	(12%)
Spur	Preference shares	**–**	260 284	(260 284)	(100%)
Subsidiary facilities		**54 972**	69 800	(14 828)	(21%)
GPI Properties	Term loans (Mortgage)	**53 491**	59 776	(6 285)	(11%)
Mac Brothers	Finance leases	**1 125**	4 267	(3 142)	(74%)
GF Meat Plant	Finance leases	**–**	5 093	(5 093)	(100%)
Burger King	Finance leases	**356**	628	(272)	(43%)
GPIMS	Finance leases	**–**	36	36	(100%)
Total debt		**258 067**	560 352	(302 284)	(54%)
Debt/EBITDA		**5.19**	3.37	1.82	57%
Debt/Equity		**15.3%**	30.3%	15.0%	(49.5%)

REVIEW OF INVESTMENT OPERATIONS

FOOD

Burger King

Burger King's revenue generated from food sales for the year remained flat at R1.010 billion compared to R1.015 billion in the prior year despite being closed during the month of April and only drive thru sales during May and opening all modes of trading for June 2020.

Average monthly restaurant revenues (ARS) decreased by 6.4% from R1.036 million last year to R0.969 million this year, largely as a result of the limited trade during the period March to June with the implementation of the national lockdown. For the first time since 2017, Burger King is reporting negative comparative sales of 12.85% (2019: positive 10.32%).

Drive Thru's and Home Delivery as service modes remained resilient throughout the period that the business was allowed to operate and increased during the month of June 2020 compared to the prior year by 34.4% and 59.2% respectively. Sales for Dine-In (-100%) and Take Away (-18.4%) services modes have been under severe pressure due to the uncertainty created by the COVID-19 pandemic which resulted in a trend away from sit down to contact-less service modes.

The total number of Burger King restaurants as at 30 June was 97 of which 90 are corporately owned. The net restaurant movement for the year totalled five, which included the opening of eight new restaurants and the closure of three unprofitable restaurants.

Burger King realised a Company EBITDA of R26.85 million excluding the effects of IFRS16 during FY2020 compared to R53.6 million in the prior year. Of significant importance is the rental reductions received from landlords and increased ETI contributions from the government. Despite the significant decrease in profit, the business showed great resilience during this time.

Dunkin' Brands

During April 2020 the first liquidation accounts of Dunkin' Brands was finalised by the Master. The closure of these businesses has resulted in a reduction in headline earnings loss contribution of R31.4 million over the period under review.

Spur

A total dividend of R14.1 million (2019: R23.7 million) was received during the period with a related finance charge of R6.8 million (2019: R23.2 million) resulting in a R7.1 million (2019: R0.5 million) reported net profit contribution for the period.

Grand Foods Meat Plant

Grand Foods Meat Plant is directly influenced by Burger King's performance through their agreement with Burger King's main supplier, Digistics. As a result, the Grand Foods Meat Plant's revenue decreased by 7% to R142 million compared to prior year's R153 million.

Cost of sales in the current year decreased by 6% from R134.3 million to R128.5 million, as a result of the decrease in revenue and a gross margin. Gross margin for the year decreased by 3% points from 12% to 9% due to higher beef prices in the second quarter of the year.

Grand Foods Meat Plant's earnings for the year resulted in a R1.65 million loss after tax, compared to the R1.63 million net loss after tax incurred in the prior year.

Mac Brothers Catering Equipment

The past financial year was marked by the negative impact of a contracting local economy, weakened sales team and the COVID-19 lockdown during the last quarter of the 2020 financial year. Severely restricted trading in the catering, gaming and leisure sector during the national lockdown meant that revenue only returned in the month of June. Thus, resulting in R40.2 million loss for the year with all divisions and all revenue lines severely impacted. Various cost cutting measures are being implemented across the Company including short time, temporary lay-off and permanent retrenchments.

It was a slow start to the FY2020 for Mac Brothers; in what continued to be a very tough local trading environment in the construction and manufacturing sectors with very few new stores built by established restaurant chains. Revenue of R131.5 million for the year was R95.0 million (42%) lower than reported in the prior period.

Operating expenses were impacted by the adoption of IFRS 16 capitalisation of leases resulting in property leases previously included under operating expenses being reduced by R7.6 million and included in depreciation and finance charges. On a comparable basis operating expenses for the FY2020 of R53.7 million before property leases were 5% higher than the prior year adjusted amount of R51.3 million. Included in operating costs is a R1.8 million increase in provision for bad debts due to anticipated deterioration in debtors book recoveries as a result of the COVID-19 lockdown.

OTHER

Central Costs

The Group's net central costs excluding funding for the year amounted to R34.1 million, which is 22% lower than the central costs of R43.6 million last year. This is as a direct result of a restructure in the holding company which led to an improvement in efficiency. The overall savings were partially offset by once-off termination cost and special general meetings held during the year.

Share Capital

No new shares were issued or bought back during the period.

Treasury Shares

At 30 June 2020 a total of 40.5 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's BBBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 1.72 million treasury shares, GPI Management Services holding 24 million shares and the GPI Women's BBBEE Empowerment Trust holding 14.82 million treasury shares.

Preference Shares

During the current year, the Group redeemed 1 024 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totalling R26.0 million, and 70 000 redeemable preference shares (Spur Class "A") to Standard Bank at an issue price of R1 000 per share, totalling R70.0 million. 60 000 redeemable preference shares (Spur Class "B") to Standard Bank at an issue price of R1 000 per share totalling R60.0 million. 72 328 redeemable preference shares (Spur Class "C") to Standard Bank at an issue price of R1 000 per share totalling R72.3 million.

Directors and Company Secretary

Colin Priem resigned as Financial Director of the Company with effect from 31 March 2020. Jayson October was appointed as Financial Director with effect from 1 April 2020. Hassen Adams retired as Chairperson and non-executive director of the Company with effect from 31 January 2020. Alex Abercrombie was appointed as non-executive Chairperson of the Board with effect from 1 February 2020. Rozanna Kader was appointed as a non-executive director of the Company with effect from 1 February 2020. Monde Nkosi was appointed an a non-executive director of the Company on 3 December 2019. Keshan Pillay who was appointed as an independent non-executive director of the Company on 11 July 2019 resigned as such on 21 November 2019.

SUBSEQUENT EVENTS

In February 2020 GPI announced the BKSA Sale to Emerging Capital Partners (ECP). The deal was announced as part of a strategic shift to unlock shareholder value through a controlled sale of assets. Although COVID-19 has an impact on the overall plan, management have made good progress on various deals associated with the wind down.

Burger King South Africa and Grand Foods Meat plant

After a several months of negotiation management have successfully renegotiated the deal with ECP and have accepted a revised offer for BKSA and GFMP of R570 million and R23 million respectively. The deal has been negotiated on a cash basis with no earnings warranty. Management is in the process of negotiating a share purchase agreement after which a circular detailing terms of the BKSA Sale will be released and a general meeting of GPI shareholders convened to approve the transaction.

Sun Slots

In September 2019 GPI entered into an agreement to sell 30% of its stake in Sun Slots to Sun International. The deal was conditional on regulatory approval. At the end of June 2020 the parties had not received approval from the Gauteng Gaming Board and the proposed transaction had lapsed. GPI therefore retained its 30% interest in Sun Slots.

PROPERTIES

33 Heerengracht Property

In June 2020 GPI entered into an agreement to sell its head office building in Cape Town to Aragon property for R90 million. The deal is subject to a due diligence and a six-month leasing period. Aragon have completed the due diligence and have progressed to the leasing phase of the deal.

N1 City

In June 2020 GPI entered in to an agreement to sell the N1 City building for R26 million. GPI has received a guarantee for the full purchase price and is in the process of transferring the property. Management expect transfer of the property to be completed at the end of September 2020.

No 3 Epping Circle

In July GPI accepted an offer to sell No 3 Epping Circle property for R6 million. The transaction is subject to the completion of a due diligence and funding approval. GPI has received a deposit of 10% of the purchase price and await the outcome of the due diligence and funding approval at the end of September 2020.

RELATED PARTIES

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2020.

INAV

Management's assessment of the iNAV puts the value of the Group at R4.49 a share including an allowance for head office costs of R75 million (assuming a three-year wind-down) and excluding capital gains tax implications. Based on this valuation GPI is trading at a 55% discount to the current share price which presents a good opportunity to unlock value through a controlled sale of assets.

Company	Valuation method	EV less debt (R'000)	GPI holding %	GPI equity value (R'000)	Related holding co borrowings (R'000)	Intrinsic NAV (R'000)
FOOD INVESTMENTS				**675 005**	**–**	**675 005**
Burger King	ECP transaction	510 000	95.78%	488 478	–	488 478
Grand Foods Meat Plant	ECP transaction	18 000	100.00%	18 000	–	18 000
Mac Brothers	DCF	25 000	100.00%	25 000	–	25 000
Spur	Spot	1 842 452	7.79%	143 527	–	143 527
GAMING AND LEISURE				**1 327 116**	**(204 000)**	**1 123 116**
OTHER INVESTMENTS				**159 000**	**(53 491)**	**105 509**
GPI Properties	Independent appraisal	159 000	100%	159 000	(53 491)	105 509

Value	1 903 630
Cash net of anticipated head office cost	22 943
iNAV	1 926 573
Issued shares	429 486
iNAV per share (cents)	**4.49**
Current share price	2.04
Discount	(55%)

PROSPECTS

The South African economy was already in recessionary decline prior to the national lockdown. COVID-19 and related lockdown restrictions have caused further decline with the 2nd quarter of 2020 recording a 16.5% decline, the worst decline recorded in almost a century. Despite the setbacks caused by COVID-19 GPI has made good progress on its value-unlock strategy and remains focused on delivering value to shareholders through a controlled sale of certain assets.

Management has made significant advances in reducing operational costs over the last two years, this continues to be a key area of focus particularly with the shift away from operationally intense investments. Management will continue to restructure and reduce costs over the next year to create an efficient head office structure and limit dividend leakage. Another area of focus over the next year is to implement and execute a remediation plan for the Mac Brothers business aimed at improving earnings and overall valuation of the business.

GPI's value unlock strategy is underpinned by its intrinsic net asset value which is estimated at R4.49 a share. The proposed BKSA sale is the first step in the process of unlocking value and represents over R1 per share in value. The Spur and Gaming investments will also be re-evaluated at an appropriate time. The successful implementation of the Group's strategy would unlock in the region of 50% in value based on the current trading price, which represents an attractive return for shareholders.

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 R'000	2019 R'000
Continuing operations			
Revenue	3.1	1 312 326	1 409 418
Cost of sales		(709 005)	(739 077)
Gross profit		603 321	670 341
Operating costs		(561 601)	(626 129)
Profit from operations		41 720	44 212
Profit from equity-accounted investments		69 395	132 021
Expected credit losses		(2 906)	2 400
Loss on sale of investment		(9 050)	–
Impairment of assets		(10 799)	(8 933)
Impairment of goodwill	6.1	(38 598)	–
Depreciation		(95 016)	(55 044)
Amortisation		(6 814)	(3 790)
(Loss)/profit before finance costs and taxation		(52 068)	110 866
Finance income		5 343	6 535
Finance costs		(76 988)	(59 430)
(Loss)/profit before taxation		(123 713)	57 971
Taxation		11 903	14 885
(Loss)/profit for the period from continuing operations		(111 810)	72 856
Discontinued operations			
Loss for the period from discontinued operations	4.1	(14 697)	(109 436)
Loss for the period		(126 507)	(36 580)
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss		(13 686)	(75 882)
Realised fair value adjustments on investments held at fair value through OCI		26 525	–
Unrealised fair value adjustments on investments held at fair value through OCI		(40 211)	(75 882)
Total comprehensive loss for the period		(140 193)	(112 462)
(Loss)/profit for the period from continuing operations attributable to:			
– Ordinary shareholders		(108 830)	73 299
– Non-controlling interest		(2 980)	(443)
Loss for the period from discontinued operations attributable to:			
– Ordinary shareholders		(14 697)	(109 436)
– Non-controlling interest		–	–
		(126 507)	(36 580)
Total comprehensive loss from continuing operations attributable to:			
– Ordinary shareholders		(122 516)	(2 583)
– Non-controlling interest		(2 980)	(443)
Total comprehensive loss from discontinued operations attributable to:			
– Ordinary shareholders		(14 697)	(109 436)
– Non-controlling interest		–	–
		(140 193)	(112 462)
		Cents	Cents
Basic loss per share	2.5	(28.93)	(8.48)
Continuing operations	2.5	(25.49)	17.20
Discontinued operations	2.5	(3.44)	(25.68)
Diluted loss per share	2.5	(28.92)	(8.45)
Continuing operations	2.5	(25.48)	17.14
Discontinued operations	2.5	(3.44)	(25.59)

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 R'000	2019 R'000
ASSETS			
Non-current assets		2 278 699	2 070 370
Investments in jointly controlled entities		612 911	634 198
Investments in associates		375 608	382 092
Investments held at fair value through OCI		143 527	189 523
Goodwill	6.1	55 104	93 702
Investment properties		7 599	7 599
Property, plant and equipment		566 263	578 947
Intangible assets		21 952	29 215
Right-of-use assets		318 192	–
Deferred tax assets		177 543	155 094
Assets classified as held for sale	5	43 959	36 193
Current assets		329 010	577 462
Inventory		64 313	76 034
Related party receivable		22 975	21 467
Trade and other receivables		122 576	109 186
Investments held at fair value through OCI		–	228 868
Income tax receivable		1 917	7 920
Cash and cash equivalents		117 229	133 987
Total assets		2 651 668	2 684 025
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity		1 719 347	1 881 937
Ordinary share capital		798 586	798 586
Treasury shares		(153 962)	(166 286)
Accumulated profit		1 205 929	1 401 781
Investments held at fair value reserve		(132 120)	(154 229)
Share-based payment reserve		914	2 085
Non-controlling interest		(32 980)	(30 000)
Total shareholders equity		1 686 367	1 851 937
Non-current liabilities		575 165	284 644
Preference shares		183 696	225 190
Interest-bearing borrowings		16 703	52 276
Finance lease liabilities		–	1 301
Lease liabilities		364 682	–
Provisions		8 377	634
Deferred tax liabilities		1 707	5 243
Current liabilities		390 136	547 444
Preference shares		19 399	265 361
Interest-bearing borrowings		36 788	7 500
Finance lease liabilities		–	8 723
Lease liabilities		40 103	–
Provisions		7 719	13 659
Trade and other payables		178 824	179 773
Dividends payable		10 129	10 405
Income tax payable		888	494
Bank overdraft		96 286	61 529
Total equity and liabilities		2 651 668	2 684 025

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Ordinary share capital R'000	Treasury shares R'000	Accumulated profits R'000	Financial asset fair value reserve R'000	Share-based payment reserve R'000	Non-controlling interest R'000	Total equity R'000
Balance at 30 June 2018	798 586	(166 286)	1 431 892	(78 347)	10 010	(29 557)	1 966 298
IFRS 9 transition adjustment	–	–	(864)	–	–	–	(864)
Total comprehensive income/(loss) for the year	–	–	(36 137)	(75 882)	–	(443)	(112 462)
– Profit/(loss) for the year from continuing operations	–	–	73 299	–	–	(443)	72 856
– Loss for the year from discontinued operations	–	–	(109 436)	–	–	–	(109 436)
– Other comprehensive loss	–	–	–	(75 882)	–	–	(75 882)
Share-based payment reserve expense	–	–	–	–	489	–	489
Share options lapsed	–	–	6 890	–	(8 414)	–	(1 524)
Balance at 30 June 2019	**798 586**	**(166 286)**	**1 401 781**	**(154 229)**	**2 085**	**(30 000)**	**1 851 937**
IFRS 16 transition adjustment	**–**	**–**	**(33 879)**	**–**	**–**	**–**	**(33 879)**
Total comprehensive income/(loss) for the year	**–**	**–**	**(123 527)**	**(13 686)**	**–**	**(2 980)**	**(140 193)**
– Loss for the year from continuing operations	**–**	**–**	**(108 830)**	**–**	**–**	**(2 980)**	**(111 810)**
– Loss for the year from discontinued operations	**–**	**–**	**(14 697)**	**–**	**–**	**–**	**(14 697)**
– Other comprehensive loss	**–**	**–**	**–**	**(13 686)**	**–**	**–**	**(13 686)**
Treasury shares allocated to employees	**–**	**12 324**	**(4 464)**	**–**	**(1 791)**	**–**	**6 069**
Share-based payment reserve expense	**–**	**–**	**–**	**–**	**2 433**	**–**	**2 433**
Share options lapsed	**–**	**–**	**1 813**	**–**	**(1 813)**	**–**	**–**
Disposal of Atlas Gaming Holdings	**–**	**–**	**(1 493)**	**1 493**	**–**	**–**	**–**
Disposal of Spur	**–**	**–**	**(34 302)**	**34 302**	**–**	**–**	**–**
Balance at 30 June 2020	**798 586**	**(153 962)**	**1 205 929**	**(132 120)**	**914**	**(32 980)**	**1 686 367**

GRAND PARADE INVESTMENTS LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020 R'000	2019 R'000
Cash flows from operating activities		
Net cash generated from operations	**40 933**	22 167
Income tax received/(paid)	**5 511**	(1 425)
Finance income received	**5 375**	6 635
Net cash inflow from operating activities	**51 819**	27 377
Cash flows from investing activities		
Acquisition of property, plant and equipment (excluding land and buildings)	**(85 671)**	(98 268)
Acquisition of investment properties	**–**	(585)
Acquisition of intangibles	**(6 380)**	(4 881)
Investments made	**–**	(7 164)
Disposal of subsidiary	**(1 231)**	–
Proceeds from disposal of property, plant and equipment and intangible assets	**3 670**	4 020
Proceeds from disposal of non-current assets-held-for-sale	**3 847**	–
Consideration received from the disposal of investments	**260 354**	–
Dividends received	**112 922**	140 585
Net cash inflow from investing activities	**287 511**	33 707
Cash flows from financing activities		
Dividends paid	**(276)**	(11)
Proceeds from employees on settlement of share awards	**6 069**	
Preference share redemption	**(228 338)**	(32 000)
Repayment of interest-bearing loans	**(7 500)**	(7 365)
Repayment of finance leases	**–**	(14 996)
Repayment of lease liabilities	**(29 207)**	–
Finance costs	**(131 593)**	(44 938)
Net cash outflow from financing activities	**(390 845)**	(99 310)
Net decrease in cash and cash equivalents	**(51 515)**	(38 226)
Cash and cash equivalents at the beginning of the year	**72 458**	110 684
Total cash and cash equivalents at the end of the year	**20 943**	72 458
Total cash and cash equivalents at year-end comprises:	**20 943**	72 458
Cash and cash equivalents	**117 229**	133 987
Bank overdraft	**(96 286)**	(61 529)

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial results

The summarised audited financial statements for the period ended 30 June 2020 are prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act of South Africa in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting. The summarised financial statements do not include all the information required by IFRS for full financial statements and should be read in conjunction with the 2020 audited Group annual financial statements. The accounting policies applied in the preparation of the audited Group annual financial statements, from which the summarised financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of previous audited Group financial statements except where the Group has applied new accounting policies or adopted new standards effective for annual reporting periods beginning on or after 1 July 2019. The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective. During the period, various new and revised accounting standards became effective, however, their implementation had no impact on the results of either the current or prior year except as indicated in Note 1.2.

These summarised financial statements are not audited but are extracted from audited information. The audited Group annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The audited Group annual financial statements and the auditor's report thereon is available for inspection on the Company's website and at the Company's registered office. The directors take full responsibility for the preparation of these summarised financial statements and the financial information has been correctly extracted from the underlying audited Group annual financial statements. These summarised financial statements have been prepared under the supervision of the Chief Financial Officer, Jayson October.

1.2 Changes in accounting policies

The Group has adopted all the new, revised and amended accounting standards which were effective for the Group from 1 July 2019. The adoption of significant new standards' impact on the Group's financial results or position are presented below:

1.2.1 IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

1. ACCOUNTING POLICIES (continued)

1.2 Changes in accounting policies (continued)

1.2.1 IFRS 16 Leases (continued)

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Group has lease contracts for various items of property, equipment and motor vehicles. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 July 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
- COVID-19 rent concessions relief for lessees from lease modification accounting

1. ACCOUNTING POLICIES (continued)

1.2 Changes in accounting policies (continued)

1.2.2 Transition effects on the Statement of Financial Position:

The adoption of IFRS 16 has had a material impact on both the Statement of Financial position as set out below:

	30 June 2019 R'000	Transition adjustment R'000	1 July 2019 R'000
Assets			
Property, Plant and Equipment	578 947	(26 062)	552 885
Right-of-use assets	–	333 804	333 804
Deferred tax	155 094	13 202	168 296
Trade and other receivables	109 186	(2 345)	106 841
Equity and liabilities			
Capital and reserves			
Accumulated profit	1 401 781	(33 879)	1 367 902
Liabilities			
Lease liability	–	401 195	401 195
Finance leases	10 024	(10 024)	–
Trade and other payables	179 773	(38 693)	141 080

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	R'000
Operating lease commitments as at 30 June 2019	477 233
Weighted average incremental borrowing rate as at 1 July 2019	9.5%
Discounted operating lease commitments as at 1 July 2019	332 994
Less:	
Non-lease components and short-term leases	(4 810)
Add:	
Lease terms forming part of IFRS 16 lease liability but was excluded from prior year commitments	62 987
Commitments relating to leases previously classified as finance leases commitments as at 30 June 2019	10 024
Lease liabilities as at 1 July 2019	401 195

2. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the Weighted Average Number of Ordinary Shares (WANOS) in issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the diluted WANOS in issue.

Headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the WANOS in issue for the year.

Diluted headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the diluted WANOS in issue for the year.

	2020 R'000 Gross	2020 R'000 Net	2019 R'000 Gross	2019 R'000 Net
2.1 Reconciliation of the loss for the year attributable to ordinary shareholders				
Basic and diluted (loss)/earnings per share reconciliation				
Loss profit for the year		**(126 507)**		(36 580)
– Continuing operations		**(111 810)**		72 856
– Discontinued operations		**(14 697)**		(109 436)
Non-controlling interest		**2 980**		443
Loss for the year attributable to ordinary shareholders		**(123 527)**		(36 137)
No adjustments have been made to basic earnings in the calculation of diluted earnings.				

2. BASIC AND DILUTED EARNINGS PER SHARE (continued)

	2020 R'000 Gross	2020 R'000 Net	2019 R'000 Gross	2019 R'000 Net
2.2 *Reconciliation of headline (loss)/earnings for the year*				
Loss for the year attributable to ordinary shareholders		**(123 527)**		(36 137)
Continuing operations:				
Profit on sale of investments	**9 050**	**9 050**		–
Impairment of goodwill	**38 598**	**38 598**		–
Impairment of right-of-use assets	**7 213**	**5 870**		
Impairment of intangible assets	**105**	**76**		
Impairment of property, plant and equipment	**3 481**	**2 283**	8 933	8 138
Profit on disposal of property, plant, equipment and intangibles	**(1 722)**	**(1 305)**	–	–
Adjustments by equity-accounted investments	**(611)**	**(440)**	158	114
(Profit)/Loss on disposal of plant and equipment	**(611)**	**(440)**	158	114
Discontinued operations:				
Impairment of assets held for sale	**7 734**	**7 734**	65 872	65 872
Total Headline (loss)/profit		**(61 661)**		37 987
Total Headline (loss)/profit				
– Continuing operations		**(54 698)**		81 551
– Discontinued operations		**(6 963)**		(43 564)
		(61 661)		37 987

	2020 '000	2019 '000
2.3 *Reconciliation of WANOS – net of treasury shares*		
Shares in issue at beginning of the year	**426 223**	426 223
Treasury shares issued to employees	**697**	–
	426 920	426 223
2.4 *Reconciliation of diluted WANOS – net of treasury shares*		
WANOS in issue – net of treasury shares	**426 920**	426 223
Effects of dilution from:		
Share options	**154**	1 435
Diluted WANOS in issue – net of treasury shares	**427 074**	427 658

	2020 Cents	2019 Cents
2.5 *Statistics*		
Basic loss per share	**(28.93)**	(8.48)
– Continuing operations	**(25.49)**	17.20
– Discontinued operations	**(3.44)**	(25.68)
Diluted loss per share	**(28.92)**	(8.45)
– Continuing operations	**(25.48)**	17.14
– Discontinued operations	**(3.44)**	(25.59)
Headline (loss)/profit per share	**(14.44)**	8.91
– Continuing operations	**(12.81)**	19.13
– Discontinued operations	**(1.63)**	(10.22)
Diluted headline (loss)/profit per share	**(14.44)**	8.88
– Continuing operations	**(12.81)**	19.07
– Discontinued operations	**(1.63)**	(10.19)

3. REVENUE

	2020 R'000	2019 R'000
3.1 *Disaggregation of revenue*		
Revenue from transactions with customers		
Food sales	**1 010 457**	1 015 356
Meat sales	**141 945**	152 791
Equipment sales	**124 040**	196 633
	1 276 442	1 364 780
Other revenue		
Dividends received	**14 086**	23 734
Other income*	**21 613**	20 819
Rental income	**185**	85
	35 884	44 638
Total Revenue		
Revenue from contracts with customers	**1 276 442**	1 364 780
Other revenue	**35 884**	44 638
	1 312 326	1 409 418

** Other income includes SETA income and Youth wage subsidy.*

4. OPERATIONS DISCONTINUED

In the prior year the Board decided to liquidate two of the subsidiaries in the Group, Grand Coffee House (operating as Dunkin' Donuts) and Grand Ice Cream (operating as Baskin-Robbins), and cease operations and dispose of the bakery. The liquidation order was filed in February 2019 and all the stores were closed down on 29 February 2019.

The results of discontinued operations are presented below:

		2020 R'000	2019 R'000
4.1	***Results of discontinued operations***		
	Revenue	–	22 687
	Cost of Sales	–	(19 152)
	Gross Profit	–	3 535
	Operating costs	(6 995)	(38 331)
	Loss from operations	(6 995)	(34 796)
	Impairment of land and buildings	–	(10 500)
	Impairment of property, plant, equipment	–	(38 771)
	Impairment of intangible assets	–	(16 601)
	Impairment of assets held-for-sale	(7 734)	–
	Depreciation	–	(5 080)
	Amortisation	–	(3 830)
	Loss before finance costs and taxation	(14 729)	(109 578)
	Finance income	32	100
	Finance costs	–	(49)
	Loss before taxation	(14 697)	(109 527)
	Taxation	–	91
	Loss for the period	(14 697)	(109 436)
4.2	***Cash flows from/(used in) discontinued operations***		
	Net cash used in operating activity	(3 920)	(41 341)
	Net cash generated from/(used in) investing activity	3 847	(946)
	Net cash (used in)/generated from financing activity	–	(447)
	Net cash flow for the year	(73)	(42 734)

The Group signed a binding offer to sell all the Group's shares in Burger King and Grand Foods Meat Plant to ECP Africa Fund IV LLC. The sale is subject to shareholder approval and certain conditions precedent. Having signed a binding offer to sell makes the sale probable, however, the shareholder approval and other conditions precedent keeps the sale from being highly probable and as such neither Burger King or Grand Foods Meat Plant has been classified as held for sale as it does not meet the criteria. Neither one of the investments been disposed of at year-end and neither are classified as held for sale and are therefore not disclosed as discontinued operations for the year ended 30 June 2020.

5. THE ASSETS INCLUDED IN NON-CURRENT ASSETS HELD-FOR-SALE ARE AS FOLLOWS:

		2020 R'000	2019 R'000
	Non-current assets		
	Land and buildings	38 009	26 395
	Property, plant and equipment	5 950	9 798
		43 959	36 193
5.1.1	***Reconciliation of land and buildings***		
	Opening balance – 1 July[1]	26 395	–
	Transfers from property, plant and equipment[2]	18 909	26 395
	Impairment[3]	(7 295)	–
	Closing balance – 30 June	38 009	26 395
5.1.2	***Reconciliation of property, plant and equipment***		
	Opening balance – 1 July	9 798	–
	Transfers from property, plant and equipment[4]	–	9 798
	Disposals[5]	(3 409)	–
	Impairment[6]	(439)	–
	Closing balance – 30 June[1]	5 950	9 798
	Impairment reflected above is made up of:		
	– Continuing operations	(7 295)	–
	– Discontinued operations	(439)	–
		(7 734)	–
5.2.3	***Impairment of non-current assets-held-for-sale***		
	Land and buildings	(7295)	–
	Property, plant and equipment	(439)	–
		(7734)	–

[1] The building and the property, plant and equipment that was previously used by Grand Bakery to produce the doughnuts for Dunkin' Donuts was transferred to non-current assets held-for-sale when it met the requirements in the prior year, management was unable to negotiate a suitable consideration for the building, in part as a result of the limited commercial activity during lockdown, and as such the sale of the building has not been concluded at 30 June 2020. Management remains committed to selling the building and is currently in negotiations with interested parties and thus the building remains classified as held-for- sale despite the sale not being concluded within 12 months of its initial classification as held-for-sale. Management expects the sale to be concluded within 12 months of 30 June 2020. The building is carried at fair value as determined by an independant valuer.

[2] The Group signed a sales agreement in June 2020 for the sale of the Group's N1 City building, this asset forms part of the group cost segment, GPI Properties. Once the transfers at the Deed's office is complete the sales transaction will be concluded, this is expected to occur within 12 months after year end. The building is valued at fair value which is the selling price less costs to sell.

[3] The impairment relates to the Bakery building which was impaired to align the carrying value to the valuation of the property on 30 June 2020.

[4] The property, plant and equipment that was transferred in the prior year relate to the assets of Dunkin' Donuts and Baskin-Robbins, due to the liquidation of the companies and the assets of Grand Bakery, as the property, plant and equipment is expected to be sold together with the building.

[5] Dunkin' Donuts and Baskin-Robbins's property, plant and equipment was auctioned off on 22 August 2019 and sold for R2.5 million and R1.3 million respectively.

[6] The impairment relates to the property, plant and equipment of Dunkin' Donuts and Baskin-Robbins before it was auctioned on 22 August 2019.

6. GOODWILL

6.1 *Reconciliation of goodwill*

	Grand Foods Meat Plant R'000	Mac Brothers R'000	Disa Road R'000	Total R'000
2020				
Cost	**53 910**	**38 598**	**1 194**	**93 702**
Accumulated impairment	**–**	**–**	**–**	**–**
Carrying value at 1 July 2019	**53 910**	**38 598**	**1 194**	**93 702**
Impairment[1]	**–**	**(38 598)**	**–**	**(38 598)**
Carrying value at 30 June 2020	**53 910**	**–**	**1 194**	**55 104**
Made up of:				
Cost	**53 910**	**–**	**1 194**	**55 104**
Accumulated impairment	**–**	**–**	**–**	**–**
2019				
Cost	53 910	38 598	–	92 508
Accumulated impairment	–	–	–	–
Carrying value at 1 July 2018	53 910	38 598	–	92 508
Acquisition of investment[2]	–	–	1 194	1 194
Carrying value at 30 June 2019	53 910	38 598	1 194	93 702
Made up of:				
Cost	53 910	38 598	1 194	93 702
Accumulated impairment	–	–	–	–

(1) *Refer to Note 6.2 for details regarding the impairment.*

(2) *Burger King purchased a store from a franchisee on 1 February 2019. The store was purchased for a total consideration of R7.1 million, with identifiable assets of R5.9 million resulting in a Goodwill of R1.2 million.*

6.2 *Goodwill impairment testing*

An annual impairment test is performed to assess whether goodwill has been impaired. Goodwill has been allocated for impairment testing purposes to individual cash-generating units (CGUs). The recoverable amount of every CGU has been determined based on a value-in-use calculation using five year cash flow projections approved by the senior management of each CGU.

6.2.1 *Mac Brothers*

The annual impairment test was performed on the CGUs and it was determined that the recoverable amounts were lower than the carrying amounts and therefore an impairment loss has been recognised.

Mac Brothers was significantly affected by the decline in the construction and manufacturing industries as well the high operating leverage in the business in the first half of the year, the decline in the construction and manufacturing sectors was further exacerbated by a complete shutdown of the business during the months of April and May due to the national COVID-19 lockdown.

Revenue of R131.5 million for the year ended 30 June 2020 was R92.1 million (41%) lower than reported in the prior period. EBITDA, a loss of R26.2 million for the year ended 30 June 2020 was R33.2 million (474%) lower than reported in the prior period.

The recoverable amount of the investment was determined to be the value-in-use (VIU) which was higher than fair value less cost to sell of the business.

	2020 R'000	2019 R'000
Impairment calculation:		
Carrying value of investment	79 291	77 304
Recoverable amount (VIU)	37 383	79 355
Impairment	(41 908)	2 051
The impairment has been allocated as follows:		
Goodwill	(38 598)	–
Right-of-use assets: Property	(3 310)	–
	(41 908)	–

The Group used the following inputs to calculate the recoverable amount, pre-tax WACC of 19.85% and EBITDA growth of 24%.

6.2.2 *Grand Foods Meat Plant*

The annual impairment test was performed on the CGU and it was determined that the value-in-use amount was higher than the carrying amount and therefore no impairment loss has been recognised. Subsequent to year end, the Group signed a binding offer to sell all the Group's shares in Burger King (95.36%) and Grand Foods Meat Plant (100%) to ECP Africa Fund IV LLC. The sale is subject to shareholder approval and certain conditions precedent. The consideration for Grand Foods Meat Plant per the binding offer is R23.0 million less debt. Sale at this value would result in full impairment of the goodwill balance of R53.9 million.

7. EMPLOYEE BENEFITS

7.1 Directors' emoluments

	Salary R'000	Long-term benefits[1] R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
2020												
Executive directors												
M Tajbhai	1 711	212	1 700	–	–	–	–	–	–	3 623	–	452
C Priem[2]	1 141	146	1 500	733	–	–	–	–	–	3 520	–	938
J October[3]	305	14	–	–	–	–	–	–	–	319	–	–
Sub-total	3 157	372	3 200	733	–	–	–	–	–	7 462	–	1 390
Non-executive directors												
H Adams[4]	–	–	–	–	338	–	7	20	7	372	–	1 043
A Abercrombie[5]	–	–	–	–	298	–	87	79	80	544	–	–
W Geach	–	–	–	–	298	150	13	–	7	468	–	–
M Bowman	–	–	–	–	250	70	127	63	–	510	–	–
R van Dijk	–	–	–	–	261	84	–	–	–	345	–	–
K Pillay[6]	–	–	–	–	92	25	–	–	–	117	–	–
M Nkosi[7]	–	–	–	–	155	–	59	87	–	301	–	–
R Kader[8]	–	–	–	–	130	–	56	–	38	224	–	–
Sub-total	–	–	–	–	1 822	329	349	249	132	2 881	–	1 043
Total	3 157	372	3 200	733	1 822	329	349	249	132	10 343	–	2 433

(1) Long-term benefits relate to defined retirement contributions.

(2) C Priem resigned as executive director and financial director on 31 March 2020, emoluments are for nine months.

(3) J October was appointed financial director on 1 April 2020, emoluments are for three months.

(4) H Adams resigned as executive director on 30 June 2019 and was appointed non-executive director and Chairman on 1 July 2019 and resigned as Chairman and non-executive director on 31 January 2020.

(5) A Abercrombie was appointed Chairman on 1 February 2020.

(6) K Pillay resigned as non-executive director on 21 November 2019.

(7) M Nkosi was appointed non-executive director on 3 December 2019.

(8) R Kader was appointed non-executive director on 1 February 2020.

7. EMPLOYEE BENEFITS (continued)

7.2 *Directors' emoluments (continued)*

	Salary R'000	Short-term benefits[1] R'000	Long-term benefits[2] R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
2019													
Executive directors													
H Adams[10]	4 418	1 365	–	3 034	5 955	–	–	–	–	–	14 772	–	366
P Moodley[3]	1 282	–	190	–	–	–	–	–	–	–	1 472	–	–
M Tajbhai[4]	961	–	123	–	–	–	–	–	–	–	1 084	–	59
C Priem[5]	1 319	–	196	–	–	–	–	–	–	–	1 515	–	64
Sub-total	**7 980**	**1 365**	**509**	**3 034**	**5 955**	**–**	**–**	**–**	**–**	**–**	**18 843**	**–**	**489**
Non-executive directors													
A Abercrombie	–	–	–	–	–	256	–	64	10	80	410	–	–
W Geach[11]	–	–	–	–	–	246	147	–	–	20	413	–	–
R Hargey[6]	–	–	–	–	–	123	41	30	–	–	194	–	–
N Maharaj[7]	–	–	–	–	–	253	63	73	–	36	425	–	–
N Mlambo[8]	–	–	–	–	–	123	–	30	–	–	153	–	–
M Bowman[9]	–	–	–	–	–	115	–	29	–	–	144	–	–
R van Dijk[9]	–	–	–	–	–	123	41	–	–	–	164	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**1 239**	**292**	**226**	**10**	**136**	**1 903**	**–**	**–**
Total	**7 980**	**1 365**	**509**	**3 034**	**5 955**	**1 239**	**292**	**226**	**10**	**136**	**20 746**	**–**	**489**

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

[2] *Long-term benefits relate to defined retirement contributions.*

[3] *P Moodley was appointed on 1 August 2018 and resigned as chief executive officer and executive director on 7 December 2018.*

[4] *M Tajbhai was appointed as executive director on 28 November 2018. Director's emoluments are for seven months.*

[5] *C Priem was appointed as chief financial officer at 1 July 2018.*

[6] *R Hargey was removed as non-executive director on 5 December 2018.*

[7] *N Maharaj resigned as non-executive director on 30 April 2019.*

[8] *N Mlambo was removed as non-executive director on 5 December 2018.*

[9] *M Bowman and R van Dijk were appointed as non-executive directors on 5 December 2018.*

[10] *Non-executive Chairman from 1 July 2019.*

[11] *Lead independent from 9 September 2019.*

8. SEGMENT ANALYSIS

The chief decision makers are considered to be the members of the GPI Executive Committee, who review the Group's internal reporting firstly by industry and secondly by significant business unit. The chief decision makers do not review the Group's performance by geographical sector and therefore no such disclosure has been made. Listed below is a detailed segment analysis:

	External revenue		Inter-segment revenue [1]		Cost of sales	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Food	1 310 908	1 431 708	7 506	28 303	(709 005)	(758 229)
Burger King	1 028 976	1 034 179	–	119	(482 375)	(467 901)
Mac Brothers	125 605	198 059	7 506	26 933	(97 547)	(136 833)
Spur	14 086	23 734	–	–	–	–
Grand Food Meat Plant	142 241	153 049	–	–	(129 083)	(134 343)
Dunkin' Donuts	–	15 849	–	–	–	(11 947)
Baskin-Robbins	–	6 838	–	–	–	(7 205)
Bakery	–	–	–	1 251	–	–
Gaming and leisure	–	–	–	–	–	–
SunWest	–	–	–	–	–	–
Sun Slots	–	–	–	–	–	–
Worcester Casino	–	–	–	–	–	–
Infinity Gaming Africa	–	–	–	–	–	–
Group costs	1 418	397	58 414	92 765	–	–
GPI Properties	316	306	17 482	22 081	–	–
Central costs [4]	1 102	91	40 932	70 684	–	–
	1 312 326	1 432 105	65 920	121 068	(709 005)	(758 229)

	Operating costs [2]		Equity accounted earnings		EBITDA [3]		Impairments of assets and goodwill		Depreciation and amortisation	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Food	(521 552)	(626 244)	–	–	80 351	49 637	(57 060)	(74 805)	(99 932)	(66 546)
Burger King	(449 650)	(512 233)	–	–	96 951	53 673	(7 418)	(8 933)	(88 781)	(52 282)
Mac Brothers	(53 019)	(59 969)	–	–	(24 961)	4 029	(41 908)	–	(7 960)	(2 490)
Spur	(212)	(295)	–	–	13 874	23 439	–	–	–	–
Grand Food Meat Plant	(11 674)	(15 328)	–	–	1 484	3 377	–	–	(3 191)	(3 659)
Dunkin' Donuts	(3 567)	(23 975)	–	–	(3 567)	(20 072)	(498)	(39 389)	–	(4 780)
Baskin-Robbins	(1 701)	(8 055)	–	–	(1 701)	(8 421)	59	(15 551)	–	(2 770)
Bakery	(1 729)	(6 389)	–	–	(1 728)	(6 388)	(7 295)	(10 932)	–	(565)
Gaming and leisure	–	–	69 395	132 021	69 395	134 133	–	–	–	–
SunWest	–	–	39 869	74 750	39 869	74 750	–	–	–	–
Sun Slots	–	–	31 255	55 159	31 255	55 159	–	–	–	–
Worcester Casino	–	–	(90)	2 112	(90)	2 112	–	–	–	–
Infinity Gaming Africa	–	–	(1 639)	–	(1 639)	2 112	–	–	–	–
Group costs	(47 044)	(38 216)	–	–	(45 626)	(37 819)	(70)	–	(1 898)	(1 198)
GPI Properties	1 248	6 171	–	–	1 564	6 477	(35)	–	(1 395)	(1 171)
Central costs [4]	(48 292)	(44 387)	–	–	(47 190)	(44 296)	(36)	–	(503)	(27)
	(568 596)	(664 460)	69 395	132 021	104 120	145 951	(57 131)	(74 805)	(101 830)	(67 744)

	Finance income		Finance costs		Net profit/(loss) after tax		Total assets		Total liabilities	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Food	1 150	1 518	(53 939)	(31 518)	(121 154)	(107 652)	1 402 836	1 289 002	(751 113)	(563 420)
Burger King	1 039	988	(40 695)	(5 158)	(29 549)	3 720	1 065 000	690 707	(610 245)	(213 453)
Mac Brothers	–	–	(6 020)	(1 656)	(83 168)	(1 494)	127 844	111 243	(112 726)	(62 543)
Spur	26	64	(6 780)	(22 974)	7 106	512	143 648	413 051	(109)	(260 384)
Grand Food Meat Plant	52	366	(443)	(1 680)	(846)	(1 595)	55 537	57 160	(25 398)	(25 374)
Dunkin' Donuts	18	49	(1)	(49)	(4 047)	(64 263)	4 379	6 635	(1 501)	(110)
Baskin-Robbins	15	48	–	(1)	(1 627)	(26 650)	474	2 072	(537)	(507)
Bakery	–	3	–	–	(9 023)	(17 882)	5 954	8 134	(597)	(1 049)
Gaming and leisure	–	–	–	–	69 395	132 021	988 519	1 016 290	–	–
SunWest	–	–	–	–	39 869	74 750	612 911	634 198	–	–
Sun Slots	–	–	–	–	31 255	55 159	352 095	353 839	–	–
Worcester Casino	–	–	–	–	(90)	2 112	23 482	28 253	–	–
Infinity Gaming Africa	–	–	–	–	(1 639)	–	31	–	–	–
Group costs	4 225	5 117	(23 049)	(27 961)	(74 748)	(60 949)	260 313	378 733	214 188	(268 668)
GPI Properties	96	65	(5 537)	(6 516)	(2 290)	(229)	169 933	178 111	(77 917)	(75 468)
Central costs [4]	4 129	5 052	(17 512)	(21 445)	(72 458)	(60 720)	90 380	200 622	(136 271)	(193 200)
	5 375	6 635	(76 988)	(59 479)	(126 507)	(36 580)	2 651 668	2 684 025	(965 301)	(832 088)

[1] *Transactions between segments are concluded at arm's length.*

[2] *Certain costs are presented pre-elimination of intergroup charges and therefore net profit is after these eliminations.*

[3] *EBITDA excludes inter-segment revenue, impairments and expected credit loses.*

[4] *Included in Central costs of 2019 is a R9.5 million impairment of the Leratadima receivable.*

9. FINANCIAL INSTRUMENTS – DISCLOSURE

9.1 *Fair value of financial instruments*

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June, the Group held the following instruments measured at fair value:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2020				
Investments held at fair value – Spur [1]	**143 527**	**–**	**–**	**143 527**
Investments held at fair value – Atlas Gaming Holdings	**–**	**–**	**–**	**–**
Total	**143 527**	**–**	**–**	**143 527**
2019				
Investments held at fair value – Spur [1]	183 736	–	228 868	412 604
Investments held at fair value – Atlas Gaming Holdings		–	5 787	5 787
Total	183 736	–	234 655	418 391

	2020 R'000	2019 R'000
Current asset	**–**	228 868
Non-current asset	**143 527**	189 523
	143 527	418 391

The Group sold its Level 3 Spur shares as well as its shares in Atlas Gaming Holdings during the current year.

[1] ***Investments held at fair value – Spur***

	Level 1 R'000	Level 3 R'000	Total R'000
2020			
Opening balance – 1 July	**183 736**	**228 868**	**412 604**
Fair value adjustment	**(40 209)**	**31 484**	**(8 725)**
Disposal	**–**	**(260 352)**	**(260 352)**
Closing balance – 30 June	**143 527**	**–**	**143 527**
2019			
Opening balance – 1 July	217 529	270 957	488 486
Fair value adjustments	(33 793)	(42 089)	(75 882)
Closing balance – 30 June	183 736	228 868	412 604

10. CAPITAL COMMITMENTS

	2020 R'000	2019 R'000
Authorised but not contracted		
Property, plant and equipment	**67 500**	101 000

Capital commitments for the 2020 financial year relate mostly to the opening of new Burger King stores.

ANNEXURE 2 – DIRECTORS RÉSUMÉS AND ATTENDANCE AT MEETINGS

EXECUTIVE DIRECTORS

Mohsin Tajbhai (40) – Appointed to the Board on 28 November 2018

Group Chief Executive Officer – Appointed 1 July 2019

BSc Eng, MEng, MBA, PrEng, CEng, MIStructE

Mohsin is a professional structural engineer with a Master's degree in engineering from the University of Cape Town ("**UCT**") and also holds a Master's degree in Business Administration (MBA) from the Graduate School of Business at UCT. He started his career at GPI as the chief operating officer ("COO") of manufacturing and properties and progressed to group COO. Prior to his career at GPI, he served as the chief executive officer of Nadeson Consulting Services, a Cape Town based civil engineering company.

Jayson October (39) – Appointed to the Board on 1 April 2020

Financial Director – Appointed 1 April 2020

BCompt (Hons), Chartered Accountant (SA)

Jayson holds the qualifications BCompt (Hons), CA(SA). He has over 14 years' professional experience including serving as Group management accountant, Group financial manager, and deputy chief financial officer during his time with the Company. Prior to joining GPI, Mr. October served as an audit supervisor at Mazars.

NON-EXECUTIVE DIRECTORS

Alexander Abercrombie (69) – Appointed to the Board on 20 October 1997

Non-executive Chairman – Appointed on 31 January 2020

Att. Adm. Dipl. (UWC), PgD (Company Law) (Stell), Cert (Sports Law) (UCT)

Alex is an attorney by profession and a Consultant to the national law firm Cliffe Dekker Hofmeyr. His association with GPI dates back to the inception of the Company in 1997 when he was appointed as a non-executive director. On 11 June 2012, he was appointed as the executive director responsible for the Group's gambling operations until his retirement from the executive role on 28 February 2015.

He remains on the Board as a non-executive director as well as continuing on the board of the GPI/Sun International slots group of companies in which GPI has an interest. Alex is chairperson of these companies, including the holding company, Sun Slots, the management company, the six slots routes owned by Sun Slots countrywide and the Grand Gaming Corporate Social Investment Company.

In addition, Alex is the Chairman of the board of Worcester Casino Proprietary Limited and represents GPI on the board of Sun West International Proprietary Limited. He is also a member of the Board's Investment Committee, Social and Ethics Committee and the Remuneration and Nomination Committee.

Alex is a qualified International Commercial Mediator, a former Judge of the Cape High Court and until recently he was the Deputy Chair of the Council of the College of Cape Town.

He is well known in sports circles having been appointed by the Minister of Sport as Chair of the Appeal Board of the South African Institute for Drug-Free Sport (SAIDS). He is also Chairman of the Appeal Board of the South African Football Association and has received a Special State President's Award: "*In Recognition of Services to South African Football*" from then, former President, Nelson Mandela.

Walter Geach (65) – Appointed to Board on 17 September 2013

Lead independent non-executive director – Appointed 9 September 2019

CA(SA) BA LLB (Cape Town) MCom FCIS

Walter is a chartered accountant CA(SA), an admitted advocate of the High Court of South Africa and a Professor and Head of the Department of Accounting at the University of the Western Cape. Among his many other academic achievements, he has also authored/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 Limited and Grindrod Bank and is a member of the audit committee of both companies.

Mark Bowman (54)

Independent non-executive director – Appointed to the Board on 5 December 2018

BCom (WITS), MBA (UCT)

Mark was until the end of 2016 Managing Director for Africa for SABMiller. He has spent the majority of his career with SABMiller in various leadership roles. Over the span of his career he managed ABI (the listed soft drinks division of SAB) in South Africa, and in Poland he was MD for Kompania Piwowarska a successful part of the SABMiller CEE business. From 2007 until his departure in late 2016 Mark managed SABMiller Africa, a business of over $10 billion in revenue, and $1,8 billion in EBIT, which represented a third of group earnings. His business experience lies in growing FMCG businesses in Africa. Mark is a non-executive director of Tiger Brands, Dis-Chem, and Mr Price. He variously also sits on Remco, Audit/Risk, and Investment sub-committees of these boards.

Ronel van Dijk (48)

Independent non-executive director – Appointed to the Board 5 December 2018

B Rek (Hons) (USB), CA(SA)

Ronel has a B Rek (Hons) degree from the University of Stellenbosch. She qualified as a CA(SA) in December 1997 and thereafter spent a year working in the London office of Arthur Andersen & Co. She returned to Cape Town as audit manager with the firm. Ronel joined Spur Corporation Limited as group financial manager in January 2003. In January 2005, she was appointed as chief financial officer and company secretary, and she was appointed to the board of directors in September 2006. In her role as CFO, Ronel was ultimately responsible for the finance, company secretarial, administrative, legal and compliance functions of the group, as well as corporate governance and risk management. She also fulfilled a supervisory function for IT and HR. Since 2014, she had a dual role after being appointed COO of International business and in this capacity was responsible for the international growth strategy of the group. As an executive director Ronel was instrumental in determining and implementing group strategy and she also founded, and served as Chair of, the Spur Foundation. Ronel left Spur Corporation Limited in March 2018 and is now enjoying working on a tech start-up in the car rental industry when she is not travelling.

Monde Nkosi (30)

Non-executive director – appointed 4 December 2019

B.Bus.Sci (UCT), MA (Stanford), MBA (Stanford)

Monde is an investment professional with experience in private and listed businesses in South Africa and the USA. He is currently a senior investment professional and executive director at Value Capital Partners ("**VCP**"), an investment firm that acts as an engaged shareholder in several JSE-listed companies. Prior to VCP, Monde was on the investment team of FFL Partners, a San Francisco-based private equity firm managing over USD2 billion. Monde is currently a non-executive director of Adcorp Holdings Limited. He holds a Bachelor of Business Science from the University of Cape Town, a Master of Arts from Stanford University and a Master of Business Administration from Stanford University.

Rozanna Kader (36)

Non-executive director – appointed 1 February 2020

Graduate Management Development Programme

Rozanna has extensive hospitality and management experience. She currently serves as a non-executive director on the boards of Nadeson Enterprises, Nadeson Investments, Zevocept and Afriserv. Prior to her current role as a consultant focusing on management performance, Rozanna served as the chief operating officer of three of the GPI group companies, namely Grand Coffee House Proprietary Limited (Dunkin' Donuts South Africa), Grand Bakery and Grand Ice Cream Proprietary Limited (Baskin Robbins South Africa).

Table 1: Director Board and committee meeting attendance during the 2020 financial year

	Director designation	GPI Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
H ADAMS	Non-executive Chairman*	5/9				3/8
A ABERCROMBIE	Non-executive director**	8/9		4/4	2/2	8/8
M TAJBHAI	Chief Executive Officer	9/9			2/2	
CM PRIEM	Financial director***	8/9				
J OCTOBER	Financial director***	1/9				
W GEACH	Lead independent director	9/9	4/4	1/4		
M BOWMAN	Independent non-executive director	8/9	3/4	4/4		7/8
R VAN DIJK	Independent non-executive director*	9/9	4/4			
M NKOSI	Non-executive director****	5/9		3/4		6/8
R KADER	Non-executive director*****	4/9		3/4	2/2	
K PILLAY	Independent non-executive director******	2/9	1/4			

** H Adams retired as a non-executive director with effect from 31 January 2020.*

*** A Abercrombie appointed as Chairman on 31 January 2020.*

**** C Priem resigned as financial director with effect from 31 March 2020 and J October was appointed as financial director with effect from 1 April 2020.*

***** M Nkosi was appointed as a non-executive director with effect from 4 December 2019.*

****** R Kader was appointed as a non-executive director with effect from 1 February 2020.*

******* K Pillay was appointed as an independent non-executive director with effect from 11 July 2019 and he resigned on 21 November 2019.*

REMUNERATION REPORT

In accordance with King IV™ and in compliance with the JSE Listings Requirements, the GPI remuneration policy and implementation of the policy have been proposed for endorsement by shareholders at the Company's 2020 Annual General Meeting.

Background

GPI's remuneration philosophy is aimed at rewarding and retaining talent across the Group. One of the key objectives of the remuneration policy is to align the key decision makers in the Group with the expectations of shareholders in order to promote value creation. The GPI Board thus views its remuneration policy as a key enabler to affect this Group philosophy. In February 2020 GPI has shifted strategy to unlock value through a controlled sale of assets in doing so the remuneration policy has also been changed to align incentives with the proposed strategy.

Remuneration policy and approach

The remuneration of executive directors comprises a total guaranteed cost to company component and a wind-down incentive. The Group has done away with both short-term and long-term incentives and created a wind down incentive which is aligned with the Group's strategy to unlock value through a controlled sale of assets. The proposed incentive is aligned with the major objectives of the group which are:

1. Maximise value creation through asset sales
2. Reduce time to complete asset sales
3. Reduce central costs
4. Improve profitability of operational businesses

Guaranteed pay

Guaranteed pay is benchmarked against the 25th percentile of the local salary survey. Benchmarking is intentionally aimed at the lower end of the scale with performance-based remuneration being weighted at the higher end of the scale. The table below outlines the total guaranteed pay for the CEO and CFO and a comparison against the benchmark.

Job title	25th	50th	Total guaranteed pay	% Benchmark
Chief Executive Officer	2 825 724	3 415 956	2 200 000	(22%)
Chief Financial Officer	2 183 844	2 599 980	1 650 000	(24%)

Wind-down incentives

The wind-down incentives are calculated using a multiple of the total guaranteed package based on achieving a particular target. Key Performance Indicators (KPIs) have been designed and aligned with the Groups strategy to unlock value through a controlled sale of assets and have been weighted in order of importance. The table below outlines the KPIs and associated weighting:

Wind-down incentive KPI	Weight
Time to complete asset sales	7.5%
Cumulative central costs and transaction costs	7.5%
Value realised – Burger King and Meat Plant	15%
Value realised – Spur	10%
Value realised - SunWest	20%
Value realised – Sun Slots	15%
Value realised – Golden Valley	5%
Value realised – GPI Properties	10%
Value realised – Mac Brothers	5%
Mac Brothers headline earnings	5%

IMPLEMENTATION REPORT

The remuneration and nomination committee ("Remco") is satisfied that GPI complied with its remuneration policy in the 2020 financial year.

The annual salary increases were based on various factors, ranging from but not limited to the; company's performance including the impact of Covid-19 on the business, average CPI, market salary increase indicators, amongst others.

During the 2020 financial year, the Remco benchmarked the salaries against PwC's report on executive directors' remuneration and trends.

STIs and LTIs for the 2020 financial year were calculated based on the Group's results. The executives new KPIs, as detailed in the Remuneration Report above, have been designed and aligned with the Group's strategy to unlock value through a controlled sale of assets and have been weighted in order of importance.

Engagement with dissenting shareholders following the previous Annual General Meeting

Since the non-binding votes on GPI's remuneration policy and implementation report on the remuneration policy garnered less than 75% of the votes exercised, GPI engaged with dissenting shareholders on 12 June 2020, as required, by inviting them via the JSE's Stock Exchange News Service ("SENS") to forward their concerns/questions on the remuneration policy and the implementation thereof to the Company Secretary in writing and to attend a video conference arranged for 2 July 2020 from 10:00 to 11:00.

Of the 49.66% who voted against the policy and the 48.61% who voted against the implementation of the policy, six parties, representing 25.05% shareholding in GPI, participated in the video conference.

Shareholders participating in the video conference raised concerns regarding historical short-term and long-term incentives paid to executives as well as the targets and weighting of KPIs for executive management given the change in the businesses strategy going forward. The Remco advised that it remains committed to ensuring that the current management team is being fairly paid and properly incentivised to achieve the business strategy.

Voting at upcoming Annual General Meeting

Both GPI's remuneration policy and its implementation report on the remuneration policy will be presented to shareholders for separate non-binding advisory votes thereon at GPI's upcoming Annual General Meeting to be held on 7 December 2020. In the event that 25% or more of shareholders vote against either or both the remuneration policy or the implementation report at the Annual General Meeting, GPI will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholders concerns, always with due regard to meeting GPI's stated business objectives while being fair and responsible towards both the employee and shareholders.

Non-executive director remuneration

GPI's non-executive directors' remuneration is based on a scale that takes into account the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The fees are tabled annually for approval by GPI's shareholders and the fees paid to non-executive directors in the 2020 financial year are set out below.

The Remco, with the Board's endorsement, have proposed that the fees of non-executive directors be increased in line with the general salary increase paid to employees in the Group.

A special resolution to obtain shareholder approval for the change in remuneration for non-executive directors has been included (as special resolution number 1) in the notice of Annual General Meeting.

The fees currently paid to non-executive directors for their services as directors as well as the proposed fees to be paid from 1 January 2021 are contained in Table 1 below. The fees received by non-executive directors for the financial year ended 30 June 2020 is provided in Table 2 below.

Independent external advice

PwC provided benchmarking data for guidance on executive remuneration and the grading of various non-executive positions in the Group.

Remuneration received by directors in the 2020 financial year

Details of the remuneration, STIs and LTIs received by the executive and non-executive directors during the 2020 financial year can be found at Tables 2 and 3 below.

Table 1: Non-executive directors' fees

	PROPOSED FEES 1 January 2021 to 31 December 2021			
	Number of meetings per annum (indicative)	**Base fee R**	**Attendance fee R**	**Attendance fee above minimum number of meetings R**
Non-executive Chairperson	4	658 580	19 855	11 495
Lead Independent director	4	123 310	19 855	11 495
Non-executive directors	4	81 510	19 855	11 495
Chairperson of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee and Investment Committee	4	45 980	31 350	
Members of the Audit and Risk Committee, Remuneration and Nomination Committee, Social and Ethics Committee and Investment Committee	4	31 350	16 198	

Note: All amounts are exclusive of VAT

Table 2: Directors' emoluments for the years ended 30 June 2019 and 30 June 2020

	Salary R'000	Long-term benefits[1] R'000	Bonuses R'000	Severance pay R'000	Directors' fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
2020												
Executive directors												
M Tajbhai	1 711	212	1 700	–	–	–	–	–	–	3 623	–	452
C Priem[2]	1 141	146	1 500	733	–	–	–	–	–	3 520	–	938
J October[3]	305	14	–	–	–	–	–	–	–	319	–	–
Sub-total	**3 157**	**372**	**3 200**	**733**	**–**	**–**	**–**	**–**	**–**	**7 462**	**–**	**1 390**
Non-executive directors												
H Adams[4]	–	–	–	–	338	–	7	20	7	372	–	1 043
A Abercrombie[5]	–	–	–	–	298	–	87	79	80	544	–	–
W Geach	–	–	–	–	298	150	13	–	7	468	–	–
M Bowman	–	–	–	–	250	70	127	63	–	510	–	–
R van Dijk	–	–	–	–	261	84	–	–	–	345	–	–
K Pillay[6]	–	–	–	–	92	25	–	–	–	117	–	–
M Nkosi[7]	–	–	–	–	155	–	59	87	–	301	–	–
R Kader[8]	–	–	–	–	130	–	56	–	38	224	–	–
Sub-total	**–**	**–**	**–**	**–**	**1 822**	**329**	**349**	**249**	**132**	**2 881**	**–**	**1 043**
Total	**3 157**	**372**	**3 200**	**733**	**1 822**	**329**	**349**	**249**	**132**	**10 343**	**–**	**2 433**

[1] *Long-term benefits relate to defined retirement contributions.*

[2] *C Priem resigned as financial director 31 March 2020, emoluments are for nine months.*

[3] *J October was appointed financial director on 1 April 2020, emoluments are for three months.*

[4] *H Adams resigned as executive director on 30 June 2019 and was appointed non-executive director and Chairman on 1 July 2019 and resigned as Chairman and non-executive director on 31 January 2020.*

[5] *A Abercrombie was appointed Chairman on 31 January 2020.*

[6] *K Pillay resigned as non-executive director on 21 November 2019.*

[7] *M Nkosi was appointed non-executive director on 4 December 2019.*

[8] *R Kader was appointed non-executive director on 1 February 2020.*

	Salary R'000	Short-term benefits[(1)] R'000	Long-term benefits[(2)] R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
2019													
Executive directors													
H Adams[(10)]	4 418	1 365	–	3 034	5 955	–	–	–	–	–	14 772	–	366
P Moodley[(3)]	1 282	–	190	–	–	–	–	–	–	–	1 472	–	–
M Tajbhai[(4)]	961	–	123	–	–	–	–	–	–	–	1 084	–	59
C Priem[(5)]	1 319	–	196	–	–	–	–	–	–	–	1 515	–	64
Sub-total	**7 980**	**1 365**	**509**	**3 034**	**5 955**	**–**	**–**	**–**	**–**	**–**	**18 843**	**–**	**489**
Non-executive directors													
A Abercrombie	–	–	–	–	–	256	–	64	10	80	410	–	–
W Geach[(11)]	–	–	–	–	–	246	147	–	–	20	413	–	–
R Hargey[(6)]	–	–	–	–	–	123	41	30	–	–	194	–	–
N Maharaj[(7)]	–	–	–	–	–	253	63	73	–	36	425	–	–
N Mlambo[(8)]	–	–	–	–	–	123	–	30	–	–	153	–	–
M Bowman[(9)]	–	–	–	–	–	115	–	29	–	–	144	–	–
R van Dijk[(9)]	–	–	–	–	–	123	41	–	–	–	164	–	–
Sub-total	**–**	**–**	**–**	**–**	**–**	**1 239**	**292**	**226**	**10**	**136**	**1 903**	**–**	**–**
Total	**7 980**	**1 365**	**509**	**3 034**	**5 955**	**1 239**	**292**	**226**	**10**	**136**	**20 746**	**–**	**489**

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

(2) *Long-term benefits relate to defined retirement contributions.*

(3) *P Moodley was appointed 1 August 2018 and resigned as chief executive officer and executive director on 7 December 2018.*

(4) *M Tajbhai was appointed as executive director on 28 November 2018. Director's emoluments are for 7 months.*

(5) *C Priem was appointed as chief financial officer at 1 July 2018.*

(6) *R Hargey was removed as non-executive director on 5 December 2018.*

(7) *N Maharaj resigned as non-executive director on 30 April 2019.*

(8) *N Mlambo was removed as non-executive director on 5 December 2018.*

(9) *M Bowman and R van Dijk were appointed as non-executive directors on 5 December 2018.*

(10) *Non-executive Chairman from 1 July 2019.*

(11) *Lead independent from 9 September 2019.*

Table 3: Directors' equity-based remuneration

RECONCILIATION OF GPI SHARE OPTIONS GRANTED IN TERMS OF THE GRAND PARADE SHARE INCENTIVE TRUST

	Number of unvested share options 30 June 2019 R'000	Granted during the year R'000	Exercised during the year R'000	Forfeited during the year R'000	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2020 R'000
2020							
H Adams[1]	5 641	–	(3 263)	(2 378)	–	–	–
M Tajbhai	1 504	911	–	–	2.46	–	2 415
C Priem[2]	1 471	804	–	–	2.31	–	2 275
Sub-total	**8 616**	**1 715**	**(3 263)**	**(2 378)**			**4 690**

	Number of unvested share options 30 June 2018 R'000	Granted during the year R'000	Exercised during the year R'000	Forfeited during the year R'000	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2019 R'000
2019							
H Adams	3 504	3 263	–	(1 126)	2.29	2.18	5 641
M Tajbhai[3]	–	1 504	–	–	–	2.26	1 504
C Priem[4]	–	1 471	–	–	–	2.04	1 471
Sub-total	**3 504**	**6 238**	**–**	**(1 126)**			**8 616**

[1] *H Adams resigned as executive director on 30 June 2019. In terms of the mutual separation agreement he retained his share options which were to be exercised by 30 June 2020. H Adams exercised his share options in April 2020.*

[2] *C Priem resigned as executive and financial director on 31 March 2020. In terms of the mutual separation agreement he retained his share options which are to be exercised by 31 March 2021.*

[3] *M Tajbhai was appointed as executive director on 28 November 2018.*

[4] *C Priem was appointed as chief financial officer on 1 July 2018*

ANNEXURE 4 – GENERAL INFORMATION RELATING TO SHAREHOLDERS

GRAND PARADE INVESTMENTS LIMITED
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2020

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	1 284	17.51	522 887	0.11
1 001 – 10 000	4 520	57.97	20 289 116	4.32
10 001 – 100 000	1 578	21.52	43 039 574	9.16
100 001 – 1 000 000	165	2.25	43 999 065	9.36
Over 1 000 000	55	0.75	362 172 099	77.05
Total	**7 332**	**100.00**	**470 022 741**	**100.00**

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance companies	9	0.12	907 905	0.19
Close corporations	28	0.38	1 596 903	0.34
Collective investment schemes	26	0.35	35 473 724	7.55
Custodians	9	0.12	562 856	0.12
Foundations and charitable funds	3	0.04	34 000	0.01
Hedge funds	8	0.11	82 867 563	17.63
Insurance companies	3	0.04	431 511	0.09
Investment partnerships	10	0.14	1 661 958	0.35
Managed funds	1	0.01	12 055 775	2.56
Private companies	85	1.16	126 252 186	26.86
Public entities	1	0.01	181 693	0.04
Retail shareholders	7 020	95.74	108 956 314	23.18
Retirement benefit funds	28	0.38	63 373 521	13.48
Share schemes	2	0.03	1 722 692	0.37
Stockbrokers and nominees	8	0.11	5 321 985	1.13
Trust	90	1.23	28 622 154	6.09
Unclaimed scrip	1	0.01	1	0.00
	7 332	**100.00**	**470 022 741**	**100.00**

ANNEXURE 4 – GENERAL INFORMATION RELATING TO SHAREHOLDERS (CONTINUED)

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	**19**	**0.26**	**62 743 397**	**13.35**
Directors and Associates (Direct Holding)	6	0.08	6 565 402	1.40
Directors and Associates (Indirect Holding)	10	0.14	39 640 488	8.43
GPI Women's B-BBEE Empowerment Trust	1	0.01	14 814 815	3.15
Collective Investment Schemes	2	0.03	1 722 692	0.37
Public shareholders	**7 313**	**99.74**	**407 279 344**	**86.65**
Total	**7 332**	**100.00**	**470 022 741**	**100.00**

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Capital Partners	98 211 186	20.89
Arakot	47 268 792	10.06
Kagiso Asset Management	38 302 539	8.15
GPI Management Services	24 000 000	5.11
Rozendal Partners	15 416 622	3.28
Total	**223 199 139**	**47.49**

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Value Capital Partners H4 QI Hedge Fund	54 745 420	11.65
Arakot	47 268 792	10.06
Midnight Storm Investments Pty Ltd	24 248 649	5.16
GPI Management Services Pty Ltd	24 000 000	5.11
Eskom Pension and Provident Fund	18 581 342	3.95
Rozendal Flexible Prescient QI Hedge Fund	15 416 622	3.28
GPI Women's B-BBEE Empowerment Trust	14 814 815	3.15
Total	**199 075 640**	**42.35**

ANNEXURE 5 – COMPANY INFORMATION

COMPANY SECRETARY

Statucor (Pty) Ltd
6119-123 Hertzog Boulevard, Foreshore, Cape Town, 8001
PO Box 2275, Cape Town 8000

BUSINESS ADDRESS AND REGISTERED OFFICE

10th Floor, 33 on Heerengracht, Foreshore, Cape Town, 8001
PO Box 6563, Roggebaai, 8012

LISTING

JSE Limited
Sector: Financial Services
ISIN: ZAE000119814

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Private Bag X9000, Saxonwold, 2132
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

SPONSORS

PSG Capital Proprietary Limited

AUDITORS

Ernst & Young Inc.

ATTORNEYS

Cliffe Dekker Hofmeyr

NOTES

Grand Parade
Investments Limited