INTEGRATED ANNUAL REPORT **2015** | THE JOURNEY CONTINUES

GRAND PARADE

INVESTMENTS LIMITED

Introduction

The 2015 Integrated Annual Report builds on Grand Parade Investments Ltd's (GPI) previous reporting. The key difference this year is that the report focuses on the activities, risks and objectives of GPI as an investment holding company, and information provided in respect of the underlying investments is strategic, rather than operational.

This report was prepared in accordance with International Financial Reporting Standards, the JSE Listings Requirements and the Companies Act, No. 71 of 2008, as amended (the Companies Act), where relevant. Reporting on sustainable development was based on the principles and recommendations outlined in the King Report on Governance for South Africa 2009 (King III). The recommendations of the International Integrated Reporting Council's Framework were applied wherever possible.

GPI has applied the majority of the principles contained in King III and a summary of those principles that were not fully applied is presented in the Corporate Governance Report on page 46.

Scope and boundary of the report

During the year, the GPI management team aligned the Group strategy to that of an investment holding company. Therefore, the body of the 2015 report is limited to the activities of GPI as the reporting entity, while an analysis of each of the underlying investments has been provided in the Investment Reviews section on pages 25 to 45.

Accordingly, all references to "the Group" in this context denote the Company and its subsidiaries.

External assurance

The Consolidated Annual Financial Statements were audited by the independent external auditors, Ernst & Young Inc. (EY), in accordance with the International Standards on Auditing. The opinion of the external auditors in respect of the Consolidated Annual Financial Statements (AFS) is provided on page 61 of the full AFS. The Group has not sought external assurance on the contents of this report.

Forward-looking statements

The Integrated Annual Report contains certain forward-looking statements which relate to the financial position and results of the operations of GPI and its investments. These statements, by their very nature, involve risk and uncertainty as they relate to future events and depend on circumstances that may or may not occur in the future.

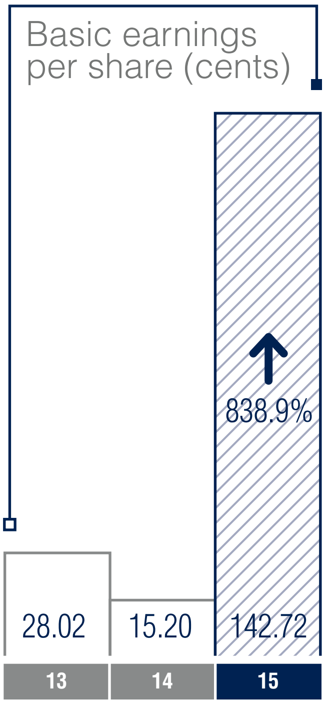
Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, interest rates, exchange rates and regulatory delays or changes.

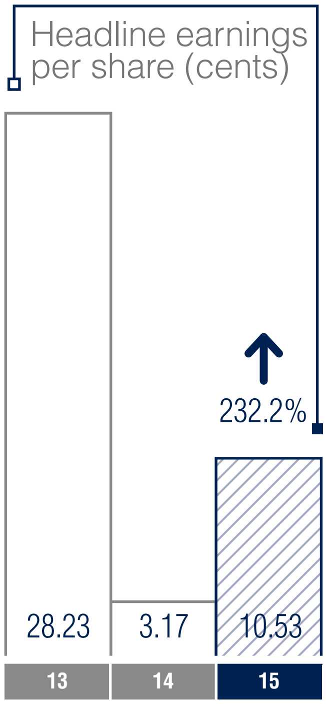
The forward-looking statements have not been reviewed or reported on by the Group's external auditors.

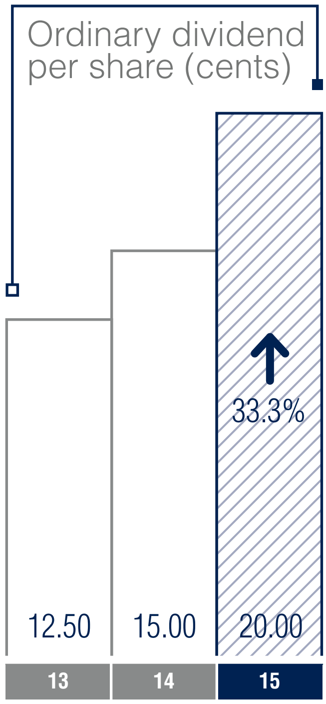
Approval of the Integrated Annual Report

The Board acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. The directors confirm they have collectively assessed the content of the report and believe that it is a fair representation of the Group's material issues, performance and prospects. The Board has therefore approved the 2015 Integrated Annual Report for release to stakeholders.

Salient features







Highlights

Burger King South Africa (RF) (Pty) Ltd – **R231.8 million** invested in store expansion

Dolcoast Investments Ltd – **R130.0 million** received from the disposal of **24.9%** holding

GPI Slots (RF) (Pty) Ltd – **R215.9 million** received from the disposal of **25.1%** holding

Grand Tellumat Manufacturing (Pty) Ltd – Acquired a **51.0%** joint venture holding

Mac Brothers Catering Equipment (Pty) Ltd – Acquired a further **77.8%** holding and increased holding to **100.0%**

Spur Corporation Ltd – Acquired a **10.0%** holding

Significant events

A number of significant events took place during the year, the most notable being alignment of the strategy with that of an investment holding company and core to the process, the identification of five strategic objectives. These are discussed in more detail in the Primary Objectives section on page 5. GPI's investment activities during the year resulted in a significant change to its underlying investment portfolio. The Group increased its interests in the food industry by acquiring 10.0% of Spur Corporation Ltd (Spur), the remaining 77.8% of Mac Brothers Catering Equipment (Pty) Ltd (Mac Brothers) and the remaining 65.0% of Excellent Meat Burger Plant (Pty) Ltd (Excellent Meat Burger Plant), subsequent to year-end.

The Group also divested from certain of its traditional investments in the gaming industry by selling its 24.9% holding in Dolcoast Investments Ltd (Dolcoast), its 5.7% holding in National Casino Resort Manco Holdings (Pty) Ltd (National Manco) and 25.1% of its holding in GPI Slots (RF) (Pty) Ltd (GPI Slots).

GPI furthermore made its first investment outside of the food and gaming industry through its acquisition of 51.0% of Grand Tellumat Manufacturing (Pty) Ltd (GTM).

GPI's history

GPI was founded in 1997 for the express purpose of partnering with Sun International South Africa (Pty) Ltd as its primary black economic empowerment partner in the Western Cape. Its initial investment was an 8.53% holding in SunWest International (Pty) Ltd in 2001 and since then its investment portfolio within the gaming industry has grown and, more recently, diversified into the food industry. GPI listed on the main board of the JSE in 2008 and its current investment portfolio comprises the following investments:

Investment	Effective holding
Gaming	
SunWest International (Pty) Ltd	25.1%
Worcester Casino (Pty) Ltd	25.1%
GPI Slots (RF) (Pty) Ltd[1]	74.9%
Grand Sport (Pty) Ltd	100.0%
Food	
Burger King South Africa (RF) (Pty) Ltd	91.1%
Mac Brothers Catering Equipment (Pty) Ltd	100.0%
Spur Corporation Ltd	10.0%
Excellent Meat Burger Plant (Pty) Ltd[2]	31.9%
Diversified	
Grand Tellumat Manufacturing (Pty) Ltd	51.0%
Group Costs	
Grand Technology (Pty) Ltd	100.0%
GPI Properties (Pty) Ltd	100.0%

[1] *The Group has committed to selling 44.9% of its investment in GPI Slots to Sun International and will ultimately retain a 30.0% holding in the investment.*

[2] *The Group acquired an additional 65.0% of Excellent Meat Burger Plant on 7 September 2015, subject to certain conditions precedent, and increased its effective holding to 96.9%.*

GPI's investment philosophy

GPI's investment philosophy is to invest in the equity of companies, both listed and unlisted, where it can use its strengths to add value to an investee company's underlying business.

GPI invests in companies that provide a combination of:

- Long-term growth
- Opportunities for value creation
- A sustainable yield

GPI invests its surplus cash over the short term in low risk capital guaranteed investments that provide money market returns as a minimum. Where GPI cannot deploy surplus cash into new investments over the short term, it will return the cash to shareholders in the form of a special dividend.

GPI invests in companies with the following characteristics:

- Market-leading brand
- Strong management team with a demonstrable track record
- Clearly defined growth strategy
- Robust corporate governance
- Strong investment partners that are aligned with GPI's strategic objectives

GPI has a track record of being an entrepreneurial investor that takes a long-term view on value growth. The Group has invested in a number of start-up or early stage companies, participated in the establishment and growth of those companies and, in some instances, divested its holding to generate superior returns, as was the case with GPI Slots. Going forward, GPI will build on this trajectory and invest in companies that have the potential to meet all the characteristics listed above and where GPI can contribute to their growth.

The ultimate objective of GPI's investment philosophy is to:

- hold a portfolio of investments in high-quality businesses that are diversified across industries and stages in their asset life cycles;
- invest in companies where it can add value in a meaningful way through providing capital, empowerment, management expertise and synergies with its existing investments; and
- minimise its investment holding costs by ensuring that its management involvement is appropriate to the stage of growth of the asset.

How GPI manages its investments

GPI manages its investments on a decentralised basis by ensuring that the company in which it is invested has a strong management team to manage the daily operations autonomously and to whom GPI can provide support services, funding and strategic direction.

GPI is committed to aligning the strategic objectives of its investments with its own ambitions, ensuring that each investment has a remuneration structure that incentivises the attainment of its strategic objectives.

GPI monitors the performance of its investments on a monthly basis and provides support when the strategic objectives and operational performance targets have been missed.

Management teams across investments are encouraged to identify synergies between the respective businesses to ensure that maximum value is unlocked across its investment portfolio.

Primary objectives

GPI has identified that, to be a great South African investment holding company, the following five strategic objectives need to be achieved:

Strategic objective	Description
Be the best team	An investment holding company is only as great as the people within the organisation. Therefore, GPI has identified the need to attract, retain and reward talented people throughout the Group. This is achieved by ensuring that the remuneration structures at GPI and its investments are structured to reward performance. In addition, it is critical to have learning and development structures in place within the Group to ensure that talented people are given the space to develop further. This also ensures that there is a clear succession plan for the future sustainability of GPI. In order to achieve this, GPI has set the goal of becoming an employer of choice in South Africa.
Ensure shareholder returns	GPI's objective is to remain a dividend-active company, which is reflected in its track record of paying annual dividends. Where it has had surplus cash that could not be resourcefully invested, GPI has returned this to shareholders in the form of special dividends. GPI will maintain this policy unless, in the opinion of the Board, the funds can be deployed more efficiently in a particular year to enhance the accelerated growth of the Company.
Uphold BBBEE contributor status	GPI was established as an empowerment company and its founding investor base was made up of previously disadvantaged communities within the Western Cape. The maintenance of its empowerment credentials remains one of GPI's strategic objectives. As an investment holding company, GPI contributes to the empowerment of its underlying investments through its ownership credentials. GPI embraces empowerment and transformation and will continue to find ways to contribute to transformation and corporate social investment (CSI) beyond the requirements of the BBBEE Codes of Good Practice.
Focus on a diversified portfolio of assets	GPI aims to hold a diversified portfolio of assets in order to achieve its strategic objectives and to spread the overall risk of the portfolio. It is essential for the portfolio to be diversified such that investments are in different stages of their asset life cycles with early stage investments providing future growth and mature investments providing returns for shareholders and capital for further investment.
Maintain investment growth	As an investment holding company, GPI's performance is directly related to the combined performance of its underlying investments. Therefore, for GPI to achieve growth, it must ensure that its investments grow on a sustainable basis. GPI monitors the performance of its underlying investments on an ongoing basis and ensures that the strategic objectives of its investments are aligned with its own objectives.

Principal risks

The table below provides an overview of the principal risks faced by GPI, along with the Group's approach to managing each risk.

Risk	Risk description	How the risk is managed
Scarcity of capital resources	An investment holding company faces the risk of a lack of available capital resources to provide returns to shareholders in the form of dividends or to invest in existing assets or acquire new assets.	GPI forecasts its cash requirements over a five-year period. Prior to investing in new assets, the impact on the five-year cash flows is determined to ensure that there are sufficient capital resources to meet the Group's strategic objectives. GPI will make use of debt funding to make further investments; however, it maintains a conservative approach to debt and seeks to maintain its debt:equity ratio at below 40.0%. Where the maximum gearing ratio is reached, GPI will consider issuing new share capital; however, the impact on its BBBEE ownership credentials will be carefully considered before a decision is made.
Under-performance by investments	The performance of GPI is a direct result of the performance of the underlying companies in its investment portfolio.	GPI invests in businesses with strong management teams and that are leading brands in their respective industries. GPI seeks to obtain strategic influence over its investments by either having a controlling holding in the investment or by having representation on the investment's board of directors.

Risk	Risk description	How the risk is managed
BBBEE status	The new BBBEE Codes impose a number of new measurement criteria and compliance targets which have the potential to reduce companies' contributor levels across the board. It is anticipated that companies will all be impacted by the onerous provisions of the Ownership element of the BBBEE scorecard with listed companies (such as GPI), having greater difficulty in this regard due to having limited control over shareholder changes.	Management has implemented steps to analyse the provisions of the new BBBEE Codes to gain a thorough understanding of their impacts on GPI's contributor level as well as that of its subsidiaries. Greater emphasis is being placed on maintaining current investor information on the verified shareholder data-base and monitoring shareholding changes. In addition, revised programmes have been developed internally, in collaboration with management and a team of consultants, to ensure that the Group continues to contribute to the objectives of broad-based black economic empowerment and in the process, meet the relevant compliance targets in terms of the new BBBEE Codes. The revised programmes are being implemented together with accountability and reporting frameworks to ensure regular reporting by management of the subsidiary companies to their company boards and ultimately the GPI board to enable the early identification of any changes with the potential to impact negatively on the Group's BBBEE status.
Poor allocation of capital	An investment holding company constantly faces the decision of where and how to allocate its capital resources in a manner that is in line with its strategic objectives.	To ensure that it allocates its capital resources appropriately, GPI measures new investments against their ability to contribute to the achievement of its overarching strategic objectives. Where an existing investment is no longer aligned with GPI's strategic objectives, GPI will either use its influence to realign the strategic direction of the investment or, where this is not achievable, look to divest from the investment.

Risk	Risk description	How the risk is managed
Reliance on a few investments	Over-reliance on a few investments exposes GPI to underperformance in any one investment.	GPI has taken steps to grow and diversify its investment portfolio in recent years. For example, GPI Slots is generating substantial returns which reduce reliance on the contribution from SunWest. In addition, the investments into the food industry through BURGER KING® SA will further reduce the Group's reliance on its gaming assets.
Attraction and retention of talent	The success of GPI is reliant on the people who drive the Group and its underlying investments. Therefore, its ability to attract and retain talented people is critical to its future sustainability.	In order to attract and retain talent, GPI's strategy adopts a people first stance. In other words, its processes and practices are aimed at attracting and retaining talented people by rewarding performance.
Performance of the South African economy	GPI's current investments are exposed to the activities and perceptions of the South African consumer, as the operations of its underlying investments are based predominantly in the local gaming and food industries.	GPI invests in assets with strong brands that appeal to a range of customers across different LSM groups, which provides an element of protection against cyclical economic downturns. To further reduce the risk of poor performance of its investments due to external challenges, GPI aims to invest in businesses that provide support services to its main investments, thereby maintaining control and vertically integrating operational supply chains where possible. This is the case with Mac Brothers Catering Equipment and Excellent Meat Burger Plant which, respectively, provide catering equipment and burger patties to Burger King. This enables GPI to be more price competitive in a depressed economy, while maintaining sustainable margins.

GPI is a great South African investment holding company that unlocks potential by venturing into new frontiers and exploiting our existing opportunities.

Executive reports

The journey continues.

The five-year growth strategy is well on its way and the future is looking bright, despite some disappointments during the year, including losing the National Lottery Operator Bid and the Competition Commission's rejection of the proposed Tsogo Sun transaction, all against a recessionary backdrop of subdued consumer spending, regular power outages and labour instability. It has been invigorating and affirming to lead an organisation that, when confronted by setbacks, disappointments and new challenges, is still capable of pursuing and achieving audacious dreams. Thus, the journey continues.

We have had to venture outside of our comfort zone and have implemented certain austerity measures to optimise the business without inhibiting the growth trajectory. We are focused on building a responsible business culture and applying the insights from recent years, thereby ensuring sustainable growth in revenue and profit from the existing businesses according to the five-year plan. Our employees, led by management, have embraced the challenges and are committed to realising this objective. "Coming together is a beginning, keeping together is progress, working together is success" – Henry Ford.

The milestones achieved in 2015 and up to the date of this report, include –

- Roll-out of 50 BURGER KING® outlets with 20 drive-through format stores in record time
- The acquisition of 100% of Mac Brothers Catering Equipment
- Substantial growth of the Slots business with profits exceeding projections
- Growth of the property portfolio with exciting new concepts in development
- The conclusion of an agreement to acquire a stake in Atlas Gaming Holdings, an Australian-based gaming machine manufacturer, in partnership with established European gaming company Synot International. This exposes GPI to an array of manufacturing opportunities in new markets

While we are driven to grow and sustain a profitable business, we also recognise and embrace the importance of investing in the youth and contributing to South Africa's positive future. To this end, GPI will be launching an Incubator programme, to be known as GPI², at our head office. The Incubator will have access to our existing manufacturing facilities providing participants with the know-how to develop and implement their ideas with the ultimate aim of creating solid and sustainable entrepreneurs.

Governance

The Board is cognisant of its role as the ultimate custodian of governance and believes that sound corporate governance is paramount to ensuring long-term success and sustainability. To this end, we have implemented practices aimed at ensuring that business is conducted with integrity and transparency so as to create sustainable returns and value for all our stakeholders.

Our governance framework complies with the King III principles, with certain exceptions as discussed in the corporate governance section of this report, as well with applicable legislation and the JSE Listings Requirements.

Prospects

The prospects for the future of GPI are positive, as we continue to seek new opportunities and challenge new frontiers. We will continue to explore opportunities to extend our footprint in the gaming sector on the one hand and, on the other, to position the food business portfolio for a substantial growth journey.

A great deal of progress has already been made in the food portfolio, with other global brands being considered for addition to the already substantial line-up of the BURGER KING® and Spur brands, and the conclusion of agreements for the remaining 65% of the Excellent Meat Burger Plant before the end of 2015, with plans to export patties and equipment to international markets during 2016. In addition, mutually value-adding joint venture arrangements with Spur Corporation Ltd are being explored to expand on and leverage supply chain synergies.

In the case of our manufacturing portfolio of businesses, strong growth prospects exist with scope for further vertical integration among our other businesses and a potential pipeline of orders for set-top boxes in South Africa, and for catering equipment locally and internationally.

Vote of thanks

In conclusion, I would like to express my sincere thanks to the Board of Directors, management, staff and consultants for their continued support throughout the year. This journey is only possible and made easier because of it being a team effort.

> "Coming together is a beginning, keeping together is progress, working together is success." – Henry Ford

Alan Keet
Chief Executive Officer

This is only the beginning.

2015 was a year of consolidation. Significant effort was channelled towards building the platforms to extract maximum value out of the existing businesses and embedding a set of common values, goals and strategy across the Group. Given all the corporate activity of the prior year, the time was right to refine the strategic direction of GPI into the future and ensure the culture we build enables our vision of being a great South African investment holding company.

Strategy

During the process of refining our strategy, we considered a quote from an old legal case where the judge commented: "Did you ever expect a corporation to have a conscience, when it has no soul to be damned and no body to be kicked?" This sentiment, held by many, implies that a company can have no personality. At GPI, we take the opposite view; not only that the Group has personality and flair, but that our uniqueness is both a key strength and critical differentiator. Through a comprehensive process, we have settled on the core values of Excellence, Sustainability, Entrepreneurship, Ethics and Respect. These have been carefully selected to propel the Group along a path of success and sustainability, whereby these values underpin all strategic and governance decisions going forward. Having begun on this path, management is now focused on embedding the values and strategy throughout the business and clearly communicating the Group's enhanced prospects with stakeholders.

Since inception, GPI has achieved phenomenal growth of some 26% compounded annually. Our strategy going forward is to accelerate growth across all spheres of the business, including assets, staff and processes. Each business will pursue the goal of being the best team, ensuring healthy shareholder returns and focusing on a diversified portfolio while maintaining investment growth.

Various human resources practice have been implemented to ensure GPI and the businesses in its investment portfolio attract, retain and reward the right people by delivering on a demonstrable succession plan and offering value-adding development opportunities. GPI is committed to providing consistent returns to shareholders in the form of an annual dividend, which it will achieve through a conservative and transparent approach to budgeting and capital allocation.

The change in the broad-based black economic empowerment (BBBEE) codes has presented some challenges. The Group has developed plans to assess its adherence to and alignment with the tenets of BBBEE, which have long been a fundamental characteristic of the business and its legacy. We are committed to identifying strategies for the new scorecard that go beyond achieving the best rating, but that add real value to the business.

While GPI will ultimately strive to diversify its portfolio of assets, the clear focus is on the gaming and food-related assets. Diversification will be achieved in the short term through a combination of listed and unlisted holdings and the stage of maturity of the assets. The Company takes a conservative view on capital allocation and will only consider assets outside these industries that meet the criteria of our investment approach that underpin the overarching growth strategy. This growth will be measured using the intrinsic net asset value of each asset and GPI will maximise this by leveraging synergies with target companies, providing strategic direction, allocating appropriate funding and maintaining a robust reporting process.

Performance

Gaming

Casinos

These investments satisfy several of our criteria in that they are significant shareholdings, cash generative, well managed and displaying steady growth, with GPI retaining the ability to add strategic value. Therefore, the disappointment was minimal when the intended sale of the 25.1% holding in SunWest and Worcester Casino did not materialise following the withdrawal of interested parties in response to an objection from the Competition Commission, which promised to derail the transaction ahead of the deadline. Concurrent to the approval process for the proposed deal, GPI continued receiving dividends from SunWest which, on the back of 9.9% EBITDA growth achieved at GrandWest Casino, and the continued recovery in the performance of the Table Bay Hotel, amounted to a healthy dividend. It has long been part of our approach that GPI is content to remain the holder of the asset, while, continuing to investigate alternatives that create maximum value for shareholders. Worcester Casino had satisfactory results for the year in a very tough environment and management have done well to stem the losses to a position from which they will be able to take advantage of improvements in the trading environment.

LPMs

GPI Slots produced stellar results for 2015. All performance criteria set were exceeded and costs were well managed, resulting in a 43% growth in EBITDA from R127 million to R182 million. The transaction to sell a further 25% to SISA is progressing as scheduled, pending regulatory approvals. This will result in cash proceeds to GPI of approximately R300 million on the successful conclusion of this tranche of the deal.

Sports betting

grandplay.co.za has gathered reasonable momentum in the last while and, although still reflecting losses, the business has taken huge strides in establishing a good brand, a smartphone app and a formidable online platform. This type of business typically takes a while to establish itself and achieve critical mass. Currently, 29 retail licences have been secured and this will add the necessary impetus to accelerate the development of the business. There is substantial latent synergistic potential between this business and the LPM business, which will be explored and extracted to the ultimate benefit of both.

Food

BURGER KING®

BURGER KING® has reached a point where the trading at store level is profitable, on a monthly basis, as at year-end. This has been achieved in difficult trading conditions and is convincing evidence that the business is now well-positioned to deliver on its vast value potential. The 44 stores at year-end provide a good platform from which to grow to double the current footprint in the next 12 months, and it is expected that BURGER KING® will achieve the necessary cash generation levels to repay its loan account to GPI commencing from July 2016. Having committed some R410 million to the development of this business, GPI is pleased with the value created to date. The goal going forward is to optimise operating processes, including leveraging the benefits of the localised and integrated supply chain, so that maximum growth is attained to the 2020 milestone year when BURGER KING® anticipates having between 5% and 7% of the Fast Food market and between 15% and 20% of the Burger market.

The opportunity to expand into Africa is currently being investigated, as well as discussions around when the best time would be to start franchising restaurants. Both these potential strategies present a significant boost to the business and will be introduced as appropriate.

Excellent Meat Burger Plant

Excellent Meat Burger Plant is poised to contribute to the Group's results in a meaningful way and, as such, an agreement to acquire the remaining 65% of the company not already owned by the Group, has been concluded, taking the Group's effective holding to 96.89%. The acquisition is subject to certain conditions precedent, but is expected to be concluded by the end of the 2015 calendar year. With full control of the plant, there will be more flexibility in terms of its operations, with the potential to expand its market reach to include clients other than BURGER KING®.

Spur Corporation Ltd

The investment in Spur Corporation Ltd has yielded very positive financial results, with the valuation having shown some 19% growth relative to its purchase price. Equally important though, are the many hours spent in discussion with Spur's management on how best to use the combined purchasing power of the two companies to enhance both the Spur and BURGER KING® brands. A positive working relationship exists between the two teams, which will yield good results in future.

Mac Brothers Catering Equipment

During the year, the business became a wholly-owned subsidiary of GPI. The revenue for the full year grew at 9.7%, which was slightly less than anticipated due to the reduced number of BURGER KING® stores. Necessary investment to bolster capacity and gear for growth further impeded profitability, but the forecast going forward and order book for 2016 are strong indicators of impending returns in the short term. The business is well managed, but disruption in the form of the various corporate transactions and implementation of new software has affected performance. The prospects nevertheless remain exciting and the extraction of this potential will be driven by the GPI team.

Since inception, GPI has achieved phenomenal growth of some 26% compounded annually. Our strategy going forward is to **accelerate growth** across all spheres of the business, including assets, staff and processes. Each business will pursue the goal of being the **best team**, ensuring **healthy shareholder returns** and focusing on a **diversified portfolio** while **maintaining investment growth**.

Diversified investments

Grand Tellumat Manufacturing (GTM)

GTM had quite a disappointing year and, while the loss was not material, it is evident that the industry is fraught with uncertainty in relation to tenders and government-related work. Management highlighted this at an early stage and took proactive measures to make the business less reliant on contracts manufacturing and to explore the development of its own intellectual property. The order book for 2016 is sound and a significant improvement is expected in the coming year. With the expected increase in the manufacturing of gaming machines, supported by the deal with Atlas Gaming Holdings, GTM is ideally placed to become a leader in the industry in South Africa.

Future

The clearly delineated silos of gaming and food present exciting opportunities within our existing assets and those for the future. The ownership of the gaming assets including SunWest, Worcester Casino and the GPI Slots business, underpins the growth of the food business by providing the equity and income to finance the expansion as well as the necessary cash flows to maintain our dividend policy. The balance sheet gearing at 34.5% has peaked in terms of the forecast until 2020, which provides adequate resources to continue with the BURGER KING® expansion plans and, over time, to fund further acquisitions.

The intention is to explore acquisitions in the food industry that support the supply chain of BURGER KING®, while also benefiting the Spur Corporation. With this mindset and confidence acquired in the QSR space, other acquisitions (where synergies with existing businesses could be extracted) would be considered, provided they meet GPI's exacting criteria.

The minority stake in Atlas Gaming and options to acquire further equity in that company are also expected to benefit GPI on several fronts. Atlas Gaming is a gaming machine manufacturer based in Australia and GPI's first investment internationally and opens the door to further diversification of our asset base.

The best team

Huge strides were taken in 2015 to embed the philosophy of the BEST TEAM throughout the Group. GPI's ambitious growth targets can only be achieved with the correct team in place and with appropriate rewards and incentives being offered. The opportunity for all stakeholders to participate in this journey depends on the team and there is a strong sense of commitment from everyone within GPI. Thanks go to all employees for once again producing good results for GPI – the financial manifestation of that will follow as a consequence of the hard work, dedication and application that so many of our personnel have displayed.

The Executive Committee is to be acknowledged for the many hours spent on defining and implementing the strategy – this is only the beginning. A special thanks to Hassen Adams, our tireless Executive Chairman and Dylan Pienaar, our recently appointed Financial Director, for their guidance and support.

To the Board and our advisors – thank you for the support during the year.

GPI's core investments delivered solid results and showed their resilience against the backdrop of an ailing economy.

Introduction

GPI's core investments delivered solid results and showed their resilience against the backdrop of an ailing economy. Headline earnings increased by 234% to R49.4 million, due to improved results from SunWest and GPI Slots. This translates into headline earning per share of 10.53 cents; an improvement of 232% on last year's 3.17 cents.

Investment activity

The year was characterised by a significant amount of investment activity which included the following:

The Group disposed of 25.1% of its holding in GPI Slots for R215.9 million. The disposal reduced the Group's holding in GPI Slots to 74.9% and resulted in a loss of control of the investment. A gain of R611.4 million was recognised in the profits from discontinued operations when the investment was deconsolidated.

The Group also disposed of its 24.9% holding in Dolcoast, which has an indirect interests in Sibaya Casino and its 5.7% holding in National Manco for R130.0 million and R1.4 million respectively.

The Group acquired 10.0% of Spur Corporation Ltd for R294.7 million, the remaining 77.8% of Mac Brothers Catering Equipment for R66.6 million, 51.0% of Grand Tellumat Manufacturing (GTM) for R21.8 million and four properties for a combined value of R102.1 million.

Capital structure

The Group used the proceeds received from the various investment disposals made during the year to fund acquisitions. However, the quantum of the investments required an increase in the Group's capital structure by issuing new GPI shares and increasing debt funding.

Stated capital

GPI issued 4.4 million new shares for R29 million, which increased the total number of shares in issue at 30 June 2015 to 448.8 million shares.

Debt

The Group increased its overall external debt funding by R565.7 million, which includes the following significant facilities:

Funding type	Amount (R'm)	Utilisation
Preference shares	**222.3**	Acquisition of 10.0% of Spur Corporation Ltd
Term loans	**50.0**	Acquisition of properties
Short-term facilities	**277.0**	Burger King expansion and part payment of other acquisitions made during the year

These facilities contributed to an increase in finance costs of R39.0 million when compared to last year. The gearing ratio at 30 June 2015 increased to 34.5%, which is at the upper end of the Board's target debt to equity range. The business will therefore focus on reducing the gearing ratio to historic levels.

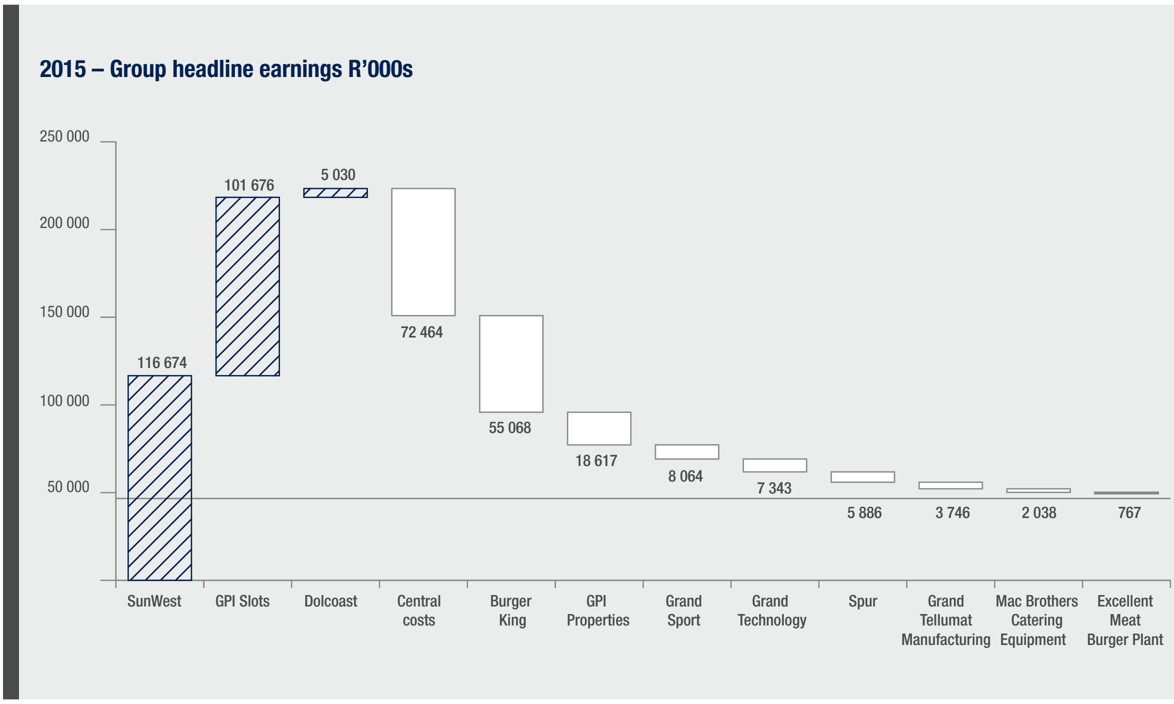
The short-term facilities were raised as bridge funding and are in the process of being restructured to match the term of the funding to the expected returns from the underlying investments.

Earnings

The comparative period results have been restated as if the investments in SunWest and Worcester Casino were never disclosed as held-for-sale, as required by IFRS, as they no longer met the definition of held-for-sale. The Group's headline earnings for the year increased by R34.6 million to R49.4 million.

The table below details the contribution made by each of the investments to the Group's headline earnings:

	GROUP		YEAR-ON-YEAR MOVEMENT	
Continuing operations	**2015 R'000s**	Restated 2014 R'000s	R'm	%
Gaming				
SunWest	**116 674**	104 789	11 885	11%
GPI Slots – 30.0% for 6 months	**9 671**	–	9 671	–
Grand Sport	**(8 064)**	(422)	(7 642)	1811%
Food				
BURGER KING®	**(55 068)**	(39 860)	(15 208)	38%
Mac Brothers Catering Equipment	**(2 038)**	–	(2 038)	–
Spur	**(5 886)**	–	(5 886)	–
Excellent Meat Burger Plant	**(767)**	(448)	(319)	71%
Diversified				
GTM	**(3 746)**	–	(3 746)	–
Group costs				
Grand Technology	**(7 343)**	(4 103)	(3 240)	79%
GPI Properties	**(18 617)**	(6 932)	(11 685)	169%
Central costs	**(72 464)**	(43 710)	(28 754)	66%
Headline earnings from continuing operations	**(47 648)**	9 314	(56 962)	(612%)



Review of investments' operations

Gaming

SunWest

SunWest remains the largest contributor to Group headline earnings, with R116.7 million for the year, an increase of 11.3% on last year. SunWest performed exceptionally well in a tough economic environment and exceeded the Group's expectations by increasing profit after tax to R515.3 million. GrandWest Casino's profit of R533.9 million, which increased by 9.1% since last year, contributed the majority of SunWest's net profit after tax.

The Table Bay Hotel reported a loss after tax of R18.6 million, which is 26.8% lower than the previous year's loss of R25.4 million. SunWest continued to provide the Group with a solid return on investment and increased its dividend paid to shareholders by 15.6% to R520.0 million. The Group's share of the dividend for the year was R130.5 million (25.1%).

GPI Slots

GPI Slots' contribution to Group headline earnings was R101.7 million, split between R92.0 million recognised in the profit or loss from discontinued operations and R9.7 million recognised in the profit or loss from continuing operations. The amount recognised under continued operations comprises the following:

- R71.0 million, which represents 100% of GPI Slots' earnings for the six months to 30 December 2014 (the period that GPI controlled the investment); and
- R21.0 million reversal of the deferred tax liability.

The contribution to earnings from continuing operations of R9.7 million represents 30.0% of GPI Slots' earnings for the six-month period between 31 December 2014 and 30 June 2015, when the investment was held as a jointly controlled entity. The 30.0% holding is the portion of the investment that the Group has not committed to dispose.

GPI Slots grew total revenue by 33.2% to R798.0 million and profit after tax increased by 50.0% to R77.0 million. This was driven by organic growth in its existing businesses, as well as the acquisition of 100% of KZN Slots on 8 August 2014 for R78.5 million. KZN Slots is licenced to operate up to 1 000 LPMs in KwaZulu-Natal and had 623 active LPMs on the date of acquisition.

GPI Slots had 3 396 active LPMs at 30 June 2015 (2014: 2 637 LPMs), which has resulted in an increase of Gross Gaming Revenue market share to 48.72% (2014: 32.85%), thereby strengthening its position as the market leader – a major achievement for the Group. During the year, GPI Slots repaid R37.5 million of its shareholder loan from surplus cash generated.

Worcester Casino

Tough trading conditions persisted in the Worcester region where Golden Valley is situated, and as a result, the company recognised a R2.9 million loss for the year. As the Group impaired the carrying value of its investment in Golden Valley in previous financial years, it does not recognise losses made by the investment.

As a result, Golden Valley did not make a contribution to the Group's headline earnings for the year. Despite not contributing to headline earnings, the investment holds strategic value for the Group, particularly in light of the discussions around relocating a second Western Cape casino licence to the Cape Metropole.

Grand Sport

Grand Sport contributed a loss of R8.1 million to Group headline earnings, which is higher than the R0.4 million loss contributed last year. Grand Sport had its first full year of trading and the loss is in line with the Group's expectations of a greenfield investment. The business is poised for growth and several initiatives have been planned for the forthcoming year to grow the brand.

Food

BURGER KING®

BURGER KING® contributed a loss of R55.1 million to Group headline earnings, which is 38.2% higher than the R39.9 million loss contributed last year. The past two years have been the initial start-up and expansion phase for BURGER KING® and the results are in line with management expectations.

BURGER KING® opened a further 26 stores during the year, taking the total number at 30 June 2015 to 44 (2014: 18 stores). BURGER KING® achieved significant operational milestones by localising 92% of its food inputs, which has substantially derisked the business from currency fluctuations and stock losses and has increased the food margin. The store operating costs were brought in line with targets, which allowed BURGER KING® to report a store operating profit of R3.7 million in the last three months of the year between 1 April 2015 and 30 June 2015.

Excellent Meat Burger Plant

Excellent Meat contributed a loss of R0.8 million to Group headline earnings. Excellent Meat is a burger patty production plant that was established to cater for all BURGER KING®'s burger patty requirements. The growth of the business will be linked to that of BURGER KING® and several opportunities are being explored to sell products to other BURGER KING® franchisees internationally.

Mac Brothers Catering Equipment

Mac Brothers Catering Equipment contributed a loss of R2.0 million to Group headline earnings. It did not contribute to last year's headline earnings as the initial investment was made at the end of the previous financial year.

30.2% of Mac Brothers Catering Equipment's revenue relates to the sale of equipment to BURGER KING®, the margin on which has been eliminated against BURGER KING®'s cost of fixed assets in the Group results, causing Mac Brothers Catering Equipment to report a loss at Group level.

Mac Brothers Catering Equipment was negatively affected by persistent load shedding at its production facilities, resulting in higher operating costs after the installation of a generator. The business aims to diversify its customer mix to be less reliant on sales to BURGER KING® in the future – this will have a positive impact on Group results.

Spur Corporation

The Group's investment in Spur contributed a loss of R5.9 million to Group headline earnings. The loss represents the amount by which the interest expense on the investment's funding structure exceeded the dividends received from Spur during the year. The Group received R6.7 million from Spur as an interim dividend. The interest expense and dividends received will be aligned in future, when both final and interim dividends are received annually.

Diversified investments

Grand Tellumat Manufacturing

GTM is a new investment for the Group and contributed a R3.7 million loss to Group headline earnings. GTM reported a loss of R7.4 million for the 10 months it traded during the financial year, which was predominantly incurred during the first eight months of operation. As a result of the interventions of the Group, GTM management turned their focus to attracting new customers. Good progress was made and the company accordingly reported a profit of R2.0 million during the last quarter of the financial year.

Group costs

GPI Properties

GPI Properties contributed a loss of R18.6 million to Group headline earnings, which is an increase from the loss of R6.9 million contributed last year. The majority of the properties owned by GPI Properties are leased to Group companies and, as a result, the rental income earned from these companies has been eliminated from the Group headline earnings. Therefore, the loss contributed represents the Group's property costs net of any revenue generated from third-party tenants.

Grand Technology

The Group treats Grand Technology as a shared cost centre with effectively all of its revenue earned from Group companies. The Group revenue is eliminated from the Group headline earnings and, therefore, Grand Technology contributed a loss of R7.3 million for the year, which represents the Group's annual IT costs.

Central costs

The Group's central costs represent the head office costs and costs associated with the investment activities of the Group, such as transaction costs. Group headline earnings were reduced by the R72.5 million in central costs, which is 65.8% higher than last year's costs of R43.7 million. The increase is due to one-off transaction fees incurred on the various acquisitions, disposals that took place and as a result of the additional interest incurred on the short-term facilities. As indicated above, the short-term facilities are currently being renegotiated to reallocate the facility against the Group's investment in SunWest and to align the terms of the facility to the expected returns from SunWest.

Dividends

A 20.0 cents ordinary dividend per share was declared in respect of the profits relating to the 2014 financial year. The Group's strategy is to remain a dividend-active company. However, given the timing and intensity of corporate activity during the year, the possibility of declaring a dividend relating to 2015 profits will be considered once future cash flows are determined with more certainty.

EXECUTIVE DIRECTORS

1

1 | Hassen Adams (63)

Executive Chairman	Appointed 11 February 2011

HDip Civil Engineering (PenTech), PrTech Eng.

Hassen, an engineer by profession, has been instrumental in establishing a number of successful businesses, the most high profile of these being Grand Parade Investments Ltd (GPI) which he co-founded. In addition to being the Executive Chairman of GPI, Hassen is also executive chairman of Burger King South Africa (RF) (Pty) Ltd and Non-executive Chairman of SunWest International (Pty) Ltd. He serves on the board of Grindrod Ltd and on the boards of all of GPI's subsidiaries, as well as GPI's Investment Committee and Social and Ethics Committee. He also holds directorships in diverse industry sectors including construction, gaming, shipping, entertainment and leisure and has extensive experience in corporate finance.

2

2 | Alan Edward Keet (47)

Chief Executive Officer	Appointed 10 April 2012

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

Alan is a chartered accountant by profession. He joined the Group in April 2012 as Chief Executive Officer, prior to which he was the CEO of a National Auditing Practice where he served his articles and subsequently became a partner in 1998. During his time there he served on several boards, gaining experience in varied industries from property funds to insurance underwriters and various service industries.

Alan was appointed as a Director of the Company on 10 April 2012 and serves on all the Board Committees in an executive capacity. He also holds a Board position on Spur Corporation Ltd as the GPI representative.

3

3 | Dylan Pienaar (36)

Group Financial Director	Appointed 1 November 2014

BCom (Hons) (UCT), CA (SA), ACMA, CGMA

Dylan is a qualified chartered accountant and a member of the Chartered Institute of Management Accountants (United Kingdom). He joined GPI in 2008 as part of the GPI Slots finance team and has since held various key roles within the Group finance team, including Group Financial Manager and Finance Executive, before being appointed as the GPI interim Group Financial Director on 1 November 2014 and the Group Financial Director with effect from 1 March 2015. He is a member of the Company's Investment Committee and attends meetings of the various committees of the Board in an executive capacity.

ADMINISTRATION

4

4 | Lazelle Christian Parton (58)

Group Company Secretary	Appointed 11 February 2011

BA (Political Science) (UN)

Lazelle has some 30 years' of legal, law administration and compliance experience gained in both the public and private sectors. She has extensive experience at provincial government level and, before leaving the service in 2001, had been the director responsible for policy and legislation development as well as regulatory oversight of the gambling industry in the province for several years. Since then she has gained commercial experience in the private sector, adapting her strong communication, legal and compliance expertise accordingly. In addition to role as Group Company Secretary, she also provides legal and compliance services to the Group.

NON-EXECUTIVE DIRECTORS

5

5 | Dr Norman Victor Maharaj (64)

Lead Independent Director	Appointed 11 February 2011

MBChB (UCT)

Norman is a qualified medical doctor and former member of the Public Service Commission. He has extensive public service and trade union movement experience as well as analytical and decision-making skills. He has served on the Board in a Non-executive capacity since 2008 and has filled the role of Lead Independent Director since February 2011, when Hassen Adams was appointed as Executive Chairman. He is currently Chairman of the Remuneration and Nomination Committee and is also a member of the Board's Audit and Risk Committee and the Social and Ethics Committee.

6

6 | Alexander Abercrombie (64)

Non-executive Director	Appointed 11 June 2012

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

Alex is an attorney by profession and a former director of DLA Cliffe Dekker Hofmeyr. His association with GPI dates back to inception of the Company in 1997 when he was appointed as a Non-executive Director. On 11 June 2012, he was appointed as an 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 Grand Gaming Corporate Social Investment Company.

In addition, Alex is the chairman of the board of Worcester Casino (Pty) Ltd and represents GPI on the board of SunWest (Pty) Ltd. He is also a member of the Board's Investment Committee, Social and Ethics Committee and the Remuneration and Nomination Committee.

7

7 | Colin Michael Priem (56)

Non-executive Director	Appointed 20 August 2012

BCom (Hons) (UWC)

Colin has a Bachelor's degree in Commerce, with Honours in Business Administration, and is in the process of reading for his Master's degree in Commerce. He is currently the CEO of a large services business in Cape Town and lectures part-time on financial management modules at the University of the Western Cape. In addition to being a Non-executive Director on the Board of GPI, he also serves as Chairman of the Board's Audit and Risk Committee and as a member of the Remuneration and Nomination Committee and the Investment Committee.

Colin has comprehensive experience in finance, investment and strategic management gained as an academic and through active involvement in business and has more than 20 years' experience in the landscape design, construction and maintenance fields.

8

8 | Nombeko Mlambo (69)

Non-executive Director	Appointed 20 October 1997

BA (Unisa), BEd (UCT), MA in Counselling Psychology (Durham University)

Nombeko has been a Non-executive Director of the Board since its inception in 1997. She is also a non-executive director of the various subsidiaries in the GPI Slots Group, a member of the Board's Remuneration and Nomination Committee and chairperson of the Western Cape Women's Investment Forum.

A teacher by profession, Nombeko's interest in education continues to be expressed through the various movements she has co-founded. These include the Community Ploughback Movement, which is focused on community-based educational, arts and culture projects; the Council for Black Education and Research Trust, an educational NGO; as well as the Business Skills and Development Centre which focuses on equipping young women with much-needed business skill.

9

9 | Prod Walter Geach (60)

Non-executive Director	Appointed 17 September 2013

CA(SA), BA LLB (UCT), 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 Ltd and Grindrod Bank and is a member of the audit committee of both companies. He is also a non-executive director of QDOS (Pty) Ltd and Acacia (Pty) Ltd.

10

10 | Rasheed Hargey (58)

Non-executive Director	Appointed 1 September 2015

BCom (Hons) (UWC)

Rasheed has a Bachelor's degree in Commerce, with Honours in Management, and has completed the Management Development Programme at the University of Stellenbosch.

In 1987 he co-founded HNR Computers where he held the position of managing director for a period of 10 years. During his tenure, the company became the largest black-owned software distributor in South Africa and won numerous awards, including Black Business of the Year in 1995 and Software Distributor of the Year for 1995, 1996, 1997 and 1998. Rasheed played a significant role in the formation of the Black IT Forum in 1993 and remains a member of the Forum as well as the Institute of Directors, the American Management Association, and the Black Management Forum.

In 2006, Rasheed was appointed as chief executive officer of Tellumat (Pty) Ltd, a diversified technology group focusing on the communications, defence and electronic manufacturing market segments. Under his leadership the company saw impressive growth, developing and completing nine key product families and building project, engineering, development, manufacturing and servicing skills capacity. He resigned from Tellumat in 2013 to focus on his private business consultancy and his passion for disruptive technologies.

Gaming investments

SUNWEST INTERNATIONAL

THE GOLDEN VALLEY Casino

GPI SLOTS (PTY) LTD

GRAND SPORT

Food investments

BURGER KING®

EXCELLENT MEAT BURGER PLANT

Brothers

SPUR CORP.

Diversified investments

GRAND Tellumat MANUFACTURING

Group costs

GRAND TECHNOLOGY

GPI PROPERTIES

GPI will continue to grow and diversify its portfolio, seeking investment in enterprises with high growth potential, committed leadership and an entrepreneurial spirit to match its own.

Investment reviews

Gaming

SunWest International

PROFILE

SunWest International holds 100% of GrandWest Casino and Entertainment World and 100% of The Table Bay Hotel.

GrandWest Casino and Entertainment World is the largest entertainment destination of its kind in South Africa. It has the only casino in Cape Town, and a range of family-friendly entertainment offerings from iceskating to movies and arcade games – all under one roof. GrandWest also offers premium conferencing and event facilities in Cape Town and has hosted some of the biggest local and international entertainment acts in the 7 000-seat Arena.

The Table Bay Hotel is a five-star luxury hotel situated in the Victoria & Alfred Waterfront in Cape Town and is one of the Leading Hotels of the World. It has also been voted as one of South Africa's Top 25 Hotels in the 2014 and 2015 TripAdvisor Travellers' Choice awards.

OWNERSHIP STRUCTURE

SUNWEST INTERNATIONAL

25.1%

effective ownership (as at 30 June 2015)

R116.7 million

contribution to GPI headline earnings for the period

GRANDWEST • CASINO AND ENTERTAINMENT WORLD •

The Table Bay At the Waterfront

CTICC

FACTSHEET

MANAGING EXECUTIVE
Mervyn Naidoo (GrandWest)
Joanne Selby (Table Bay Hotel)

GPI DIRECTORS AT SUNWEST BOARD LEVEL
Hassen Adams, Alan Keet, Nombeko Mlambo

BBBEE RATING
Level 2

EMPLOYEES
Total employee complement: 1 587
GrandWest: 1 278
Table Bay: 309

HEAD OFFICE
Goodwood, Cape Town

OPERATIONAL FOOTPRINT
- One casino and entertainment complex
- One five-star hotel

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**2 404 223**	2 250 457	2 051 094
EBITDA	**943 529**	852 073	791 730
Net profit after tax	**515 326**	464 193	440 078
Total debt excluding shareholder loans	**871 068**	848 558	751 072

OPERATING CONTEXT, PERFORMANCE AND PROSPECTS

Over the past year the South African economy has experienced a downturn and the local consumer has been under significant pressure with rising costs across all consumer goods. In addition, the local tourism market was negatively affected by the introduction of new visa regulations, biometric testing and the outbreak of the Ebola virus in West Africa. All these factors affected the local casino and luxury hotel industries very negatively, with the majority of the large casinos and luxury hotels producing poor results during the past year.

However, against the backdrop of all these negative factors, both GrandWest and the Table Bay Hotel produced strong results, which have highlighted the quality of these assets and their brands. As a result, SunWest increased its revenue by 6.8% to R2 404.2 million, its EBITDA by 10.7% to R943.5 million and its net profit after tax by 11.1% to R515.3 million. This allowed SunWest to increase its dividends paid by 15.6% to R520.0 million during the year.

GrandWest Casino

GrandWest's revenue increased by 4.4% to R2 253.0 million (2014: R2 157.7 million) year-on-year, as a result of excellent growth of 10.6% during the first half of the year. However, the growth in the second half of the year slowed to 1.9%, reflecting the higher base in the prior year, a slow-down in the economy and in part impacted by the volatility on tables. EBITDA increased by 3.7% to R915.4 million (2014: R882.7 million) due to good cost control and despite the effective gaming taxes of 27.4% being 0.6% higher than last year. The EBITDA margin increased by 1.3% to 42.5% (2014: 41.2%).

Table Bay Hotel

The Table Bay Hotel increased its revenue by 8.3% to R252.5 million (2014: R233.1 million) year-on-year as a result of a 9.0% increase in the Average Daily Rate and a 14% growth in food and beverage revenue. The decline in visitation from growth markets such as India and China was offset by an increased focus on traditional markets in Europe and the USA, with the weaker rand helping to boost tourism from these regions. Costs were well managed, resulting in a 21.4% increase in EBITDA to R60.2 million (2014: R49.6 million).

www.suninternational.com/grandwest
www.suninternational.com/table-bay

Gaming

Worcester Casino

PROFILE

Worcester Casino owns 100% of the Golden Valley Casino which is situated in the Breede River Valley, an hour's drive from Cape Town. The Worcester Casino is one of the most intimate casinos in the Western Cape. Whether you're in town for a small conference, travelling through Worcester or planning a weekend gaming getaway, the Worcester Casino will give you a taste of friendly Boland hospitality.

OWNERSHIP STRUCTURE

THE GOLDEN VALLEY Casino

25.1%

effective ownership (as at 30 June 2015)

FACTSHEET

MANAGING EXECUTIVE
Keenan Bergins

GPI DIRECTORS AT WORCESTER CASINO BOARD LEVEL
Alex Abercrombie, Hassen Adams

BBBEE RATING
Level 2

EMPLOYEES
Total: 233 employees

HEAD OFFICE
Worcester, Western Cape

OPERATIONAL FOOTPRINT
- One casino
- One three-star hotel

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**149 135**	143 487	133 129
EBITDA	**25 239**	24 714	27 930
Net profit/(loss) after tax	**(2 858)**	(113)	1 406
Total debt excluding shareholder loans	**135 320**	127 545	134 519

OPERATING CONTEXT, PERFORMANCE AND PROSPECTS

The Worcester region's economy, where the Worcester Casino is situated, remained stable during the past year, which has resulted in low growth for the region. This affected the performance of the casino, which showed a 3.9% increase in its revenue to R149.1 million (2014: R143.5 million) year-on-year. Costs were controlled as far as possible and the EBITDA increased by 2.1% year-on-year to R25.2 million (2014: R24.7 million).

New initiatives are being looked at to drive feet into the casino, which include creating a high-end slots area in the casino, an outdoor facility and hosting poker and blackjack tournaments at the casino. Alternatives are being considered regarding the current debt structure in order to reduce the interest burden on the casino.

The casino holds significant strategic value for GPI in light of the continued debate around the relocation of a second Western Cape casino licence to the Cape Metropole. In the event of a relocation happening, Worcester Casino would be eligible to relocate.

www.suninternational.com/golden-valley

Gaming

GPI Slots

PROFILE

GPI Slots supplies, installs and operates limited payout machines (LPMs) in the premises of licenced sites primarily with age-controlled access such as bars, taverns, restaurants, clubs and sports betting shops. LPMs function in the same way as casino slot machines, though with limited payout capacity, in line with prevailing gambling laws.

OWNERSHIP STRUCTURE

GPI SLOTS (PTY) LTD

74.9%

effective ownership (as at 30 June 2015)*

R101.7 million

contribution to GPI headline earnings for the period

"GPI Slots is a market leader with a licence to operate over 5 000 LPMs and has established a solid operating platform from which to grow."

FACTSHEET

MANAGING EXECUTIVE
Felix Mthembu

GPI DIRECTORS AT GPI SLOTS BOARD LEVEL
Hassen Adams, Alan Keet, Nombeko Mlambo

BBBEE RATING
Level 2 (measured as part of GPI consolidated scorecard)

EMPLOYEES
Total employee complement: 208

Historically disadvantaged individuals (HDIs) represent 90% of the total employee complement

Females represent 40% of the total employee complement

HEAD OFFICE
Cape Town

OPERATIONAL FOOTPRINT
GPI Slots is licensed by the relevant provincial gambling boards to operate in the following provinces:

- Western Cape: 1 000 LPMs
- KwaZulu-Natal: 2 000 LPMs
- Gauteng: 2 000 LPMs
- Mpumalanga: 122 LPMs

* Effective ownership of 100% for the period 1 July 2014 to 30 December 2014 decreased to 74.9% from 31 December 2014 to 30 June 2015 as a result of the sale of 25.1% to Sun International (South Africa) Ltd.

† Subsidiaries' ratings vary, with some achieving level 2 and 3 according to the former codes and in line with their licence conditions.

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**799 573**	599 616	470 760
EBITDA	**182 104**	127 442	61 779
Net profit after tax	**78 327**	51 336	48 728
Shareholder loan	**253 544**	204 047	100 326
Total debt excluding shareholder loans	**94 578**	2 289	877

OPERATING CONTEXT AND PERFORMANCE

Against a background of low economic growth, labour unrest in certain sectors and power supply interruptions, the local LPM sector grew by 16% overall. The number of machines in South Africa grew by only 8%, indicating that the bulk of the revenue growth was the result of improved performance from existing licences.

The total number of machines licensed nationally at the end of June 2015 was below expectations at 10 546 machines, which equates to less than half the number of machines (25 000) that regulators are collectively empowered to license in Phase 1 of the prescribed roll-out programme. This poses a challenge to the expansion prospects of the industry and the business is engaging with the relevant authorities to identify solutions.

There was, however, an increase in the number of requests for applications issued by some regulators for other licence types, including LPM site licences permitting the operation of more than five machines up to a maximum of 40 machines (referred to as Type-B and Type-C site licences), electronic bingo terminals (EBTs) and bookmaker licences. The impact of these applications will only be visible in the coming year, once the process of awarding licences has been completed.

Combined revenue for the GPI Slots Group increased by 33.3% to R799.6 million, largely due the acquisition of KZN Slots, which had a positive impact of 19% on the top line. The balance of the growth was as a result of organic gains from a range of value-adding improvements to the product offering, resulting in increased customer activity. Net profit after tax increased by 52% to R78.3 million, supported by the traction of various cost containment initiatives across the business.

In terms of market position, the acquisition of KZN Slots strengthened the Group's market share, which is approximately 48.7% of GGR and 48.7% of LPM numbers. The average GGR per machine per day remained in line with the market average at R662.

Grandslots in the Western Cape significantly outperformed the market, with average GGR per machine per day in excess of R1 000. Operations in KwaZulu-Natal and Gauteng showed improvements year-on-year as the market in these two regions is starting to mature. Gauteng was further bolstered by the activation of the second phase of Type-B site licences which saw another flagship 40-machine site opening in Kempton Park.

PROSPECTS

Going forward, the Group will focus on expanding the number of route operator licences by bidding for new licences, as well as through the acquisition of existing licences. The LPM industry is experiencing an increasing trend towards consolidation, which is expected to contribute to further improvements in operating efficiencies and profitability.

The GPI Slots Group will, along with other participants in the industry, be impacted by the implementation of the new BBBEE codes and will take action focussed on driving further empowerment in the business during 2016.

As the GPI Slots Group grows the LPM footprint through mutually value-adding partnerships with site owners, opportunities continue to emerge to diversify and expand the product and services offering in the medium to long term. The strategic aim of the GPI Slots Group is to build the business within the broader gaming sector and maintain double-digit year-on-year growth into the future. Further improvement in the machine mix will continue to play a major role in achieving this growth.

Gaming

Grand Sport

PROFILE

Grand Sport is a licensed online sports betting operator, offering bets on national and international horse racing and sporting events. The business was established in 2014 and trades under grandplay.co.za.

OWNERSHIP STRUCTURE

100%

effective ownership (as at 30 June 2015)

(R8.1 million)

contribution to GPI headline earnings for the period

"Grand Sport is confident that the investment in technology, supported by the rollout of retail licences, will grow the brand's reach in a dynamic, high-growth industry."

FACTSHEET

MANAGING EXECUTIVE
Graeme Hart

GPI DIRECTORS AT GRAND SPORT BOARD LEVEL
Hassen Adams, Alan Keet, Dylan Pienaar

BBBEE RATING
Level 2

EMPLOYEES
Total employee complement: 3

HEAD OFFICE
Cape Town

OPERATIONAL FOOTPRINT
One bookmaker licence authorising online operations nationally and retail operations in the Western Cape 29 retail (premises) licences in the Western Cape (not operational as yet).

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**545**	–	–
EBITDA	**(8 081)**	(422)	–
Net profit after tax	**(8 468)**	(422)	–
Shareholder loan	**10 100**	897	–
Total debt excluding shareholder loans	**487**	344	–

OPERATING CONTEXT AND PERFORMANCE

The online sports betting industry is highly competitive, with new operators facing stiff opposition from several established market players. Sports betting in South Africa is experiencing a growth phase, following a similar pattern to other parts of the world, despite inhibiting factors in the prevailing regulatory environment. Laws pertaining to marketing and advertising requirements are not uniformly applied across all provinces, which is a limiting factor to growth. In addition, activation processes require all customers to comply with onerous FICA requirements prior to engaging in online sports betting, which slows the potential rate of expansion. The business engages with regulators and legislators by commenting on draft bills and legislation.

In spite of these challenges, grandplay.co.za has established a foothold in the online betting market with its technically advanced and user-oriented online betting platform. The Company commenced operating in June 2014 and has shown steady growth during the period, retaining good trading percentages relative to stakes wagered. Development of an online mobile betting app was completed during the year, making grandplay.co.za one of only two operators in South Africa to offer such a product.

In addition, 29 retail betting licences have been obtained, with the intention of rolling these out during the course of the 2016 financial year, with initial focus in the Western Cape. The combination of the app and retail licences will contribute substantially to increased turnover in the coming year and establish grandplay.co.za as a serious contender in the online betting market in the short term.

PROSPECTS

grandplay.co.za anticipates significant growth in the coming financial year. This will be achieved through a strategic drive to reduce third-party costs, implement a targeted marketing and retention strategy and make use of technical data and expertise from specialised service providers. grandplay.co.za staff will receive additional training on retention and website development to improve the company's capability in these areas.

The long-term goal remains to grow the footprint across the country.

www.grandplay.co.za

Food

Burger King South Africa

PROFILE

BURGER KING® is a global quick-service restaurant (QSR) brand with stores across 86 countries, which prides itself on making great burgers according to the key principles of quality, freshness and taste. In May 2013, BURGER KING® SA signed a long-term master franchise and development agreement with Burger King Europe GmbH, thereby obtaining the exclusive rights to expand the BURGER KING® brand in the country.

OWNERSHIP STRUCTURE

91.1%
effective ownership (as at 30 June 2015)

(R55.1 million)
contribution to GPI headline earnings for the period

"BURGER KING® continues to make waves in the local QSR industry by serving high-quality, value-for-money products in modern, friendly environments."

FACTSHEET

MANAGING EXECUTIVE
Jaye Sinclair

GPI DIRECTORS AT BURGER KING® BOARD LEVEL
Hassen Adams, Alan Keet

BEE RATING
Level 2 (measured as part of GPI consolidated scorecard)

EMPLOYEES
Total employee complement of 1 766 employees of which 66 are at head office

Historically disadvantaged individuals (HDIs) represent 96% of the total employee complement

Females represent 66% of the total employee complement

Previously unemployed individuals represent 53% of the total employee complement

First-time employment individuals represent 33% of the total employee complement

HEAD OFFICE
Cape Town

OPERATIONAL FOOTPRINT
5.9 million customers served in the past financial year via a footprint of 44 restaurants across five provinces:

- Western Cape: 14
- Gauteng: 21
- KwaZulu-Natal: Seven
- Mpumalanga: One
- North West: One

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**303 883**	124 862	5 026
4-wall EBITDA*	**3 198**	(31 969)	(5 941)
EBITDA	**(72 301)**	(66 665)	(17 754)
Net profit after tax	**(72 085)**	(52 790)	(18 120)
Shareholder loan	**231 893**	0	0
Total debt excluding shareholder loans	**1 132**	944	0

* *4-wall EBITDA is operating EBITDA achieved by the restaurants and excluding head office costs.*

OPERATING CONTEXT AND PERFORMANCE

The QSR industry in South Africa grew by 17%† during the year to June 2015, with total sales of R31 billion. This substantial growth can largely be attributed to shrinking disposable household incomes, as a result of the sluggish economic environment, driving increased consumer demand for convenience and value-for-money offerings. Within the local QSR market, the burger category registered the strongest growth in value of 49%†, which was mainly due to the introduction of BURGER KING® SA, with stellar prospects for continued growth in the short to medium term.

As the market grows, BURGER KING® will continue to deliver high-quality food options at affordable prices, while aggressively promoting its regular specials offerings and introducing new, innovative products that differentiate the brand.

Year-on-year revenue increased by over 100% as a result of a further 26 restaurants opening during the year, bringing the total to 44. The focused roll-out will continue into the new year, with a total of between 80 and 85 restaurants expected to be operational and trading by end-June 2016. Achieving this stated target will fulfil and even exceed the Company's obligations in terms of the BURGER KING® master franchise and development agreement.

A highlight for the year was the successful localisation of the supply chain which, combined with substantial volume increases, had a significant impact on gross food margins. The most significant local supply approvals were that of Rainbow Chickens and Heinz SA. As a result, only seven of the 193 stock keeping units (SKUs) are still imported. Management is focused on improving the sales mix and cost controls going forward to maintain sustainable margins in line with the growth of operations.

The introduction of a tiered labour system, which stipulates ideal labour costs and headcount relevant to the revenue range and format specification of each unique store, allows restaurants to better manage this key cost driver without compromising on quality and speed of service. As a result, labour cost as a percentage of revenue was reduced from 25% in 2014 to 20% in 2015, with further gains still to be realised.

Head office costs as a function of revenue are declining with each year and remain on course to reach BURGER KING® worldwide best practice. The Company conducted a focussed review of restaurant capital expenditure requirements and has successfully reduced spend per restaurant over the year, including drive-through formats which carry a sizeable expenditure premium to standard formats.

The depth and reach of the brand with customers is BURGER KING® SA's most valuable intangible asset and it focuses considerable attention on mitigating reputational risk through rigorous employee training and food quality control. This is critical to ensuring consistency across the restaurant footprint in line with meticulous BURGER KING® international standards.

PROSPECTS

The primary objective of BURGER KING® SA this forthcoming financial year will be to achieve the targeted store roll-out on time and inside budget.

To this end, the Company will ramp up its marketing strategy, focusing on driving foot traffic into all stores as well as engineering menu offerings to appeal to the specific demographic profile of each restaurant's customer base. In addition, the company will continue to invest in its workforce by offering extensive, regular training and career advancement opportunities, including the introduction of an accredited learnership programme.

The Company continues to build on its exclusive franchise agreement with Sasol and expects to open a further nine forecourt stores in the coming year. Going forward, the primary focus at head office level remains on the corporate-owned stores, which comprise the bulk of the footprint, as well as initiatives to streamline the operating model and deliver enhanced returns.

† *Source: Analytix Fast Food Consumer Trends 2010-2014, Euromonitor Passport reports April and June 2015.*

www.burgerking.co.za

Food

Excellent Meat Burger Plant

PROFILE

Excellent Meat Burger Plant is an established supplier of quality Halaal products to wholesalers and retailers in South Africa with its origins as a family-owned and run enterprise. The company entered into an agreement with BURGER KING® SA in 2014 for the supply of burger patties to its national footprint of retail outlets.

OWNERSHIP STRUCTURE

31.9%*

effective ownership (as at 30 June 2015)

(R0.8 million)

contribution to GPI headline earnings for the period

* *GPI Group acquired an additional 65.0% on 7 September 2015, increasing its effective ownership to 96.9%.*

"The partnership with GPI has provided the Company with an unparalleled opportunity to grow."

FACTSHEET

MANAGING EXECUTIVE†

GPI DIRECTORS AT EXCELLENT MEAT BOARD LEVEL
Hassen Adams†

BBBEE RATING
Level 3

EMPLOYEES
Total employee complement: 32

HEAD OFFICE
Cape Town

OPERATIONAL FOOTPRINT
Production plant in Cape Town supplying the BURGER KING® SA network.

† *Appointments to be made once control of the investment is obtained.*

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**31 350**	3 854	–
EBITDA	**(289)**	(1 270)	–
Net profit after tax	**(1 464)**	(1 280)	–
Shareholder loan	**11 100**	5 000	–
Total debt excluding shareholder loans	**43 378**	45 732	–

OPERATING CONTEXT AND PERFORMANCE

Excellent Meat Burger Plant currently supplies approximately 130 tons of beef burger patties to BURGER KING® restaurants around South Africa every month. Revenue for the year ended 30 June 2015 was R31.4 million compared to R3.9 million in 2014.

Given the level of investment made by the partners, Excellent Meat Burger Plant is well equipped to handle the aggressive roll-out of BURGER KING® restaurants in the coming year and beyond. The plant has the capacity to cater for significant future volume requirements as it is currently running at around 20% of its capacity.

The plant has a full management team in place with sufficient expertise and experience to run it independently.

The primary risk for Excellent Meat Burger Plant is associated with the fact that it has just the single facility supplying BURGER KING® restaurants, which increases the potential impact of any operational disruptions at the plant. The management teams of Excellent Meat Burger Plant and BURGER KING® have a mitigating strategy in place to ensure the continued supply of burger patties to BURGER KING®.

The production plant is a state-of-the-art facility that was built according to EU standards and is certified by the Muslim Judicial Council as a Halaal-certified supplier. It is also export-approved by the South African government and has the potential capacity to produce 700 tonnes of burger patties per month.

PROSPECTS

Excellent Meat Burger Plant is investigating export opportunities within the BURGER KING® worldwide family and recently received its first accreditation to supply meat to a franchisee in Russia. In addition to the potential expansion to export markets, the burger plant will consider adding further BURGER KING® beef products to its range of products in the coming year with the aim of further growing revenue.

Food

Mac Brothers Catering Equipment

PROFILE

Mac Brothers Catering Equipment is a leading supplier of catering equipment and associated services. The Company owns a manufacturing facility in Cape Town and has branches in South Africa and Zimbabwe, as well as agent offices throughout Africa. Mac Brothers Catering Equipment became a wholly-owned subsidiary of GPI from 13 January 2015.

OWNERSHIP STRUCTURE

100%
effective ownership (as at 30 June 2015)

(R2.0 million)
contribution to GPI headline earnings for the period

The "Mac Brothers Catering Equipment" business model is geared for scale, with a world-class production facility and the ability to import and manufacture international products."

FACTSHEET

MANAGING EXECUTIVE
Derek McMahon

GPI DIRECTORS AT MAC BROTHERS CATERING EQUIPMENT BOARD LEVEL
Hassen Adams, Alan Keet

BBBEE RATING
Level 6

EMPLOYEES
Total employee complement: 248

Historically disadvantaged individuals (HDIs) represent 82% of the total employee complement

Females represent 18% (44) of the total employee complement

HEAD OFFICE
Cape Town

OPERATIONAL FOOTPRINT
- Catering and refrigeration equipment manufacturing facility in Cape Town
- Branches in Cape Town, Durban, Johannesburg and Harare
- Established agency network throughout Africa

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	Mar – Jun 2014	2014*	2013*
Revenue	**233 924**	65 171	180 436	149 565
EBITDA	**8 807**	1 009	12 361	11 023
Net profit before tax	**3 736**	(469)	8 333	7 525
Shareholder loan	**25 602**	10 244	–	–
Total debt excluding shareholder loans	**67 726****	68 388	76 198	54 578

* *Prior to GPI owning 100%, financial year-end was end February; included for comparative purposes only.*
** *Includes GPI Properties loans of R2.529 million.*

OPERATING CONTEXT AND PERFORMANCE

Mac Brothers Catering Equipment is well-positioned as one of the leading companies serving the food service industry in South Africa and into Africa. The brand is well established after many years of providing high-quality products and services to a growing and diverse customer base.

The newly upgraded manufacturing facility in Cape Town is technologically advanced with the latest fabrication equipment available, taking advantage of locally sourced stainless steel and other materials. Mac Brothers Catering Equipment has negotiated some key agreements to manufacture and supply certain equipment items not made in South Africa under licence, in cooperation with some of the leading overseas equipment manufacturers. This is a ground-breaking move in terms of local manufacture and price competitiveness, as well as future strategic potential to export this equipment. The Company has expanded its design capabilities to further add value and assist customers, with a comprehensive service including architectural design, kitchen engineering, cold room and freezer installations and extraction and ventilation technology. The combination of local manufacturing, agency-supplied equipment and bespoke design expertise allows Mac Brothers Catering Equipment to provide clients with an end-to-end kitchen equipment solution.

Despite muted economic conditions in South Africa, the local food service and hospitality industry continues to grow. The fact that kitchen equipment requires regular maintenance and periodic replacement contributes to the sustainability of this market as a whole and is a key source of income for the Company. The most significant operational challenges during the year were a result of machinery breakdown due to load shedding. The risk of further disruption has been mitigated through the commissioning of the new equipment as well as the installation of a generator capable of running the facility. In addition, the implementation of the Sage X3 ERP system will greatly assist the Company in integrating the process of design, manufacture and installation, as well as monitor and support the after-sales service requirements.

Sales related to BURGER KING® SA contributed over 30% to company revenues, which grew by 9.7% during the period. EBITDA decreased by 1.7%, largely due to the increased investment in human resources and other logistics required to gear the Company for the forecast BURGER KING® SA expansion. Exports into Africa decreased by 56% to R7.4 million, largely as a result of contextual factors, including the reduced oil price in key customer economies and significantly reduced tourism activity. In spite of these challenges, opportunities for substantial growth remain, and the business has established a solid foundation of branches and agents in various African countries.

PROSPECTS

The appointment of Mac Brothers Catering Equipment as the kitchen equipment supplier to BURGER KING® SA necessitated the upgrading of the manufacturing facility, Sabenza Manufacturing Systems, creating opportunities to export equipment to other markets. While Sabenza currently sells 96% of its product to Mac Brothers Catering Equipment, the long-term aim is to expand and diversify the customer base. The facility is highly scalable, with the potential to significantly increase volumes at a minimal additional cost. Taking advantage of this potential is the primary strategic focus in the coming year.

www.macbrothers.co.za

Food

Spur Corporation Ltd

PROFILE

Spur Corporation Ltd operates the Spur Steak Ranches, Panarottis Pizza Pasta, John Dory's Fish Grill Sushi, Captain DoRegos, The Hussar Grill and RocoMamas restaurant franchises. The Group also operates its own central kitchens facility which manufactures certain of the Group's unique sauces and has a recently acquired minority interest in a rib processing plant.

The group's main brands of Spur, Panarottis and John Dory's focus largely on the middle-class family sit-down dining market, with The Hussar Grill, an upmarket steakhouse offering, targeting higher-income levels, and Captain DoRegos and targeting the lower-income market. RocoMamas, the Group's most recent acquisition, has a broad appeal across target markets in the casual dining sector.

OWNERSHIP STRUCTURE

SPUR CORP.

10%

effective ownership (as at 30 June 2015)

(R5.9 million)

contribution to GPI headline earnings for the period

OPERATING CONTEXT, PERFORMANCE AND PROSPECTS

Spur Corporation Ltd delivered a competitive performance and continued to gain market share with worldwide restaurant sales increasing by 12.1% to 6.2 billion. Restaurant sales in South Africa proved resilient and grew by 11.3% in an environment of continued slowdown in middle-income spending and consumer confidence sinking to its lowest levels in over a decade. Trading conditions were compounded by load shedding which reduced local restaurant turnover by an estimated 3%.

Local Spur Steak Ranch restaurant sales increased by 9.0% for the year as promotional activity proved successful in attracting value-conscious customers and the Spur Family Card loyalty programme continued to attract customers and promote loyalty. Panarottis Pizza Pasta sustained its strong growth trend of recent years with local restaurant sales increasing by 25.4% aided by new store openings, refurbishing of existing stores, upgrading kids' play areas as well as marketing campaigns to promote the brand's authentic Italian offering. Sales at the local John Dory's Fish Grill Sushi increased by 12.0% benefitting from the addition of six new restaurants. The Hussar Grill performed well in its first full financial year in the Group as its higher income target customer proved more resilient in the current climate.

FACTSHEET

GPI DIRECTORS AT SPUR CORPORATION LTD BOARD LEVEL

Alan Keet

MANAGING EXECUTIVE

Pierre van Tonder

BBBEE RATING

Level 5

EMPLOYEES

Total head office employee complement: 395 (South Africa only)

Historically disadvantaged individuals (HDIs) represent 61.8% of the total employee complement

Females represent 52.4% of the total employee complement

HEAD OFFICE

Cape Town

OPERATIONAL FOOTPRINT

464 local stores

58 international stores as follows:

- Eight in United Kingdom and Ireland
- Nine in Australia
- 41 in Africa and Mauritius

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**760 059**	732 636	671 552
EBITDA	**194 825**	208 772	203 317
Net profit before tax	**205 421**	201 871	196 539
GPI shareholder loan	**–**	–	–
Total debt excluding shareholder loans	**250 623**	218 351	223 687

International restaurant sales increased by 18.6%. Applying a constant exchange rate, international restaurant sales grew by 12.1%, benefitting from eight new stores.

Following the opening of 15 Spur, 12 Panarottis, seven John Dory's, 12 Captain DoRegos, two The Hussar Grill outlets and four RocoMamas during the past year, the Group's restaurant base increased to 522.

Revenue generated by South Africa increased by 3.7%, impacted by the closure of the Captain DoRegos depot in November 2013. While franchise-related revenue from Spur, Panarottis and John Dory's grew in line with restaurant sales, revenue from Captain DoRegos declined by 25.8%. As a result of increased pressure on the disposable income of the Captain DoRegos target market, and the resultant under-performance of the division, the Group recognised an impairment loss on the trademark of R13.9 million. The Group has implemented measures to reverse the fortunes of Captain DoRegos and to focus on profitability and franchisee sustainability. Revenue from the Group's manufacturing and distribution division declined 1.5% due to the closure of the Captain DoRegos distribution centre in the prior year; comparable revenue for the division increased by 13.0%.

International revenue, comprising franchise revenue and company-owned restaurant turnover, declined 11.5%, in part due to the closure of a company-owned outlet in the United Kingdom and the disposal of all three company-owned outlets in Australia during the year. The performance in the United Kingdom and Ireland was disappointing with revenue 6.3% lower than the previous year and losses growing further owing mainly to high levels of competition in the quick-service restaurant market and escalating labour, occupancy and food costs. This resulted in the recognition of an impairment loss of R1.1 million relating to a retail outlet in the region. The Group has shifted its strategy in the UK to focus on a smaller format Spur brand, known as RBW (Ribs Burgers Wings). The first Spur RBW company-owned outlet opened shortly before year-end and initial customer response has been encouraging. The RBW concept requires a lower investment by franchisees than a regular Spur restaurant and is considered a more sustainable formula in the current climate. The Australian operations experienced a more positive trading period and returned to profitability. The Group has sold its remaining interests in company-owned stores to franchisees and the Australian business is now a fully franchised operation. The franchise operation in Africa delivered strong growth in revenue and profitability, boosted by the opening of six new outlets during the year. The Group's footprint in the region has been expanded to 41 outlets.

The Group's performance has been impacted by a share-based payment expense of R33.0 million relating to the broad-based black economic empowerment transaction with GPI effected on 30 October 2014 ("the GPI transaction"). The transaction resulted in the issue of 10.848 million new ordinary shares which increased the weighted average number of shares in issue from 85.633 million in the prior year to 92.636 million shares.

Profit before income tax includes a net charge of R4.9 million (2014: R10.2 million) related to the Group's long-term share-linked retention scheme, R15.0 million (2014: R6.0 million) impairments and related losses, a foreign exchange gain of R1.9 million (2014: loss of R0.8 million) and other one-off and exceptional items in the current and previous comparable periods. Comparable profit before tax, excluding exceptional and one-off items (including those listed above) and the impact of the GPI transaction, increased by 10.8%. Headline earnings increased by 4.7% to R141.5 million with diluted headline earnings per share 3.2% lower at 152.8 cents per share. Excluding the impact of the GPI transaction and other exceptional and one-off items listed above, comparable HEPS increased by 14.3%.

The economic and trading headwinds facing the food and restaurant sector are not expected to abate in the year ahead, including the impact of the depreciating currency, continued load shedding and rising operating costs. Similarly, consumers are likely to remain under financial pressure.

In the year ahead the Group plans to open 38 restaurants across its brands in South Africa. This includes doubling the existing restaurant base of the newly acquired RocoMamas chain.

International expansion will focus mainly on Africa where 12 new franchised outlets will be opened. These include additional restaurants in Nigeria, Zambia, Kenya and Namibia and the first outlets in Ethiopia. In Australia, two new restaurants will be opened in Perth. The Group intends to expand the RBW pilot project to three further sites in the UK – a number of viable sites are being investigated.

The Group reconfirms its target to grow comparable operating profit by 15% for the year ahead.

Diversified investments

Grand Tellumat Manufacturing

PROFILE

Grand Tellumat Manufacturing (GTM) is a leading South African contract electronics manufacturer. The Company is ISO 9001:2008 certified and offers from "labour only" to full turnkey electronic manufacturing and product integration for all levels of complexity, including design, industrialisation, procurement, manufacturing and after-sales service.

GTM was established on 1 September 2014, following the establishment of the Grand Tellumat Manufacturing (Pty) Ltd joint venture between GPI (51%) and Tellumat (Pty) Ltd (49%).

OWNERSHIP STRUCTURE

GRAND Tellumat MANUFACTURING

51%

effective ownership (as at 30 June 2015)

(R3.8 million)

contribution to GPI headline earnings for the period

"GTM is a formidable combination of the engineering skills and manufacturing capabilities of Tellumat and the investment experience of GPI, with substantial potential for diversification and growth."

FACTSHEET

MANAGING EXECUTIVE

Murison Kotzé*

GPI DIRECTORS AT GRAND TELLUMAT BOARD LEVEL

Hassen Adams, Alan Keet

BBBEE RATING

Level 2 (measured as part of GPI consolidated scorecard)

EMPLOYEES

Total employee complement: 104

Historically disadvantaged individuals (HDIs) represent 86% of the total employee complement

Females represent 56% of the total employee complement

HEAD OFFICE

Cape Town

OPERATIONAL FOOTPRINT

Manufacturing capacity, measured in electronic components placement: 400 million per annum

* *Mr Kotzé left the Company subsequent to financial year-end.*

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015*
Revenue	84 347
EBITDA	(2 941)
Net profit before tax	(7 345)
Loan	15 300
Total debt excluding shareholder loans	N/A

* *10-month performance figures*

OPERATING CONTEXT AND PERFORMANCE

GTM markets its products and services to local and foreign companies requiring outsourced manufacturing services across a wide range of sectors, including telecommunications, military, aerospace, utility/metering, security, industrial, gaming and television/display. The local industry is characterised by a small number of blue chip customers driving outsourcing volumes, specifically in the metering and vehicle tracking industries, with a larger number of smaller-volume customers in niche industries. GTM is one of a small number of contract manufacturers and differentiates itself by offering a full turnkey electronic manufacturing solution that spans the entire product life cycle, and having the flexibility to execute on diverse deliverables from prototyping to high-volume contracts.

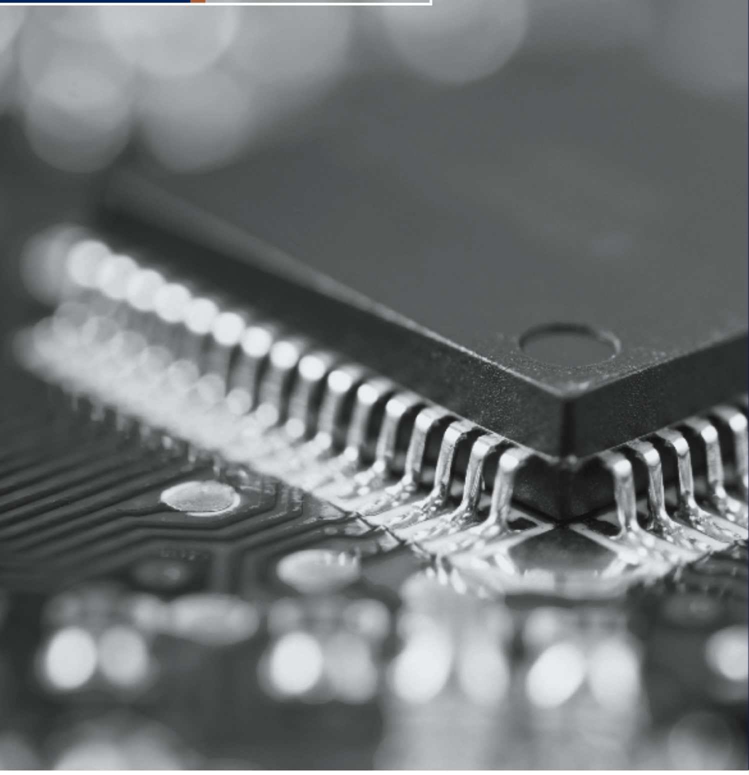
The Company's first financial year commenced with a good order book. However, owing to customer delays, the serial production of two major new products (including military transponders and commercial golf club and swing analysis radars) took longer than anticipated. As a result, the business ran at a loss for the first six months of the financial year. Once these products were in serial production, the Company became profitable, but the losses in the first part of the financial year could not be clawed back by year-end and the results therefore reflect a net loss. The order intake for the year was R90 million and, at year-end, the order book is at a healthy R63 million, indicating a pipeline of positive inflows and future earnings growth.

Power supply constraints pose a significant threat to industry in South Africa. While load shedding initially impacted on production, the Company took the strategic decision to invest in a generator capable of running the entire plant, as well as surge protection units. A number of additional challenges have arisen as a result of the postponement of major government projects, including the digital migration project (manufacturing of set-top boxes), localisation of components for PRASA's rolling stock renewal project, and various Eskom initiatives around metering. It is anticipated that these projects, specifically the digital migration, and localisation of the PRASA rolling stock renewal programme, will mature during the 2016 financial year with possible significant positive impacts for GTM.

In addition thereto, GPI's initiative to locally assemble and manufacture slot machines for international Original Equipment Manufacturers (OEM) has expanded to include a second customer, Gold Club d.o.o. of Slovenia, following the dissolution of its proposed exclusive joint venture with Germany's Merkur Gaming, due to certain conditions precedent having not been met. The recent investment in Atlas Gaming Holdings of Australia by GPI and the awarding of the relevant African production of their slot machines to GTM will further strengthen its position as South Africa's only local slots manufacturer. The business is confident that, with the addition to the agreements reached with Gold Club, Merkur and Atlas, it will be able to conclude additional local slots contract manufacturing agreements during the 2016 financial year.

PROSPECTS

New strategies for the immediate term to reduce reliance on contract manufacturing customers include diversifying into the development and marketing of own-technology solutions in niche areas and offering local content technology solutions to international companies with their own electronic product intellectual property. GTM has a unique selling point to add value to this customer base in terms of its technical expertise, access and supply relationships in the local market.



Group costs

Grand Technology

PROFILE

Grand Technology is a fully-funded shared service centre (SSC), providing core IT services to the GPI Group. It was formed in 2012 to formalise accountability for IT processes and governance against a set of key performance measures, thereby supporting the strategic requirements of the Group.

OWNERSHIP STRUCTURE

100%

effective ownership (as at 30 June 2015)

(R7.3 million)

contribution to GPI headline earnings for the period

OVERVIEW

Technology plays an increasingly integral role in the way companies operate, enabling greater efficiency, connectivity and mobility.

To this end, Grand Technology provides core services to support the diverse needs of GPI as it expands in scale and geographic reach, including skills planning, transitioning to cloud solutions and implementing leading information security management in line with regulatory requirements and best practice.

Grand Technology remains in its ramp-up phase, investing in the foundations required to support future growth. As this stabilises and the service reaches critical mass, expenses are likely to decrease, thereby significantly improving returns in the medium term.

FACTSHEET

MANAGING EXECUTIVE

Russell Petersen

GPI DIRECTORS AT GRAND TECHNOLOGY BOARD LEVEL

Hassen Adams, Alan Keet

BBBEE RATING

Level 2

EMPLOYEES

Total employee complement: Nine

Historically disadvantaged individuals (HDIs) represent 66% of the total employee complement

Females represent 33% of the total employee complement

HEAD OFFICE

Cape Town

OPERATIONAL FOOTPRINT

- > 400 managed end points
- > 50 branches supported nationally

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**13 350**	5 773	1 360
EBITDA	**(3 292)**	(3 322)	(443)
Net profit after tax	**(4 350)**	(4 193)	(443)
Shareholder loan	**14 523**	5 217	1 450
Total debt excluding shareholder loans	**–**	–	–

Group costs

GPI Properties

PROFILE

GPI Properties was established in 2012 and operates as a property holding and project management company. The properties are leased to subsidiaries of GPI, including the GPI Slots Group, Grand Tellumat Manufacturing, BURGER KING® and Mac Brothers Catering Equipment.

OWNERSHIP STRUCTURE

100%

effective ownership (as at 30 June 2015)

(R18.6 million)

contribution to GPI headline earnings for the period

OVERVIEW

GPI Properties comprises a property management division and project management division. It currently has a portfolio of nine properties, including four properties acquired during the financial year in Gauteng and the Western Cape. The carrying value of the entire portfolio as at June 30 2015 was R250.0 million, with a market value of R302.3 million, as determined by professional valuation.

The project management division is currently focused on growing its property portfolio of commercial and housing developments, with a view to unlocking value and leveraging the development opportunities for GPI and its subsidiaries.

The property management division is primarily focused on managing the roll-out of BURGER KING® in a sustainable and efficient manner and at the rate required to meet the Group's expansion targets.

FACTSHEET

MANAGING EXECUTIVE
Faldi Samaai

GPI DIRECTORS AT GPI PROPERTIES BOARD LEVEL
Hassen Adams, Alan Keet

BBBEE RATING
Level 4

EMPLOYEES
Total employee complement: 16

Historically disadvantaged individuals (HDIs) represent 75% of the total employee complement

Females represent 37.5% of the total employee complement

HEAD OFFICE
Cape Town

OPERATIONAL FOOTPRINT
- Three properties in Gauteng
- Six properties in Western Cape

KEY FINANCIAL PERFORMANCE INDICATORS (R'000s)

	2015	2014	2013
Revenue	**33 804**	14 447	2 906
EBITDA	**14 218**	8 874	1 299
Net profit after tax	**3 863**	2 421	32
Shareholder loan	**(162 862)**	(102 870)	(57 554)
Total debt excluding shareholder loans	**(119 503)**	(70 610)	(78 554)

GPI embraces and aspires to the highest principles of corporate governance.

Corporate Governance

The Board is responsible for determining the Group's governance and compliance framework and is committed to aligning – as far as is practicable in the context of GPI's business – its practices and standards of conduct, with the principles embodied in the King Code of Governance for South Africa 2009 (King III).

While implementation thereof is an ongoing process, the Board confirms that the Group has substantially complied with King III in all material respects and has complied with the mandatory corporate governance provisions of the JSE Listings Requirements. A schedule of how the Group has applied the King III principles can be viewed on the Group's website at **www.grandparade.co.za** under the investor relations section and an outline of governance developments is provided in the table below.

While the Board's primary accountability is to shareholders, it also has a duty to consider the interests of employees, customers, suppliers, regulators and the community in which its businesses operate. It achieves this by defining the Group's governance and compliance framework and holding management accountable for its implementation and for ensuring compliance with the extensive body of legislation applicable to its various operations.

In implementing its mandate, management believes it has adopted sound corporate practices that extend beyond compliance into standards of conduct that reflect GPI's core values of Excellence, Sustainability, Entrepreneurship, Ethics and Respect.

GOVERNANCE DEVELOPMENTS

The table below provides a summary of the Group's progress towards implementing certain King III principles which it did not fully apply to at the time of the previous reporting period. Information has also been provided on the principles that the Group will focus on applying during the coming year.

Governance principle	Implementation status
Principle 2.16: The board should elect a chairman of the board who is an independent non-executive director	As has been reported previously the Board, while cognisant of the principle, remains satisfied that Mr Adams' role as the Executive Chairman is mitigated by his extensive experience and expertise as well as his track record of serving the best interests of the Company and greater community. In line with King III recommendation in such cases, a Lead Independent Director (LID) role is in place which is currently served by Dr Norman Maharaj.
Principle 5.4: The board should monitor and evaluate significant IT investments and expenditure	It was previously reported that this principle had been partially applied and that an IT governance framework would be implemented. This has subsequently been achieved with the adoption of a suite of policies that includes IT frameworks, a groupwide security standard, a compliance check capability and various lower-level IT policies. Building blocks have been put in place for the effective management of information assets and the Group is currently in phase 2 of a 3-phase plan to improve the management of key classes of information.
Principle 2.27: Shareholders should approve the company's remuneration policy	GPI has elected not to propose the remuneration policy to shareholders for a non-binding advisory vote at the Annual General Meeting (AGM) but has fully disclosed details of the remuneration policy and structure in the Remuneration Report included in this Integrated Annual Report, including the remuneration paid to Executive and Non-executive Directors during the year.
	Development priorities for 2016
Principles 2.5: The board should ensure that the company's ethics are managed effectively	With the change in the Group's strategic focus, engagement sessions will be held with employees to re-emphasise the core values of Excellence, Sustainability, Entrepreneurship, Ethics and Respect. The code of ethics will, in addition, be refreshed and updated to ensure it remains relevant and enforceable within the context of the current operating environment. The format of management's reports to the Social and Ethics Committee will be reviewed with a view of broadening the scope of monitoring by the Committee.
Principle 5: The governance of Information Technology	Management of key classes of information remains a priority and work will continue with regard to completing phases 2 and 3 of the 3-phase plan to improve the management of key classes of information. In addition, high breach controls are being planned to protect high-value information assets and personal information.
Principle 9.3: Sustainability reporting and disclosure should be independently assured	It was previously reported that the Audit and Risk Committee provides assurance as to the reliability of information in the Integrated Annual Report and that consideration would be given to obtaining external assurance for this purpose. GPI follows a combined assurance approach which incorporates internal (management and internal audit) and external (BBBEE scorecard verification, external audit) assurance, but will nevertheless reassess this to determine whether other approaches and levels of external assurance could add further value.

BOARD STRUCTURE AND COMPOSITION

The Board has a unitary structure with five Non-executive Directors and three Executive Directors at the end of the reporting period. The roles of the Executive Chairman and the Chief Executive Officer are separate and clearly defined, with the overall composition ensuring balance of authority and power, with no individual Director having unrestricted powers of decision-making.

In reviewing Mr Hassen Adams' role as the Executive Chairman, the Board continues to emphasise the need for succession in relation to this key role. Management has made substantial progress in terms of embedding a BEST TEAM philosophy (discussed in the CEO's report) in the Group and the Board believes that this will result in a strong talent pool from which to draw in the future.

Dr Norman Maharaj has been appointed as LID for the fifth year, his role being to provide leadership to the Board, Committees, Directors and executives in instances where the Chairman may have a conflict of interest. As the Chairperson of the Remuneration and Nomination Committee, he also manages the performance appraisal of the Chairman.

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

Two changes to the Board took place at executive level during the financial year as a result of the resignation of Sukena Petersen as the Group Financial Director on 1 November 2014 and the appointment of Dylan Pienaar as interim Financial Director on the same date. The appointment of Dylan Pienaar as Financial Director became effective on 1 March 2015.

At Non-executive level, Mr Anthony Bedford resigned on 1 February 2015 and Mr Alex Abercrombie retired as Executive Director but remains on the Board as a Non-executive Director. Mr Rasheed Hargey was appointed to the Board on 1 September 2015.

Biographical details of the Directors are included on pages 22 and 23 of this report.

DIRECTOR INDEPENDENCE

The independence of Non-executive Directors was assessed, as recommended by King III, by the Remuneration and Nomination Committee and subsequently reported to the Board. The Board has concluded that the Independent Non-executive Directors' qualifications, experience and personal characteristics, as well as the fact that they have no material contractual relationships with the Group, are such that their judgement is exercised independently and in an unfettered manner.

PERIOD OF OFFICE AND RETIREMENT

In terms of GPI's Memorandum of Incorporation, Non-executive Directors hold office for a period of three years after which at least a third must retire by rotation, with the longest-serving directors retiring first. Retiring directors may offer themselves for re-election, provided they continue to satisfy the eligibility and qualification criteria of the Companies Act, 71 of 2008, as amended (the Companies Act), and add value to the Company. Details of the Directors who will be retiring by rotation are contained in the Notice of AGM attached in this report.

The tenure of executive directors is governed by way of their respective employment contracts, which contain provisions in keeping with best practice in the market. More information is provided in the Remuneration and Nomination Committee report on page 52.

BOARD APPOINTMENTS AND DIRECTOR EVALUATIONS

The Board relies on the guidance and advice of the Remuneration and Nomination Committee in terms of appointments to the Board. When vacancies arise, the Committee identifies potential Directors for appointment by considering their skills, experience and qualifications against the Board's requirements, as well as those laid down in the Companies Act.

The Committee also ensures that the eligibility and disqualification provisions of the Companies Act are taken into account before recommending a candidate for appointment to the Board. The Board as a whole ultimately decides on the appointment of the Director and provides full disclosure of Director appointments to shareholders, which process is undertaken on a formal and transparent basis.

On appointment, a Director receives a formal letter of appointment together with a pack of the relevant statutory information to ensure an understanding of the provisions of the Companies Act and the obligations of Directors. The Director is also provided with information on the Group's strategy, operational activities, and the products and services offered by the various operating companies. All directors are informed of the closed periods for dealing in the Company's securities, the procedure they are required to follow before dealing in securities, as well as details pertaining to related-party transactions.

The Board evaluates its own performance, processes and procedures as well as the performance of its Committees. The Chairman performs an annual evaluation of the attendance and performance of Directors and the efficacy of Board Committees. This takes place by way of an informal process judging the collective experience and contribution of the Directors in light of their knowledge of GPI and its operating environment.

DEALING IN THE COMPANY'S SECURITIES

A policy on share dealings and insider trading is applied across the Group to all Company Directors, the Company Secretary, Prescribed Officers and certain identified Senior Executives with access to financial results and other price-sensitive information. These individuals may not deal in shares of the Company during closed periods, as defined in the JSE Listings Requirements, or circumstances in which it would be inappropriate to deal in the Company's shares, such as while operating under a cautionary or while the Company is in the process of price-sensitive negotiations or acquisitions.

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

DISCLOSURES AND CONFLICTS OF INTEREST

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

ACCESS TO COMPANY INFORMATION

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

INDEPENDENT PROFESSIONAL ADVICE AND COMPANY SECRETARY

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

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

The Board reviews (through the Remuneration and Nomination Committee) the qualifications, experience and competence of the Company Secretary and has noted that the Company Secretary performed all formalities and substantive duties timeously and in an appropriate manner.

Furthermore, the Board is satisfied that the Company Secretary has the appropriate knowledge, skills and experience to execute her duties and that an arm's-length relationship exists between the Company Secretary and the Board.

BOARD MEETINGS

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

BOARD COMMITTEES AND MEETINGS

The Board Committees have clear terms of reference that define their powers and duties. These are documented in Committee Charters which are reviewed by each Committee annually and amended with the approval of the Board. The agenda for each quarterly Board meeting includes, as a standing item, Committee reports and Chairpersons of each Committee are expected to provide the Board with a full account of the Committee's activities during the preceding quarter.

Details of the committees are provided in the individual Committee Reports on pages 52 to 55 of this report and the attendance register for Board and committee meetings is included in the Corporate Governance section on the Group's website at **www.grandparade.co.za**.

The Board assumes ultimate accountability for the risk management process and the Group's system of internal control. In collaboration with the Group Audit and Risk Committee, the Board has adopted a Risk Management Framework aimed at achieving the Group's overall strategic objectives and the creation of long-term value for shareholders. The Framework provides for ongoing risk identification and assessment as well as the development and implementation of internal controls.

The Audit and Risk Committee is responsible for ensuring that the Risk Management Framework is applied across the Group and for ensuring that risk is appropriately managed and mitigated. It is supported in this role by subsidiary company risk committees that have been established at that level. Combined assurance reports are provided to the Audit and Risk Committee by the internal and external auditors and management.

Subsidiary company risk committees comprise directors and senior management of the relevant subsidiary. These committees are responsible for identifying and analysing risks and for developing and implementing risk responses, assigning responsibility for risk management to specific owners and for monitoring the effectiveness of the responses. Risk Committees meet quarterly to review risks and risk mitigation measures, to rerank risks and to consider new risks that may have arisen during the preceding quarter or to anticipate potential risks. The proceedings are documented and reported to the respective Company Boards on a quarterly basis and subsequently to the Group Audit and Risk Committee.

In addition, management of the individual subsidiaries are responsible for implementing and reporting on the efficacy of processes aimed at the promotion of occupational health and safety, environmental responsibilities, asset management, security and fire risk management, as well as insurance strategies.

The internal audit plan makes provision for the effectiveness of risk responses and internal controls to be reviewed at subsidiary company level with findings being reported directly to the Audit and Risk Committee by the internal auditor.

One of the top risks identified in the previous year was the threat of disruption to the various businesses in the Group. Business continuity consultants were accordingly engaged last year to help management of various subsidiaries develop bespoke business continuity programmes aimed at the protection of life, assets and resources and to ensure continued service to stakeholders in the event of a major disaster.

GPI's approach to risk management and the above methodologies are ultimately supported by GPI's BEST TEAM philosophy and core values. These collectively enable the Board to maintain a healthy corporate culture, sound reputation and effective corporate governance.

INTERNAL AUDIT

Internal controls are implemented to mitigate risks across the Group and the internal audit function provides support to management and the Board by performing independent assessments on the effectiveness of the controls and provides impartial judgements thereon.

The internal audit function is governed by the internal audit charter, which is approved by the Audit and Risk Committee. The internal auditor reports to the Audit and Risk Committee and has direct access to the Executive Chairman.

The scope of the internal audit function includes the following:

- Performing annual and biannual internal audits as prescribed by provincial gambling legislation;
- Performing internal control adequacy and effectiveness reviews;
- Determining compliance with policies and procedures;
- Adding value by directing the audit scope, interpreting results and enabling improvements to the Group's governance, risk and control procedures; and
- Communicating findings to senior management and compiling comprehensive evidence-based reports for the Group Audit and Risk Committee and ultimately the Board.

Specialist skills will be outsourced to assist with specialised audits, such as IT and security.

COMBINED ASSURANCE

The Group Audit and Risk Committee is required to ensure that a combined assurance model is applied in order to provide a coordinated approach to all assurance activities, with particular reference to ensuring that the combined assurance received is appropriate to address all the significant risks facing the Company.

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

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

GPI's external auditors, Ernst and Young Inc., have historically expressed and will continue to express an opinion on the fair presentation of the Group's Annual Financial Statements.

Audit and Risk Committee report

The Audit and Risk Committee is formally constituted in accordance with the provisions of the Companies Act, King III and the JSE Listings Requirements.

The Committee comprises the following members who were appointed by the shareholders at the AGM in December 2014:

- CM Priem (Chairperson)
- Dr NV Maharaj (LID)
- Professor WD Geach

Members of the Committee are all suitably qualified and experienced and attended all scheduled meetings of the Committee during the year. Details of the meetings held and attended are provided on the Company's website at **www.grandparade.co.za**.

While the Committee operates independently of management, the Chief Executive Officer, Financial Director, Group internal auditor and the external auditors attend meetings by invitation. The Committee is also at liberty to hold confidential meetings with the internal and external auditors as well as with management should they so require.

RESPONSIBILITIES

The Committee operates in accordance with its statutory duties and those assigned by the Board as documented in a formal charter.

During the reporting period, the Committee attended to the following statutory duties:

- Nominated Ernst and Young Inc. and Mr Christopher Sickle as the designated registered auditor of the Company and the Group, ensuring that the appointment of the external auditor complies with the Act and other relevant legislation;
- Determined the fees to be paid to, and the terms of engagement of, the external auditor;
- Determined the nature and extent of any non-audit services that the external auditors may provide to the Company and the Group and pre-approved the fees relating to such services;
- Evaluated the independence, effectiveness and performance of the external auditor and is satisfied as to the independence of the external auditor; and
- Reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the interim results for the six months ended 31 December 2014 and the audited annual results for the 2015 financial year.

The Committee has furthermore carried out the following responsibilities:

- Reviewed the Integrated Annual Report and the Annual Financial Statements, including the complete Annual Financial Statements, and has recommended it for approval by the Board – in the course of the review the Committee has satisfied itself that the Annual Financial Statements are prepared in accordance with IFRS and the Act;
- Reviewed the adequacy of the systems of internal control and any legal matters which could significantly impact on the Group's financial statements;
- Reviewed the risk management framework and made recommendations, where appropriate, to the Board and to management;
- Reviewed and approved the internal audit charter; and
- Evaluated the independence, effectiveness and performance of the internal audit function and approved and reviewed the internal audit annual work plan, as well as quarterly internal audit reports.

The Committee has satisfied itself as to the appropriateness of Mr Dylan Pienaar's expertise and experience and evaluated his performance as the Financial Director of the Company. Biographical details of Mr Pienaar are provided on page 22 of this report.

With the regard to the adequacy of resources in the finance department and the experience of its senior management, the Committee has evaluated the department's performance during the year and is satisfied that the finance function is both well-resourced and that its collective experience is appropriate for the needs of the Company and the Group.

The Committee believes that the Group's performance during the year under review has been of an acceptable standard and is satisfied that, apart from the errors referred to in the Directors' report on page 63 of the AFS, there have been no instances of material non-compliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

In conclusion, the Committee is pleased to report that it is satisfied that it has discharged all its statutory, regulatory and other obligations during the year under review.

CM Priem
Chairperson of the Audit and Risk Committee

Remuneration and Nomination Committee report

The Remuneration and Nomination Committee ("Remco") is a formally constituted Committee of the Board focused primarily on determining the Group's remuneration policy and advising the Board on Director nominations and appointments.

This report accordingly provides an overview of the structure of the Committee and its functions, as well as the governing principles of GPI's remuneration policy, with particular reference to the remuneration of Executive and Non-executive Directors.

STRUCTURE

During 2014 the Committee's composition was restructured and its Charter updated to ensure compliance with the JSE Listings Requirements and alignment with King III.

The Committee's membership comprises of non-executive directors, the majority of whom are independent. The company's Lead Independent Director is the Chairperson in keeping with the mandatory requirements of the JSE Listings Requirements as they relate to companies with executive chairpersons. For the year under review, the members of the Committee were:

- Dr NV Maharaj (Chairperson)
- A Bedford (until his resignation on 1 February 2015)
- N Mlambo
- CM Priem
- A Abercrombie (from 1 March 2015)

The following are the Committee's terms of reference:

- To determine and recommend to the Board remuneration policies for Non-executive Directors and senior executives;
- To assist the Board in determining the remuneration of Non-executive Directors for their services as members of the Board and Board committees;
- To determine standards of employment practice aimed at promoting GPI's BEST TEAM strategy;
- To evaluate the performance of Executive Directors in light of the criteria or metrics approved by the Board and recommend, for Board approval, rewards to be paid;
- To consider management's proposals for annual salary increases and adjustments across the Group and make recommendations to the Board;
- To approve changes to the benchmarking methodology used for setting base salaries and incentive targets for employees in the Group;
- To ensure that the annual remuneration report, including the remuneration policy, included in the Company's Integrated Annual Report, provides the necessary level of disclosure in respect of the principles recommended in King III or provides an explanation in respect of any principles not applied;
- To assist the Board with the identification and nomination of suitable candidates for appointment to the Board; and
- To annually review the "independence" of Non-executive Directors, taking into account the applicable governance requirement.

The Committee is authorised to investigate any activity within the scope of its mandate and may call upon management to provide it with information. It also has the right to obtain, at the Company's cost, independent outside professional advice to assist with the execution of its duties, subject to Board approval; and has full access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

REMUNERATION PHILOSOPHY/APPROACH

As an investment holding company, GPI's key resource is human capital as the people within the organisation design and implement the strategy of the Company. As a result GPI's remuneration philosophy is aimed at attracting, retaining and rewarding talented people. The key elements of this philosophy are:

- To maintain a wage gap that is in line or better than the market average;
- To benchmark all guaranteed salaries to market averages by making use of local salary surveys;
- To reward employees for performance by weighting their total remuneration package towards performance based remuneration; and
- To align the key decision-makers with the shareholders and to prevent short-term performance at the expense of long-term profitability, by way of long-term incentives which vest between three and five years.

EXECUTIVE DIRECTOR REMUNERATION

In order to achieve the principles of the remuneration philosophy, a revised remuneration policy was approved by the Board during the current year, for implementation with effect from 1 July 2015. The policy deals with the total remuneration of all employees within the Company and will be used as a benchmark against which GPI will measure the remuneration polices of all its investments.

A consistent remuneration structure has been applied to all Executive Directors as follows:

- 25% allocated to guaranteed pay;
- 25% allocated as a maximum short-term incentive; and
- 50% allocated as a maximum long-term incentive.

Guaranteed pay

The guaranteed pay for Executive Directors is benchmarked against the 25th percentile of the local salary survey which is the lower end of the scale and is aimed at achieving a higher weighting towards performance-based remuneration.

Short-term incentives

A maximum of 100% of the Executive Directors' guaranteed pay may be allocated as short-term incentives. The award is based on achievement of pre-determined key performance indicators and is weighted 60% towards the company's performance and 40% toward the individual's performance. Short-term incentives are cash awards.

Long-term incentives

A maximum of 200% of the Executive Directors' guaranteed pay may be allocated as long-term incentives on an annual basis. The award is based on the achievement of the same key performance indicators as the short-term incentives and using the same weightings. The Board will at their discretion determine the form of the long-term awards but will have a strong preference towards share options. In determining the form of the long-term award the Board will consider the Executive Directors' total exposure to GPI shares, their length of service and their specific performance during the year. No long term incentives were awarded to Executive Directors during the year.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive Directors' remuneration is fee-based and is not linked to the performance of the Group. The fees are benchmarked against fees paid to the Non-executive Directors by a JSE-listed peer group, similar small-cap Companies by market capitalisation and the PwC Non-executive Directors' Remuneration Trends Report dated January 2015. Non-executive Directors' remuneration compares favourably with the market. Fees for 2016 have been proposed in the AGM notice. The Non-executive Directors do not participate in the Group share scheme.

NV Maharaj
Chairperson of the Remuneration and Nomination Committee

Social and Ethics Committee report

The Social and Ethics Committee assists the Board in providing effective ethical leadership by monitoring the Group's performance as a good corporate citizen to ensure accountability from a financial perspective and in terms of the Group's social and environmental impact.

The Committee is constituted in terms of the requirements of the Companies Act and comprises the following members:

- H Adams (Chairperson)
- Dr NV Maharaj (LID)
- A Abercrombie
- AE Keet

RESPONSIBILITIES

The Committee's role and responsibilities derive from the Act, as well as King III, and it functions in terms of a Committee charter which is reviewed annually by the Board.

The Committee gives effect to its mandate by means of monitoring the sustainable development practices of the Group and its standing in relation to the following matters:

- Social and economic development with reference to the United Nations Global Compact Principles, the recommendations of the organisation for Economic Co-operation and Development (OECD) regarding corruption and the South African Employment Equity and Broad-Based Black Economic Empowerment Acts.
- Good corporate citizenship and corporate governance practices, as well as the Group's approach to promoting equality, preventing unfair discrimination and reducing corruption, the Group's contribution to the development of communities in which it operates or markets its goods and the Group's record of sponsorships, donations and charitable giving.
- The environment, health and public safety and the impact of the Company's activities and its products or services on the environment, health and public safety.
- Stakeholder engagement and the Group's advertising, public relations and compliance with consumer protection laws.
- Employment practices and the Group's contribution toward the educational development of its employees.

In addition to its monitoring responsibilities, the Committee also has reporting obligations and fulfils these by drawing matters that pose a material risk to the Group to the attention of the Board and reporting to shareholders annually on the matters within the scope of its responsibilities.

This report, together with the Group's Sustainability Overview at pages 56 to 58 endeavour to fulfil the Committee's reporting obligations to shareholders.

The Committee believes that the Group's performance during the year under review has been of an acceptable standard and is satisfied that there have been no instances of material non-compliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

HAdams

H Adams
Chairperson of the Social and Ethics Committee

Investment Committee report

The Investment Committee is constituted as a formal Committee of the Board and is responsible for reviewing the Group's investment policies, strategies, transactions and performance, and making appropriate recommendations to the Board within the scope of its mandate.

The Committee is obliged to act within the parameters of the Memorandum of Incorporation, the Companies Act, the JSE Listings Requirements and applicable legislation.

In accordance with the Committee charter, membership includes the Executive Chairman (who is also the Chairperson of the Committee), the Chief Executive Officer, the Financial Director and two independent members, one of whom must be an Independent Non-executive Director and the other may, at the Board's discretion, be an external individual nominated for his or her expertise.

The independent members of the Committee are nominated for appointment by the Remuneration and Nomination Committee and are appointed by the Board.

The Committee currently comprises the following directors:

- H Adams (Chairperson)
- AE Keet
- D Pienaar
- A Abercrombie
- CM Priem

RESPONSIBILITIES

The Committee's role and responsibilities are to:

- Determine investment policies and guidelines for approval by the Board;
- Consider management's investment proposals with due regard to the their viability, the sustainability of projected returns, the effect of such investments on the Group's liquidity and cash flow and the Group's strategy;
- Approve new investments and/or extend existing investments, subject to the total value of the investment not exceeding R25 million per investment;
- Recommend investment proposals to the Board for approval;
- Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets;
- Evaluate the performance of assets and investments against the Group's strategy; and
- Review and assess the committee charter and recommend changes to the Board.

The Committee is authorised to investigate any activity within the scope of its mandate and in the fulfilment thereof may call upon management to provide it with information. It also has the right to obtain, at the Company's cost, independent external professional advice to assist with the execution of its duties, subject to Board approval. It has full access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

The Committee meets twice a year but may meet more frequently if necessary. The Chairperson of the Committee is responsible for reporting on the Committee's activities to the Board.

H Adams
Chairperson of the Investment Committee

GPI has focused significant efforts on establishing a sustainable business that adds value to all stakeholders.

Sustainability overview

Sustainability overview

HISTORY

GPI was incorporated in 1997 to conduct business as an investment holding company specifically for the purpose of partnering with SunWest International (Pty) Limited (SunWest), as the primary BEE partner in SunWest's bid for the exclusive casino licence for the Western Cape Metropole. The consortium was successful in its bid and the licence was awarded in 1999 following on which the GrandWest Casino and Entertainment World in Goodwood, Cape Town, was established as one of the most successful casinos nationally.

What sets GPI apart from most of its peers is the fact that its shareholders originate from the erstwhile historically disadvantaged communities in and around Cape Town and the fact that GPI was able to commit capital to the bidding consortium – due to its shareholders being prepared to commit their hard-earned savings to achieve the GPI dream. In return for their belief in GPI, shareholders have been richly rewarded over the years with an average return of 26%.

GPI's history provides a concrete example of the role that values play in achieving a sustainable business and by consistently applying its values of Excellence, Sustainability, Entrepreneurship, Ethics and Respect, GPI continues to honour the trust that its initial shareholders placed in it.

COMBINED ASSURANCE

The Board acknowledges the obligation to provide stakeholders with relevant, accurate and reliable information. It accordingly follows a combined assurance approach to verify and safeguard the integrity of its IAS. This is achieved by incorporating internal (management and internal audit) and external (BBBEE scorecard verification, external audit) assurance. In striving to achieve Excellence, the Company will continue to reassess this approach to determine whether other forms of assurance or levels of external assurance will add further value.

STAKEHOLDER RELATIONS

The Board is mindful of the impact that stakeholder perceptions have on the Company's reputation and endeavours to ensure that all communications with stakeholders are clear, timely and unambiguous. When making decisions, the Board considers the effect of such decisions on the legitimate interests and expectations of its stakeholders ensuring that it acts responsibly and in a manner that will stand up to external scrutiny.

Shareholders and investors

Shareholders are treated equally and have access to all shareholder communications via the Company website at **www.grandparade.co.za**, the JSE News Service (SENS) and on request to the Company Secretary. Similarly recent and historic financial and investor information is available on the Company's website as referred to above.

Engagement with the investor community takes place twice a year at the interim and final results presentations where the CEO and the Financial Director are available to take and respond to questions. Investors are also at liberty to contact the CEO or Financial Director directly at any time during the year.

Employees

The Board recogniSes that in order to be successful, the Company needs exceptional talent with a depth of experience in the right fields. GPI believes that the sustainability and growth of the Group is dependent on its people and its BEST TEAM strategy is therefore aimed at positioning the Group as an employer of choice. Its policies are aimed at attracting, retaining and rewarding quality employees. Regular communications take place between employer and employee in the Group.

Investee companies and subsidiaries

GPI's ultimate performance is dependent on that of its investee companies and as such, a great deal of importance is attached to maintaining constructive relationships with these companies so as to add value to the investments and to ensure the smooth flow of communication with them. This is achieved by regular interaction between management of GPI and investee companies as well as by GPI Directors and senior management acting as Non-executive Directors on the boards of subsidiaries, investee companies and companies in which GPI is co-invested.

Regulators

GPI and the GPI Group operates in a highly regulated environment which encompasses not only Company and corporate regulation but also the extensive system of gambling regulation by both national and provincial gambling boards.

A great deal of emphasis is placed on conducting open communication with regulators on an ad hoc basis whenever there is a need to engage with them.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

As already mentioned above, GPI is proud of its heritage of being an authentic black-owned Company since inception and the Board holds management accountable for the preservation of this heritage within the context of broad-based black economic empowerment. It is also a widely held view in the Company that black economic empowerment must go beyond the obligatory requirements of an impassive scorecard and that good corporate citizenship carries with it the responsibility to demonstrate a committed approach to improving life for all South Africans affected by historic discrimination.

In light of the restructuring of GPI as an investment holding company, GPI will actively focus on defining policy, identifying high-impact innovative programmes and setting targets for each of its investments to achieve and will regularly monitor and report on their performance.

ENTERPRISE DEVELOPMENT – INCUBATOR

As has been mentioned elsewhere in the Integrated Annual Report, the Board has undertaken to support the incubation of emerging businesses through the provision of business development support and start-up capital. In conjunction with this, talent-recruitment and development programmes to provide future managers that meet the BEST TEAM strategy approach will also be implemented.

Plans for the incubator programme are at an advanced stage and the incubator is set to be established in November 2015, operating from space in GPI's building at 33 on Heerengracht, Cape Town.

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Statement of responsibility by the Directors and Company Secretary

for the year ended 30 June 2015

DIRECTORS' APPROVAL

The Directors are responsible for the preparation of the Consolidated Annual Financial Statements (AFS) and other information contained in this report. In their opinion,
the AFS set out in this report fairly represent the state of affairs of the Group and of the Company. The AFS have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, No. 71 of 2008 (Companies Act).

The external auditors are responsible for conducting an independent audit of the AFS of the Company and its subsidiaries in accordance with International Standards on Auditing (ISA) and reporting their opinion to shareholders. Their report is presented on page 61.

The Directors have reviewed the Group's and Company's budget and cash flow forecast for the year to 30 June 2016. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the Directors are satisfied that the Group and Company are going concerns and have continued to adopt the going-concern basis in preparing the AFS.

The AFS were approved by the Board on 10 September 2015 and are signed on its behalf by:

Hassen Adams
Executive Chairman

Alan Keet
Chief Executive Officer

DECLARATION BY THE COMPANY SECRETARY

to the members of Grand Parade Investments Limited

Pursuant to section 88(2)(e) of the Companies Act, I certify that, to the best of my knowledge and belief, all returns required of the Company, in terms of the said Act, have been duly lodged with the Companies Intellectual Property Commission (CIPC), and all such returns are true, correct and are up-to-date.

Lazelle Christian Parton
Company Secretary

10 September 2015

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The AFS have been prepared under the supervision of the Group Financial Director.

Dylan Pienaar
Financial Director

10 September 2015

Independent Auditor's Report

to the shareholders of Grand Parade Investments Limited

We have audited the consolidated and separate financial statements of Grand Parade Investments Limited set out on pages 67 to 147 which comprise the statements of financial position as at 30 June 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Grand Parade Investments Limited as at 30 June 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2015, we have read the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

REPORT ON OTHER LEGAL REGULATORY REQUIREMENTS

In accordance with our responsibilities in terms of Section 44(2) and 44(3) of the Auditing Profession Act, we were obliged to report a matter as a reportable irregularity to the Independent Regularity Board for Auditors (IRBA). The matter pertaining to the reportable irregularity has been described in the Directors' Report. We have subsequently issued a further report to the IRBA that in our opinion the reportable irregularity is no longer taking place.

Ernst & Young Inc.

ERNST & YOUNG INC.
Director: Christopher Clyde Sickle
Registered Auditor
Chartered Accountant (SA)

ERNST & YOUNG
35 Lower Long Street
Cape Town

10 September 2015

Report of the Audit and Risk Committee

for the year ended 30 June 2015

The Audit and Risk Committee is a formally constituted committee of the Board. It is appointed by the shareholders to assist the Board with its corporate governance oversight duties. The Committee operates independently of management and acts in accordance with its statutory duties and the delegated authority of the Board as documented in a formal Charter.

During the reporting period, the Committee attended to the following:

- considered the nomination of the independent external auditor, their terms of engagement, fees for audit services, the extent and scope of the audit as well as the timing thereof, and prior to commencement of the audit, considered and approved the audit fees payable;
- considered and pre-approved the scope of non-audit services performed by the external auditors and the fees relating to such services;
- evaluated the independence, effectiveness and performance of the internal audit function and approval and review of the internal audit annual work plan, as well as the quarterly internal audit report;
- reviewed and made recommendations to the Board in respect of the publicly disclosed financial information, including the interim results for the six months ended 31 December 2014 and the audited annual results for the 2015 financial year;
- reviewed the Consolidated Annual Financial Statements, including the valuation of unlisted investments and loans, prior to submission to the Board. In the course of the review the Audit and Risk Committee ensured that the AFS are prepared in accordance with IFRS and the Companies Act, and considered and made recommendations, where appropriate, on internal controls;
- reviewed the adequacy of the systems of internal control and any legal matters which could significantly impact on the Group's financial statements;
- legislative and regulatory compliance within the scope of its mandate; and
- reviewed the risk management framework and made recommendations, where appropriate, to the Board.

Colin Priem
Chairman

Audit and Risk Committee

10 September 2015

Report of the Directors
for the year ended 30 June 2015

DIRECTORS' REPORT
The Directors present their report on the activities of the Group and Company for the year ended 30 June 2015.

Nature of the business
The Company is an investment holding company and derives its income mainly from dividends and interest.

The Consolidated Annual Financial Statements of the Company and its subsidiaries also incorporate the equity accounted attributable income of associated companies and joint ventures.

Group earnings

Year ended	Note	30 June 2015	Restated 30 June 2014
Headline earnings (R'000s)	10	**49 387**	14 774
– Headline earnings per share (cents)		**10.53**	3.17
– Diluted headline earnings per share (cents)		**10.40**	3.15
Basic earnings – net profit for the year (R'000s)	10	**669 092**	70 930
– Basic earnings per share (cents)		**142.72**	15.20
– Diluted basic earnings per share (cents)		**140.87**	15.13
Dividends (R'000s)		**108 041**	68 964
– ordinary dividend per share (cents)		**20.00**	15.00

Dividends
No final ordinary dividend was declared by the Directors in respect of the 2015 financial year. A 20.0 cents ordinary dividend per share was declared on 5 January 2015 in respect of the 2014 financial year (a 15.0 cents ordinary dividend per share was declared on 2 September 2013 in respect of the 2013 financial year).

Investment activities
A summary of the significant investment activities that took place during the year is set out below.

Gaming

GPI Slots

During the year, the Group concluded the first tranche of the staged disposal of GPI Slots. 25.1% was sold in this tranche which reduced the Group's holding in GPI Slots to 74.9%. In terms of the sale agreement, there are two remaining tranches which are to be concluded and will have the effect of reducing GPI's ultimate holding in GPI Slots to 30.0%.

A total of R215.9 million was received by the Group in terms of the sale and a gain on the sale of R611.4 million has been recognised in this year's profit from discontinued operations. Details of the disposal have been disclosed in Note 4 of the Consolidated Annual Financial Statements.

SunWest and Golden Valley Casino

Subsequent to year-end, the transaction to sell the Group's 25.1% investment in SunWest and 25.1% investment in Golden Valley was cancelled by all the respective parties to the transaction. The cancellation confirmed that both these investment no longer met the criteria to be recognised as held-for-sale and the results have been restated as if the investments had never been recognised as held-for-sale, as per IFRS.

Dolcoast

During the year the Group concluded the sale of its entire 24.9% investment in Dolcoast via a share buy-back for R130.0 million. Disclosures relating to the sale have been made in Note 4 of the Consolidated Annual Financial Statements.

National Manco

The Group concluded the sale of its entire 5.7% investment in National Manco during the year, for R1.4 million. Disclosures relating to the sale have been made in Note 4 of the Consolidated Annual Financial Statements.

Food

Mac Brothers Catering Equipment

During the year, the Group increased its holding in Mac Brothers Catering Equipment from 22.2% to 100.0% via two acquisitions. The first acquisition of 42.8% on 28 July 2014 gave the Group control of the investment and the second acquisition of the remaining 35.0% was concluded on 13 January 2015. The combined consideration for the two acquisitions was R66.6 million, of which R53.0 million was settled in cash and R13.6 million settled by way of a new issue of 1.85 million GPI shares at a price of R7.35 per share.

Spur

On 30 October 2014, the Group acquired 10.0% of Spur for R294.7 million. A 10% discount on the market price on acquisition was received in exchange for a five-year lock-in period, during which time the Group is required to maintain its current empowerment credentials. R72.4 million of the acquisition was paid in cash, with the remaining R222.3 million financed by R72.3 million of vendor funding provided by Spur and R150 million of third-party debt.

Report of the Directors *(continued)*
for the year ended 30 June 2015

Diversified investments

GTM

On 1 September 2014, the Group entered into a joint venture with Tellumat (Pty) Ltd (Tellumat), whereby the electronics manufacturing unit of Tellumat was transferred into Grand Tellumat Manufacturing (Pty) Ltd (GTM) and the Group subscribed for 51.0% of the stated capital of GTM for R21.8 million. In terms of the shareholders' agreement between the Group and Tellumat, it has been agreed that GTM be managed jointly and as a result, the Group has recognised the investment as a jointly controlled entity in its results from the effective date of the transaction being 1 September 2014.

Group costs

Property acquisitions

The Group acquired four new properties during the financial year. Two industrial properties were acquired at a combined cost of R49.4 million. Both properties have been leased by Mac Brothers Catering Equipment, with one property being situated in Cape Town and the other in Gauteng. The third property acquired is a commercial property in Sandton, Gauteng, which was acquired for R12.7 million and will be redeveloped into a Burger King drive-through store and leased to Burger King. The fourth property acquired during the year is an office building in the Cape Town central business district, which was acquired for R40.0 million. Various redevelopment options for the building are being assessed.

Group financial review

The Group's headline earnings for the year increased by R34.6 million to R49.4 million. The sources of the headline earnings are listed in the table below:

			Movement	
	30 June 2015 R'000s	Restated 30 June 2014 R'000s	R'000s	%
Gaming				
SunWest	**116 674**	104 789	11 885	11%
GPI Slots	**9 671**	–	9 671	100%
Grand Sport	**(8 064)**	(422)	(7 642)	1811%
Food				
BURGER KING®	**(55 068)**	(39 860)	(15 208)	38%
Mac Brothers Catering Equipment	**(2 038)**	–	(2 038)	(100%)
Spur	**(5 886)**	–	(5 886)	(100%)
Excellent Meat	**(767)**	(448)	(319)	71%
Diversified investments				
GTM	**(3 746)**	–	(3 746)	(100%)
Group costs				
Grand Technology	**(7 343)**	(4 103)	(3 240)	79%
GPI Properties	**(18 617)**	(6 932)	(11 685)	169%
Central costs	**(72 464)**	(43 710)	(28 754)	66%
Headline earnings from continuing operations	**(47 648)**	9 314	(56 962)	(612%)
Gaming				
Dolcoast	**5 030**	10 792	(5 762)	(53%)
National Manco	**–**	557	(557)	(100%)
GPI Slots	**92 005**	(5 889)	97 894	(1662%)
Headline earnings from discontinued operations	**97 035**	5 460	91 575	1677%
Headline earnings	**49 387**	14 774	34 613	234%

Share capital

The Company issued 4.40 million shares during the year which increased the total number of shares in issue at 30 June 2015 to 488.8 million shares. Details of the new share issues and the share capital of the Company both authorised and issued have been disclosed in Note 23.1 of the Consolidated Annual Financial Statements.

Treasury shares

At 30 June 2015, a total of 18.73 million GPI shares (3.83%) were held as treasury shares by the Grand Parade Share Incentive Trust and the GPI Women's BBBEE Empowerment Trust. Both entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 3.92 million treasury shares and the GPI Women's BBBEE Empowerment Trust holding 14.81 million treasury shares. Details of the Group's treasury shares have been disclosed in Note 23.2 of the Consolidated Annual Financial Statements.

Preference shares
The Group issued 222 328 new preference shares during the year, amounting to R222.3 million, to fund the acquisition of the 10.0% investment in Spur. 150 000 shares were issued to Standard Bank and 72 328 shares were issued to Spur. The terms of the respective preference shares have been disclosed in Note 25.2 and Note 25.3 of the Consolidated Annual Financial Statements.

Borrowings
The Group's overall borrowings at 30 June 2015 amounted to R431.5 million which has increased by R338.2 million during the year. The increase in the overall borrowings is largely due to R277.0 million in short-term facilities extended to the Group during the year to fund the expansion of BURGER KING®. The terms of Group's borrowings are fully disclosed in Note 26 of the Consolidated Annual Financial Statements.

Capital commitments and contingent liabilities
Details of the Group's capital commitments are disclosed in Note 37 of the Consolidated Annual Financial Statements.

Subsidiary companies and investments
Particulars of subsidiary companies, equity accounted investments and other investments are disclosed in Appendix 1 and Appendix 2 of the Consolidated Annual Financial Statements.

Directors and Company Secretary
Particulars of the present Directors and Company secretary are given on pages 22 and 23.

Directors' interests in contracts
Details of the Directors' interests contracts and transactions with the Group are disclosed in Note 36 of the Consolidated Annual Financial Statements.

Directors' shareholding
Details of the Directors' interests in the shares of the Company are disclosed in Appendix 3 of the Consolidated Annual Financial Statements.

Going concern
These Annual Financial Statements have been prepared on the going concern basis.

Subsequent events
The details of events occurring subsequent to the reporting date but prior to the date of issue of this report are detailed in Note 38 of the Consolidated Annual Financial Statements.

Interim results for the six months ended 31 December 2014 errors
During the current year's Annual Financial Statement close process, management identified the following errors in the unreviewed and unaudited Group interim results for the six months ended 31 December 2014:

1) The recognition of earnings from the Group's investment in GPI Slots (RF) (Pty) Ltd (GPI Slots) during the period 1 July 2014 to 30 December 2014,
2) The measurement of the carrying value of the Group's investment in Spur Corporation Ltd (Spur) at 31 December 2014; and
3) The calculation of the weighted average number of shares in issue (WANOS), when determining the Group's earnings per share for the interim results.

These errors were corrected in the 30 June 2015 reviewed preliminary results as management deemed them to be material. The nature of the errors are referred to below and are described in Note 2.2 of the reviewed preliminary results of the Group which were released on SENS on 1 September 2015.

The independent auditors are of the view that errors constitute a reportable irregularity in terms of the Auditing Professions Act and have notified the Independent Regulatory Board for Auditors thereof. The independent auditors have also advised that they are of the opinion that the irregularity is no longer continuing due to the disclosure thereof in the reviewed preliminary results of the Group published on SENS as noted above.

a) The disposal of 25.1% of GPI Slots was incorrectly accounted for as being sold on 1 July 2014, being the effective date of the sale, as per the sale agreement, subject to certain conditions being met. However, these conditions were only met on 30 December 2014, being the effective date of the sale in terms of IFRS. Therefore the interim results for the six-month period ended 31 December 2014 have been restated to correct the effective date of the sale by removing the 30% of GPI Slots' earnings that had previously been recognised in profit or loss from continuing operations and to recognise GPI Slots' full earnings, before depreciation and amortisation for the period 1 July 2014 to 30 December 2014 in profit or loss from discontinued operations.

b) In the interim results for the six months ended 31 December 2014, the fair value of the Group's investment in Spur was measured using the market price per Spur share as quoted on the JSE. However the investment is subject to trading restrictions linked to the Group's empowerment credentials and a five-year lock-in period and IFRS requires that these trading restrictions be considered when calculating the fair value of the investment. Therefore the interim results for 31 December 2014 have been restated to apply a 12.0% tradability discount to the market price per Spur share in determining the fair value of the investment at 31 December 2014.

c) When determining the basic earnings per share and the headline earnings per share in the interim results for the six months ended 31 December 2014, the Group's treasury shares were not deducted from the WANOS.
The interim results for the six months ended 31 December 2014 have been restated to take into account the effect of deducting the Group's treasury shares from the WANOS.

Report of the Directors *(continued)*
for the year ended 30 June 2015

The impact of the two restatements, detailed on the previous page, on the financial position and financial performance of the Group is as follows:

	31 December 2014 Previously stated R'000s	Adjustment R'000s	Note	Restated R'000s
Statement of comprehensive income				
Profit from equity-accounted investments	9 804	(13 828)	i	(4 024)
Loss from continuing operations	(99 550)	(13 828)	i	(113 378)
Dividends received	70 290	–	ii	70 290
Tax on sale of GPI Slots	(36 255)	–		(36 255)
Equity earnings – GPI Slots	–	72 917	ii	72 917
Gain on derecognition of GPI Slots as subsidiary	684 338	(72 917)	ii	611 421
Profit for the period from discontinued operations	718 373	–		718 373
Profit for the period	618 823	(13 828)		604 995
Unrealised fair value gain/(loss) on available-for-sale investments – net of tax	36 489	(33 129)		3 360
Total comprehensive income for the period	655 312	(46 957)		608 355
	Cents	Cents		Cents
Basic earnings per share[vi]	127.66	2.03	vi	129.69
Continuing operations	(20.21)	(3.75)		(23.96)
Discontinued operations[vi]	147.87	5.78	vi	153.65
Diluted earnings per share	127.03	1.03		128.06
Continuing operations	(20.11)	(3.55)		(23.66)
Discontinued operations	147.14	4.58		151.72
Headline earnings per share[vi]	(5.74)	8.91	vi	3.17
Diluted headline earnings per share[vi]	(5.71)	8.84	vi	3.13
	R'000s	R'000s		R'000s
Statement of financial position				
Investment in joint ventures	289 661	(13 828)	i	275 833
Available-for-sale investment	339 437	(40 732)	iii	298 705
Available-for-sale investments fair value reserve	(36 421)	33 129	iv	(3 292)
Deferred tax liabilities	(46 679)	7 603	v	(39 076)

Notes

i 30% of GPI Slots' profit for the period, previously recognised as profit from equity-accounted investments in profit or losses from continuing operations and now removed.

ii 100% of GPI Slots' profit for the period, before depreciation and amortisation, previously not recognised, now restated to be recognised as profit from discontinued operations in the profit or loss from discontinued operations.

iii 12% tradability discount related to the fair value of GPI's investment in Spur, which was previously not recognised, now restated to reduce the fair value of the investment.

iv Relates to the fair value adjustment net of tax referred to in note iii.

v Deferred tax effect of the fair value adjustment referred to in note iii.

vi Earnings per share has been calculated using the weighted average number of shares in issue less treasury shares.

Consolidated statement of comprehensive income
for the year ended 30 June 2015

	Note	2015 R'000s	Restated 2014 R'000s
Continuing operations			
Revenue	6	**502 012**	134 976
Cost of sales		**(257 896)**	(85 107)
Gross profit		**244 116**	49 869
Operating costs		**(386 460)**	(165 385)
Loss from operations		**(142 344)**	(115 516)
Profit from equity-accounted investments	11, 12	**134 894**	115 984
Remeasurement of investment	5	**405**	32 838
Negative goodwill		**–**	23 637
Depreciation	16	**(23 638)**	(7 774)
Amortisation	17	**(2 039)**	(981)
(Loss)/profit from continuing operations before finance costs and taxation	7	**(32 722)**	48 188
Finance income	6	**21 236**	8 621
Finance costs	8	**(57 092)**	(18 026)
(Loss)/profit before taxation from continuing operations		**(68 578)**	38 783
Taxation	9	**13 332**	18 846
(Loss)/profit for the year from continuing operations		**(55 246)**	57 629
Discontinued operations			
Profit after tax for the year from discontinued operations	4	**716 984**	5 460
Profit for the year		**661 738**	63 089
Other comprehensive income			
Items that will be reclassified subsequently to profit			
Unrealised fair value adjustments on available-for-sale investments, net of tax	24.1	**45 064**	(5 189)
Reclassification of realised gain, net of tax	24.1	**(1 056)**	–
Total comprehensive income for the year		**705 746**	57 900
(Loss)/profit for the year from continuing operations attributable to:			
– Ordinary shareholders		**(47 892)**	65 470
– Non-controlling interest	14	**(7 354)**	(7 841)
Profit for the year from discontinued operations attributable to:			
– Ordinary shareholders		**716 984**	5 460
– Non-controlling interest		**–**	–
		661 738	63 089
Total comprehensive income attributable to:			
– Ordinary shareholders		**713 100**	65 741
– Non-controlling interest	14	**(7 354)**	(7 841)
		705 746	57 900
		Cents	Cents
Basic earnings per share	10	**142.72**	15.20
– Diluted earnings per share	10	**140.87**	15.13
Headline earnings per share	10	**10.53**	3.17
– Diluted headline earnings per share	10	**10.40**	3.15
Ordinary dividend per share		**20.00**	15.00

Consolidated statement of financial position
as at 30 June 2015

	Note	2015 R'000s	Restated 2014 R'000s
ASSETS			
Non-current assets		**2 315 008**	1 358 616
Investments in jointly controlled entities	11	**1 342 715**	1 056 924
Investments in associates	12	**–**	22 246
Available-for-sale investment	13	**350 064**	–
Goodwill	18	**38 975**	377
Investment properties	15	**84 010**	–
Property, plant and equipment	16	**431 578**	246 673
Intangible assets	17	**13 959**	6 043
Deferred tax assets	9	**53 707**	26 353
Assets classified as held-for-sale	4	**386 139**	598 411
Current assets		**621 956**	218 203
Inventories	19	**76 452**	9 450
Trade and other receivables	20.1	**65 429**	36 638
Related-party loans	21.1	**224 555**	23 705
Cash and cash equivalents	22	**242 309**	145 482
Income tax receivable	34.2	**13 211**	2 928
Total assets		**3 323 103**	2 175 230
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity		**2 333 584**	1 682 715
Stated capital	23	**859 517**	830 230
Treasury shares	23	**(76 222)**	(72 709)
Accumulated profit		**1 494 635**	920 217
Available-for-sale reserve at fair value	24.1	**45 064**	1 056
IFRS 2 share-based payment reserve	24.2	**10 289**	3 620
Capital redemption reserve fund	24.3	**301**	301
Non-controlling interest	14	**(17 575)**	(9 407)
Total shareholders' equity		**2 316 009**	1 673 308
Non-current liabilities		**469 056**	212 683
Preference shares	25	**332 424**	132 691
Interest-bearing borrowings	26	**102 136**	60 000
Finance lease liabilities	27	**17 895**	945
Deferred tax liabilities	9	**16 041**	18 557
Provisions	28	**560**	490
Liabilities associated with assets held-for-sale	4	**31 379**	170 124
Current liabilities		**506 659**	119 115
Trade and other payables	29	**112 680**	69 079
Provisions	28	**11 341**	9 791
Preference shares	25	**27 787**	–
Interest-bearing borrowings	26	**309 433**	32 195
Finance lease liabilities	27	**2 077**	207
Related-party loans	21.2	**30 000**	–
Dividends payable	34.3	**8 276**	7 693
Income tax payable	34.2	**5 065**	150
Total equity and liabilities		**3 323 103**	2 175 230

Consolidated statement of changes in equity
for the year ended 30 June 2015

	Stated capital (Note 23) R'000s	Treasury shares (Note 23) R'000s	Accumu-lated profits R'000s	Available-for-sale reserve at fair value (Note 24.1) R'000s	Share based payment reserve (Note 24.2) R'000s	Capital redemption reserve fund (Note 24.3) R'000s	Non-controlling interest (Note 14) R'000s	Total equity R'000s
Balance at 30 June 2013	730 364	(2 070)	914 258	6 245	–	301	(1 957)	1 647 141
Total comprehensive income/(loss) for the year	–	–	70 930	(5 189)	–	–	(7 841)	57 900
– Profit/(loss) for the year from continuing operations[1]	–	–	65 470	–	–	–	(7 841)	57 629
– Profit for the year from discontinued operations[1]	–	–	5 460	–	–	–	–	5 460
– Other comprehensive loss	–	–	–	(5 189)	–	–	–	(5 189)
Dividends declared	–	–	(68 964)	–	–	–	–	(68 964)
Dividends prescribed and written back	–	–	4 384	–	–	–	–	4 384
Treasury shares acquired	–	(10 770)	–	–	–	–	–	(10 770)
Shares issued	100 000	(60 000)	–	–	–	–	–	40 000
Share-based payment reserve expense	–	–	–	–	3 620	–	–	3 620
Acquisition of subsidiary	–	–	(391)	–	–	–	391	–
Treasury shares allocated to employees	–	131	–	–	–	–	–	131
Share issue expenses	(134)	–	–	–	–	–	–	(134)
Balance at 30 June 2014 Restated[1]	830 230	(72 709)	920 217	1 056	3 620	301	(9 407)	1 673 308
Total comprehensive income/(loss) for the year	**–**	**–**	**669 092**	**44 008**	**–**	**–**	**(7 354)**	**705 746**
– Loss for the year from continuing operations	**–**	**–**	**(47 892)**	**–**	**–**	**–**	**(7 354)**	**(55 246)**
– Profit for the year from discontinued operations	**–**	**–**	**716 984**	**–**	**–**	**–**	**–**	**716 984**
– Other comprehensive income	**–**	**–**	**–**	**44 008**	**–**	**–**	**–**	**44 008**
Dividends declared	**–**	**–**	**(108 041)**	**–**	**–**	**–**	**–**	**(108 041)**
Treasury shares acquired	**–**	**(3 650)**	**–**	**–**	**–**	**–**	**–**	**(3 650)**
Shares issued	**29 366**	**–**	**–**	**–**	**–**	**–**	**–**	**29 366**
Share-based payment reserve expense	**–**	**–**	**–**	**–**	**6 001**	**–**	**–**	**6 001**
IFRS 2 charge relating to equity-accounted investments	**–**	**–**	**–**	**–**	**668**	**–**	**–**	**668**
Acquisition of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**36 309**	**36 309**
Acquisition of non-controlling interest	**–**	**–**	**13 367**	**–**	**–**	**–**	**(37 123)**	**(23 756)**
Treasury shares allocated to employees	**–**	**137**	**–**	**–**	**–**	**–**	**–**	**137**
Share issue expenses	**(79)**	**–**	**–**	**–**	**–**	**–**	**–**	**(79)**
Balance at 30 June 2015	**859 517**	**(76 222)**	**1 494 635**	**45 064**	**10 289**	**301**	**(17 575)**	**2 316 009**

[1] *Amounts have been restated as per Note 3.1 of the Consolidated Annual Financial Statements and the net effect is Rnil.*

Consolidated statement of cash flows
for the year ended 30 June 2015

	Note	2015 R'000s	Restated 2014* R'000s
Cash flows from operating activities			
Net cash utilised from operations	34.1	**(176 663)**	(98 937)
Income tax paid	34.2	**(21 780)**	(1 950)
Finance income	6	**21 236**	8 621
Net cash from operating activities of discontinued operations	4	**22 528**	106 711
Net cash (outflow)/inflow from operating activities		**(154 679)**	14 445
Cash flows from investing activities			
Acquisition of plant and equipment		**(162 684)**	(76 207)
Acquisition of land and buildings	16	**(13 417)**	(42 172)
Acquisition of investment properties	15	**(40 160)**	–
Acquisition of intangibles	17	**(9 955)**	(4 286)
Proceeds from disposal of property, plant and equipment		**714**	24
Loans advanced	34.6	**(23 100)**	(10 232)
Loan repayment received	34.7	**112 123**	1 112
Cash paid through business combinations	34.8	**(50 579)**	(15 075)
Investments made	34.9	**(316 436)**	(22 326)
Consideration received from the disposal of investment	34.10	**155 055**	229
Dividends received		**142 174**	117 863
Net cash from investing activities of discontinued operations	4	**28 898**	(78 860)
Net cash outflow from investing activities		**(177 367)**	(129 930)
Cash flows from financing activities			
Dividends paid	34.3	**(107 458)**	(68 564)
Ordinary shares bought back	23	**(3 650)**	(10 770)
Loans received	34.4	**584 520**	26 188
Repayment of loans	34.5	**(10 088)**	(7 473)
Share issue costs		**(79)**	(134)
Acquisition of non-controlling interest		**(10 180)**	–
Finance costs	8	**(57 092)**	(17 702)
Net cash from financing activities of discontinued operations	4	**1 213**	(32 109)
Net cash inflow/(outflow) from financing activities		**397 186**	(110 564)
Net increase/(decrease) in cash and cash equivalents		**65 140**	(226 049)
Cash and cash equivalents at the beginning of the year		**177 169**	403 218
Total cash and cash equivalents at the end of the year		**242 309**	177 169
Comprises of:			
Total cash and cash equivalents of the group		**242 309**	177 169
Total cash and cash equivalents from discontinued operations	4	**–**	31 687
Total cash and cash equivalents from continuing operations	22	**242 309**	145 482

* *Various line items and related note disclosures relating to the prior year have been realigned in the current year.*

Notes to the Consolidated Annual Financial Statements
for the year ended 30 June 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial results

The consolidated and separate financial statements have been prepared on the historical cost basis, except where otherwise stated or disclosed, and as a going concern. The Consolidated Annual Financial Statements are presented in South African rands, which is also its functional currency, and all values are rounded to the nearest thousand (R000's), except where otherwise indicated.

The accounting policies applied are consistent with those applied in the prior year, with the exception of the standards which are effective for the financial years beginning 1 July 2014, described in Note 2.1 below.

Company financial statements

Investments in subsidiaries, associates and joint ventures in the separate financial statements presented by the Company are recognised at cost less accumulated impairment loss.

Recognition of assets and liabilities

Assets are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost or fair value can be measured reliably.

Liabilities are recognised if it is probable that an outflow of resources embodying economic benefits will result from the settlement of the present obligation and the amount at which the settlement will take place can be reliably measured. Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instrument.

1.2 Statement of compliance

The consolidated and separate financial statements are prepared in accordance with IFRS and interpretations of those standards as adopted by the International Accounting Standards Board, and in a manner required by the Companies Act of South Africa.

1.3 Basis of consolidation

The Consolidated Annual Financial Statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015 and the year then ended.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intragroup balances, transactions, income, expenses and unrealised profits and losses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

A change in the ownership interest of an existing subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group relinquishes control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- – derecognises the carrying amount of any non-controlling interest;
- – recognises the fair value of the consideration received;
- – recognises the fair value of the investment retained;
- – recognises any surplus or deficit in profit or loss; and
- – reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained income as appropriate.

a) Business combinations and goodwill

Business combinations are accounted for by using the acquisition method. The cost of the acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition costs incurred are expensed and included in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If a business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

A contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, that is a financial instrument, is measured at fair value with changes in fair value being recognised in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled in equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the fair value of the existing interest prior to obtaining control over the net identifiable assets and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as a bargain purchase.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

1.3 Basis of consolidation (continued)

a) Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

b) Interest in joint ventures and associates

The Group has interests in joint ventures, whereby the joint ventures have a contractual arrangement that establishes control over the economic activities of the entity. The contractual arrangement implies unanimous agreement for financial and operating decisions among the joint ventures.

The Group also has investments in associates. An associate is an entity over which the Group has significant influence.

The Group recognises its interests in joint ventures and associates using the equity method. The financial statements of the joint ventures and associates are prepared for the same reporting period as the parent company.

Under the equity method, the investments in joint ventures and associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures and associates. Goodwill relating to joint ventures and associates is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

Losses of a joint venture and associate in excess of the Group's interest in the joint venture and associate (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture and associate) are not recognised unless the Group has a legal or constructive obligation in respect of those joint ventures and associates. If the joint ventures and associates subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group assesses whether there is any objective evidence that the investment in joint ventures and associates is impaired. If any such indication exists, the entire carrying amount of the investment in joint ventures and associates is tested for impairment by comparing the recoverable amount with its carrying amount, to determine whether it is necessary to recognise any impairment losses.

The Group makes an assessment at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indications exists, the Group estimates the investment in joint ventures and associates' recoverable amount and reverses the impairment to the lower of the recoverable amount or carrying amount, that would have been determined had no impairment losses been recognised in prior periods. Such reversals are recognised in profit or loss.

The statement of comprehensive income reflects the share of the results of operation of joint ventures and associates. Where there has been a change recognised directly in the other comprehensive income or equity of the joint venture or associate, the Group recognises its share of any changes and discloses this, where applicable, in the statement of comprehensive income or in the statement of changes in equity.

Where a Group entity transacts with a joint venture or associate, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture or associate. The joint venture and associate are equity-accounted until the date on which the Group ceases to have joint control or significant influence over the joint venture or associate. Upon loss of significant influence or joint control over the associate or joint venture, the Group measures and recognises any retaining investments at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss. Upon derecognition of the investment in a joint venture or associate, previously recognised gains or losses in other comprehensive income will be released to profit or loss for the period.

c) Investment entity

The activities of the holding company of the Group is that of an investment holding company. Therefore the Group assesses at each reporting period whether or not it meets the definition of an investment entity and whether or not it is required to apply the exemption to consolidate its subsidiaries and recognise all its investments at fair value.

The holding company does not meet the definition of an investment entity primarily because it acquires assets with a view to trade with other companies in the Group.

1.4 Significant accounting judgements and estimates

In the preparation of the Consolidated Annual Financial Statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities, the accompanying disclosure and the disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements within the next financial period.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements concerning the future. Estimates and judgements are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable.

1.4 Significant accounting judgements and estimates (continued)

Estimates that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next year are described below. Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, as they involve assessments or decisions that are particularly complex or subjective, are discussed below.

Estimates and assumptions

1.4.1 Depreciation rates and residual values

The depreciation method reflects the pattern in which economic benefits attributable to the asset flow to the entity. The useful lives of these assets can vary depending on a variety of factors, including but not limited to: technological obsolescence, maintenance programmes, refurbishments, product life cycles and the intention of management.

The estimation of the useful life and residual value of an asset is a matter of judgement based on the past experience of the Group with similar assets and the intention of management (refer to Note 16).

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale or as held-for-distribution. Based on management's valuation, the recoverable amounts of the buildings exceed their carrying amounts. No depreciation has been accounted for during the current year. An annual assessment is done in this regard.

1.4.2 Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies. Forecasts are used to determine the expected future taxable profits and the critical assumptions and estimates used in these budgets are:

- Revenue growth: management assessment
- Inflation: research data obtained from local finance institutions; and
- Capital expenditure: management assessment

The Group has recognised and unrecognised deferred tax assets amounting to R54.6 million (2014: R24.2 million) relating to losses carried forward in its subsidiaries.

R49.7 million (2014: R23.0 million) of these assets relates to subsidiaries that have future taxable profits against which these losses can be off-set and therefore the deferred tax assets have been recognised in respect of these losses.

R4.9 million (2014: R1.2 million) of these assets relate to subsidiaries that have a history of losses, do not expire and may not be used to off-set taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis the Group has determined that it cannot recognise deferred tax assets on these carried forward tax losses. The deferred tax asset in the service company have been recognised as management has the ability to entrench a successful recovery programme through cost recovery of group transactions.

If the Group was to recognise all unrecognised deferred tax assets, profit and equity would have increased by R3.7 million. Further details on taxes are disclosed in Note 9.

1.4.3 Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the forecast for the next five years and do not include significant future investments that will enhance the asset's performance of the CGU tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 18.2 and Note 32.

1.4.4 Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 24.2.

1.4.5 Discontinued operations and assets held-for-sale

At 30 June 2015, 44.9% of the Group's 74.9% holding in GPI Slots has been recognised as an asset held-for-sale. The Group committed to sell this holding when it entered into a disposal agreement with Sun International in the previous year. In recognising the investment as an asset held-for-sale, management was required to use their judgement to determine whether or not there was any indication that the disposal transaction would not be concluded. Factors such as the likelihood of regulatory approvals being received were also considered.

1.4.6 Jointly controlled entities

The Group has classified its 74.9% holding in GPI Slots, its 51.0% holding in GTM and its 25.1% holding in SunWest and Golden Valley Casino as jointly controlled entities based on contractual agreements with the other shareholders in those investments to manage and control the business jointly.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

1.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any discounts, rebates and related taxes, with the exception of gaming taxes which are treated as a cost of sale. Revenue for material revenue streams are recognised on the bases set out below:

Food sales

Food sales are recognised on the date on which the sale is made at the fair value of the consideration received, net of VAT.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

Equipment sales

Equipment sales are recognised on the date on which the sale is made at the fair value of the consideration received, net of VAT.

Interest income

Interest income is recognised in profit or loss on an accrual basis using the effective interest method.

Management fees

Management fees are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of actual services provided as a proportion of the total services to be provided.

Royalties

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Gross gaming revenue

Gross gaming revenue (GGR) comprises the net gaming win generated by gaming operations being the difference between total bets made and the amounts returned to players. Net gaming win is measured as the net cash received from gaming operations. Due to the short-term nature of the Group's gaming operations, all income is recognised in profit or loss immediately, at the fair value of the consideration received or receivable.

1.6 Cost of sales

Cost of sales: Food and equipment

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

Sports betting gambling levies

The provincial gambling levies are payable to the Western Cape Gambling and Racing Board by Grand Sport and are based on the weekly gross gaming revenue (GGR) generated by sports betting activities. The levies range between 6.0% and 6.5% of the weekly GGR based on the type of sporting activity and are legislated in the Provincial Gambling Act.

Sports betting monitoring fees

Monitoring fees are payable to the Group's betting platform service provider, Bettech (Pty) Ltd. The fees are based on a sliding scale of between 20.0% and 30.0% of the monthly gross gaming revenue (GGR) generated by sports betting activities and are subject to a minimum guarantee amount of between R210 000 and R285 000 per month, depending on the length of service provided by Bettech.

1.7 Investment properties

Investment property is recognised as an asset when it is probable that the future economic benefits associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Costs include costs incurred initially and cost incurred subsequently to add to, or to replace part of a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation less any accumulated impairment losses. Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property which is 20 years.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in the use of the property and the property is transferred at its carrying value. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated in Note 1.8: Property, plant and equipment up to the date of change.

1.8 Property, plant and equipment

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises directly attributable costs and any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent costs are included in the asset's carrying amount or are recognised as separate assets, as appropriate, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably.

1.8 Property, plant and equipment (continued)

Maintenance and repairs, which do not meet these criteria, are charged against profit or loss as incurred. Property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets to the current values of their expected residual values. The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at each reporting date.

Depreciation and impairment losses are included in profit or loss. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition of assets are included in profit or loss in the year that the asset is derecognised.

The useful lives are as follows:

Computer equipment	– 3 years
Furniture and fittings	– 5 to 6 years
Leasehold improvements	– 4 to 10 years
Motor vehicles	– 5 years
Plant and equipment	– 5 years
Premises soft furnishings	– 5 to 10 years
Land and buildings	– 20 years
Plant and equipment: Food group	– 5 to 10 years
Lift, generators and security systems	– 5 to 15 years

1.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

Computer software costs

Computer software acquired separately is measured on initial recognition at cost. Following initial recognition, computer software is carried at cost less any accumulated amortisation and accumulated impairment losses. Computer software is amortised over its useful economic life and assessed for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method for computer software is reviewed annually. The amortisation expense on computer software is recognised in profit or loss under the amortisation category. Computer software is amortised over its expected useful life of three years.

Master franchise licence

Expenditure incurred by the Group in acquiring the master franchise licence in respect of Burger King South Africa and is measured at the original cost to acquire the licence less accumulated amortisation. The intangible is amortised over its expected useful life of 20 years, which represents a period over which GPI has the right to trade under the brand name of BURGER KING®.

Franchise licence fee

Expenditure incurred by the Group in acquiring franchisee licences in respect of the right to operate BURGER KING® restaurants at the various locations and is measured at the original cost to acquire the licence less accumulated amortisation. The intangible is amortised over its expected useful life of five to 10 years, which represents the licence period over which the Group has the right to operate the BURGER KING® restaurant.

1.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss. A previously recognised impairment loss, other than a loss related to the impairment of Goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case then the asset's carrying amount is increased to its recoverable amount. The recoverable amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

1.11 Financial instruments – initial recognition and subsequent measurement

1.11.1 Financial assets

i) Initial recognition and measurement of financial assets

Financial assets within the scope of IAS 39 are classified as loans and receivables and available-for-sale investments. The Group determines the classification on initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular way trade) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. The Group's financial assets includes cash and short-term deposits, trade and other receivables, loans and receivables, listed and unlisted equity instruments (classified as available-for-sale).

ii) Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on the classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include related party loans receivable. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity date of three months or less.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Available-for-sale investments

Available-for-sale investments consist of investments in unlisted and listed equity instruments. After initial recognition available-for-sale investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss.

iii) Derecognition of financial assets

A financial asset or portion of a financial asset is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without any material delay to a third party under a pass through arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and has either (i) transferred substantially all rights and rewards of the asset or (ii) has neither transferred nor retained substantially all the rights and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuous involvement in the asset.

iv) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of assets is impaired. Where the carrying value of these instruments exceeds the recoverable amount, the asset is written down to the recoverable amount. Impairment losses are recognised in profit or loss.

Impairment of financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced by any impairment loss. The amount of the loss is recognised in profit or loss.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or

1.11 Financial instruments – initial recognition and subsequent measurement (continued)

1.11.1 Financial assets (continued)

iv) Impairment of financial assets (continued)

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (a) adverse changes in the payment status of borrowers in the portfolio; and

  (b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists individually for the financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment of available-for-sale investments
The Group assesses at each reporting date whether there is objective evidence that an available-for-sale investment is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment losses on that investment previously recognised in profit or loss, is removed from other comprehensive income and recycled to profit or loss.

If, in a subsequent period, the fair value of an equity investment classified as available-for-sale increases, the impairment losses recognised in profit or loss are not reversed through profit or loss.

1.11.2 Financial liabilities

i) Initial recognition and measurement of financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value plus, in the case of financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. The Group's financial liabilities include trade and other payables, loans and preference shares.

ii) Subsequent measurement of financial liabilities

The subsequent measurement of financial liabilities depends on the classification as follows:

Loans and borrowings
After initial recognition, interest-bearing borrowings and loans are subsequently measured at amortised cost using an effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Trade and other payables
Trade and other payables are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the trade and other payables are derecognised and through interest based on the effective interest method. Trade and other payables are short term in nature and are classified as current liabilities in the statement of financial position. Related-party loans are payable on demand and are classified as current liabilities in the statement of financial position.

Preference shares
Preference shares that are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are held at amortised cost using the effective interest method. The dividends on these preference shares are recognised in profit or loss as interest expense.

iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognised as a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1.11.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position when there is a currently legally enforceable right to set off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously or settle on a net basis.

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

- Raw materials: purchased cost on a first-in, first-out basis; and
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

1.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised. All other borrowing costs are expensed in the period they occur.

1.14 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases where substantially all the risks and rewards associated with ownership have transferred from the lessor to the lessee. Finance leases are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

All other leases are treated as operating leases and the relevant rentals are recognised as an expense in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognised as incurred.

The Group leases certain property, plant and equipment and motor vehicles.

1.15 Taxes

Current normal tax

Current income tax assets and liabilities for the current year and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates/laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case it is recognised in other comprehensive income or equity respectively.

Dividend withholding tax

Dividend withholding tax (DWT) payable is included as part of trade and other payables in the statement of financial position. The gross amount of dividends declared is accounted for in equity.

1.16 Dividends payable

Dividends payable and the related taxation or withholding tax thereon are recognised as liabilities in the period in which the dividends are declared. A dividend declared subsequent to period-end is not charged against total equity at the reporting date as no liability exists.

1.17 Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are due to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts that are due to be paid when the liabilities are settled.

Long-service leave provision

The liability for long-service leave is recognised in provisions and measured using the projected unit credit method calculated by an independent actuary and is based on a minimum service period of five years and accumulates up to a maximum of 35 years continuous service. Consideration is given to the current wage and salary levels and the number of employees expected to qualify for the award. Movements in the provision are taken to profit or loss.

Retirement benefit obligations

The Group has a defined contribution plan which is governed by the Pension Funds Act, No. 24 of 1956. The defined contribution plan receives fixed contributions from the Group and its legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments are available.

Short-term incentive plan

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation, the amount can be measured reliably and the Directors are of the opinion that it is probable that such bonuses will be paid.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either:

- terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or
- providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

1.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date.

1.19 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

1.20 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in rands, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period, foreign currency:

- monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in rands by applying to the foreign currency amount the exchange rate between the rand and the foreign currency at the date of the cash flow.

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

1.21 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense (Note 24.2). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense (Note 7).

When these services are rendered in an associate or jointly controlled venture the fair value of these costs are capitalised to the carrying value of the investment.

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 10).

1.22 Non-current assets held-for-sale and discontinued operations

The Group classifies non-current assets and disposal groups as held-for-sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such assets and disposal groups are classified as held-for-sale or are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held-for-sale.

Assets and liabilities classified as held-for-sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as a discontinued operation if it is a component of the group that has either been disposed of or is classified as held-for-sale and;

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in profit or loss.

Additional disclosures are provided in Note 4. All other notes to the Consolidated Annual Financial Statements mainly include amounts for continuing operations, unless otherwise mentioned.

When the Group changes its intention to sell or makes a formal decision not to sell an asset (or disposal group) classified as held-for-sale, (other than associates, joint ventures or subsidiaries) the asset (or disposal group) no longer meets the recognition criteria to be classified as an asset held-for-sale. The Group measures the asset at the lower of:

(i) its carrying amount before the asset (or disposal group) was classified as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held-for-sale; and

(ii) its recoverable amount at the date of the subsequent decision not to sell.

If the asset (or disposal group) is a subsidiary, joint venture or an associate, the Group restates the results for all periods since the initial classification as held-for-sale to no longer recognise the asset (or disposal group) as held-for-sale in those periods.

2. STANDARDS AND INTERPRETATIONS

2.1 Standard issued and effective for the current reporting period

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

Standard	Effect of change
Amendment to IFRS 10 – Consolidated Annual Financial Statements – Investment entity exemption	The amendment has had no effect on the Group in the current period.
IAS 32 – Offsetting Financial Assets and Financial Liabilities	This amendment has had no effect on the Group in the current period.
IAS 36 – Recoverable amount disclosure for non-financial assets	The adoption of this amendment has had an impact on the disclosures of the Group.
IFRIC 21 – Levies	The adoption of this amendment has had no significant impact on the Group.
Annual improvement	**Effect of change**
IFRS 2 – Annual improvements 2010 – 2012 cycle	The adoption of this amendment has had no impact on the disclosures of the Group.
IFRS 3 – Annual improvements 2010 – 2012 cycle	The adoption of this amendment has had no significant impact on the Group.
IFRS 8 – Annual improvements 2010 – 2012 cycle	The adoption of this amendment has had no impact on the disclosures of the Group.
IFRS 13 – Annual improvements 2010 – 2012 cycle	The adoption of this amendment has had no significant impact on the Group.
IAS 24 – Annual improvements 2010 – 2012 cycle	The adoption of this amendment has had no significant impact on the Group.
IAS 40 – Annual Improvements 2010 – 2012 cycle	The adoption of this amendment has had no significant impact on the Group.

2.2 Standards issued not yet effective

At the date of authorisation of these Consolidated Annual Financial Statements, these are standards and interpretations in issue but not effective and will be adopted when they become effective.

Standard	Effective date – annual periods commencing on or after	Effect of change
IFRS 9 – Financial Instruments	1 January 2018	The likely impact of this standard is currently being assessed by management.
Amendment to IAS 27 – Separate Financial Statements	1 January 2016	The adoption of this amendment is unlikely to impact the disclosures of the Group.
Amendment to IAS 1 – Presentation of Financial Statements	1 January 2016	The adoption of this amendment is likely to impact the disclosures of the Group.
Amendment to IFRS 11 – Joint arrangements	1 January 2016	The likely impact of this standard is currently being assessed by management.
Amendment to IFRS 12 – Disclosure of Interests in Other Entities	1 January 2016	The adoption of this amendment is likely to have no significant impact on the Group.
IFRS 15 – Revenue from Contracts from Customers	1 January 2018	The likely impact of this standard is currently being assessed by management.
IAS 28 – Investments in Associates and Joint Ventures	1 January 2016	The adoption of this amendment is likely to impact the disclosures of the Group.

Annual improvement	Effective date – annual periods commencing on or after	Effect of change
IFRS 5 – Annual Improvements 2012 – 2014 cycle	1 January 2016	The adoption of this amendment may affect future transactions of the Group.
IFRS 7 – Annual Improvements 2012 – 2014 cycle	1 January 2016	The adoption of this amendment is likely to have no significant impact on the Group.
IAS 34 – Annual Improvements 2012 – 2014 cycle	1 January 2016	The adoption of this amendment is likely to impact the disclosures of the Group.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

3. COMPARATIVE PERIODS

3.1 Prior period restatement

In the 2014 Consolidated Annual Financial Statements, the Group's investments in SunWest and Golden Valley Casino were considered to be held-for-sale as an agreement had been concluded to dispose of these investments, subject to certain conditions being met. At the time it was considered highly probable that the sale would be concluded. However, during the current year, with the delays in concluding the sale, the conclusion of the transaction was no longer considered highly probable and the held-for-sale definition was no longer met for these investments. Consequently, the financials have been restated as if the investments had never been classified as held-for-sale, as required by IFRS. The impact of the restatement on the financial position and financial performance of the Group is as follows:

	30 June 2014 Previously stated R'000s	Adjustment R'000s	Note	Restated R'000s
Statement of comprehensive income				
(Loss)/profit from equity accounted investments	(528)	116 512	(i)	115 984
Profit after tax for the period from discontinued operations	121 972	(116 512)	(ii)	5 460
Basic earnings per share	15.20	–		15.20
Diluted earnings per share	15.13	–		15.13
Headline earnings per share	3.17	–		3.17
Diluted headline earnings per share	3.15	–		3.15
Statement of financial position				
Investments in jointly controlled entities	–	1 056 924	(ii)	1 056 924
Assets classified as held-for-sale	1 655 335	(1 056 924)	(ii)	598 411

Notes

(i) Equity-accounted earnings from SunWest for the 12 months ended 30 June 2014 previously recognised under discontinued operations and now restated to be recognised as profit from equity-accounted investments in profit or loss from continuing operations.

(ii) The carrying value of SunWest at 30 June 2014, previously recognised as an asset classified as held-for-sale, now restated to be recognised as an investment in joint venture under non-current assets.

4. DISCONTINUED OPERATIONS AND ASSETS HELD-FOR-SALE

GPI Slots
On 30 December 2014, the first of three tranches to dispose up to 70.0% of GPI Slots was concluded. In this tranche the Group sold a 25.1% holding to Sun International for R215.9 million. The disposal reduced GPI's holding to 74.9% and in terms of the GPI Slots shareholders' agreement, which came into effect on 30 December 2014, the investment is controlled jointly by its shareholders. Therefore, the investment in GPI Slots was deconsolidated on 30 December 2014 and classified as a jointly controlled entity. The deconsolidation resulted in GPI losing control of net assets of R538.5 million for proceeds of cash (R215.9 million), the fair value of the newly recognised joint venture (R644.2 million) and recognised loan receivables (R289.8 million) resulting in a gain on deconsolidation of R611.4 million.

44.9% of the 74.9% investment in GPI Slots represents the holding that the Group has committed to dispose in the second and third tranches and has continued to be recognised as a jointly controlled investment held-for-sale subsequent to the first tranche disposal and the Group's loss of control of the investment.

30.0% of the 74.9% investment in GPI Slots represents the holding that the Group has not committed to sell and has been recognised as a jointly controlled entity under non-current assets.

Dolcoast
On 30 January 2015, the Group concluded the disposal of its entire 24.9% investment in Dolcoast via a share buy-back for R130.0 million. The investment was disclosed as a held-for-sale asset in the prior year and up to the date of its disposal in the current year. The investment's carrying value on the date of disposal was R121.3 million and, as a result a R8.7 million profit on the disposal has been recognised in profit or loss from discontinued operations. The deferred tax liability of R15.0 million recognised in the prior year has been reversed due to a change in expected tax consequences of the disposal.

National Manco
On 2 December 2014, the Group concluded the disposal of its entire 5.67% investment in National Manco to Sun International for R1.4 million. The investment was classified as a held-for-sale asset in the prior year and in the current year prior to its disposal. The carrying value of the investment was R1.4 million on the date of sale and therefore no profit on the sale was recognised. However, R1.4 million of previously unrecognised fair value gains were released into the profit or loss from discontinued operations as a result of the sale.

SunWest and Golden Valley Casino
On 3 July 2015, GPI concluded a termination agreement with Sun International Limited and Tsogo Sun Limited which cancelled the transaction to dispose of GPI's 25.1% holding in SunWest and its 25.1% holding in Golden Valley. The cancellation of the disposal confirmed that both the investments did not meet the held-for-sale criteria at year-end. Therefore both the investments have been recognised in the jointly controlled entities line under non-current assets and the financials have been restated as if the investments had never been classified as held-for-sale, as required by IFRS.

The income and expense items included in the profit after tax from discontinued operations are as follows:

	GPI Slots		Dolcoast		National Manco		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	Restated 2014 R'000s
Revenue	**393 276**	599 616	**5 030**	–	**–**	–	**398 306**	599 616
Cost of sales	**(235 415)**	(351 286)	**–**	–	**–**	–	**(235 415)**	(351 286)
Gross profit	**157 861**	248 330	**5 030**	–	**–**	–	**162 891**	248 330
Operating costs	**(67 070)**	(105 331)	**–**	–		–	**(67 070)**	(105 331)
Profit from operations	**90 791**	142 999	**5 030**	–	**–**	–	**95 821**	142 999
Profit from equity-accounted investments	**–**	–	**–**	10 792	**–**	–	**–**	10 792
Profit on disposal of investment	**5 364**	–	**8 717**	–	**1 381**	–	**15 462**	–
Gain on loss of control of GPI Slots	**611 421**	–	**–**	–	**–**	–	**611 421**	–
Depreciation	**–**	(36 262)	**–**	–	**–**	–	**–**	(36 262)
Amortisation	**–**	(1 880)	**–**	–	**–**	–	**–**	(1 880)
Profit before finance costs and taxation	**707 576**	104 857	**13 747**	10 792	**1 381**	–	**722 704**	115 649
Finance income	**2 898**	1 499	**–**	–	**–**	–	**2 898**	1 499
Finance costs	**(1 755)**	(4 115)	**–**	–	**–**	–	**(1 755)**	(4 115)
Profit before taxation	**708 719**	102 241	**13 747**	10 792	**1 381**	–	**723 847**	113 033
Taxation	**(21 876)**	(107 573)	**15 013**	–	**–**	–	**(6 863)**	(107 573)
Profit/(loss) for the year from discontinued operations	**686 843**	(5 332)	**28 760**	10 792	**1 381**	–	**716 984**	5 460

Earnings per share	**2015 cents**	Restated 2014 cents
Basic earnings per share	**152.93**	1.18
Diluted basic earnings per share	**150.95**	1.17

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

4. DISCONTINUED OPERATIONS AND ASSETS HELD-FOR-SALE *(CONTINUED)*

The assets and liabilities included in assets classified as held-for-sale and liabilities associated with assets held-for-sale are as follows:

	GPI Slots		Dolcoast		National Manco		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	Restated 2014 R'000s
ASSETS								
Non-current assets								
Investment in jointly controlled entities	**386 139**	–	**–**	–	**–**	–	**386 139**	–
Investment in associates	**–**	–	**–**	121 283	**–**	–	**–**	121 283
Investments	**–**	–	**–**	–	**–**	1 300	**–**	1 300
Goodwill	**–**	160 902	**–**	–	**–**	–	**–**	160 902
Property, plant and equipment	**–**	132 130	**–**	–	**–**	–	**–**	132 130
Intangible assets	**–**	85 006	**–**	–	**–**	–	**–**	85 006
Loan receivable	**–**	3 110	**–**	–	**–**	–	**–**	3 110
Deferred tax assets	**–**	4 478	**–**	–	**–**	–	**–**	4 478
Current assets								
Inventories	**–**	2 529	**–**	–	**–**	–	**–**	2 529
Trade and other receivables	**–**	52 585	**–**	–	**–**	–	**–**	52 585
Loans receivable	**–**	1 933	**–**	–	**–**	–	**–**	1 933
Income tax receivable	**–**	1 468	**–**	–	**–**	–	**–**	1 468
Cash and cash equivalents	**–**	31 687	**–**	–	**–**	–	**–**	31 687
Assets classified as held-for-sale	**386 139**	475 828	**–**	121 283	**–**	1 300	**386 139**	598 411
Non-current liabilities								
Finance lease liabilities	**–**	1 774	**–**	–	**–**	–	**–**	1 774
Deferred tax liabilities	**31 379**	88 932	**–**	–	**–**	–	**31 379**	88 932
Provisions	**–**	1 653	**–**	–	**–**	–	**–**	1 653
Current liabilities								
Trade and other payables	**–**	70 578	**–**	–	**–**	–	**–**	70 578
Provisions	**–**	4 478	**–**	–	**–**	–	**–**	4 478
Finance lease liabilities	**–**	516	**–**	–	**–**	–	**–**	516
Taxation	**–**	2 193	**–**	–	**–**	–	**–**	2 193
Liabilities associated with assets held-for-sale	**31 379**	170 124	**–**	–	**–**	–	**31 379**	170 124
Net assets directly associated with discontinued operations	**354 760**	305 704	**–**	121 283	**–**	1 300	**354 760**	428 287

4. DISCONTINUED OPERATIONS AND ASSETS HELD-FOR-SALE *(CONTINUED)*

The cash flows disclosed under operating, investing and financing activities from discontinued operations are as follows:

	GPI Slots		Dolcoast		National Manco		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	Restated 2014 R'000s
Net cash generated by operations	**80 813**	125 516	**–**	–	**–**	–	**80 813**	125 516
Income tax paid	**(61 910)**	(20 163)	**–**	–	**–**	–	**(61 910)**	(20 163)
Finance income	**3 625**	1 358	**–**	–	**–**	–	**3 625**	1 358
Net cash inflow from operating activities	**22 528**	106 711	**–**	–	**–**	–	**22 528**	106 711
Acquisition of plant and equipment and intangibles	**(54 803)**	(70 674)	**–**	–	**–**	–	**(54 803)**	(70 674)
Proceeds from disposal of property, plant and equipment	**3 070**	462	**–**	–	**–**	–	**3 070**	462
Cash acquired through business combination	**–**	(3 752)	**–**	–	**–**	–	**–**	(3 752)
Investments made	**(55 780)**[1]	(4 896)	**–**	–	**–**	–	**(55 780)**	(4 896)
Consideration from the disposal of investment	**–**	–	**130 000**	–	**1 381**	–	**131 381**	–
Dividends received	**–**	–	**5 030**	–	**–**	–	**5 030**	–
Net cash (outflow)/inflow from investing activities	**(107 513)**	(78 860)	**135 030**	–	**1 381**	–	**28 898**	(78 860)
Increase/(decrease) in loans	**1 378**	(27 952)	**–**	–	**–**	–	**1 378**	(27 952)
Finance costs	**(165)**	(4 157)	**–**	–	**–**	–	**(165)**	(4 157)
Net cash inflow/(outflow) from financing activities	**1 213**	(32 109)	**–**	–	**–**	–	**1 213**	(32 109)

[1] *During the year and while it was recognised as a discontinued operation, GPI Slots acquired 100% of KZN Slots for a purchase consideration of R78.5 million. On the date of the acquisition, KZN Slots' total identifiable net liabilities at fair value amounted to R1.4 million and the carrying value of its shareholder loan to R41.0 million. The R38.7 million difference between the purchase consideration, the shareholder loan and identifiable net liabilities were recognised by GPI Slots as goodwill. R15.8 million of the purchase consideration was settled by way of an issue of new GPI shares and the balance of consideration of R62.7 million by way of cash. KZN Slots had a cash balance of R6.9 million, on the acquisition date and when netted off against the cash portion of the purchase consideration amounts to net cash paid through the business combination of R55.8 million.*

Notes to the Consolidated Annual Financial Statements *(continued)*
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5. BUSINESS COMBINATION

Mac Brothers Catering Equipment

On 28 July 2014, the Group acquired a further 42.8% of Mac Brothers Catering Equipment for R42.8 million, increasing its holding to 65.0%. The increased holding gave the Group control of the investment that had been previously classified as an investment in associate. As a result, Mac Brothers Catering Equipment was consolidated into the Group results with effect from 28 July 2014. The total consideration paid for the initial 22.2% investment and the subsequent 42.8% investment was R65.1 million. The initial 22.2% investment was increased to its fair value of R23.0 million resulting in a fair value gain of R0.4 million being recognised in profit or loss from continuing operations. All the assets purchased and the liabilities assumed in the purchase were identified at their fair values and were recognised separately from goodwill. No intangible assets were recognised during the identification process. Goodwill of R38.6 million was recognised as part of the business combination and represents the expected value creation within Mac Brothers Catering Equipment as a result of the opportunity to trade with BURGER KING® during their expansion. The non-controlling interest was recognised at the fair value of the business which was determined using a discounted cash flow method. The key unobservable inputs were a discount rate of 20.3% and a terminal growth rate of 5%.

On 13 January 2015, the Group acquired the remaining 35.0% of Mac Brothers Catering Equipment for R23.8 million and increased its holding to 100.0%, of which R13.6 million was settled by the issue of new GPI shares.

	Fair value recognised on acquisition 28 July 2014 R'000s
Identifiable assets and liabilities	
Property, plant and equipment	65 509
Inventory	50 796
Trade and other receivables	17 608
Cash and cash equivalents	(7 788)
Deferred tax liability	(6 830)
Finance lease liability	(9 765)
Taxation payable	(902)
Trade and other payables	(45 086)
Total identifiable net assets at fair value	63 542
Calculation of goodwill	
Non-controlling interest at fair value	36 309
Existing equity interest at fair value	23 040
Cash paid in respect of acquisition	42 791
Less: Total identifiable net assets at fair value	(63 542)
Goodwill	38 598
Analysis of cash flow on acquisition	
Net cash acquired on acquisition	(7 788)
Cash paid in respect of acquisition	(42 791)
Net cash outflow	(50 579)
Revenue since acquisition	211 267
Profit since acquisition	2 462
Revenue if acquired 1 July 2014	233 924
Profit if acquired 1 July 2014	4 144

During the prior year the Group acquired 41% of Grand Casino KZN for a purchase consideration of R21.0 million. On the date of the acquisition, Grand Casino KZN's total identifiable net assets at fair value amounted to R108.8 million. The Group's existing stake in Grand Casino KZN of 59% was increased to its fair value resulting in a remeasurement gain in the statement of comprehensive income of R32.8 million. The R23.6 million difference between the purchase consideration, the fair value of the existing stake and identifiable net assets were recognised by the Group as a gain in bargain purchase in the statement of comprehensive income. Consideration of R21.0 million was paid in cash. Grand Casino KZN had a cash balance of R4.7 million on the acquisition date and when netted off against the cash portion of the purchase consideration amounts to net cash paid through the business combination of R16.3 million.

6. REVENUE

	2015 R'000s	2014 R'000s
Food sales	**303 295**	124 468
Equipment sales	**142 034**	–
Dividends received	**12 050**	4 916
Other revenue	**24 436**	4 386
IT fees	**5 881**	368
Rental income	**9 404**	838
Franchise fee income	**4 471**	–
Gross gaming revenue – Sport betting	**441**	–
Revenue	**502 012**	134 976
Finance income	**21 236**	8 621
Total revenue and finance income	**523 248**	143 597

7. (LOSS)/PROFIT FROM CONTINUING OPERATION BEFORE FINANCE COSTS AND TAXATION

	2015 R'000s	2014 R'000s
(Loss)/profit before finance and taxation cost is stated after:		
Income		
Remeasurement of investment	**405**	32 838
Gain on acquisition of investment	**–**	23 637
Expenses		
Depreciation (Note 16)	**23 638**	7 774
Amortisation (Note 17)	**2 039**	981
Operating lease rentals		
– Premises	**27 695**	3 340
– Contingent leases	**3 561**	–
– Straight-lined leases	**24 134**	3 340
Loss on disposal of plant and equipment	**75**	21
Auditors' remuneration		
Audit fees	**5 005**	1 906
– current year	**3 188**	1 756
– prior year under provision	**1 817**	150
Staff costs	**185 238**	64 456
– Salaries and wages	**147 677**	47 540
– Directors' remuneration	**32 150**	13 887
– Other benefits	**–**	–
– Share-based payments expense	**5 411**	3 029
Number of employees	**2 008**	1 310

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

8. FINANCE COSTS

	2015 R'000s	2014 R'000s
Bank loans and overdraft	**1 031**	6 100
Short-term borrowings	**20 962**	–
Preference shares – interest	**25 353**	11 895
Interest on finance lease liabilities	**1 498**	31
Term loans	**8 248**	–
	57 092	18 026

9. TAXATION

	2015 R'000s	2014 R'000s
South African normal tax		
– current year	**15 496**	208
– prior year underprovision	**14**	–
Deferred tax	**(28 842)**	(19 054)
	(13 332)	(18 846)
	%	%
Standard rate	**28.00**	28.00
Exempt income	**59.94**	(128.44)
Non-deductible expenses	**(63.02)**	48.47
Prior year underprovision	**(1.11)**	–
Difference in tax rate of a trust	**(0.14)**	–
Assessed loss not recognised	**(4.23)**	3.38
Effective tax rate	**19.44**	(48.59)
	R'000s	R'000s
Deferred taxation		
Deferred tax assets	**53 707**	26 353
Deferred tax liabilities	**(16 041)**	(18 557)
	37 666	7 796
The deferred tax balance is made up as follows:		
Operating lease	**320**	257
Assessed losses	**49 719**	23 011
Provisions and accruals	**4 538**	3 285
Prepayments	**(716)**	(82)
Property, plant and equipment	**(5 852)**	(3 419)
Available-for-sale investment	**(10 343)**	(243)
Investment in associate	**–**	(15 013)
	37 666	7 796

9. TAXATION *(CONTINUED)*

	2015 R'000s	2014 R'000s
Reconciliation of net deferred tax asset		
Opening balance	**7 796**	13 498
Tax expense for the period recognised in profit or loss	**28 842**	19 054
Operating lease	**791**	256
Assessed losses	**18 502**	18 167
Provisions and accruals	**1 488**	3 092
Prepayments	**(619)**	(32)
Property, plant and equipment	**8 680**	(2 429)
Tax expense for the period recognised in other comprehensive income	**(10 100)**	1 191
Liability recognised through business combination	**(6 830)**	(15 013)
Reclassified as discontinued operation	**–**	(10 934)
Tax released through discontinued operation	**17 958**	–
Closing balance	**37 666**	7 796

All unused STC credits available to the Group were utilised during the current year and as a result at year-end there were no unused STC credits (2014: R90.5 million). STC credits of 19.11 cents per share were applied against the 20.0 cents per share annual dividend declared on 5 January 2015. As a result, dividend withholding tax (DWT) of 0.13 cents per share (0.7%) was levied against the dividend declared. All future dividends will attract the full 15% DWT.

In the prior year, the deferred tax liability recognised from the business combination with Grand Casino KZN was incorrectly disclosed as a deferred tax liability recognised in other comprehensive income. This has been corrected in the note with no impact on the statement of comprehensive income or statement of financial position.

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

10. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Gross 2015 R'000s	**Net 2015 R'000s**	Gross 2014 R'000s	Restated Net 2014 R'000s
Basic and diluted earnings per share reconciliation				
Profit for the year	**–**	**661 738**	–	63 089
– Continuing operations	**–**	**(55 246)**	–	57 629
– Discontinued operations	**–**	**716 984**	–	5 460
Non-controlling interest	**–**	**7 354**	–	7 841
Profit for the year attributable to ordinary shareholders	**–**	**669 092**	–	70 930
Headline earnings reconciliation				
Profit for the year attributable to ordinary shareholders	**–**	**669 092**	–	70 930
Profit on sale of investments	**(15 462)**	**(30 475)**	–	–
Gain on deconsolidation of subsidiary	**(611 241)**	**(589 474)**	–	–
Gain on acquisition of investment	**–**	**–**	(23 637)	(23 637)
Loss on disposal of plant and equipment	**104**	**75**	190	137
Remeasurement of investment	**(405)**	**(405)**	(32 838)	(32 838)
Adjustments by jointly controlled entities	**631**	**574**	253	182
– Loss on disposal of plant and equipment	**631**	**574**	253	182
Headline earnings		**49 387**		14 774
		000s		000s
Weighted average number of shares in issue – net of treasury shares		**468 822**		466 738
Effects of dilution from:				
– Share options		**6 160**		1 981
Diluted weighted average number of shares in issue – net of treasury shares		**474 982**		468 719
		Cents		Cents
Basic earnings per share		**142.72**		15.20
Diluted earnings per share		**140.87**		15.13
Headline earnings per share		**10.53**		3.17
Diluted headline earnings per share		**10.40**		3.15

11. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

The Group's investments that have been classified as jointly controlled entities are:

	Effective holding		
Investment	2015	2014	Business
SunWest	**25.10%**	25.10%	SunWest holds 100% of GrandWest Casino and Entertainment World and 100% of the Table Bay Hotel
Golden Valley	**25.10%**	25.10%	Worcester Casino holds 100% of the Golden Valley Casino situated in Worcester
GPI Slots	**30.00%**	–	GPI Slots operates limited payout machines throughout the country under different brands
Grand Tellumat Manufacturing (GTM)	**51.00%**	–	GTM manufactures and assembles electronic equipment

SunWest
At year-end, the Group's investment in SunWest no longer met the criteria to be classified as an asset held-for-sale (refer to Note 3) and therefore the financials have been restated as if the investment had never been classified held-for-sale. The Group's economic interests of 25.1% (2014: 25.1%) remained the same during the financial year.

Golden Valley Casino
At year-end, the Group's investment in Golden Valley Casino no longer met the criteria to be classified as an asset held-for-sale (refer to Note 3) and therefore the financials have been restated as if the investment had never been classified as held-for-sale. The Group's economic interest of 25.1% (2014: 25.1%) remained the same during the current year.

GPI Slots
On 30 December 2014, the Group lost control of GPI Slots as a result of the disposal of 25.1% of the investment to Sun International and the shareholder agreement coming into effect (refer to Note 3). The terms of the shareholder agreement state the shareholder will control the investment jointly and as a result the Group classified its remaining 74.9% investment as a jointly controlled entity. However, the Group has committed in to sell 44.9% of its 74.9% investments to Sun International in two subsequent tranches (refer to Note 3) and as a result the 44.9% portion committed for sale has been classified as an asset held-for-sale (Note 3) with only 30.0% of the investment being equity accounted and included in the "Investment in jointly controlled entity" line.

Grand Tellumat Manufacturing
On 1 September 2014 Grand Capital Investment Holdings, a wholly-owned subsidiary of GPI, entered into a joint venture agreement with Tellumat (Pty) Ltd whereby the electronics manufacturing unit of Tellumat was transferred into a company called Grand Tellumat Manufacturing (Pty) Ltd. GPI subscribed for 51.0% of the stated capital of GTM for R21.8 million and Tellumat subscribing for the remaining 49.0%. In terms of the shareholders agreement between GPI and Tellumat, it has been agreed that the Company be managed jointly and as a result GPI has recognised the Company as a jointly controlled entity in its group results from the effective date of the transaction being 1 September 2014.

Notes to the Consolidated Annual Financial Statements *(continued)*

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11. INVESTMENT IN JOINTLY CONTROLLED ENTITIES *(CONTINUED)*

	SunWest	
	2015 R'000s	Restated 2014 R'000s
Carrying amount of the investment – beginning of the year	**1 056 924**	1 053 359
Acquisition of jointly controlled entity	**–**	–
Profit/(loss) from jointly controlled entities	**129 347**	116 512
Dividends received	**(130 520)**	(112 947)
IFRS 2 reserve	**–**	–
Carrying amount of the investment – end of the year	**1 055 751**	1 056 924

Set out below is the summarised financial information, as well as a reconciliation of that information to the carrying amount of the Group's jointly controlled entities which are accounted for using the equity method.

	SunWest	
	2015 R'000s	Restated 2014 R'000s
Summarised statement of comprehensive income		
Revenue	**2 404 223**	2 250 457
Operating costs	**(1 460 694)**	(1 398 384)
Finance income	**812**	825
Finance cost	**(82 496)**	(75 588)
Depreciation and amortisation	**(139 167)**	(116 120)
Profit before tax	**722 678**	661 190
Taxation	**(207 352)**	(196 997)
Profit for the year	**515 326**	464 193
Other comprehensive income	**–**	(308)
Total comprehensive income for the year	**515 326**	463 885
Summarised statement of financial position		
Non-current assets	**1 309 875**	1 334 783
Current assets excluding cash and cash equivalents	**58 182**	41 300
Cash and cash equivalents included in current assets	**70 100**	40 054
Non-current liabilities (excluding trade and other payables and provisions)	**(354 883)**	(368 809)
Current liabilities (excluding trade and other payables and provisions)	**(541 412)**	(510 362)
Current trade and other payables and provisions	**(232 566)**	(222 996)
Equity	**309 296**	313 970
Group's proportionate interest	**25.1%**	25.1%
Equity	**77 633**	78 806
Goodwill	**978 118**	978 118
Proportionate share of IFRS 2 reserve	**–**	–
Loans	**–**	–
Carrying amount of the investment	**1 055 751**	1 056 924

* *The Group's proportional share of losses incurred by Golden Valley Casino during the year amounted to R0.7 million (2014: R0.1 million). The Group has not recognised their proportional share of losses in terms of IAS 28 as cumulatively the Group has not recognised R9.2 million of losses in Golden Valley (2014: R8.5 million). Profits from this investment will be recognised once all previous losses have been utilised.*

	Golden Valley Casino*		GPI Slots		Grand Tellumat Manufacturing		Total	
	2015 R'000s	Restated 2014 R'000s	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s
	–	–	–	–	–	–	1 056 924	1 053 359
	–	–	258 587	–	21 784	–	280 371	–
	–	–	9 671	–	(3 746)	–	135 272	116 512
	–	–	–	–	–	–	(130 520)	(112 947)
	–	–	592	–	76	–	668	–
	–	–	268 850	–	18 114	–	1 342 715	1 056 924

	Golden Valley Casino*		GPI Slots		Grand Tellumat Manufacturing		Total	
	2015 R'000s	Restated 2014 R'000s	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s
	149 135	143 487	406 297	–	84 347	–	3 044 002	2 393 944
	(123 896)	(118 773)	(315 010)	–	(87 288)	–	(1 986 888)	(1 517 157)
	149	123	1 451	–	295	–	2 707	948
	(10 498)	(8 835)	(14 339)	–	(3)	–	(107 336)	(84 423)
	(16 159)	(13 350)	(31 386)	–	(4 696)	–	(191 408)	(129 470)
	(1 269)	2 652	47 013	–	(7 345)	–	761 077	663 842
	(1 589)	(2 765)	(14 775)	–	–	–	(223 716)	(199 762)
	(2 858)	(113)	32 238	–	(7 345)	–	537 361	464 080
	(1)	–	–	–	–	–	(1)	(308)
	(2 859)	(113)	32 238	–	(7 345)	–	537 360	463 772
	180 718	181 162	526 411	–	25 119	–	2 042 123	1 515 945
	2 254	3 497	58 333	–	62 596	–	181 365	44 797
	3 761	1 930	23 172	–	7 613	–	104 646	41 984
	(5 747)	(3 241)	(31 387)	–	–	–	(392 017)	(372 050)
	(135 319)	(127 545)	(255 955)	–	(72 714)	–	(1 005 400)	(637 907)
	(19 902)	(27 179)	(61 610)	–	(29 883)	–	(343 961)	(250 175)
	25 765	28 624	258 964	–	(7 269)	–	586 756	342 594
	25.1%	25.1%	30.0%	–	51.0%	–		
	–	–	77 689	–	(3 707)	–	151 615	78 806
	–	–	191 012	–	–	–	1 169 130	978 118
	–	–	149	–	37	–	186	–
	–	–	–	–	21 784	–	21 784	–
	–	–	268 850	–	18 114	–	1 342 715	1 056 924

Notes to the Consolidated Annual Financial Statements *(continued)*
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12. INVESTMENTS IN ASSOCIATES

The Group's investments that have been classified as associates are:

	Effective holding		
Investment	**2015**	2014	Business
Excellent Meat Burger Plant	**35.00%**	35.00%	Excellent Meat Burger Plant produces burger patties for BURGER KING®
Mac Brothers Catering Equipment	**100.00%**	22.32%	Mac Brothers Catering Equipment manufactures kitchen equipment
Grand Casino KZN	**100.00%**	100.00%	Grand Casino KZN was reclassified as a subsidiary in the prior year

Excellent Meat Burger Plant
The Group's share of cumulative losses incurred by Excellent Meat Burger Plant is greater than the carrying value of the investment and as a result the carrying value has been reduced to zero.

The Group is bound by surety, as a co-principal debtor to Standard Bank, for the debt facilities in Excellent Meat Burger Plant to a maximum amount of R41.6 million (2014: R41.6 million). Therefore to the extent that the losses have exceeded the original carrying value of the investment, the Group has recognised a liability, in trade and other payables, for its share of the losses (refer Note 29). At 30 June 2015 the total liability recognised is R1.2 million (2014: R0.5 million).

Mac Brothers Catering Equipment
On 28 July 2014, the Group acquired control of Mac Brothers Catering Equipment via a business combination (refer Note 5) and as a result the investment was reclassified as a subsidiary.

12. INVESTMENTS IN ASSOCIATES *(CONTINUED)*

	Excellent Meat Burger Plant		Mac Brothers Catering Equipment		Grand Casino KZN		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s
Carrying amount of the investment – beginning of the year	**–**	–	**22 246**	–	**–**	39 096	**22 246**	39 096
Additions	**–**	–	**–**	22 326	**–**	–	**–**	22 326
Profit/(loss) from associates	**(767)**	(448)	**389**	(80)	**–**	–	**(378)**	(528)
Reclassified as a payable	**767**	448	**–**	–	**–**	–	**767**	448
Reclassified as a subsidiary	**–**	–	**(22 635)**	–	**–**	(39 096)	**(22 635)**	(39 096)
Carrying amount of the investment – end of the year	**–**	–	**–**	22 246	**–**	–	**–**	22 246
Summarised statement of comprehensive income								
Revenue	**31 350**	3 854	**233 924**	65 171	**–**	10 806	**265 274**	79 831
Operational costs	**(31 639)**	(5 124)	**(225 117)**	(64 162)	**–**	(274)	**(256 756)**	(69 560)
Finance cost	**(1 743)**	–	**(2 543)**	(784)	**–**	–	**(4 286)**	(784)
Depreciation and amortisation	**–**	–	**(2 528)**	(694)	**–**	–	**(2 528)**	(694)
(Loss)/profit before tax	**(2 032)**	(1 270)	**3 736**	(469)	**–**	10 532	**1 704**	8 793
Taxation	**568**	–	**408**	(15)	**–**	–	**976**	(15)
(Loss)/profit for the year	**(1 464)**	(1 270)	**4 144**	(484)	**–**	10 532	**2 680**	8 778

Set out below is the summarised financial information, as well as a reconciliation of that information to the carrying amount of the Group's associates which are accounted for using the equity method.

	Excellent Meat Burger Plant		Mac Brothers Catering Equipment		Grand Casino KZN		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s
Summarised statement of financial position								
Non-current assets	**38 841**	49 452	**28 322**	44 688	**–**	38 875	**67 163**	133 015
Current assets (*excluding cash and cash equivalents)*	**12 163**	–	**84 933**	88 309	**–**	7	**97 096**	88 316
Cash and cash equivalents included in current assets	**1**	–	**5 837**	963	**–**	2 226	**5 838**	3 189
Non-current liabilities (excluding trade and other payables and provisions)	**(46 286)**	(50 732)	**(17 602)**	(12 096)	**–**	–	**(63 888)**	(62 828)
Current liabilities (excluding trade and other payables and provisions)	**(4 998)**	–	**(44 191)**	(24 018)	**–**	(2 000)	**(49 189)**	(26 018)
Current trade and other payables and provisions	**(3 194)**	–	**(31 820)**	(54 614)	**–**	(123)	**(35 014)**	(54 737)
Equity	**(3 473)**	(1 280)	**25 479**	43 232	**–**	38 985	**22 006**	80 937
Group's proportionate interest	**35.00%**	35.00%	**100.00%**	22.20%	**–**	100.00%	**–**	–
Equity portion	**(1 216)**	(448)	**22 635**	9 598	**–**	38 985	**21 419**	48 135
Premium paid on acquisition of associate	**–**	–	**–**	12 648	**–**	111	**–**	12 759
Reclassified as a subsidiary	**–**	–	**(22 635)**	–	**–**	(39 096)	**(22 635)**	(39 096)
Trade and other payable	**1 216**	448	**–**	–	**–**	–	**1 216**	448
Carrying amount of the investment	**–**	–	**–**	22 246	**–**	–	**–**	22 246

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13. AVAILABLE-FOR-SALE INVESTMENT

	Spur		National Manco		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s
Opening balance	**–**	–	**–**	7 680	**–**	7 680
Acquisitions	**294 657**	–	**–**	–	**294 657**	–
Unrealised fair value gains/(losses) on available-for-sale investments (Note 32.2)	**55 407**	–	**–**	(6 380)	**55 407**	(6 380)
Reclassified as assets held-for-sale	**–**	–	**–**	(1 300)	**–**	(1 300)
	350 064	–	**–**	–	**350 064**	–

Spur
On 30 October 2014, GPI Investments 1, a wholly-owned subsidiary of GPI, acquired 10.0% of Spur for R294.7 million. GPI received a 10% discount on the market price on acquisition in exchange for a five-year lock-in period, during which time GPI is required to maintain its current empowerment credentials. R72.4 million of the acquisition was paid in cash, with the remaining R222.3 million financed by R72.3 million of vendor funding provided by Spur and R150.0 million of third-party debt (refer Note 25).

14. MATERIAL PARTLY-OWNED SUBSIDIARIES

The financial information of subsidiaries that have material non-controlling interests is provided below.

Burger King South Africa (RF) (Pty) Ltd
The Group holds a 91.1% investment in Burger King South Africa (RF) (Pty) Ltd, with the remaining 8.9% held by Burger King Europe. Burger King South Africa (RF) (Pty) Ltd holds the master franchise licence of BURGER KING® for South Africa.

	2015 %	2014 %
Portion of equity-interest held by non-controlling interests		
Burger King South Africa (RF) (Pty) Ltd	**8.90**	8.90
	R'000s	R'000s
Accumulated balances of non-controlling interest		
Burger King South Africa (RF) (Pty) Ltd – Group	**(17 575)**	(9 407)
	(17 575)	(9 407)
Loss allocated to non-controlling interest		
Burger King South Africa (RF) (Pty) Ltd	**(6 416)**	(4 698)
Other non-controlling interests	**(938)**	(3 143)
	(7 354)	(7 841)

14. MATERIAL PARTLY-OWNED SUBSIDIARIES *(CONTINUED)*

The summarised financial information of Burger King South Africa – Group is provided below. This information is based on amounts before intercompany eliminations.

	2015 R'000s	2014 R'000s
Summarised statement of comprehensive income		
Revenue	**303 883**	124 862
Operating costs	**(400 707)**	(197 175)
Operating loss	**(96 824)**	(72 313)
Finance income	**1 566**	675
Finance expense	**(613)**	(31)
Loss before tax	**(95 871)**	(71 669)
Tax	**23 786**	18 879
Loss after tax	**(72 085)**	(52 790)
Total comprehensive loss attributable to		
– Ordinary shareholder	**(65 669)**	(48 092)
– Non-controlling interests	**(6 416)**	(4 698)
Summarised statement of financial position		
Non-current assets	**320 909**	114 574
Current assets	**69 541**	54 049
Non-current liabilities	**(263 172)**	(945)
Current liabilities	**(83 549)**	(52 929)
Equity	**43 729**	114 749
Total equity attributable to:		
– Ordinary shareholder	**58 568**	123 910
– Non-controlling interest	**(14 839)**	(9 161)
– Other non-controlling interests	**(2 736)**	(246)
Summarised cash flow information		
Operating	**(64 084)**	(70 599)
Investing	**(183 799)**	(73 203)
Financing	**261 893**	143 151
Net increase in cash and cash equivalents	**14 010**	(651)

Notes to the Consolidated Annual Financial Statements *(continued)*
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15. INVESTMENT PROPERTY

The Group's investment properties consist of office buildings in Cape Town and Johannesburg and a manufacturing facility in Atlantis. The investment properties have been classified into two classes of assets, being office buildings and industrial buildings.

	Office buildings R'000s	Industrial buildings R'000s	Total R'000s
Cost	–	–	–
Accumulated depreciation	–	–	–
Carrying value at 1 July 2014	–	–	–
Additions	**40 160**	**–**	**40 160**
Transfers from property, plant and equipment	**21 033**	**22 817**	**43 850**
Carrying value at 30 June 2015	**61 193**	**22 817**	**84 010**
Made up of:			
Cost	**61 193**	**22 817**	**84 010**
Accumulated depreciation	**–**	**–**	**–**

During the year the properties occupied by GPI Slots were transferred from property, plant and equipment (refer Note 16), when the investment in GPI Slots was classified as a jointly controlled entity (refer Note 11).

Management has assessed the residual values and are satisfied that the residual values exceed the carrying values of these properties.

Fair value of investment properties carried at cost

The fair values of the investment properties carried at cost are as follows:

			2015		2014	
Property	Class	Location	**Fair value R'000s**	**Carrying value R'000s**	Fair value R'000s	Carrying value R'000s
Erf 117, Roggebaai	Office Building	Cape Town	**48 000**	**40 160**	–	–
Portion 21, Erf 13, Westfield Township	Office Building	Edenvale	**23 000**	**21 033**	–	–
Portion 128 and 206 of the farm 1183, City of Cape Town	Industrial Building	Atlantis	**25 200**	**22 817**	–	–
			96 200	**84 010**	–	–

This is based on a valuation performed by an accredited independent valuer and a specialist in valuing these types of investment properties. Disclosures on the fair value measurement on the Group's investment properties have been classified as level 3 on the fair value hierarchy, as the valuation methodology uses significant unobservable inputs. The key unobservable inputs used in the valuation of the investment properties are in the table below:

	Valuation method	Significant unobservable inputs	Range (weighted average)
Office properties	DCF method (refer below)	Estimated rental value per sqm per month	R64.75 – R129.54
		Rent growth p.a.	7.00 – 8.50%
		Long-term vacancy rate	37.39%
		Discount rate	15.25 – 16.00%
		Capitalisation rate implied	9.25 – 10.00%
Industrial building	DCF method (refer below)	Estimated rental value per sqm per month	R19.49 – R22.05
		Rent growth p.a.	7.00 – 8.00%
		Long-term vacancy rate	13.98%
		Discount rate	17.00%
		Capitalisation rate implied	11.00%

16. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment R'000s	Furniture and fittings R'000s	Leasehold improvements R'000s	Motor vehicles R'000s	Plant and equipment R'000s	Premises soft furnishings R'000s	Projects under development R'000s	Land and buildings R'000s	Plant and equipment: Food Group R'000s	Total R'000s
Cost	6 526	6 689	2 066	1 192	854	40 163	798	155 624	41 754	255 666
Accumulated depreciation	(1 451)	(1 078)	(320)	(83)	(125)	(1 964)	–	(1 679)	(2 293)	(8 993)
Carrying value at 1 July 2014	5 075	5 611	1 746	1 109	729	38 199	798	153 945	39 461	246 673
Additions	**5 214**	**11 177**	**90**	**1 356**	**15 180**	**70 229**	**25**	**13 417**	**70 927**	**187 615**
Disposals	**(155)**	**(9)**	**–**	**(45)**	**(311)**	**(90)**	**–**	**–**	**(121)**	**(731)**
Depreciation	**(3 326)**	**(2 383)**	**(274)**	**(1 031)**	**(1 539)**	**(5 840)**	**–**	**(791)**	**(8 454)**	**(23 638)**
Business combination	**415**	**568**	**–**	**3 208**	**11 850**	**102**	**–**	**49 366**	**–**	**65 509**
Transfers	**–**	**–**	**–**	**–**	**–**	**–**	**(798)**	**(43 850)**	**798**	**(43 850)**
Carrying value at 30 June 2015	**7 223**	**14 964**	**1 562**	**4 597**	**25 909**	**102 600**	**25**	**172 087**	**102 611**	**431 578**
Made up of:										
Cost	**12 375**	**18 565**	**2 156**	**7 502**	**32 323**	**110 414**	**25**	**174 383**	**113 415**	**471 158**
Accumulated depreciation	**(5 152)**	**(3 601)**	**(594)**	**(2 905)**	**(6 414)**	**(7 814)**	**–**	**(2 296)**	**(10 804)**	**(39 580)**

	Computer equipment R'000s	Furniture and fittings R'000s	Leasehold improvements R'000s	Motor vehicles R'000s	Plant and equipment R'000s	Gaming equipment R'000s	Premises soft furnishings R'000s	Projects under development R'000s	Land and buildings R'000s	Plant and equipment: Food Group R'000s	Total R'000s
Cost	1 874	4 893	1 274	6 943	120 749	19 614	33 681	9 321	113 436	3 836	315 621
Accumulated depreciation	(652)	(1 420)	(1 075)	(3 126)	(61 863)	(9 120)	(13 834)	–	(656)	(81)	(91 827)
Carrying value at 1 July 2013	1 222	3 473	199	3 817	58 886	10 494	19 847	9 321	112 780	3 755	223 794
Additions	5 412	3 388	–	1 192	394	–	34 796	–	42 172	37 942	125 296
Disposals	(6)	(20)	–	–	–	–	–	(8 403)	–	–	(8 429)
Depreciation	(1 252)	(954)	(255)	(83)	(108)	–	(1 879)	–	(1 007)	(2 236)	(7 774)
Business combination	300	–	1 981	–	–	–	–	–	–	–	2 281
Transfers	397	1 115	–	–	–	–	–	–	–	–	1 512
Reclassified as held-for-sale	(998)	(1 391)	(179)	(3 817)	(58 443)	(10 494)	(14 565)	(120)	–	–	(90 007)
Carrying value at 30 June 2014	5 075	5 611	1 746	1 109	729	–	38 199	798	153 945	39 461	246 673
Made up of:											
Cost	6 526	6 689	2 066	1 192	854	–	40 163	798	155 624	41 754	255 666
Accumulated depreciation	(1 451)	(1 078)	(320)	(83)	(125)	–	(1 964)	–	(1 679)	(2 293)	(8 993)

Land and buildings includes land, buildings, generators, air conditioners, lifts and security systems.

Notes to the Consolidated Annual Financial Statements *(continued)*

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17. INTANGIBLE ASSETS

	Franchise licences R'000s	Master franchise licence R'000s	Computer software R'000s	Total R'000s
Cost	1 575	2 572	4 401	8 548
Accumulated amortisation	(181)	(150)	(2 174)	(2 505)
Carrying value at 1 July 2014	1 394	2 422	2 227	6 043
Additions	**7 184**	**–**	**2 771**	**9 955**
Amortisation	**(567)**	**(140)**	**(1 332)**	**(2 039)**
Carrying value at 30 June 2015	**8 011**	**2 282**	**3 666**	**13 959**
Made up of:				
Cost	**8 759**	**2 572**	**7 194**	**18 525**
Accumulated amortisation	**(748)**	**(290)**	**(3 528)**	**(4 566)**

	Trademarks R'000s	Exclusivity agreement R'000s	Licences R'000s	Franchise licences R'000s	Master franchise licence R'000s	Computer software R'000s	Total R'000s
Cost	3 467	7 322	40 252	–	2 572	10 353	63 966
Accumulated amortisation	–	–	–	–	(32)	(6 183)	(6 215)
Carrying value at 1 July 2013	3 467	7 322	40 252	–	2 540	4 170	57 751
Additions	–	–	–	1 575	–	2 711	4 286
Amortisation	–	–	–	(181)	(118)	(682)	(981)
Reclassified as assets held-for-sale	(3 467)	(7 322)	(40 252)	–	–	(3 972)	(55 013)
Carrying value at 30 June 2014	–	–	–	1 394	2 422	2 227	6 043
Made up of:							
Cost	–	–	–	1 575	2 572	4 401	8 548
Accumulated amortisation	–	–	–	(181)	(150)	(2 174)	(2 505)

At 30 June 2015, the Group intangible assets are made up of franchise licences, a master franchise licence and computer software and no internally generated or indefinite useful life intangibles have been recognised.

Franchise licences

In terms of the Burger King Master Franchise Development Agreement, the Group is required to pay a franchise licence fee to Burger King Europe of USD20 000 per store that is opened in South Africa. The licence fees are amortised over the periods of the respective stores' lease which range between five and 10 years.

Master franchise licence

The master license fee of R2.5 million paid to Burger King Europe is for the rights to the master franchise for South Africa and is being amortised over 20 years, which commenced on 1 April 2013.

Computer software

Computer software has a useful life of three years and is amortised using the straight-line method.

18. GOODWILL

18.1. Reconciliation of goodwill

	Mac Brothers R'000s	Grand Technology R'000s	Total R'000s
Cost	–	377	377
Accumulated impairment	–	–	–
Carrying value at 1 July 2014	–	377	377
Additions	**38 598**	**–**	**38 598**
Carrying value at 30 June 2015	**38 598**	**377**	**38 975**
Made up of:			
Cost	**38 598**	**377**	**38 975**
Accumulated impairment	**–**	**–**	**–**

	Grand Slots R'000s	Kingdom Slots R'000s	Grand Gaming Slots R'000s	Grand Technology R'000s	Total R'000s
Cost	84 334	26 312	12 288	–	122 934
Accumulated impairment	–	–	–	–	–
Carrying value at 1 July 2013	84 334	26 312	12 288	–	122 934
Additions	–	–	–	377	377
Reclassified as assets held-for-sale	(84 334)	(26 312)	(12 288)	–	(122 934)
Carrying value at 30 June 2014	–	–	–	377	377
Made up of:					
Cost	–	–	–	377	377
Accumulated impairment	–	–	–	–	–

18.2. 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.

Grand Technology
The annual impairment test was performed on the CGU and it was determined that the recoverable amount was higher than the carrying amount and therefore no impairment loss has been recognised. The assumptions used in the calculation of the CGU's value-in-use have been assessed by management not to have a material impact on the Group.

Mac Brothers Catering Equipment
The annual impairment test was performed on the CGU and it was determined that the recoverable amount was higher than the carrying amount and therefore no impairment loss has been recognised. The calculation of the value-in-use is most sensitive to the following assumptions:

- revenue growth rates 10.45%
- discount rates 19.10%
- terminal growth rates 6.50%

Revenue growth rates – The revenue growth rates used in the cash flow projections have been based on the growth rates of the preceding two years. The growth rates have also been adjusted to take into account the impact of annual inflation.

Discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow projections. The discount rate calculation is based on specific circumstances of the Group and its CGU's and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's shareholders. The cost of debt is based on the interest-bearing borrowing the Group is obliged to service. Specific risk associated with the CGU is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Terminal growth rates – The terminal growth rates have been based on the growth rates of revenues and expenses for the preceding two years. These rates have been adjusted to take into account the impact of inflation.

Management believes that any reasonable possible change in the key assumptions on which the CGU's recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

19. INVENTORY

	2015 R'000s	2014 R'000s
Work in progress	**3 885**	–
Spare parts	**6 380**	1 135
Consumables	**3 298**	3 194
Stock of food and packaging	**5 456**	5 121
Gaming machines	**4 256**	–
Catering equipment	**53 177**	–
	76 452	9 450

At year-end all items of inventory are carried at cost and no items have been written down to their net realisable value. Included in the inventory balance above is inventory acquired through a business combination of R50.8 million (Note 5 of the Consolidated Annual Financial Statements).

During the current year there was no allowance made in respect of slow moving or damaged stock.

20. TRADE AND OTHER RECEIVABLES

20.1 Reconciliation of trade and other receivables

	2015 R'000s	2014 R'000s
Trade receivables	**21 471**	12 589
Less: provision for doubtful debts	**(1 392)**	(12)
	20 079	12 577
Other receivables	**20 380**	3 087
Prepayments	**3 870**	11 212
VAT receivable	**21 100**	9 762
	65 429	36 638

The fair value of trade and other receivables approximates their carrying value.

Group receivables are considered overdue 30 days from the invoice date. Trade and other receivables which are less than three months past due are not considered impaired.

20. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

	2015 R'000s	2014 R'000s
20.2 Age analysis of accounts receivables		
The financial assets within accounts receivable have been aged from date of invoice. The age analysis of the financial assets within the accounts receivables before the provision for doubtful debts is listed in the tables below.		
20.2.1 ***Fully performing accounts receivable***		
Trade receivables		
Fully performing	**11 084**	12 247
Past due not impaired	**8 995**	330
Past due and impaired	**1 392**	12
	21 471	12 589
Sundry		
Fully performing	**44 196**	20 974
Past due not impaired	**1 154**	3 087
Past due and impaired	**–**	–
	45 350	24 061
Total accounts receivables before impairment	**66 821**	36 650
20.2.2 ***Past due but not impaired accounts receivable***		
The age analysis of these accounts receivables are as follows:		
0 to 30 days	**–**	–
30 to 60 days	**357**	532
60 to 120 days	**8 865**	40
Over 120 days	**927**	2 845
	10 149	3 417
20.2.3 ***Past due and impaired accounts receivable***		
The individually impaired receivables mainly relate to customers that are long overdue.		
The age analysis of these debtors are as follows:		
0 to 30 days	**–**	–
30 to 60 days	**–**	–
60 to 120 days	**15**	12
Over 120 days	**1 377**	–
	1 392	12
Opening balance	**12**	1 432
Charge to profit or loss	**1 392**	12
Impairment utilised	**(12)**	–
Reclassified as asset held-for-sale	**–**	(1 432)
Closing balance	**1 392**	12

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

21. RELATED-PARTY LOANS

GPI and its subsidiary companies, in the ordinary course of business, entered into various service and investment transactions.

21.1 Related-party loans receivable

	2015 R'000s	2014 R'000s
Employee loans[1]	**11 550**	13 473
– Non-directors	**–**	699
– Directors	**11 550**	12 774
Interest-free loans[2]		
– Mac Brothers Catering Equipment	**–**	10 232
– Excellent Meat Burger Plant	**7 800**	–
– Grand Tellumat	**15 300**	–
Interest-bearing loans[3]		
– GPI Slots	**189 905**	–
Total current assets	**224 555**	23 705

1 *Employee loans are secured by GPI shares purchased by employees from GPSIT under the rules of the Employee Share Scheme. No loans were issued or exercised to executives during the year (2014: Nil) and R1.9 million was repaid by employees during the year (2014: R0.1 million). The market value of the shares held as security at 30 June 2015 amounted to R23.2 million (2014: R28.4 million).*

2 *At year-end, the loans to GTM and Excellent Meat Burger Plant are interest-free, have no fixed repayment terms and are repayable on demand. However, post year-end the Directors have proposed that these loans carry a market-related interest.*

3 *With effect from 30 December 2014, interest was charged on the shareholder loan granted to GPI Slots at the prime interest rate. The loan has no fixed repayment terms and is repayable on demand by the shareholders.*

21.2 Related-party loans payable

	2015 R'000s	2014 R'000s
Interest-free loans[4]		
– Fledge Capital (Pty) Ltd	**15 000**	–
– Mayfair Speculators (Pty) Ltd	**15 000**	–
Total current liabilities	**30 000**	–

4 *The loans from Fledge and Mayfair are interest-free, have no fixed repayment terms and are repayable on demand. Fledge and Mayfair are Burger King South Africa's joint venture partners in Burger King North (Pty) Ltd.*

22. CASH AND CASH EQUIVALENTS

	2015 R'000s	2014 R'000s
Cash and cash equivalents	**242 309**	145 482
	242 309	145 482

Cash at bank and deposit bank accounts includes Money Market call accounts with floating interest rates that fluctuated between 5.25% and 5.85% during the year (2014: between 4.05% and 5.00%). At year-end the Group had unused overdraft facilities of R15.0 million (2014: R90.0 million).

The cash and cash equivalents include a preference share-linked investment entered into by the Group via The Grayston Investment Trust. The balance of the investment at 30 June 2015 is R100.0 million (2014: R100.0 million). The investment may be withdrawn 90 days following a notice of withdrawal being submitted to Investec and as a result the investment has been classified as a cash equivalent. The investment is backed by cumulative redeemable preference share issued to The Grayston Investment Trust and carry an interest rate of 56.36% of the prime interest rate, which equalled 5.21% at 30 June 2015 (2014: 5.07%). The investment has been ceded to Investec as security against the GPI credit facility 1 (Note 26).

23. STATED CAPITAL

23.1 Ordinary share capital

	2015 R'000s	2014 R'000s
Authorised share capital		
2 000 000 000 ordinary shares of no par value	**–**	–
Opening balance – 1 July	**830 230**	730 364
Share issue expense	**(79)**	(134)
Shares issued	**29 366**	100 000
Closing balance (issued and fully paid) – 30 June	**859 517**	830 230

Reconciliation of number of shares in issue	000s	000s
Opening balance – 1 July	**484 404**	460 680
Shares issued	**4 402**	23 724
Closing balance – 30 June	**488 806**	484 404

During the year, the Company issued 4.40 million shares which increased the total number of shares in issue at 30 June 2015 to 488.8 million shares. 1.85 million new shares were issued as part consideration for the acquisition of 35.0% of Mac Brothers Catering Equipment. The shares were issued at an average price of R7.35 per share and the total value of the issue amounted to R13.6 million. A further 2.55 million new shares were issued as part consideration for the acquisition of 100.0% of KZN Slots (Pty) Ltd by GPI Slots via the GPI Slots related-party loan. The shares were issued at an average price of R6.18 per share and the total value of the issue amounted to R15.8 million. No shares were bought back during the year.

23.2 Treasury shares

	2015 R'000s	2014 R'000s
Opening balance – 1 July	**(72 709)**	(2 070)
Treasury shares allocated to employees	**137**	131
Shares acquired	**(3 650)**	(10 770)
Shares issued	**–**	(60 000)
Closing balance – 30 June	**(76 222)**	(72 709)

Reconciliation of number of treasury shares	2015 000s	2014 000s
Opening balance – 1 July	**(18 233)**	(1 032)
Treasury shares allocated to employees	**68**	114
Shares acquired	**(565)**	(2 500)
Shares issued	**–**	(14 815)
Closing balance – 30 June	**(18 730)**	(18 233)

At 30 June 2015, the Grand Parade Share Incentive Trust holds 3.91 million GPI shares in treasury for the purpose of hedging GPI's share incentive scheme and repurchased 0.57 million GPI shares during the year for this purpose. The GPI Women's BBBEE Empowerment Trust holds 14.82 million GPI shares in treasury to maintain the Company's minimum black female ownership. The trust did not repurchase any GPI shares during the year.

During the year the Group bought back 0.57 million shares to be held in treasury for R3.7 million (2014: 2.5 million shares for R10.6 million). The shares were acquired at an average price of 646 cents per share (2014: 431 cents per share).

Notes to the Consolidated Annual Financial Statements *(continued)*

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24. RESERVES

24.1. Available-for-sale reserve at fair value

The movements in the unrealised gains relating to the Group's available-for-sale investments are as follows:

	Spur		National Manco		Total	
	2015 R'000s	2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	2014 R'000s
Opening balance	**–**	–	**1 056**	6 245	**1 056**	6 245
Movement during the year:	**45 064**	–	**(1 056)**	(5 189)	**44 008**	(5 189)
Unrealised fair value gains/(losses) on available-for-sale investments	**55 408**	–	**–**	(6 380)	**55 408**	(6 380)
Unrealised fair value gain recognised in profit or loss for the year	**–**	–	**(1 300)**	–	**(1 300)**	–
Deferred tax	**(10 344)**	–	**244**	1 191	**(10 100)**	1 191
Closing balance	**45 064**	–	**–**	1 056	**45 064**	1 056

Spur

The Group acquired a 10.0% holding in Spur during the year. Disclosures relating to the acquisition of the investment in Spur have been made in Note 13 of the Consolidated Annual Financial Statements.

National Manco

The Group disposed its investment in National Manco during the year, which resulted in the unrealised fair value gains relating to the investments being released into the profit or loss from discontinued operations. Disclosures relating to the disposal of the investment have been made in Note 4 of the Consolidated Annual Financial Statements.

24.2 IFRS 2 share-based payment reserve

The IFRS 2 share-based payment reserve has been recognised in line with the Group share-based payment accounting policy detailed in Note 1.21 of the Consolidated Annual Financial Statements.

The Group established a share option incentive scheme in which options to acquire GPI shares have been granted to key employees of the Group. All options have been granted with an exercise price equal to the 30 day VWAP of the shares on the date of the grant and are conditional on the participant remaining in service with the Group. The maximum aggregate number of shares in terms of the Group share options scheme that may be utilised for the purposes of the GPSIT shall not exceed 46.9 million. The following are the salient features of the share options granted:

1. Five-year vesting period commencing on the grant date and vests in four equal tranches.
2. The first tranche vests on the second anniversary of the Option Grant Date and annually thereafter for three years in equal tranches.
3. Share options exercised are settled on a net settlement share basis.
4. No dividend rights will be attached to the share options until such time as the shares are registered in the recipients name.
5. In the event of death, retirement or retrenchment any exercisable options will only be capable of conversion for a 12-month period.
6. Upon resignation or termination of employment all unexercised options will immediately lapse.

Share options outstanding at the end of the year have the following vesting dates and exercise prices:

2015	**Number 000s**	**Weighted exercise price R**	**Total value R'000s**
Outstanding at beginning of the year	**20 095**	**3.63**	**72 930**
Granted during the year	**4 993**	**6.80**	**33 944**
Exercised during the year	**(286)**	**3.61**	**(1 031)**
Forfeited during the year	**(4 186)**	**3.61**	**(15 110)**
Outstanding at end of the year	**20 616**	**4.40**	**90 733**
Exercisable at the end of the year	**459**	**3.61**	**1 658**

24. RESERVES *(CONTINUED)*

24.2 IFRS 2 share-based payment reserve *(continued)*

Outstanding options	Exercise within one year 000s	Exercise date from two to five years 000s	Exercise date after five years 000s	Total 000s
Options with exercise price from R3.61	**4 163**	**11 110**	**–**	**15 273**
Options with exercise price from R4.72	**89**	**261**	**–**	**350**
Options with exercise price from R6.33	**–**	**1 753**	**584**	**2 337**
Options with exercise price from R7.21	**–**	**1 992**	**664**	**2 656**

2014	Number 000s	Weighted exercise price R	Total value R'000s
Outstanding at beginning of the year	–	–	–
Granted during the year	20 616	3.63	74 811
Forfeited during the year	(521)	3.61	(1 881)
Outstanding at end of the year	20 095	3.63	72 930
Exercisable at the end of the year	–	–	–

Outstanding options	Exercise within one year 000s	Exercise date from two to five years 000s	Exercise date after five years 000s	Total 000s
Options with exercise price from R3.61	–	20 267	–	20 267
Options with exercise price from R4.71	–	350	–	350

Information on options granted during the year

During the year the Group granted 4.99 million options to key employees of the Group, in two tranches. 2.34 million options were granted on 24 August 2014 and 2.66 million options were granted on 7 October 2014. The tables below provide details of the options granted during the year.

Fair value was determined by the Black-Scholes-Merton model. The following inputs were used for the share options granted 24 August 2014.

	24-Aug-15	24-Aug-16	24-Aug-17	24-Aug-18
– Weighted fair value per option granted (cents)	120	147	184	213
– Weighted average share price per GPI share (cents)	650.00	650.00	650.00	650.00
– Exercise price (cents)	633.00	633.00	633.00	633.00
– Expected volatility	27.18%	27.21%	31.07%	33.61%
– Dividend yield	3.00%	3.00%	3.00%	3.00%
– Risk-free interest rate	6.59%	6.85%	7.06%	7.26%

Fair value was determined by the Black-Scholes-Merton model. The following inputs were used for the share options granted 7 October 2014.

	7-Oct-16	7-Oct-17	7-Oct-18	7-Oct-19
– Weighted fair value per option granted (cents)	161	193	234	269
– Weighted average share price per GPI share (cents)	775.00	775.00	775.00	775.00
– Exercise price (cents)	721.00	721.00	721.00	721.00
– Expected volatility	26.84%	26.85%	30.59%	33.48%
– Dividend yield	3.00%	3.00%	3.00%	3.00%
– Risk-free interest rate	6.93%	7.21%	7.40%	7.57%

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

24. RESERVES *(CONTINUED)*

24.2 IFRS 2 share-based payment reserve *(continued)*

Method and the assumptions to incorporate the effects of expected early exercise

The historic volatility was measured at the standard deviation of price changes over an identified historic period. Expected volatility generally cannot be taken from a single objective source and therefore it is subjective to estimate this model input. The following factors were considered in assessing the volatility.

a) Implied volatility from traded share options on the entities shares;

b) Historical volatility of the GPI share price over the most recent period that is commensurate with the expected term of the option;

c) The length of time the entity's shares have been publicly traded;

d) The tendency of volatility to revert to its mean; and

e) Appropriate and regular intervals for price observations.

Total expenses of R6.7 million (2014: R3.0 million), relating to equity-settled share-based payments transactions were recognised during the year.

24.3 Capital reserve redemption fund

The capital reserve redemption fund was recognised when the Group issued preference shares to Standard Bank and Depfin (Note 25.1) and represents the capital portion of the preference shares. The reserve is recognised in equity when the Group redeems the preference shares and in proportion to the number of shares redeemed against the total number of issued shares. There has been no movement in this reserve during the current or prior year as there has been no redemption of preference shares.

25. PREFERENCE SHARES

	Note	2015 R'000s	2014 R'000s
Standard Bank/Depfin (SunWest)	25.1	**132 880**	132 691
Standard Bank (Spur) – Class "A"	25.2	**88 611**	–
Standard Bank (Spur) – Class "B"	25.2	**62 323**	–
Spur (Vendor funding)	25.3	**76 397**	–
		360 211	132 691
Balance made up as follows:			
Short-term portion		**27 787**	–
Long-term portion		**332 424**	132 691
		360 211	132 691
Balance below including interest accrual approximates fair value:			
Short-term portion interest accrual classified under trade and other payables	29	**3 033**	2 686
Short-term portion – Capital		**27 787**	–
Long-term portion		**332 424**	132 691
Fair value		**363 244**	135 377

25. PREFERENCE SHARES *(CONTINUED)*

25.1 Preference shares – Standard Bank/Depfin (SunWest)

Authorised
203 356 authorised preference shares of R1 per share (2014: 203 356)

Issued
133 193 redeemable preference shares of R1 per share (2014: 133 193)

	2015 R'000s	2014 R'000s
Balance at beginning of year – 1 July	**132 691**	132 424
Amortisation of debt issue cost capitalised	**189**	267
Closing balance – 30 June	**132 880**	132 691

Interest is paid semi-annually on 31 March and 30 September at a rate of 90% of the prime interest rate. The preference shares are redeemable between 1 April 2016 and 31 March 2018. The Group has provided a 17.1% of its 25.1% holding in SunWest as security against the preference shares. The proportionate carrying amount held as security at year-end is of R719.3 million (2014: R720.1 million).

25.2 Preference shares – Standard Bank (Spur)

Authorised
90 000 authorised A-preference shares of R1 000 per share (2014: Nil)
60 000 authorised B-preference shares of R1 000 per share (2014: Nil)

Issued
90 000 redeemable A-preference shares of R1 000 per share (2014: Nil)
60 000 redeemable B-preference shares of R1 000 per share (2014: Nil)

	A preference shares		B preference shares	
	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s
Balance at beginning of year – 1 July	**–**	–	**–**	–
New issue of cumulative redeemable preference shares	**90 000**	–	**60 000**	–
Capitalised raising fee	**(667)**	–	**(444)**	–
Redemption	**(2 000)**	–	**–**	–
Capitalisation of interest	**1 278**	–	**2 767**	–
Closing balance – 30 June	**88 611**	–	**62 323**	–

On 30 October 2014, the Group issued 90 000 A-cumulative redeemable preference shares and 60 000 B-cumulative redeemable preference shares to Standard Bank, both with a subscription price of R1 000 per share. The total proceeds received amounted to R150.0 million and was used to fund the acquisition of 10.0% of Spur (Note 13).

A cumulative redeemable preference shares
The A-cumulative redeemable preference shares are partially amortised with a bullet payment at their maturity date of 31 October 2019 and currently attract a rate of 95.0% of the prime interest rate. The rate, however reduces to 90.0% of the prime interest rate, when market capitalisation of the Group's investment in Spur is greater than four times the outstanding balance on the A preference shares. Interest is payable semi-annually on 31 October and 30 April.

The Group is required to maintain the following cash reserves during the first 36 months from the issue date:

– Between 12 and 24 months: R2.0 million less any voluntary redemptions;

– Between 24 and 36 months: R5.0 million less any voluntary redemptions; and

– At 36 months: R9.0 million less any voluntary redemptions.

The shares have the following mandatory redemptions:

– 9 000 shares on 30 October 2017;

– 9 000 shares on 30 October 2018; and

– 72 328 shares on 30 October 2019.

As additional security, the Group ceded its shares in Spur and provided a performance guarantee to Standard Bank. The carrying value of GPI's holding in Spur at 30 June 2015 is R350.1 million.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

25. PREFERENCE SHARES *(CONTINUED)*

25.2 Preference shares – Standard Bank (Spur) *(continued)*

B-cumulative redeemable preference shares

The B cumulative redeemable preference shares are redeemable in full on their maturity date of 31 October 2019. The unpaid dividends are capitalised semi-annually on 31 October and 30 April, with mandatory redemptions required to maintain the total balance outstanding below R78.0 million. The shares have a rate of 80.0% of the prime interest rate. The only security provided on the shares is a performance guarantee provided by GPI to Standard Bank.

The fair value of the A and B-class preference shares approximates their carrying value as their terms are market related.

25.3 Preference shares – Spur

Authorised

72 328 authorised preference shares of R1 000 per share (2014: Nil)

Issued

72 328 redeemable preference shares of R1 000 per share (2014: Nil)

	2015 R'000s	2014 R'000s
Balance at beginning of year – 1 July	**–**	–
New issue of cumulative redeemable preference shares	**72 328**	
Capitalisation of interest	**4 069**	–
Closing balance – 30 June	**76 397**	–

On 30 October 2014, the Group issued 72 328 cumulative redeemable preference shares to Spur Corporation Limited. The shares are redeemable in full on their maturity date of 31 October 2019 and have a rate of 90.0% of the prime interest rate. The interest is calculated monthly and capitalised semi-annually on 31 October and 30 April. A reversionary cession over the Spur shares ceded to Standard Bank as security for the A-preference share has been given to Spur Corporation. Ltd No other security has been provided.

The fair value of the preference shares approximate their carrying value as their terms are market related.

26. INTEREST-BEARING BORROWINGS

	2015 R'000s	2014 R'000s
Sanlam Capital Markets – Term loan 1	**59 703**	67 195
Sanlam Capital Markets – Term loan 2	**49 866**	–
Investec – Credit facility 1	**100 000**	25 000
Investec – Credit facility 2	**77 000**	–
SBSA – Revolving loan facility	**125 000**	–
	411 569	92 195
Balance made up as follows:		
Short-term portion	**309 433**	32 195
Long-term portion	**102 136**	60 000
	411 569	92 195

26. INTEREST-BEARING BORROWINGS *(CONTINUED)*

26.1 Sanlam Capital Markets – Term loan 1

The SCM term loan 1 bears interest at the JIBAR rate plus 3.15% and interest is paid quarterly on 30 June, 30 September, 31 December and 31 March annually. The interest rate at 30 June 2015 is 9.26% (2014: 8.88%). The loan is repayable in 40 quarterly instalments of R1.9 million each, with the final instalment being due in June 2023. The proceeds from the loan were used to acquire an office building in the Cape Town central business district, which is occupied by Group companies and recognised under property, plant and equipment (Note 16). The carrying value of the office building is R83.5 million (2014: R82.9 million).

The Group has also provided the following security in respect of the loan:

- A cession in security of any lease agreements in respect of the property;
- A cession of all material cash flows payable by any tenant under any lease agreements relating to the property;
- A mortgage bond to the value of R100.0 million registered over the property in favour of SCM;
- A cession of all the Group's rights under the insurance policy over the property; and
- A cession of GPI Properties' bank account.

The loan has the following financial covenant:

- The GPI group must maintain a debt to tangible net worth ratio of no greater than 40.0%. The ratio was 24% at 30 June 2015 (2014: 5%).

26.2 Sanlam Capital Markets – Term loan 2

On 12 December 2014, the Group entered into a term facility agreement with SCM for a R50.0 million term loan with a five-year term. The loan's interest rate is the three-month JIBAR rate plus 2.50% which equalled 8.608% at 30 June 2015. The interest is payable quarterly on 30 June, 30 September, 31 December and 31 March each year. There are no capital repayments during the term of the loan, however the total outstanding capital amount is repayable on the maturity date of the loan 30 November 2019.

The proceeds from the funds were used to fund the acquisition of two properties being ERF 86 situated at 138 Terrace Road, Sabenza, Gauteng and ERF 32496 situated at 32 Benbow Avenue, Epping Industria 1, Western Cape (Note 15). Both properties are tenanted by Group companies and have been recognised in property, plant and equipment. The combined carrying value of the properties at 30 June 2015 is R51.4 million.

The Group has provided the following security in respect of the loan:

- A cession in security of any lease agreements in respect of the two properties;
- A cession of all material cash flows payable by any tenants under any lease agreements relating to the two properties;
- A mortgage bond to the value of R50 million, registered over the two properties in favour of SCM;
- Cession of GPI Properties' bank account; and
- An unconditional demand guarantee in favour of SCM issued by the Group.

The loan is subject to the following covenants:

- The GPI group must maintain a debt to tangible net worth ratio of no greater than 40.0%. The ratio was 24% at 30 June 2015; and
- The GPI group must maintain an interest cover ratio of greater than four times. The interest cover ratio is calculated as EBITDA divided by net interest and was 10 times at 30 June 2015.

The fair value of the term loan approximates its carrying value as the terms of the loan are market related.

Notes to the Consolidated Annual Financial Statements *(continued)*
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26. INTEREST-BEARING BORROWINGS *(CONTINUED)*

26.3 Investec – Credit facility 1

On 14 July 2014, the Group extended its credit facility, provided by Investec, by R75.0 million to R100.0 million. The facility has an interest rate of the prime interest rate less 2.50% which equalled 6.750% at 30 June 2015 (2014: 6.500%) and is secured by the Group's investment in the Grayston Investment Trust (Note 22).

The fair value of the facility approximates its carrying value as its terms are market related.

26.4 Investec – Credit facility 2

On 24 November 2014, the Group entered into a second credit facility with Investec with a total value of R100.0 million. The facility attracts interest at the prime interest rate less 1.48% which equalled 7.78% at 30 June 2015. GPI withdrew R65.0 million from the facility on 29 October 2014 and a further R12.0 million on 13 January 2015 taking the total withdrawn facility to R77.0 million at 30 June 2015. There are no financial covenants related to the facility.

The fair value of the facility approximates its carrying values as its terms are market related.

26.5 SBSA revolving credit facility

On 24 October 2014, the Group entered into a revolving credit facility agreement with SBSA with a total value of R200.0 million. The term of the facility is 12 months from the effective date and expires on 23 October 2015. The facility's interest rate is the three-month JIBAR rate plus 2.5% and was 8.45% at 30 June 2015. The facility has a commitment fee on all unutilised amounts of 0.75% per annum, however there have been no unutilised amounts on the facility during the year. The Group's 8.0% holding in SunWest has been provided as security against the facility and the only financial covenant attached to the facility is that the Group's net asset value must exceed R1 600.0 million and the net asset value is R2 316.0 million at 30 June 2015.

The fair value of the facility approximates its carrying value as its terms are market related.

27. FINANCE LEASE LIABILITY

	2015 R'000s	2014 R'000s
Non-current liabilities		
Finance leases – gross payables	**21 269**	1 091
Unrecognised future finance expenses	**(3 374)**	(146)
	17 895	945
Current liabilities		
Finance leases – gross payables	**2 866**	290
Unrecognised future finance expenses	**(789)**	(83)
	2 077	207
	19 972	1 152
Gross liabilities from finance leases		
Not later than 1 year	**2 866**	290
Later than 1 year and not later than 5 years	**21 269**	1 091
	24 135	1 381
Unrecognised future finance expense on finance leases	**(4 163)**	(229)
	19 972	1 152
The net liability from finance lease made up as follows:		
Not later than 1 year	**2 077**	207
Later than 1 year and not later than 5 years	**17 895**	945
	19 972	1 152

The finance leases consist of the following instalment sale agreements:

- leases with Nedbank for the acquisition of motor vehicles by BURGER KING®. The lease liability is secured by the underlying leased motor vehicles with a carrying value of R1.4 million (2014: R1.1 million).
- a lease with Standard Bank for the acquisition of a motor vehicle by GPIMS. The lease liability is secured by the underlying leased motor vehicle with a carrying value of R0.1 million (2014: Rnil).
- a lease with Mercantile Bank for the acquisition of machinery by Mac Brothers Catering Equipment. The lease liability is secured by the underlying lease machinery and motor vehicles with a carrying value of R17.4 million (2014: Rnil) and a performance guarantee provided by GPI in favour of Mercantile Bank.

28. PROVISIONS

	Long-service leave 2015 R'000s	Employee bonuses 2015 R'000s	Total 2015 R'000s
At beginning of the year	**490**	**9 791**	**10 281**
Provision raised during the year	**85**	**28 533**	**28 618**
Amount utilised during the year	**(15)**	**(26 983)**	**(26 998)**
At end of year	**560**	**11 341**	**11 901**
	2014	2014	2014
At beginning of the year	768	8 272	9 040
Provision raised during the year	482	9 791	10 273
Amounts utilised during the year	–	(83)	(83)
Reclassified as non-current asset held-for-sale	(760)	(8 189)	(8 949)
At end of year	490	9 791	10 281

Balance made up as follows:	2015 R'000s	2014 R'000s
Non-current provisions	**560**	490
Current provisions	**11 341**	9 791
	11 901	10 281

29. TRADE AND OTHER PAYABLES

	2015 R'000s	2014 R'000s
Trade payables	**55 150**	18 475
Preference dividends accrual	**3 033**	2 686
Other payables and accruals	**54 497**	47 918
Annual leave accrual	**7 700**	3 726
Audit fee accrual	**2 979**	2 358
Payroll accruals	**4 660**	1 304
Sundry accruals – Property, plant and equipment	**9 315**	18 004
Sundry accruals	**20 036**	20 277
Operating lease straight lining liability	**1 091**	210
Equity-accounted investment losses (Note 12)	**1 216**	448
Other payables	**7 500**	1 591
	112 680	69 079

Trade payables are repaid on average of 30 days from the invoice date. The trade and other payables carrying amount approximates fair value. Property, plant and equipment accruals include direct owned stores that were still under construction. The values are accrued based on percentage completion as at 30 June 2015.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

30. COMMITMENTS AND CONTINGENCIES

30.1. Operating lease commitments – Group as lessee

The Group has entered into operating leases on certain properties.

The future minimum lease payments under non-cancellable operating leases are as follows:

	2015 R'000s	2014 R'000s
Rentals due within 1 year	**31 552**	15 901
Due within 1 to 5 years	**100 020**	44 347
Due after 5 years	**57 364**	6 873
	188 936	67 121

30.2. Operating lease commitments – Group as lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office buildings. The leases have terms of five years with an option at the election of the lessee to extend for a further five years. All leases include a clause to enable upward revision of the rental charge on an annual basis of 8.0%.

The future minimum rentals receivables under non-cancellable operating leases are as follows:

	2015 R'000s	2014 R'000s
Rentals due within 1 year	**9 038**	5 661
Due within 1 to 5 years	**19 868**	21 276
Due after 5 years	**–**	–
	28 906	26 937

31. 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. During the current year, due to the diversification of the Group's investment portfolio, the chief decision-makers have reassessed the segments and as a result, identified the following segments: Gaming which includes SunWest, Golden Valley, GPI Slots Group and Grand Sports; the Food division which includes BURGER KING®, Mac Brothers Catering Equipment, Spur Corporation Ltd and Excellent Meat Burger Plant; Diversified division which includes Grand Tellumat Manufacturing; and Group costs which includes GPI Properties, Grand Technology and central head office costs. The prior year results in the segment report have been restated to reflect the revised segments.

Listed below is a detailed segment analysis:

	External revenue		Inter-segment revenue[1]		Operating costs[2]		Equity accounted earnings		EBITDA		Finance income	
	2015 R000's	Restated 2014 R000's	**2015 R000's**	Restated 2014 R000's	**2015 R000's**	Restated 2014 R000's	**2015 R000's**	Restated 2014 R000's	**2015 R000's**	Restated 2014 R000's	**2015 R000's**	Restated 2014 R000's
Gaming												
SunWest	**–**	–	**–**	–	**–**	–	**129 347**	116 512	**129 347**	116 512	**–**	–
GPI Slots	**–**	–	**–**	–	**–**	–	**9 671**	–	**9 671**	–	**–**	–
Grand Sport	**545**	–	**–**	–	**(5 062)**	(422)	**–**	–	**(7 678)**	(422)	**12**	–
Food												
BURGER KING®	**307 766**	126 867	**–**	–	**(219 727)**	(102 925)	**–**	–	**(67 873)**	(61 561)	**1 566**	675
Mac Brothers Catering Equipment	**147 949**	–	**63 318**	–	**(48 408)**	–	**389**	(80)	**2 084**	–	**–**	–
Spur Corporation Ltd	**6 726**	–	**–**	–	**(80)**	–	**–**	–	**6 646**	–	**–**	–
Excellent Meat Burger Plant	**–**	–	**–**	–	**–**	–	**(767)**	(448)	**(767)**	(448)	**–**	–
Diversified												
GTM	**–**	–	**–**	–	**–**	–	**(3 746)**	–	**(3 746)**	–	**–**	–
Group costs												
Grand Technology	**5 881**	436	**7 458**	6 546	**(11 389)**	(3 614)	**–**	–	**(6 080)**	(3 230)	**–**	–
GPI Properties	**9 504**	838	**24 301**	13 610	**(17 432)**	(639)	**–**	–	**(7 928)**	199	**303**	729
Central costs	**23 641[3]**	6 835	**415 416**	249 891	**(84 362)[4]**	(57 785)	**–**	–	**(60 721)**	5 893	**19 355**	7 217
Continuing	**502 012**	134 976	**510 493**	270 047	**(386 460)**	(165 385)	**134 894**	115 984	**(7 045)**	56 943	**21 236**	8 621
Gaming												
Dolcoast	**5 030**	–	**–**	–	**–**	–	**–**	10 792	**13 747[5]**	10 792	**–**	–
National Manco	**–**	556	**–**	–	**–**	–	**–**	–	**1 381[6]**	557	**–**	–
GPI Slots	**393 276**	599 060	**–**	–	**(67 070)**	(105 331)	**–**	–	**707 576[7]**	142 443	**2 898**	1 499
Discontinuing	**398 306**	599 616	**–**	–	**(67 070)**	(105 331)	**–**	10 792	**722 704**	153 792	**2 898**	1 499

1 *Transactions between segments are concluded at arm's length.*
2 *All costs are presented post elimination of intergroup charges.*
3 *Included under revenue is R17 million for the cancellation of the Slots service level agreement as well as dividends received on a preference share investment amounting to R5 million.*
4 *Included in operating costs is transaction costs to the value of R20.0 million and Executive Directors' performance incentives of R22.1 million.*
5 *Included in EBITDA is a profit on sale of Dolcoast amounting to R8.7 million.*
6 *Included in EBITDA is a profit on sale of National Manco amounting to R1.4 million.*
7 *A R611.4 million gain from loss of a subsidiary is included in the GPI Slots EBITDA recognised under profit from discontinued operations.*

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31. SEGMENT ANALYSIS *(CONTINUED)*

	Finance expense		Depreciation and amortisation		Taxation		Net profit after tax		Total assets		Total liabilities	
	2015 R000's	Restated 2014 R000's	2015 R000's	Restated 2014 R000's	2015 R000's	Restated 2014 R000's	2015 R000's	Restated 2014 R000's	2015 R000's	Restated 2014 R000's	2015 R000's	Restated 2014 R000's
Gaming												
SunWest	**(12 821)**	(11 906)	**–**	–	**–**	–	**116 526**	104 606	**1 055 749**	1 056 924	**(135 997)**	(132 691)
GPI Slots	**–**	–	**–**	–	**–**	–	**9 671**	–	**457 576**	–	**–**	–
Grand Sport	**–**	–	**(398)**	–	**–**	–	**(8 064)**	(422)	**1 917**	817	**(648)**	(367)
							–	–				
Food							**–**	–				
BURGER KING®	**(613)**	(71)	**(19 288)**	(5 623)	**23 786**	18 879	**(62 422)**	(47 701)	**379 481**	180 864	**(83 856)**	(43 940)
Mac Brothers Catering Equipment	**(1 884)**	–	**(2 331)**	–	**498[8]**	–	**(1 633)**	–	**119 321**	–	**(56 255)**	–
Spur Corporation Ltd	**(12 532)**	–	**–**	–	**–**	–	**(5 886)**	–	**350 585**	–	**(237 791)**	–
Excellent Meat Burger Plant	**–**	–	**–**	–	**–**	–	**(767)**	(448)	**–**	–	**(1 215)**	–
							–	–				
Diversified							**–**	–				
GTM	**–**	–	**–**	–	**–**	–	**(3 746)**	–	**33 338**	–	**–**	–
Group costs												
Grand Technology	**(9)**	(11)	**(1 254)**	(862)	**–**	–	**(7 343)**	(4 103)	**6 999**	9 012	**(1 444)**	(7 966)
GPI Properties	**(8 250)**	(6 038)	**(1 262)**	(1 144)	**(1 480)[8]**	(678)	**(18 617)**	(6 932)	**295 695**	169 776	**(128 901)**	(70 159)
Central costs	**(20 983)**	–	**(1 144)**	(1 126)	**(9 472)[8]**	645	**(72 965)**	12 629	**236 303**	159 426	**(329 608)**	(76 675)
Continuing	**(57 092)**	(18 026)	**(25 677)**	(8 755)	**13 332**	18 846	**(55 246)**	57 629	**2 936 964**	1 576 819	**(975 715)**	(331 798)
Gaming												
Dolcoast	**–**	–	**–**	–	**15 013[9]**	–	**28 760**	10 792	**–**	121 283	**–**	–
National Manco	**–**	–	**–**	–	**–**	–	**1 381**	557	**–**	1 300	**–**	
GPI Slots	**(1 755)**	(4 116)	**–**	(38 142)	**(21 876)**	(107 573)	**686 843[10]**	(5 889)	**386 139**	475 828	**(31 379)**	(170 124)
Discontinuing	**(1 755)**	(4 116)	**–**	(38 142)	**(6 863)**	(107 573)	**716 984**	5 460	**386 139**	598 411	**(31 379)**	(170 124)

[8] *The income tax expense is based on the net profit before tax and pre elimination of intergroup charges.*
[9] *The income tax credit relates to a reversal of a previously recognised deferred tax liability related to the disposal of the investment in Dolcoast due to a change in expected tax consequences.*
[10] *The net profit after tax of GP Slots includes the release of deferred tax.*

32. FINANCIAL INSTRUMENTS

32.1 Classification of financial instruments

The Group's and Company's principal financial liabilities are preference shares, interest-bearing borrowings, trade and other payables and related-party loans payable. The main purpose of these instruments is to raise finance for the Group's operations and investments. The Group's principal financial assets are available-for-sale investments, trade and other receivables, related-party loans and cash. The main risks arising from financial instruments are market risk (comprising interest rate risk and other price risk), liquidity risk and credit risk. The fair values of each class of the financial instrument approximate the carrying amounts.

	Note	Loans and re-ceivables R'000s	Available-for-sale R'000s	Non-financial assets R'000s	Total R'000s
Financial assets					
2015					
Cash and cash equivalents	22	**242 309**	**–**	**–**	**242 309**
Related-party loans	21.1	**224 555**	**–**	**–**	**224 555**
Trade and other receivables	20.1	**40 459**	**–**	**24 970**	**65 429**
Available-for-sale investment	13	**–**	**350 064**	**–**	**350 064**
Total		**507 323**	**350 064**	**24 970**	**882 357**
2014					
Cash and cash equivalents	22	145 482	–	–	145 482
Related-party loans	21.1	23 705	–	–	23 705
Trade and other receivables	20.1	15 664	–	20 974	36 638
Total		184 851	–	20 974	205 825

The non-financial assets are made up of the year-end prepayments and VAT receivables balances.

	Note	Financial liabilities measured at amortised cost R'000s	Non-financial liabilities R'000s	Total R'000s
Financial liabilities				
2015				
Trade and other payables	29	**100 320**	**12 360**	**112 680**
Dividends payable	34.3	**8 276**	**–**	**8 276**
Preference shares	25	**360 211**	**–**	**360 211**
Related-party loans	21.2	**30 000**	**–**	**30 000**
Interest-bearing borrowings	26	**411 569**	**–**	**411 569**
Finance lease liabilities	27	**19 972**	**–**	**19 972**
Total		**930 348**	**12 360**	**942 708**
2014				
Trade and other payables	29	64 605	4 474	69 079
Dividends payable	34.3	7 693	–	7 693
Preference shares	25	132 691	–	132 691
Interest-bearing borrowings	26	92 195	–	92 195
Finance lease liabilities	27	1 152	–	1 152
Total		298 336	4 474	302 810

The non-financial assets are made up of the year-end prepayments, VAT receivables balances and payroll accruals.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

32. FINANCIAL INSTRUMENTS *(CONTINUED)*

32.2 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 2015, the Group held the following financial instruments measured at fair value:

2015	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
Available-for-sale investment – Spur (i)	**–**	**–**	**350 064**	**350 064**
Total	**–**	**–**	**350 064**	**350 064**
2014				
Available-for-sale investments – National Manco (ii)	–	–	1 300	1 300
Total	–	–	1 300	1 300

i) ***Available-for-sale investment – Spur***
The carrying value of the investment in Spur at 30 June 2015 of R350.1 million is made up of the original acquisition price of R294.7 million and fair value adjustments of R55.4 million (Note13). The Group's investment in Spur is subject to a trading restriction linked to the Group's empowerment credentials. The restriction expires on 29 October 2019, after which the instrument may be traded without restriction. The fair value of the investment has been measured by applying a tradability discount of 3% per year remaining on the restriction against the market price of Spur, as quoted on the JSE. The tradability discount was determined with reference to the agreements which govern the trading restrictions and industry standards applied to empowerment transactions. As the terms of the trading restrictions are unobservable the instrument has been classified under level 3, had the trading restrictions not been in place, the instrument would have been classified under level 1. A change of 1.0% in the discount rate used to determine the fair value at the reporting date would have increased/decreased other comprehensive income after tax by R3.2 million.

ii) ***Available-for-sale investment – National Manco***
The Group disposed of its investment in National Manco during the year, the details of which have been disclosed in Note 4.

32.3 Financial risk management

The Group and Company has exposure to the following risks from its use of financial instruments:

This note presents information about the Group's and Company's exposure to each of the above risks, the Group's objectives, policies and processes for measuring these risks, and the Group's and Company's management of capital. Further quantitative disclosures are included throughout these Consolidated and Company Annual Financial Statements. The Group's and Company's objective is to effectively manage each of the above risks associated with its financial instruments, in order to limit the Group's and Company's exposure as far as possible to any financial loss associated with these risks.

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Group and Company are not exposed to any significant currency risks.

Market risk: Interest rate risk
Interest rate risk is the risk that the cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in interest rates relates to the Group's obligation in terms of the preference shares, interest-bearing borrowings, finance leases and bank accounts. The Group manages this by ensuring that sufficient available funds are maintained in bank accounts. The table below reflects the interest rate sensitivity analysis. The analysis was calculated by increasing or decreasing the Group's interest rate by 100 basis points assuming all other variables remain constant.

32. FINANCIAL INSTRUMENTS *(CONTINUED)*

32.3 Financial risk management *(continued)*

Market risk *(continued)*

	Increase in basis points	Effect on pre-tax profit R'000s	Decrease in basis points	Effect on pre-tax profit R'000s
2015	**100**	**(5 494)**	**(100)**	**5 494**
2014	100	(794)	(100)	794

Market risk: Other price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group is exposed to other price risk through its investment in Spur.

At the reporting date, the exposure to listed equity securities at fair value was R350.1 million. An increase or decrease of 10% on the JSE market index would have an impact of approximately R28.5 million on other comprehensive income to the Group.

Credit risk

Credit risk is the risk of financial loss caused by the inability or unwillingness of a counterparty to a financial instrument to discharge contractual obligations. There is no independent rating procedure for customers as the credit quality for customers is assessed by taking into account their financial position, past experience and other factors are used in evaluating the acceptability of clients.

Cash and cash equivalents

The Group and Company only deposit cash surpluses with major banks of high quality and credit standing. At year-end, the Group did not consider there to be any significant concentration of credit risk and all assets that have been identified as impaired, after taking the Group's credit policy into account, have been appropriately provided for. The cash and cash equivalents are deposited with two financial institutions.

The Group's and Company's maximum exposure to credit risk in terms of cash and cash equivalents, loans and receivables equals the carrying amounts of these instruments as disclosed above.

Related-party loans receivables

Related-party credit risk is managed by each business unit in terms of the Group's policy. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date based on payment history and the financial position of the counterparty.

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

32. FINANCIAL INSTRUMENTS *(CONTINUED)*

32.3 Financial risk management *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The Group and Company monitor its risk of a shortage of funds based on future cash flow commitments. The Group's and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group and Company has minimised its liquidity risk by ensuring that it has adequate banking facilities.

The following table presents the contractual maturity analysis of financial liabilities.

	On demand R'000s	Less than 3 months R'000s	3 – 12 months R'000s	1 – 2 years R'000s	> 2 years R'000s	Total R'000s
2015						
Trade and other payables	**–**	**100 320**	**–**	**–**	**–**	**100 320**
Preference shares	**–**	**–**	**–**	**28 044**	**325 109**	**353 153**
Interest-bearing borrowings	**–**	**177 000**	**132 500**	**7 500**	**95 000**	**412 000**
Related-party loans	**30 000**	**–**	**–**	**–**	**–**	**30 000**
Finance leases	**–**	**1 050**	**3 304**	**4 719**	**10 899**	**19 972**
Interest on preference shares	**–**	**9 588**	**9 614**	**19 202**	**37 238**	**75 642**
Interest on interest-bearing borrowings	**–**	**–**	**12 731**	**8 883**	**23 342**	**44 956**
Interest on finance leases	**–**	**393**	**1 207**	**1 245**	**1 318**	**4 163**
Dividends payable	**8 276**	**–**	**–**	**–**	**–**	**8 276**
Total	**38 276**	**288 351**	**159 356**	**69 593**	**492 906**	**1 048 482**
2014						
Trade and other payables	64 605	–	–	–	–	64 605
Preference shares	–	–	–	28 044	104 647	132 691
Interest-bearing borrowings	–	26 875	5 625	7 500	52 195	92 195
Finance leases	–	50	157	224	721	1 152
Interest on preference shares	–	2 782	8 372	10 616	9 026	30 796
Interest on interest-bearing borrowings	–	1 497	4 192	5 036	16 532	27 257
Interest on finance leases	–	22	60	66	80	228
Dividends payable	7 693	–	–	–	–	7 693
Total	72 298	31 226	18 406	51 486	183 201	356 617

The Group has provided surety as a co-principal to Standard Bank up to a maximum of R41.6 million. The surety relates to facilities that have been provided to Excellent Meat Burger Plant. This could result in a potential outflow from the Group in the event of default by Excellent Meat Burger Plant; however, management considers the likelihood of default to be remote and therefore no liability has been recognised.

32. FINANCIAL INSTRUMENTS *(CONTINUED)*

32.4 Gains and losses on financial instruments

The table below summarises the gains and losses on financial instruments.

	Fair value R'000s	Interest income R'000s	Interest expense R'000s	Total R'000s
2015				
Loans and receivables	**–**	**21 236**	**–**	**21 236**
Available-for-sale investments	**55 408**	**–**	**–**	**55 408**
Financial liabilities at amortised cost	**–**	**–**	**(57 092)**	**(57 092)**
Total	**55 408**	**21 236**	**(57 092)**	**19 552**
2014				
Loans and receivables	–	8 621	–	8 621
Available-for-sale investments	(5 189)	–	–	(5 189)
Financial liabilities at amortised cost	–	–	(18 026)	(18 026)
Total	(5 189)	8 621	(18 026)	(14 594)

32.5 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group carefully manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the Group investment strategy. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary source of capital is issued ordinary share capital and preference share capital. Acquisitions may be geared to those levels which investments may support and the funders will allow. The entity is subject to a externally imposed maximum debt to equity ratio of 40% and this is monitored by management on a ongoing basis. Refer to Note 26.1 and 26.2. Furthermore the Group needs to ensure that its asset value exceeds R1 600 million, refer to Note 26.5. The Group has complied with all external capital requirements imposed.

33. DIVIDENDS DECLARED AND PAID

	2015 R'000s	2014 R'000s
Final dividend declared and paid in respect of 2014 financial year	**108 041**	68 964

No final ordinary dividend was declared in respect of the 2015 financial year.

Notes to the Consolidated Annual Financial Statements *(continued)*

for the year ended 30 June 2015

34. NOTES TO THE CASH FLOW STATEMENT

34.1 Cash generated from operations

	2015 R'000s	2014 R'000s
Profit/(loss) before taxation from continuing operations	**(68 578)**	38 783
Adjustments for:		
– Depreciation	**23 638**	7 774
– Amortisation	**2 039**	981
– Finance income	**(21 236)**	(8 621)
– Finance costs	**57 092**	18 026
– Dividends received	**(12 050)**	(4 916)
– Profit on disposal of property, plant and equipment	**(75)**	(21)
– Share-based payments expense	**5 411**	3 029
– Remeasurement of investment	**(405)**	(32 838)
– Gain on acquisition of investment	**–**	(23 637)
– Treasury shares allocated to employees	**425**	(98)
– Profit from equity-accounted investments	**(134 894)**	(115 984)
Operating cash flows before working capital changes	**(148 633)**	(117 522)
Decrease in inventory	**(16 206)**	(9 150)
Increase in trade and other receivables	**(11 183)**	(39 696)
(Decrease)/increase in trade and other payables	**(641)**	67 431
Net cash utilised by operations	**(176 663)**	(98 937)

34.2 Taxation paid

	2015 R'000s	2014 R'000s
Taxation – beginning of the year	**(2 778)**	(1 118)
Amount per statement of comprehensive income (Note 9)		
– current year	**15 496**	208
– prior year under/(over)provision	**14**	–
Reclassified as assets held-for-sale	**–**	82
Business combination (Note 5)	**902**	–
Taxation – closing balance	**8 146**	2 778
	21 780	1 950

	2015 R'000s	2014 R'000s
The closing tax balances comprises of the following:		
– Income tax refunds	**13 211**	2 928
– Income tax liabilities	**(5 065)**	(150)
	8 146	2 778

34.3 Dividends paid

	2015 R'000s	2014 R'000s
Opening balance	**7 693**	11 677
Dividends declared	**108 041**	68 964
Dividends prescribed	**–**	(4 384)
Closing balance	**(8 276)**	(7 693)
	107 458	68 564

34.4 Loans received

	2015 R'000s	2014 R'000s
Preference shares	**227 520**	–
Investec – Credit facility 1	**75 000**	25 000
Investec – Credit facility 2	**77 000**	–
SBSA – Revolving loan facility	**125 000**	–
Sanlam Capital Markets – Term loan 2	**50 000**	–
Finance leases	**–**	1 188
Related-party loan – Fledge	**15 000**	–
Related-party loan – Mayfair	**15 000**	–
	584 520	26 188

34. NOTES TO THE CASH FLOW STATEMENT *(CONTINUED)*

	2015 R'000s	2014 R'000s
34.5 Repayment of loans		
Sanlam Capital Markets – Term loan 1	**(7 627)**	(7 473)
Finance lease liabilities	**(2 461)**	–
	(10 088)	(7 473)
34.6 Loans advanced		
Related-party loans – GTM	**(15 300)**	–
Related-party loans – Excellent Meat Burger Plant	**(7 800)**	–
Related-party loans – Mac Brothers Catering Equipment	**–**	(10 232)
	(23 100)	(10 232)
34.7 Loan repayments received		
Related-party loan – GPI Slots	**37 450**	–
Sale of 25.1% of GPI Slots related-party loan	**72 749**	–
Employee loans	**1 924**	1 112
	112 123	1 112
34.8 Cash (paid)/acquired through business combination		
Acquisition of 42.8% of Mac Brothers Catering Equipment (Note 5)	**(50 579)**	–
Acquisition of 41.0% of Grand Casino KZN (Note 5)	**–**	(16 333)
Acquisition of 100.0% of Grand Technology	**–**	1 258
	(50 579)	(15 075)
34.9 Investment made		
Jointly controlled entities		
Acquisition of 51% of Grand Tellumat	**(21 779)**	–
Investments		
Acquisition of 10% of Spur (Note 13)	**(294 657)**	–
Associates		
Acquisition of 22.32% of Mac Brothers Catering Equipment (Note 12)	**–**	(22 326)
	(316 436)	(22 326)
34.10 Consideration from disposal of investment		
Proceeds from the disposal of 25.1% of GPI Slots	**215 934**	–
Cash held by GPI Slots on derecognition as a subsidiary	**(60 879)**	–
Other	**–**	229
	155 055	229

Notes to the Consolidated Annual Financial Statements *(continued)*
for the year ended 30 June 2015

35. DIRECTORS' EMOLUMENTS

Remuneration paid to Directors

2015	Salary R'000s	Short-term benefits[1] R'000s	Long-term benefits R'000s	Bonuses R'000s	Directors' fees R'000s	Audit and risk committee R'000s	Remuneration and nomination committee R'000s	Investment Committee R'000s	Total remuneration R'000s	Share-based payment expense R'000s
Executive directors										
H Adams	3 043	615	457	12 500	–	–	–	–	16 615	1 482
A Abercrombie[2]	1 009	51	143	2 335	–	–	–	–	3 538	37
AE Keet	1 948	90	292	6 250	–	–	–	–	8 580	881
S Petersen[3]	296	22	44	292	–	–	–	–	654	–
D Pienaar[4]	638	–	96	750	–	–	–	–	1 484	271
Sub-total	6 934	778	1 032	22 127	–	–	–	–	30 871	2 671
Non-executive directors										
A Bedford[5]	–	–	–	–	104	–	5	–	109	–
NV Maharaj	–	–	–	–	214	49	33	–	296	–
N Mlambo	–	–	–	–	190	–	25	–	215	–
CM Priem	–	–	–	–	239	90	33	–	362	–
A Abercrombie[2]	–	–	–	–	43	–	28	–	71	–
WD Geach	–	–	–	–	177	49	–	–	226	–
Sub-total	–	–	–	–	967	188	124	–	1 279	–
Total	6 934	778	1 032	22 127	967	188	124	–	32 150	2 671

1 *Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.*
2 *A Abercrombie retired as an Executive Director and was appointed as a Non-executive Director on 27 February 2015.*
3 *S Petersen resigned as an Executive Director on 1 November 2014.*
4 *D Pienaar was appointed as an Executive Director on 1 November 2014.*
5 *A Bedford resigned as a Non-executive Director on 1 February 2015.*

35. DIRECTORS' EMOLUMENTS *(CONTINUED)*

Remuneration paid to Directors and three highest-paid employees

2014	Salary R'000s	Short-term benefits[1] R'000s	Long-term benefits R'000s	Bonuses R'000s	Directors' fees R'000s	Audit and Risk Committee R'000s	Remuneration and Nomination Committee R'000s	Investment Committee R'000s	Total remuneration R'000s	Share-based payment expense R'000s
Executive directors										
H Adams	2 826	568	423	1 750	–	–	–	–	5 567	819
A Abercrombie	1 341	70	201	450	–	–	–	–	2 062	334
AE Keet	1 786	93	268	1 000	–	–	–	–	3 147	486
S Petersen	826	63	124	105	–	–	–	–	1 118	168
F Samaai[2]	107	–	–	–	–	–	–	–	107	–
Sub-total	6 886	794	1 016	3 305	–	–	–	–	12 001	1 807
Non-executive directors										
A Bedford	–	–	–	–	173	–	30	–	203	–
NV Maharaj	–	–	–	–	206	68	–	–	274	–
N Mlambo	–	–	–	–	204	–	17	–	221	–
CM Priem	–	–	–	–	181	132	–	15	328	–
F Samaai[2]	–	–	–	–	672	18	7	–	697	–
WD Geach	–	–	–	–	122	41	–	–	163	–
Sub-total	–	–	–	–	1 558	259	54	15	1 886	–
Total	6 886	794	1 016	3 305	1 558	259	54	15	13 887	1 807
Top three senior employees	3 220	44	484	605	–	–	–	–	4 353	5 486

1 *Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.*
2 *F Samaai became an Executive Director of Grand Technology on 2 June 2014. Included in his Non-executive Director fees are fees received from Grand Technology for services rendered during the year to this subsidiary.*
3 *All staff members making up the Executive Committee have been identified as prescribed officers in terms of the Companies Act.*

Notes to the Consolidated Annual Financial Statements *(continued)*
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35. DIRECTORS' EMOLUMENTS *(CONTINUED)*

Equity-based remuneration (GPI share options granted in terms of GPI Share Incentive Trust)

2015	Number of unvested share options 30 June 2014 000s	**Granted during the year R'000s**	**Vested during the year R'000s**	**Forfeited during the year R'000s**	**Average market price per share on vesting date R**	**Vesting price per share R**	**Date granted**	**Number of unvested share options 30 June 2015 R'000s**
Executive directors								
H Adams	4 501	**–**	**–**	**–**	**–**	**3.61**	**1 Sep 2013**	**4 501**
A Abercrombie[1]	1 837	**–**	**(459)**	**(1 378)**	**6.19**	**3.61**	**1 Sep 2013**	**–**
AE Keet	2 674	**–**	**–**	**–**	**–**	**3.61**	**1 Sep 2013**	**2 674**
S Petersen[2]	921	**–**	**–**	**(921)**	**–**	**3.61**	**1 Sep 2013**	**–**
D Pienaar[3]	823	**–**	**–**	**–**	**–**	**3.61**	**1 Sep 2013**	**823**
Sub-total	10 756	**–**	**(459)**	**(2 299)**				**7 998**

[1] *On 27 February 2015, Mr A Abercrombie retired as an Executive Director of GPI. The scheme rules allow for all unvested options which vest within 12 months of the employees retirement date to vest on the employees retirement date. All options which vest after 12 months from the employees retirement date are forfeited.*

[2] *On 30 October 2014, Ms S Petersen resigned as an Executive Director and on 27 February 2015 resigned from the Group. All unvested share options are forfeited on an employee's resignation date.*

[3] *On 1 November 2014, Mr D Pienaar was appointed as an Executive Director.*

2014	Number of unvested share options 30 June 2013 R'000s	Granted during the year R'000s	Vested during the year R'000s	Forfeited during the year R'000s	Average market price per share on vesting date R	Vesting price per share R	Date granted	Number of unvested share options 30 June 2014 R'000s
Executive directors								
H Adams	–	4 501	–	–	–	3.61	1 Sep 2013	4 501
A Abercrombie	–	1 837	–	–	–	3.61	1 Sep 2013	1 837
AE Keet	–	2 674	–	–	–	3.61	1 Sep 2013	2 674
S Petersen	–	921	–	–	–	3.61	1 Sep 2013	921
Sub-total	–	9 933	–	–				9 933

36. RELATED-PARTY TRANSACTIONS

36.1 Transaction between group companies

The Group in the ordinary course of business entered into various transactions with related parties. Any intragroup related-party transactions and balances are eliminated in the preparation of the Consolidated Annual Financial Statements as presented. Details regarding related-party loans have been disclosed in Note 21.1 and Note 21.2 of the Consolidated Annual Financial Statements.

During the year the Group entered into the following transactions with its investments that have been classified as jointly controlled entities or associates. These transactions have not been eliminated in the preparation of the Consolidated Annual Financial Statements:

	2015 R'000s	2014 R'000s
GPI Slots		
– IT fees received	3 401	–
– Rental income received	2 519	–
– Interest received on related-party loan	10 265	–
	16 185	–
GTM		
– Rental income received	2 252	–
	2 252	–
Mac Brothers Catering Equipment		
– Kitchen equipment (included in property, plant and equipment)	2 533	38 731
	2 533	38 731

36.2 Identity of related parties

A number of the Group and Company's Directors (or parties related to them) hold positions in other entities, where they may have significant influence over the financial or operating policies of those entities. To the extent that the Group has any relationship or dealings with those entities, they are listed as follows:

Director	Entity	Relationship with entity
Hassen Adams	Afriserv (Pty) Ltd	40% Shareholder (Indirect)
	Excellent Meat Burger Plant (Pty) Ltd	4.19% Shareholder (Indirect)
	Nadeson Consulting Services (Pty) Ltd	37.5% Shareholder (Indirect)
	Nadesons Investments (Pty) Ltd	83.74% Shareholder
	Proman Project Management Services (Pty) Ltd	37.5% Shareholder (Indirect)
	RBS (Pty) Ltd	21.02% Shareholder (Indirect)
Alan Keet	Excellent Meat Burger Plant (Pty) Ltd	0.4% Shareholder (Indirect)
	Nadesons Investments (Pty) Ltd	8% Shareholder
	RBS (Pty) Ltd	2.01% Shareholder (Indirect)
Colin Priem	Afriserv (Pty) Ltd	20% Shareholder (Indirect)
Walter Geach	Qdos Underwriting Managers (Pty) Ltd	Director

Afriserv (Pty) Ltd
Afriserv provided office cleaning and security services to the Group to the value of R3 563 000 during the year (2014: R6 772 000). Afriserv charges the Group a fee for their services that is consistent with the fees charged to their other clients.

Nadeson Consulting Services (Pty) Ltd
Nadeson Consulting provided project management services to the Group during the year to the value of R524 000 (2014: R1 529 000). The services provided to the Group are for the development of properties including BURGER KING® stores and the fees charged to the Group are in line with the fees Nadeson Consulting charges its other clients.

Notes to the Consolidated Annual Financial Statements *(continued)*
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36. RELATED-PARTY TRANSACTIONS *(CONTINUED)*

36.2 Identity of related parties *(continued)*

Nadesons Investments (Pty) Ltd

The Group acquired 18.5% of Mac Brothers Catering Equipment from Nadesons Investments during the year for R15.3 million. Nadesons Investments was a significant shareholder of Mac Brothers Catering Equipment prior to the Group acquiring control of the investment (Note 5).

Nadeson Projects (Pty) Ltd

Nadeson Projects provided project management services to the Group during the previous year to the value of R8 938 000. During the current year the Group paid R1 693 000 to Nadeson Projects for project management services. The services provides to the Group are for the development of properties including BURGER KING® stores and the fees charged to the Group are in line with the fees Nadesons Projects charges its other clients.

Proman Project Management Services (Pty) Ltd

Proman Project Management Services provided project management services to the Group during the year to the value of R 1 812 500 (2014: Rnil). The services provided to the Group are for the development of properties including BURGER KING® stores and the fees charged to the Group are in line with the fees Proman Project Management charges its other clients.

Qdos Underwriting Managers (Pty) Ltd

Qdos Underwriting Managers provided tax compliance insurance to the Group during the previous year to the value of R6 000. The fees charged to the Group are in line with the fees Qdos Underwriting Managers charges its other clients.

36.3 Key management

	2015 R'000s	2014 R'000s
The key management personnel compensation is as follows:		
– Short-term employee benefits	**43 314**	22 004
– Long-term employee benefits	**1 119**	2 099
	44 433	24 103
Interest-free loans		
– H Adams[1]	**9 143**	9 143
– AE Keet[2]	**1 279**	1 504
– A Abercrombie[3]	**1 128**	1 128
– S Petersen	**–**	1 000
– A Sadler-Almeida	**–**	698
	11 550	13 473

[1] *H Adams has ceded 3 000 000 GPI shares as security for the loan at 30 June 2015 (2014: 3 000 000 GPI shares).*
[2] *AE Keet has ceded 510 000 GPI shares as security for the loan at 30 June 2015 (2014: 600 000 GPI shares).*
[3] *A Abercrombie has ceded 450 000 GPI shares as security for the loan at 30 June 2015 (2014: 450 000 GPI shares).*

During the year, S Petersen and A Sadler-Almeida repaid the full balance of their interest-free loans and all GPI shares that had been ceded as security were released by the Group. No loans were advanced to Directors to purchase GPI shares. The terms of the loans are disclosed under Note 21.1 of the Consolidated Annual Financial Statement.

36.4 Directors' fees from Group investments

Certain of the Directors received Directors' fees as a result of being board members on the board committees of the underlying investment companies. These fees are paid directly to these Directors.

	2015 R'000s	2014 R'000s
SunWest		
H Adams	**91**	91
A Abercrombie	**57**	57
N Mlambo	**61**	61
	209	209
Golden Valley		
H Adams	**24**	24
A Abercrombie	**30**	30
	54	54

37. CAPITAL COMMITMENTS

	2015 R'000s	2014 R'000s
Authorised but not contracted		
Property, plant and equipment	**11 845**	19 252

38. SUBSEQUENT EVENTS

On 3 July 2015, GPI entered into a termination agreement with Sun International and Tsogo Sun to cancel the transaction to dispose its 25.1% investment in SunWest and its 25.1% investment in Golden Valley Casino. The cancellation agreement confirmed that both these investments no longer met the criteria to be recognised as held-for-sale investments. The financial results have been restated as if the investments were never classified as held-for-sale investments.

On 3 August 2015, the Group acquired a minority holding of 4.95% in Atlas Gaming Holdings for R5.6 million. Atlas is an Australian-based gaming company that develops gambling machines. The terms of the agreement allow for the future acquisition of a further 5.05% of the equity of Atlas.

On 7 September 2015, the Group entered into an agreement to acquire the remaining 65.0% of Excellent Meat for R35.8 million. The acquisition will increase the Group's effective holding in Excellent Meat to 96.9%. The conclusion of the acquisition is subject to material conditions precedent.

Due to the proximity of the transaction date to the date of the financial statements being authorised for issue, the purchase price allocation has not been completed.

Appendix 1

Principal subsidiary companies at 30 June 2015

At year-end the Group consisted of GPI and principal subsidiaries as listed below:

	Ordinary share capital and premium		Effective percentage holding	
	2015 R	2014 R	2015 %	2014 %
GPI Management Services (Pty) Ltd	–	–	100.0%	100.0%
Grand Sport (Pty) Ltd	100	–	100.0%	100.0%
GPI Investments 1 (Pty) Ltd	72 327 960	–	100.0%	–
Grand Casino Investments (Pty) Ltd	1 000 000	1 000 000	100.0%	100.0%
Grand Casino Investments KZN (Pty) Ltd	28 582	28 582	100.0%	100.0%
Grand Foods (Pty) Ltd	–	–	100.0%	100.0%
Utish Investments (Pty) Ltd	100	100	100.0%	100.0%
Burger King South Africa (RF) (Pty) Ltd	180 000 000	180 000 000	91.1%	91.1%
Mac Brothers Catering Equipment (Pty) Ltd	102 041	–	100.0%	22.2%
Sabenza (Pty) Ltd	10	–	100.0%	22.2%
Grand Capital Investment Holdings (Pty) Ltd	120	120	100.0%	100.0%
GPI Properties (Pty) Ltd	100	100	100.0%	100.0%
Grand Technology (Pty) Ltd	–	–	100.0%	100.0%
Rilapath (Pty) Ltd	–	–	100.0%	100.0%
Sawindu 07 (Pty) Ltd	–	–	80.0%	–
GPI Women's BBBEE Empowerment Trust	–	–	100.0%	100.0%
Grand Parade Share Incentive Trust	–	–	100.0%	100.0%
Grand Property Management (Pty) Ltd	100	100	100.0%	100.0%
Grand Lottery (Pty) Ltd	–	–	100.0%	100.0%
Grand Online (Pty) Ltd	–	–	100.0%	100.0%
Mac Oven (Pty) Ltd	100	–	100.0%	22.2%
Impala Lily Property Investments (Pty) Ltd	10	–	100.0%	22.2%
Cape Filtered Water Solutions (Pty) Ltd	10	–	100.0%	22.2%
Grand Merkur (Pty) Ltd	–	–	100.0%	100.0%

Appendix 2
Investments, associates and joint ventures

	30 June 2015			30 June 2014		
	Shares held	Effective interest[1]	Voting interest	Shares held	Effective interest[1]	Voting interest
Gaming						
SunWest	**3 690 661**	**25.10%**	**Joint control[3]**	3 690 661	25.10%	Joint control[3]
Golden Valley	**5 251 336**	**25.10%**	**Joint control[3]**	5 251 336	25.10%	Joint control[3]
GPI Slots	**749**	**74.90%**	**Joint control[3]**	1 000	100.00%	100.00%
Dolcoast	**–**	**–**	**–**	4 890	24.90%	24.90%
National Manco	**–**	**–**	**–**	567	5.67%	5.67%
Food						
Excellent Meat Burger Plant	**35**	**31.89%**	**35.00%**	35	31.89%	35.00%
Spur Corporation Ltd	**10 848 093**	**10.00%**	**10.00%**	–	–	–
Mac Brothers Catering Equipment[2]	**102 041**	**100.00%**	**100.00%**	22 663	22.20%	22.00%
Diversified						
GTM	**51**	**51.00%**	**Joint control[3]**	–	–	–

1 *The effective interest takes into consideration all non-controlling interests.*
2 *During the year the Group acquired 100% of the issued capital of Mac Brothers Catering Equipment and it has been reclassified as a subsidiary.*
3 *Refer to Note 1.4.6 for assessment of joint control.*

Appendix 3
Directors' interests in shares

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

As at 30 June 2015

Director Ordinary shares	Direct Beneficial 000s	Indirect Beneficial 000s	Total shares Beneficial 000s	Beneficial %
H Adams	**3 565**	**47 220**	**50 785**	**10.39**
A Abercrombie	**5 955**	**300**	**6 255**	**1.28**
N Mlambo	**20**	**43**	**63**	**0.01**
AE Keet	**510**	**4 508**	**5 018**	**1.03**
NV Maharaj	**–**	**10**	**10**	**–**
D Pienaar[3]	**1**	**–**	**1**	**–**
	10 051	**52 081**	**62 132**	**12.71**

As at 30 June 2014

Director Ordinary shares	Direct Beneficial 000s	Indirect Beneficial 000s	Total shares Beneficial 000s	Beneficial %
H Adams	3 565	52 770	56 335	11.63
A Abercrombie	5 838	300	6 138	1.27
AW Bedford[4]	175	3 988	4 163	0.86
N Mlambo	20	43	63	0.01
AE Keet	600	1 725	2 325	0.48
F Samaai[1]	29	377	406	0.08
NV Maharaj	–	7	7	–
S Petersen[2]	400		400	0.08
	10 627	59 210	69 837	14.41

[1] *F Samaai resigned as a Non-executive Director on 2 June 2014.*
[2] *S Petersen resigned as an Executive Director on 1 November 2014.*
[3] *D Pienaar was appointed as an Interim Executive Director on 1 November 2014 and permanently appointed on 26 February 2015.*
[4] *A Bedford resigned with effect from 1 February 2015.*

Statement of comprehensive income
for the year ended 30 June 2015

	Note	2015 R'000s	Restated 2014 R'000s
Revenue	2	**209 482**	142 224
Operating costs		**(63 733)**	(19 140)
Profit from operations		**145 749**	123 084
Depreciation		**(10)**	(15)
Profit on disposal of investment	7	**215 433**	–
Profit before finance costs and taxation	3	**361 172**	123 069
Finance income	2	**16 795**	4 393
Finance costs	4	**(20 966)**	(9)
Profit before taxation		**357 001**	127 453
Taxation	5	**(43 861)**	(1 133)
Profit for the year		**313 140**	126 320

Statement of financial position
as at 30 June 2015

	Note	2015 R'000s	Restated 2014 R'000s
ASSETS			
Non-current assets		**235 369**	198 652
Investments in jointly controlled entities	6	**151 390**	150 079
Investments in subsidiaries	8	**83 961**	48 555
Property, plant and equipment	9	**18**	18
Assets classified as held-for-sale	7	**1 961**	–
Current assets		**1 212 215**	721 608
Trade and other receivables	10	**1 324**	3 847
Related-party loans	11	**1 036 402**	603 523
Cash and cash equivalents	12	**163 869**	114 238
Income tax receivable		**10 620**	–
Total assets		**1 449 545**	920 260
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity			
Stated capital	13	**855 066**	825 779
Accumulated profit		**271 919**	56 731
IFRS 2 share-based payment reserve		**10 289**	3 620
Total shareholders equity		**1 137 274**	886 130
Current liabilities		**312 271**	34 130
Trade and other payables	15	**1 995**	1 395
Interest-bearing borrowings	14	**302 000**	25 000
Dividends payable		**8 276**	7 693
Income tax payable		**–**	42
Total equity and liabilities		**1 449 545**	920 260

Statement of changes in equity
for the year ended 30 June 2015

	Stated capital R'000s	Accumu-lated profits R'000s	IFRS 2 share-based payment reserve R'000s	Total equity R'000s
Balance at 30 June 2013	725 913	(4 871)	–	721 042
Total comprehensive income for the year	–	126 320	–	126 320
– Profit for the year	–	126 320	–	126 320
Dividends declared	–	(69 102)	–	(69 102)
Dividends prescribed and written back	–	4 384	–	4 384
Share-based payment reserve	–	–	3 620	3 620
Share issue expenses	(134)	–	–	(134)
Shares issued	100 000	–	–	100 000
Balance at 30 June 2014	825 779	56 731	3 620	886 130
Total comprehensive income for the year	**–**	**313 140**	**–**	**313 140**
– Profit for the year	**–**	**313 140**	**–**	**313 140**
Dividends declared	**–**	**(97 952)**	**–**	**(97 952)**
Share-based payment reserve	**–**	**–**	**6 669**	**6 669**
Share issue expenses	**(79)**	**–**	**–**	**(79)**
Shares issued	**29 366**	**–**	**–**	**29 366**
Balance at 30 June 2015	**855 066**	**271 919**	**10 289**	**1 137 274**

Statement of cash flows
for the year ended 30 June 2015

	Note	2015 R'000s	Restated 2014 R'000s
Cash flows from operating activities			
Net cash utilised from operations	18.1	**(60 598)**	(20 171)
Income tax paid	18.2	**(54 524)**	(1 187)
Finance income		**16 795**	4 393
Net cash outflow from operating activities		**(98 327)**	(16 965)
Cash flows from investing activities			
Acquisition of plant and equipment		**(10)**	(11)
Proceeds from disposal of property, plant and equipment		**–**	6
Intergroup loans advanced	18.4	**(718 522)**	(291 787)
Intergroup loans repaid	18.5	**315 008**	13 111
Investments made	8	**(72 328)**	(21 005)
Dividends received		**249 291**	140 113
Proceeds of disposal of investment	7	**215 933**	–
Net cash outflow from investing activities		**(10 628)**	(159 573)
Cash flows from financing activities			
Dividends paid	18.3	**(97 369)**	(68 702)
Increase in loans	18.6	**277 000**	25 000
Issue of shares		**(79)**	(134)
Finance costs		**(20 966)**	(9)
Net cash inflow/(outflow) from financing activities		**158 586**	(43 845)
Net increase/(decrease) in cash and cash equivalents		**49 631**	(220 383)
Cash and cash equivalents at the beginning of the year		**114 238**	334 621
Total cash and cash equivalents at the end of the year		**163 869**	114 238

Notes to the Company Annual Financial Statements

for the year ended 30 June 2015

1. ACCOUNTING POLICIES

The Annual Financial Statements are prepared on a historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 71 of 2008, as amended. The accounting policies are consistent with those of the previous year and for detailed accounting policies refer to Note 1 and Note 2 of the Consolidated Annual Financial Statements.

2. REVENUE

	2015 R'000s	Restated 2014 R'000s
Dividends received	**209 473**	142 113
– Subsidiaries	**204 266**	137 197
– Other	**5 207**	4 916
Other revenue	**9**	111
Revenue	**209 482**	142 224
Finance income	**16 795**	4 393
Total revenue	**226 277**	146 617

3. PROFIT BEFORE FINANCE COSTS AND TAXATION

	2015 R'000s	Restated 2014 R'000s
Profit before finance and taxation cost is stated after:		
Expenses		
Depreciation (Note 9)	**10**	15
Loss on disposal of plant and equipment	**–**	5
Auditor's remuneration		
Audit fees	**1 524**	519
– current year	**634**	519
– prior year under provision	**890**	–
Staff costs	**1 294**	1 377
– Directors' remuneration	**1 294**	1 377

The Company has no employees during the current and prior years.

4. FINANCE COSTS

	2015 R'000s	Restated 2014 R'000s
Bank loans and overdraft	**4**	9
Interest on facilities	**20 962**	–
	20 966	9

Notes to the Company Annual Financial Statements *(continued)*

for the year ended 30 June 2015

5. TAXATION

	2015 R'000s	Restated 2014 R'000s
South African normal tax		
– current year	**43 861**	1 133
– prior year under/(over)provision	**–**	–
Deferred tax	**–**	–
	43 861	1 133

	%	%
Standard rate	**28.00**	28.00
Exempt income	**(19.55)**	(31.22)
Non-deductible expenses	**9.47**	4.11
CGT tax differential	**(5.63)**	–
Effective tax rate	**12.29**	0.89

STC credits

Details relating to the Company's unused STC credits have been disclosed in Note 9 of the Consolidated Annual Financial Statements.

6. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	SunWest		GPI Slots		Total	
	2015 R'000s	Restated 2014 R'000s	**2015 R'000s**	2014 R'000s	**2015 R'000s**	Restated 2014 R'000s
Carrying amount of investment – beginning of the year	**150 079**	150 079	**–**	–	**150 079**	150 079
Reclassified as jointly controlled entity	**–**	–	**720**	–	**720**	–
IFRS 2 expense capitalised	**–**	–	**591**	–	**591**	–
Carrying amount of the investment – end of the year	**150 079**	150 079	**1 311**	–	**151 390**	150 079

Details on the reclassification of GPI Slots as a jointly controlled entity have been disclosed in Note 11 of the Consolidated Annual Financial Statements.

7. ASSET HELD-FOR-SALE

Details regarding the Company's investment in GPI Slots, recognised as an asset held-for-sale, have been disclosed in Note 4 of the Consolidated Annual Financial Statements and below.

The income and expense items included in the profit after tax for this asset held-for-sale are as follows:

	GPI Slots	
	2015 R'000s	2014 R'000s
Proceeds on disposal	**215 933**	–
Cost of share disposed	**(500)**	–
Profit on sale of investment	**215 433**	–

The assets and liabilities included in assets classified as held-for-sale and liabilities associated with assets held-for-sale are as follows:

	GPI Slots	
	2015 R'000s	2014 R'000s
ASSETS		
Non-current assets		
Investment in jointly controlled entities	**1 961**	–
Assets classified as held-for-sale	**1 961**	–

Notes to the Company Annual Financial Statements *(continued)*

for the year ended 30 June 2015

8. INVESTMENTS IN SUBSIDIARIES

	2015 R'000s	2014 R'000s
GPI Slots[1]	–	2 617
Grand Foods[2]	2 224	600
Grand Capital[2]	499	90
Grand Sport[2]	85	–
GPI Management Services[2]	5 709	2 314
Grand Casino Investments	1 000	1 000
GPI Investments 1[3]	72 328	–
Grand Casino Investments KZN[4]	2 116	41 934
	83 961	48 555

[1] *25.1% of GPI Slots was sold during December and the remaining 74.9% was reclassified as a jointly controlled entity during the year and details have been disclosed in Note 11 of the Consolidated Annual Financial Statements.*

[2] *The movement in these investments represents the share options issued to employees of these subsidiaries refer Note 24.2 of the Consolidated Annual Financial Statements.*

[3] *During the year the Company acquired 100% of the issued capital of GPI Investments 1 for R72.3 million.*

[3] *During the year the Company received a capital repayment from its investment in Grand Casino Investment KZN of R39.8 million, which has been included in dividends received in the statement of cash flows.*

9. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	30	(12)	18	50	(32)	18
Total	30	(12)	18	50	(32)	18

Reconciliation of property, plant and equipment – 2015	Opening balance	Additions	Disposals	Depreciation	Impairment	Total
Computer equipment	18	10	–	(10)	–	18
	18	10	–	(10)	–	18

Reconciliation of property, plant and equipment – 2014	Opening balance	Additions	Disposals	Depreciation	Impairment	Total
Computer equipment	23	11	(1)	(15)	–	18
	23	11	(1)	(15)	–	18

10. TRADE AND OTHER RECEIVABLES

	2015 R'000s	2014 R'000s
Trade receivables	–	991
Other receivables	974	2 706
Prepayments	350	150
	1 324	3 847

11. RELATED-PARTY LOANS

GPI, in the ordinary course of business, entered into various service and investment transactions.

	2015 R'000s	2014 R'000s
Interest-free loans		
– GTM[1]	**15 300**	–
– Grand Capital[2]	**199 255**	108 135
– GPI Management Services[2]	**37 547**	2 500
– Grand Casino Investments KZN[2]	**–**	2 000
– Grand Foods[2]	**504 849**	22 326
– Utish Investments[2]	**–**	183 276
– GPI Investments 1[2]	**1 287**	–
– Grand Sport[2]	**10 100**	898
– Grand Property Management[2]	**128**	110
– Grand Parade Share Incentive Trust[2]	**20 731**	20 231
– GPI Women's BBBEE Empowerment Trust[2]	**57 300**	60 000
Interest-bearing loans		
– GPI Slots[1]	**189 905**	204 047
Total current assets	**1 036 402**	603 523

[1] Details regarding the related-party loans have been disclosed in Note 21.1 and Note 21.2 of the Consolidated Annual Financial Statements.
[2] These related-party loans are interest-free, have no fixed repayment terms and are repayable on demand. However, post year end the Directors have proposed that these loans carry market-related interest.

12. CASH AND CASH EQUIVALENTS

Cash at bank and deposit bank accounts includes money market call accounts with floating interest rates that fluctuated between 5.25% and 5.85% during the year (2014: between 4.05% and 5.00%).

	2015 R'000s	2014 R'000s
Cash and cash equivalents	**163 869**	114 238
	163 869	114 238

At year-end the Company had unused overdraft facilities of R15 million (2014: R90 million).

13. STATED CAPITAL

Details regarding the Company's stated capital have been disclosed in Note 23.1 of the Consolidated Annual Financial Statements.

Notes to the Company Annual Financial Statements *(continued)*
for the year ended 30 June 2015

14. INTEREST-BEARING BORROWINGS

	2015 R'000s	2014 R'000s
Investec – GPI credit facility 1	**100 000**	25 000
Investec – GPI credit facility 2	**77 000**	–
SBSA – GPI revolving loan facility	**125 000**	–
	302 000	25 000

Details regarding the Company's interest-bearing borrowings have been disclosed in Note 26 of the Consolidated Annual Financial Statements.

	2015 R'000s	2014 R'000s
Balance made up as follows:		
Short-term portion	**302 000**	25 000
Long-term portion	**–**	–
	302 000	25 000

15. TRADE AND OTHER PAYABLES

	2015 R'000s	2014 R'000s
Trade payables	**47**	165
Other payables and accruals	**1 948**	1 230
Audit fee accrual	**634**	519
Payroll accruals	**97**	84
Sundry accruals	**1 052**	–
Other payables	**165**	627
	1 995	1 395

16. FINANCIAL INSTRUMENTS

	Loans and receivables R'000s	Non-financial assets R'000s	Total R'000s
Financial assets			
2015			
Cash and cash equivalents	**163 869**	**–**	**163 869**
Related-party loans	**1 036 402**	**–**	**1 036 402**
Trade and other receivables	**974**	**350**	**1 324**
Total	**1 201 245**	**350**	**1 201 595**
2014			
Cash and cash equivalents	114 238	–	114 238
Related-party loans	603 523	–	603 523
Trade and other receivables	3 697	150	3 847
Total	721 458	150	721 608

	Financial liabilities measured at amortised cost R'000s	Non-financial liabilities R'000s	Total R'000s
Financial liabilities			
2015			
Trade and other payables	**1 898**	**97**	**1 995**
Interest-bearing borrowings	**302 000**	**–**	**302 000**
Dividends payable	**8 276**	**–**	**8 276**
Total	**312 174**	**97**	**312 271**
2014			
Trade and other payables	1 311	84	1 395
Interest-bearing borrowings	25 000	–	25 000
Dividends payable	7 693	–	7 693
Total	34 004	84	34 088

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Market risk: Interest rate risk

Interest rate risk is the risk that the cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates to the Company's obligation in terms of interest-bearing borrowings and bank accounts. The Company manages this by ensuring that sufficient available funds are maintained in bank accounts. The table below reflects the interest rate sensitivity analysis. The analysis was calculated by increasing or decreasing the Company's interest rate by 100 basis points assuming all other variables remain constant.

	Increase in basis points	Effect on pre-tax profit	Decrease in basis points	Effect on pre-tax profit
2015	**100**	**(1 381)**	**(100)**	**1 381**
2014	100	892	(100)	(892)

Notes to the Company Annual Financial Statements *(continued)*

for the year ended 30 June 2015

16. FINANCIAL INSTRUMENTS *(CONTINUED)*

Credit risk

Credit risk is the risk of financial loss caused by the inability or unwillingness of a counterparty to a financial instrument to discharge contractual obligations. There is no independent rating procedure for customers as the credit quality of customers is assessed by taking into account their financial position and past experience.

Cash and cash equivalents

The Company only deposits cash surpluses with major banks of high quality and credit standing. At year-end, the Company did not consider any significant concentration of credit risk to be present and all assets that have been identified as impaired, after taking the Company's credit policy into account, have been appropriately provided for. The cash and cash equivalents are deposited with two financial institutions.

The Company's maximum exposure to credit risk in terms of cash and cash equivalents, and to loans and receivables equals the carrying amounts of these instruments as disclosed above.

Related-party loans receivables

Related party credit risk is managed by each business unit in terms of Company policy. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date based on payment history and the financial position of the counterparty.

Credit risk

Refer to Note 32 of the Consolidated Annual Financial Statements for an explanation on credit risk and how it is managed.

- Cash and cash equivalents
- Related party loans receivables

Liquidity risk

Refer to Note 32 of the Consolidated Annual Financial Statements for an explanation on liquidity risk and how it is managed.

The following table presents the contractual maturity analysis of financial liabilities.

	On demand R'000s	Less than 3 months R'000s	3 – 12 months R'000s	1 – 2 years R'000s	> 2 years R'000s	Total R'000s
2015						
Trade and other payables	**–**	**1 898**	**–**	**–**	**–**	**1 898**
Interest-bearing borrowings	**–**	**177 000**	**125 000**	**–**	**–**	**302 000**
Interest on interest-bearing borrowings	**–**	**–**	**3 125**	**–**	**–**	**3 125**
Dividends payable	**8 276**	**–**	**–**	**–**	**–**	**8 276**
Total	**8 276**	**178 898**	**128 125**	**–**	**–**	**315 299**
2014						
Trade and other payables	–	1 311	–	–	–	1 311
Interest-bearing borrowings	–	–	25 000	–	–	25 000
Dividends payable	7 693	–	–	–	–	7 693
Total	7 693	1 311	25 000	–	–	34 004

Gains and losses on financial instruments

The table below summarises the gains and losses on financial instruments.

	Fair value movement R'000s	Finance income R'000s	Finance costs R'000s	Total R'000s
2015				
Financial liabilities at amortised costs	**–**	**–**	**(20 966)**	**(20 966)**
Loans and receivables	**–**	**16 795**	**–**	**16 795**
Total	**–**	**16 795**	**(20 966)**	**(4 171)**
2014				
Financial liabilities at amortised costs	–	–	(9)	(9)
Loans and receivables	–	4 393	–	4 393
Total	–	4 393	(9)	4 384

17. DIVIDENDS DECLARED AND PAID

	2015 R'000s	2014 R'000s
Final dividend declared and paid in respect of 2014 financial year of 20 cents (2013: 15 cents per share)	**97 761**	69 102

The final dividend in respect of the 2014 financial year of 20 cents per share was declared on 5 January 2015.

18. NOTES TO THE CASH FLOW STATEMENT

	2015 R'000s	2014 R'000s
18.1 Cash generated from operations		
Profit before taxation	**357 001**	91 467
Adjustments for:		
– Depreciation	**10**	15
– Amortisation		–
– Finance income	**(16 795)**	(4 393)
– Finance costs	**20 966**	9
– Dividends received	**(209 473)**	(106 127)
– Profit on disposal of property, plant and equipment	**–**	(5)
– Profit on disposal of investment	**(215 433)**	–
Operating cash flows before working capital changes	**(63 724)**	(19 034)
Decrease/(increase) in trade and other receivables	**2 565**	(594)
Increase/(decrease) in trade and other payables	**561**	(543)
Net cash generated/(utilised) from operations	**(60 598)**	(20 171)
18.2 Taxation paid		
Taxation – beginning of the year	**42**	96
Amount per statement of comprehensive income (Note 7)		
– current year	**43 861**	1 133
– prior year under/(over)provision	**–**	–
Taxation – closing balance	**10 621**	(42)
	54 524	1 187
The closing tax balances comprises of the following:		
– Income tax refunds	**10 621**	–
– Income tax liabilities	**–**	(42)
	10 621	(42)
18.3 Dividends paid		
Opening balance	**7 693**	11 677
Dividends declared	**97 761**	69 102
Dividends previously prescribed	**191**	(4 384)
Closing balance	**(8 276)**	(7 693)
	97 369	68 702
18.4 Intergroup loans advanced		
– GPI Slots	**(80 266)**	(63 721)
– Grand Property Management	**(18)**	(12)
– Utish	**–**	(142 054)
– Grand Foods	**(468 950)**	(22 326)
– GPIMS	**(35 047)**	(2 500)
– Grand Capital	**(102 821)**	(50 571)
– GPSIT	**(500)**	(9 731)
– Grand Sport	**(9 202)**	(872)
– GTM	**(20 431)**	–
– GPI Investments 1	**(1 287)**	–
	(718 522)	(291 787)

Notes to the Company Annual Financial Statements *(continued)*
for the year ended 30 June 2015

18. NOTES TO THE CASH FLOW STATEMENT *(CONTINUED)*

	2015 R'000s	2014 R'000s
18.5 Intergroup loans repaid		
– GPI Slots	**110 200**	–
– Utish	**183 276**	–
– SSS (formerly GPIMS)	**–**	13 111
– Grand Capital	**11 701**	–
– GTM	**5 131**	–
– Grand Casino Investments KZN	**2 000**	–
– GPI Women's BBBEE Empowerment Trust	**2 700**	–
	315 008	13 111
18.6 Increase in loans		
Investec – GPI Credit facility 1	**75 000**	25 000
Investec – GPI Credit facility 1	**77 000**	–
SBSA – GPI revolving loan facility	**125 000**	–
	277 000	25 000

19. RELATED-PARTY TRANSACTIONS

	Shares held as security against loans		Balance (owing)/receivable		Receipts/ (payments)	
	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s	2015 R'000s	2014 R'000s
DLA Cliffe Dekker Hofmeyr	**–**	–	**–**	–	**–**	(175)
Qdos	**–**	–	**–**	(4)	**–**	(6)

The Group, in the ordinary course of business, entered into various transactions with related parties. Any intragroup related-party transactions and balances are eliminated in the preparation of the AFS of the Group as presented.

Listed above are the related-party transactions identified and disclosed.

Third parties
DLA Cliffe Dekker Hofmeyr is a firm of attorneys that provides legal services to the Group. A Abercrombie was a Director of DLA Cliffe Dekker Hofmeyr until he joined GPI in a full-time capacity as Executive Director: Gaming.

Qdos Underwriting Managers provided tax compliance insurance to the Company during the previous year to the value of R6 000. The fees charged to the Company are in line with the fees Qdos Underwriting Managers charges its other clients.

Certain of the Directors received Director fees due to them being board members on the board committees of the underlying investment companies. These fees are paid directly to these Directors.

	2015 R'000s	2014 R'000s
SunWest		
H Adams	**91**	91
A Abercrombie	**57**	57
N Mlambo	**61**	61
	209	209
Golden Valley		
H Adams	**24**	24
A Abercrombie	**30**	30
	54	54

20. PRIOR PERIOD RESTATEMENT

In the 2014 Annual Financial Statements, the Company's investments in SunWest and Golden Valley Casino were considered to be held-for-sale as an agreement had been concluded to dispose of these investments, subject to certain conditions being met. At the time it was considered highly probable that the sale would be concluded. However, during the current year, with the delays in concluding the sale, the conclusion of the transaction was no longer considered highly probable and the held-for-sale definition was no longer met for these investments. Consequently, the financials have been restated as if the investments had never been classified as held-for-sale, as required by IFRS. The impact of the restatement on the financial position and financial performance of the Company is as follows:

	30 June 2014			
	Previously stated R'000s	Adjustment R'000s	Note	Restated R'000s
Statement of comprehensive income				
Revenue	106 238	35 986	i	142 224
Profit after tax for the period from discontinued operations	35 986	(35 986)	i	–
Statement of financial position				
Investments in jointly controlled entities	–	150 079	ii	150 079
Assets classified as held-for-sale	150 079	(150 079)	ii	–

Notes

i Dividends from SunWest for the 12 months ended 30 June 2014, previously recognised under discontinued operations and now restated to be recognised as revenue from continuing operations.

ii The carrying value of SunWest at 30 June 2014, previously recognised as an asset classified as held-for-sale, now restated to be recognised as an investment in joint venture under non-current assets.

Analysis of ordinary shareholders
as at 30 June 2015

Size of holdings	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
1 – 1 000 shares	1 349	13.64%	717 943	0.15%
1 001 – 10 000 shares	5 929	59.94%	28 015 649	5.73%
10 001 – 100 000 shares	2 287	23.12%	64 614 653	13.22%
100 001 – 1 000 000 shares	258	2.61%	68 803 259	14.08%
1 000 001 shares and over	68	0.69%	326 654 096	66.82%
Total	9 891	100.00%	488 805 600	100.00%

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Assurance companies	8	0.08%	7 578 278	1.56%
Close corporations	61	0.61%	2 278 228	0.47%
Collective investment schemes	65	0.66%	116 663 958	23.87%
Custodians	17	0.17%	25 964 929	5.32%
Foundations and charitable funds	13	0.13%	163 129	0.04%
Hedge funds	4	0.04%	811 242	0.17%
Insurance companies	3	0.03%	453 037	0.09%
Investment partnerships	44	0.44%	3 132 245	0.64%
Managed funds	9	0.09%	2 547 561	0.52%
Medical aid funds	2	0.02%	499 717	0.10%
Private companies	136	1.37%	84 038 174	17.19%
Public entities	1	0.01%	705 024	0.14%
Retail shareholders	9 149	92.50%	126 328 176	25.84%
Retirement benefit funds	47	0.50%	22 288 882	4.55%
Scrip lending	4	0.04%	707 130	0.14%
Share schemes	2	0.02%	3 914 926	0.80%
Stockbrokers and nominees	17	0.17%	3 420 137	0.70%
Trusts	308	3.11%	87 310 826	17.86%
Unclaimed scrip	1	0.01%	1	0.00%
Total	9 891	100.00%	488 805 600	100.00%

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Non-public shareholders	21	0.21%	72 433 365	14.82%
Directors and associates (Direct holding)	7		10 064 326	2.06%
Directors and associates (Indirect holding)	11		43 639 298	8.93%
GPI Women's BBBEE Empowerment Trust	1		14 814 815	3.03%
Share schemes*	2		3 914 926	0.80%
Public shareholders	9 870	99.79%	416 372 235	85.18%
Total	9 891	100.00%	488 805 600	100.00%

* *3.9 million (2014: 3.4 million) of the issued shares of the Company, held by the GPSIT, may be utilised to settle the Company's obligation under the Employee Share Scheme.*

Beneficial shareholders with a holding greater than 3% of the shares in issue	Number of shares	% of shares in issue
Nadeson Investments (Pty) Ltd	58 680 827	12.00%
The Chandos Trust	47 268 792	9.67%
Foord	34 112 619	6.98%
Sanlam Group	29 895 542	6.12%
Investment Solutions	16 730 847	3.42%
GPI Women's BBBEE Empowerment Trust	14 814 815	3.03%
Total	201 503 442	41.22%

Top five fund managers	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Foord Asset Management			**51 117 580**	**10.46%**
Sanlam Investment Management			**30 797 119**	**6.30%**
Kagiso Asset Management			**22 904 484**	**4.69%**
Truffle Asset Management			**14 281 918**	**2.92%**
Centaur Asset Management			**7 937 646**	**1.62%**
Total			**127 038 747**	**25.99%**

Total number of shareholdings	**9 891**
Total number of shares in issue	**488 805 600**

Share price performance	
Opening price 1 July 2014	**R5.94**
Closing price 30 June 2015	**R5.85**
Closing high for the period	**R7.75**
Closing low for the period	**R5.78**

Number of shares in issue	**488 805 600**
Volume traded during period	**180 846 446**
Ratio of volume traded to shares in issue (%)	**37.00%**
Rand value traded during the period	**R1 191 017 925**
Number of deals	**34 571**
Price/earnings ratio as at 30 June 2015	**(35.41)**
Earnings yield as at 30 June 2015 (%)	**(2.82%)**
Dividend yield as at 30 June 2015 (%)	**3.39%**
Market capitalisation at 30 June 2015	**R2 859 512 760**

Notice to shareholders

ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of Grand Parade Investments Limited (the Company), to be held on Wednesday, 2 December 2015, at 18:00 in the Market Hall, GrandWest Casino, Goodwood, Cape Town, Western Cape (the Annual General Meeting), for the purpose of conducting the business set out below.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The presentation of the audited annual financial statements of the Company and its subsidiaries (the Group), which include the report of the Directors, the Independent Auditor's report and the report of the Audit and Risk Committee for the financial year ended 30 June 2015. The Group's audited annual financial statements for the year ended 30 June 2015 are available on the Company's website at www.grandparade.co.za, or may be obtained upon request from the company secretary at info@grandparade.co.za.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, approve, with or without modification, the following Ordinary Resolutions:

ELECTION OF DIRECTORS

(Biographical details of all of the directors of the Company are set out on pages 22 and 23 of the Integrated Annual Report)

To elect directors of the Company in accordance with the Company's Memorandum of Incorporation (MOI), the Listings Requirements of the JSE Limited (the JSE) and, to the extent applicable, the Companies Act, 71 of 2008, as amended (Companies Act), which require that:

- *a third of the non-executive directors, being those longest in office at the date of the Annual General Meeting, must retire by rotation but may offer themselves for re-election. Dr NV Maharaj and Professor WD Geach are required to so retire by rotation and have offered themselves for re-election; and*
- *any appointments of directors to the Board since the previous Annual General Meeting must be confirmed by shareholders at the next Annual General Meeting. Mr R Hargey was appointed by the Board of directors on 1 September 2015.*

Ordinary Resolution Number 1

Resolved that Dr NV Maharaj, who retires in accordance with the provisions of the Company's MOI and who has offered himself for re-election, be and is hereby re-elected as a director of the Company.

Ordinary Resolution Number 2

Resolved that Professor WD Geach, who retires in accordance with the provisions of the Company's MOI and who has offered himself for re-election, be and is hereby re-elected as a director of the Company.

Ordinary Resolution Number 3

Resolved that the appointment of Mr R Hargey as a director of the Company be and is hereby confirmed.

RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

To confirm, by separate resolutions, and subject to their re-appointment as directors of the Company in terms of Ordinary Resolutions Numbers 1 and 2 above, the re-appointment of qualifying independent non-executive directors to the Company's Audit and Risk Committee until the next Annual General Meeting, as required by the Companies Act and the Listings Requirements of the JSE (the JSE Listings Requirements).

Ordinary Resolution Number 4

Resolved that Dr NV Maharaj be and is hereby re-appointed as a member of the Audit and Risk Committee until the next Annual General Meeting of the Company.

Ordinary Resolution Number 5

Resolved that Mr CM Priem be and is hereby re-appointed as a member of the Audit and Risk Committee until the next Annual General Meeting of the Company.

Ordinary Resolution Number 6

Resolved that Professor WD Geach be and is hereby re-appointed as a member of the Audit and Risk Committee until the next Annual General Meeting of the Company.

RE-APPOINTMENT OF AUDITOR

To appoint an independent external auditor to audit the Company's and the Group's annual financial statements for the year ending 30 June 2016. In terms of the Companies Act, a public listed company must have its financial results audited by an independent external auditor who must be appointed or re-appointed at every Annual General Meeting of the Company. The Group's external auditor is Ernst & Young Inc, which has confirmed that Mr Chris Sickle, who is a partner at the aforesaid firm and a registered auditor, will undertake the audit. The Company's Audit and Risk Committee has recommended that Ernst & Young Inc. be re-appointed.

Ordinary Resolution Number 7

Resolved that Ernst & Young Inc. be and is hereby re-appointed as the independent auditor of the Group and the Company for the financial year ending 30 June 2016.

AUTHORISATION OF DIRECTORS AND/OR COMPANY SECRETARY

To authorise the directors and/or the company secretary to take appropriate steps to implement the Ordinary and Special Resolutions that are passed at the Annual General Meeting.

Ordinary Resolution Number 8

Resolved that the directors of the Company and/or the company secretary be and are hereby authorised to do all such things and sign all such documents and take all such action as they consider necessary to give effect to and implement the Ordinary and Special Resolutions passed at the Company's Annual General Meeting on 2 December 2015.

ADOPTION OF DEED OF AMENDMENT TO THE GRAND PARADE SHARE INCENTIVE TRUST

To authorise amendments to the existing Trust Deed IT 852/2009 of the Grand Parade Share Incentive Trust (Trust Deed).

The reason for and the effect of Ordinary Resolution Number 9 is and will be to adopt the Deed of Amendment to the Trust Deed in order to amend the Trust Deed to the extent set out in the salient features below. The Grand Parade Share Incentive Trust provides eligible employees of the Company or any of its subsidiaries (Group) with the opportunity to acquire equity in the Company, thereby providing such employees with a further incentive to advance the Group's interests and promoting an identity of interests between such employees and the shareholders of the Company.

Ordinary Resolution Number 9

"**Resolved that** the adoption by the Company of the Deed of Amendment of the Grand Parade Share Incentive Trust (Trust Deed of Amendment) made in terms of Schedule 14 of the JSE Listings Requirements, the salient terms of which are included in this notice of Annual General Meeting and the complete document recording the terms of the Trust Deed of Amendment (together with the existing Trust Deed), having been made available for inspection by shareholders at least 14 days prior to the date of this meeting and having been initialled by the chairman of this meeting for identification purposes, be and is hereby ratified and approved."

Additional information in respect of Ordinary Resolution Number 9

The above ordinary resolution must be approved by at least 75% of the votes cast by shareholders present in person or represented by proxy at this Annual General Meeting.

The Trust Deed of Amendment has been approved by the JSE in terms of Schedule 14.

Copies of the Trust Deed of Amendment and the existing Trust Deed are available for inspection from the date of this notice of Annual General Meeting until the conclusion of the Annual General Meeting convened in terms thereof at the registered office of the Company and at the offices of its sponsors, PSG Capital Proprietary Limited, 1st floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600 and at 1st Floor, Building 8, Inanda Greens Business Park, 54 Wierda Road West, Wierda Valley, Sandton, 2196.

The salient features of the Trust Deed of Amendment set out below do not purport to be exhaustive of the provisions of the Trust Deed of Amendment. For a full appreciation of the provisions thereof shareholders should refer to the full text which is available for inspection as set out above.

The directors, whose names are given on pages 22 and 23 of the Integrated Annual Report collectively and individually accept full responsibility for the accuracy of the information given in this resolution and the salient features below 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, all reasonable enquiries to ascertain such facts had been made, and the abovementioned resolution contains all information required by law and the JSE Listings Requirements.

SALIENT FEATURES OF THE TRUST DEED OF AMENDMENT

INTRODUCTION AND RATIONALE

The Trust Deed provides for options to be awarded to eligible employees (Options) of the Group which, when exercised, results in such employees acquiring shares in the Group. The Trust Deed provides for such Options to be capable of being exercised in four equal tranches as at the second to fifth anniversaries of the date of the award of such Options (Option Date). The purchase consideration payable by such employees in respect of such options is the volume weighted average price per share determined over a period of 30 trading days on the JSE (or should the shares not have traded for not more than five trading days during such period, then the volume weighted price per share shall be determined over a period of 60 trading days on the JSE immediately preceding the Option Date) (Strike Price).

Notice to shareholders *(continued)*

The Trust Deed of Amendment, subject to shareholder approval, will come into effect from 1 January 2016, and in essence provides that:

- Options awarded on or after 1 January 2016 shall be exercisable in a single tranche on the third anniversary of the Option Date (Vesting Date);
- The purchase consideration payable by employees for such Options upon the exercise thereof, shall be the Strike Price save that such Strike Price shall be reduced as follows in the event that the following performance criteria are achieved as at the Vesting Date:
    - o If the Shareholder Return (as defined below) is 15% or higher but less than 20% then the Strike Price shall be reduced by 50% thereof; or
    - o If the Shareholder Return is 20% or higher, then the Strike Price shall be the sum of R1 per share.
- Subject to the Trust Deed of Amendment, the existing provisions of the Trust Deed in respect of Options shall apply mutatis mutandis to Options granted on or after 1 January 2016.
- Options granted prior to 1 January 2016 shall continue being governed by the terms of the Trust Deed.

The rationale of the Trust Deed of Amendment is to:

- introduce post-vesting performance criteria to ensure that executives remain aligned with shareholder interests during the vesting period; and
- align the term of the vesting period with remuneration best practice.

TERMS OF THE TRUST DEED OF AMENDMENT

New definitions

The Trust Deed is amended by the insertion of the following definitions to give effect to the import and intent of the Trust Deed of Amendment:

- *"Deed of Amendment" means the signed Deed of Amendment to the Trust Deed dated on or about December 2015.*
- *"Option ex 2016" means an Option issued on or after 1 January 2016, which Option ex 2016 shall be governed by the provisions of the Trust Deed mutatis mutandis (including the provisions relating to an Option issued prior to 1 January 2016).*
- *"Option Date ex 2016" means the effective date of the award of an Option ex 2016, as determined by the Board.*
- *"Shareholder Return" means the total percentage return (as determined by the Board) on an issued ordinary share in the capital of the Company (Share), in respect of both the growth in the price of such Share and the dividends declared in respect of such Share, for the period between the Option Date ex 2016 and the Vesting Date ex 2016 (both dates inclusive). For the purposes hereof the price of such Share on the Option Date ex 2016 or the Vesting Date ex 2016 (as the case may be) shall be determined on the volume weighted average price of such Share over a period of 30 (thirty) trading days on the JSE immediately preceding the Option Date ex 2016 or the Vesting Date ex 2016 (as the case may be).*
- *"Strike Price ex 2016" means, for the purposes of an Option ex 2016, an amount equal to the volume weighted average price of a Share determined over a period of 30 (thirty) trading days on the JSE immediately preceding the Option Date 2016, which Strike Price ex 2016 shall be reduced as follows in the event that the following performance criteria are achieved as at the Vesting Date ex 2016:*
    - *o if the Shareholder Return is 15% (fifteen per cent) or higher but less than 20% (twenty per cent), then the Strike Price shall be reduced by 50% (fifty per cent) thereof; or*
    - *o if the Shareholder Return is 20% (twenty per cent) or higher, then the Strike Price shall be the sum of R1 (one rand) per Share.*
- *"Trust Deed" or "Deed" means the Trust (including any schedule, annexure or amendment thereto), including the Deed of Amendment, constituted in terms of the provisions hereof, including the Deed of Amendment.*
- *"Vesting Date ex 2016" means the 3rd (third) anniversary of the Option Date ex 2016.*

Exercise of an Option ex 2016

The Trust Deed is amended by the insertion of a new clause 21A governing the provisions of the exercise of an Option ex 2016 as follows:

"An Option ex 2016"shall only be capable of being exercised within the 180 (one hundred and eighty) day period immediately following the Vesting Date ex 2016, unless expressly stipulated to the contrary in the Trust Deed. Any Shares acquired pursuant to the exercise of such Option ex 2016 shall be governed by the applicable provisions of this Share Scheme. For the avoidance of any doubt, it is recorded that the provisions of clauses 21.3 to 21.5 and clause 23 of the Trust Deed shall apply to an Option ex 2016 mutatis mutandis.

Updates in terms of JSE Listings Requirements

The Trust Deed is amended by the insertion of a new clause 22A, in order to comply with amendments by the JSE to Schedule 14 of the JSE since the date of execution of the Trust Deed, as follows:

"Notwithstanding anything to the contrary contained in the Trust Deed:

22A1 the number of equity securities stated in the Trust Deed, both in respect of the maximum aggregate number of equity securities for all Participants (Participants Equity Securities) and the maximum number of equity securities for an individual Participant (Individual Participant Securities) which may be utilised for purposes of this Share Scheme shall not be exceeded without equity securities holders' approval as required in terms of paragraph 14.1 of Schedule 14 of the JSE Listings Requirements;

22A2 *in the event of a sub-division or consolidation of the equity securities of the Company, the Participants Equity Securities and the amount payable on the application, acceptance, subscription or exercise (as the case may be) thereof, shall be adjusted to the extent that such adjustment shall give a Participant the entitlement to the same proportion of the equity capital of the Company as to that to which he was previously entitled;*

22A3 *in the event of a sub-division or consolidation, of the equity securities of the Company, the Individual Participant Securities and the amount payable on the application, acceptance, subscription or exercise (as the case may be) thereof, shall be adjusted so that such adjustment shall give a Participant the entitlement to the same proportion of the equity capital of the Company as that to which he was previously entitled;*

22A4 *the issue of equity securities as consideration for an acquisition, the issue of securities for cash and the issue of equity securities for a vendor consideration placing will not be regarded as a circumstance requiring adjustment in terms hereof;*

22A5 *the Company's auditor, or other independent advisors acceptable to the JSE, must confirm to the JSE, in writing, that any adjustments made in terms of clauses 22A2 and 22A3 of the Trust Deed are in accordance with the provisions of the Scheme. Such written confirmation must be provided to the JSE at the time that any such adjustment is finalised;*

22A6 *any adjustment made in accordance with clauses 22A2 and 22A3 of the Trust Deed must be reported on in the Company's annual financial statements in the year during which the adjustment is made;*

22A7 *allocated equity securities, which are not subsequently issued in terms of the Scheme to the identified Participants, must revert back to the Scheme;*

22A8 *the Company shall in the implementation of this Scheme comply with any applicable JSE Listings Requirements from time to time. In the event of any conflict between the provisions of this Scheme and any applicable provisions of the JSE Listings Requirements, the provisions of the latter shall apply."*

SPECIAL RESOLUTIONS

To consider and, if deemed fit, approve, with or without modification, the following Special Resolutions:

APPROVAL OF DIRECTORS' REMUNERATION

To approve, by way of a special resolution, the proposed fees payable to non-executive directors for their services as directors for the 12-month period commencing on 1 January 2016 until 31 December 2016. Directors are currently remunerated in terms of a special resolution passed by shareholders at the Company's Annual General Meeting held on 11 December 2013 authorising the Company to remunerate the non-executive directors for their services as directors for a period of two years commencing 1 January 2014 to 31 December 2015.

The effect of this Special Resolution Number 1 (if approved) will be to authorise the Company to remunerate the non-executive directors for their services as directors for the 12-month period commencing on 1 January 2016 until 31 December 2016.

Special Resolution Number 1

Resolved that the fees payable to non-executive directors for their services rendered as directors be determined on the basis set out in the table below for the period commencing 1 January 2016 to 31 December 2016.

	CURRENT FEES 1 January 2014 to 31 December 2015				PROPOSED FEES 1 January 2016 to 31 December 2016		
	Base fee R	Attendance fee	Attendance fee above minimum number of meetings	Number	Base fee R	Attendance fee	Attendance fee above minimum number of meetings
Lead Independent Director	143 000	14 300	8 500	4	153 000	15 375	9 000
Directors	114 800	14 300	8 500	4	124 000	15 375	9 000
Audit and Risk Committee Chair	33 000	22 500	–	3	35 500	24 000	–
Audit and Risk Committee Member	22 000	11 400	–	3	23 650	12 250	–
Remuneration and Nominations Committee Chair	33 000	17 000	–	2	35 500	18 275	–
Remuneration and Nominations Committee Member	22 000	14 300	–	2	23 650	12 250	–
Social and Ethics Committee Chair	–	–	–	2	–	12 250	–
Social and Ethics Committee Member	–	8 500	–	2	–	9 000	–
Investment Committee Chair	–	–	–	2	–	–	–
Investment Committee Member	–	8 500	–	2	–	9 000	–

Notice to shareholders *(continued)*

GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE

Special Resolution Number 2: Inter-company financial assistance

The reason for and effect of Special Resolution Number 2 is to grant the directors of the Company the authority, for a period of two years from the date that this Special Resolution Number 2 is passed, 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. Special Resolution Number 2 does not authorise the Company to grant financial assistance, as contemplated in section 45 of the Companies Act, to any director or prescribed officer.

Resolved that, 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 or inter-related will herein have the meaning attributed to it 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 for a period of two years from the date that this Special Resolution Number 2 is passed.

Special Resolution Number 3: Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

The reason for and effect of Special Resolution Number 3 is to grant the directors the authority, for a period of two years from the date that this Special Resolution Number 3 is passed, to provide financial assistance to any company or corporation which is related or inter-related to the Company for the purpose of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or 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 options, shares or securities in the Company or its subsidiaries.

Resolved that, 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 or inter-related will herein have the meaning attributed to it in section 2 of the Companies Act), 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 of 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 a related or inter-related company or corporation, provided that the aforementioned approval shall be valid for a period of two years from the date that this Special Resolution Number 3 is passed.

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 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 2 and 3 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);
- 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;
- 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 MOI have been met.

GENERAL AUTHORITY TO REPURCHASE SHARES

To obtain a general authority for the acquisition by the Company and/or the subsidiaries of the Company of the Company's ordinary issued shares on the open market, subject to the JSE Listings Requirements, the provisions of the Companies Act and the Company's MOI.

It is the intention of the directors of the Company to apply the provisions of the general authority granted by this special resolution (if approved) only if, in their opinion, prevailing circumstances and market conditions warrant its application. The directors furthermore undertake that they will only use the general authority to repurchase the Company's ordinary issued shares if they are of the opinion that the following conditions will be met:

- *the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months following the date of this notice of Annual General Meeting;*
- *the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of this notice of Annual General Meeting. For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements;*

- *the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months following the date of this notice of Annual General Meeting; and*
- *the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months following the date of this notice of Annual General Meeting.*

Special Resolution Number 4

Resolved that the Board of the Company be and is hereby authorised, by way of a general authority, to approve the purchase of its own ordinary shares by the Company and/or subsidiaries of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time decide, but subject always to the provisions of sections 46 and 48 of the Companies Act, the Company's MOI and the JSE Listings Requirements which provide as follows:

(a) this general authority shall be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 months from the date of passing of this special resolution;
(b) the repurchase is authorised by the Company's MOI;
(c) the repurchase of ordinary shares shall not, in the aggregate in any one financial year, exceed 5% of the Company's issued ordinary share capital as at the time the authority is granted;
(d) repurchases must not be made at a price exceeding 10% of the weighted average of the market value of the ordinary shares for the 5 business days immediately preceding the date on which the transaction is effected, and if the ordinary shares have not traded in the said 5-day period, the JSE must be consulted for a ruling;
(e) prior to the repurchase, a resolution is passed by the Company's Board, confirming that the Board has authorised the repurchase, that the Company satisfy the solvency and liquidity test contemplated in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the Group;
(f) the ordinary shares must be purchased through the order book of the trading system operated by the JSE and done without any prior understanding or arrangement between the Company and the counterparty;
(g) at any point in time, the Company may appoint only one agent to effect any repurchase on the Company's behalf;
(h) subject to the exceptions contained in the JSE Listings Requirements, the Company will not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme in which the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation), which repurchase programme has been submitted to the JSE in writing and executed by an independent third party; and
(i) the Company must publish an announcement complying with the JSE Listings Requirements when the Company has cumulatively repurchased 3% of the number of ordinary shares in issue at the time that this general authority is granted (initial repurchase), and for each successive 3% (three per cent) acquired after the initial repurchase.

Additional information in respect of Special Resolution Number 4 (share repurchase)

The directors, whose names are included on pages 22 and 23 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 4 and certify, to the best of their knowledge and belief, that there are no facts, the omission of which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

For purposes of considering Special Resolution Number 4 and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information provided below may be found in the Integrated Annual Report on the pages as indicated:

– Major shareholders (page 148)
– Share capital of the Company (page 105 of the Annual Financial Statements)

There have been no material changes in the financial position of the Group since the publication of the financial results for the period ended 30 June 2015 and the date of this notice.

OTHER BUSINESS

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

RECORD DATES

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, 25 September 2015.

The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at the Annual General Meeting is Friday, 27 November 2015, with the last day to trade being Friday, 20 November 2015.

Notice to shareholders *(continued)*

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 8 contained in this notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements.

Ordinary Resolution Number 9 and Special Resolutions Numbers 1 to 4 contained in this notice of Annual General Meeting require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements.

In accordance with the provisions of the JSE Listings Requirements, shares held in treasury or by a share trust or scheme of the Company will not be taken into account for the purposes of resolutions passed at the Annual General Meeting.

ATTENDANCE, REPRESENTATION AND VOTING

1. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the Annual General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.
2. Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. A form of proxy, together with instructions for completion, is enclosed for use by a certificated or own-name registered dematerialised shareholder requiring representation 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.
3. Duly completed forms of proxy, together with the documents conferring the authority to the signatory and under which it is signed (if any), must be delivered to be received by the Transfer Secretaries by no later than 18:00 on Monday, 30 November 2015, in accordance with the instructions attached thereto.
4. Dematerialised shareholders, other than own name registered dematerialised shareholders, who wish to attend the Annual General Meeting must instruct their Central Securities Depository Participant (CSDP) or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholder and the CSDP or broker.
5. Dematerialised shareholders, other than own name registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to vote by way of proxy must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholder and the CSDP or broker in the manner and time stipulated therein.
6. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

Electronic participation in the Annual General Meeting

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

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

By order of the Board

Lazelle Parton
Company Secretary

ANNEXURE A: ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING

1. Shareholders or their proxies that wish to participate in the Annual General Meeting by electronic communication (Participants), must apply to the Company's Transfer Secretaries to do so by delivering the form below to the offices of the Company's Transfer Secretaries (the application), being Computershare Investor Services Proprietary Limited, at any of the following addresses:
   – By telefax: 011 688 5238
   – By hand: Ground Floor, 70 Marshall Street, Johannesburg, 2001,

   by no later than **18:00 on Monday, 30 November 2015**. If a Participant does not wish to deliver the notice to the above addresses, it may also be posted, at the risk of the Participant, to Computershare Investor Services Proprietary Limited at PO Box 61051, Marshalltown, 2107, so as to be received by the Transfer Secretaries by no later than the time and date set out in this paragraph.

2. Participants must note that they will not be able to vote during the Annual General Meeting. Such Participants, should they wish to have their vote(s) counted at the Annual General Meeting, must act in accordance with the voting instructions contained in this notice of Annual General Meeting, i.e. to the extent applicable:
   (i) complete the proxy form; or
   (ii) contact their CSDP.

3. **Important notice**
   3.1 A total of 20 telecommunication lines will be available.
   3.2 Each Participant will be contacted between **08:00 and 17:00 on Tuesday, 1 December 2015**, by email and/or SMS with a code and the relevant telephone number to allow them to dial in.
   3.3 **The cost of the Participant's phone call will be for his/her own expense and will be billed separately by their own telephone service providers.**
   3.4 The cut-off time to participate in the meeting will be **18:00 on Wednesday, 2 December 2015**. No late dial-in can be accommodated.

   The application form:

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

Notice to shareholders *(continued)*

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

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

   (i) complete the proxy form; or

   (ii) contact his/her CSDP.
4. The application will only be deemed successful if this application form has been completed and fully signed by the Participant.

Shareholder name: ______________________________

Signature: ______________________________

Date: ______________________________

Directorate and Committees

DIRECTORATE

Independent Non-executive Directors

NV Maharaj (Lead Independent Director)
N Mlambo
CM Priem
WD Geach
R Hargey[6]

Non-executive Directors

A Abercrombie[1]
AW Bedford[2]

Executive Directors

H Adams (Chairman)
AE Keet (CEO)
S Petersen (Financial Director)[3]
D Pienaar (Financial Director)[4]

MEMBERS OF COMMITTEES

Audit and Risk Committee

CM Priem (Chairperson)
NV Maharaj
WD Geach

Remuneration and Nomination Committee

NV Maharaj LID (Chairperson)
AW Bedford[2]
N Mlambo
CM Priem
A Abercrombie[5]

Investment Committee

H Adams (Chairperson)
A Abercrombie
AE Keet
CM Priem
S Petersen[3]
D Pienaar[4]

Social and Ethics Committee

H Adams (Chairperson)
NV Maharaj
A Abercrombie[1]
AE Keet

1 *Designation changed from Executive Director to Non-executive with effect from 28 February 2015.*
2 *Resigned with effect from 1 February 2015.*
3 *Resigned 1 November 2014.*
4 *Appointed 1 November 2014 following the resignation of S Petersen.*
5 *Appointed on 12 May 2015.*
6 *Appointed on 1 September 2015.*

Shareholders' diary

IMPORTANT DATES

Annual General Meeting	2 December 2015

FINANCIAL REPORTS

Announcement of interim results	February
Announcement of annual results	August
Annual Financial Statements	September

Company information

Directors	H Adams (Executive Chairman)	
	A Abercrombie	
	AW Bedford	(Resigned 1 February 2015)
	R Hargey	(Appointed 1 September 2015)
	WD Geach	
	AE Keet (Chief Executive Officer)	
	NV Maharaj	
	N Mlambo	
	CM Priem	
	S Petersen (Group Financial Director)	(Resigned 1 November 2014)
	D Pienaar (Group Financial Director)	(Appointed 1 November 2014)
Nature of business	Investment holding company	
Company Secretary	LC Parton	
Public Officer	D Pienaar	
Preparer of the Annual Financial Statements	The Annual Financial Statements were prepared under supervision of GPI's Group Financial Director, D Pienaar CA(SA).	
Transfer Secretary	Computershare Investor Services (Pty) Ltd PO Box 61051 Marshalltown 2107	
Auditors	Ernst & Young Inc. PO Box 656, Cape Town, 8000	
Attorneys	Bernadt Vukic Potash & Getz PO Box 252, Cape Town, 8000	
Bankers	The Standard Bank of South Africa Ltd	
Corporate Advisors	Leaf Capital (Pty) Ltd PO Box 3377 Cape Town 8000	
Sponsors	PSG Capital (Pty) Ltd PO Box 7403 Stellenbosch 7599	
Registered office	10th Floor, 33 on Heerengracht Heerengracht Street Cape Town 8001	
Registration number	1997/003548/06	
Domicile and country of incorporation	South Africa	
Listing	JSE Limited Sector: Financial Services ISIN: ZAE000119814	

Glossary of terms

Adjusted HEPS	Adjusted headline earnings per share
ARC	Audit and Risk Committee
Afriserv	Afriserve (Pty) Ltd
AFS	Annual Financial Statements
Afripark	Afripark (Pty) Ltd
AGM	Annual General Meeting
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
BEECo	GPI Investments 1 (Pty) Ltd
BBBEE Trust	GPI Women's BBBEE Empowerment Trust
BK Centre	BK Centre (Pty) Ltd
BK Marketing	BK Marketing Fund (Pty) Ltd
BKSA	Burger King South Africa (RF) (Pty) Ltd
BK 33	BK 33 On Heerengracht (Pty) Ltd
BKC	Burger King Corporation
Board	GPI Board of Directors
BOH	Back of House
BVPG	Bernardt Vukic Potash & Getz
CEO	Chief Executive Officer
CGU	Cash-generating unit
CIPC	Companies and Intellectual Property Commission
Companies Act	Companies Act, No. 71 of 2008, as amended
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
CTC	Cost to company
DCF	Discounted cash loan
Depfin	Depfin Investments (Pty) Ltd
Dolcoast	Dolcoast Investments (Pty) Ltd (Previously Dolcoast Investments Ltd)
DWT	Dividend withholding tax
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EBTs	Electronic Bingo Terminals
EY	Ernst & Young Incorporated
Excellent Meat	Excellent Meat Burger Plant (Pty) Ltd
GGB	Gauteng Gambling Board
GGR	Gross gaming revenue
Golden Valley Casino or Worcester Casino	Worcester Casino (Pty) Ltd
GPI	Grand Parade Investments Ltd

Glossary of terms *(continued)*

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

LPM	Limited payout slot machine
Mac Brothers	Mac Brothers Catering Equipment (Pty) Ltd
MOI	Memorandum of Incorporation
Nadesons Consulting	Nadesons Consulting Services (Pty) Ltd
Nadeson Projects	Nadeson Projects (Pty) Ltd
National Manco	National Casino Resort Manco (Pty) Ltd
NAV	Net asset value
Pension Funds Act	Pension Funds Act, No. 24 of 1956
PGA	Provincial Gambling Act
Proman	Proman Project Management Services (Pty) Ltd
QSR	Quick service restaurant
RCF	Revolving credit facility
RFP	Request for proposals
Rowmoor	Rowmoor Investments 1003 (RF) (Pty) Ltd
RTT	Right track training programme
SARS	South African Revenue Services
SCM	Sanlam Capital Markets Ltd
Sibaya Casino	Afrisun KZN (Pty) Ltd
SISA	Sun International South Africa (Pty) Ltd
Slots Shared Services	Slots Shared Services (RF) (Pty) Ltd
Standard Bank	Standard Bank of South Africa Ltd
STC	Secondary tax on companies
Sun International	Sun International Ltd
SunWest	SunWest International (Pty) Ltd
Spur	Spur Corporation Ltd
Tellumat	Tellumat (Pty) Ltd
TNAV	Tangible net asset value
Tsogo Sun	Tsogo Sun Holdings Ltd
Utish	Utish Investments (Pty) Ltd
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WANAS	Weighted Average Number of Shares
WCGRB	Western Cape Gambling and Racing Board
Western Cape Manco	Western Cape Casino Resort Manco (Pty) Ltd

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GRAND PARADE
INVESTMENTS LIMITED