GRAND PARADE INVESTMENTS LIMITED

AUDITED GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

AT 30 JUNE 2020

CONTENTS

LEVEL OF ASSURANCE

These Audited Annual Financial Statements have been audited in compliance with the applicable requirement of the Companies Act (No. 71 of 2008) of South Africa.

Directors	A Abercrombie (Non-executive Chairman) appointed Chair 01 February 2020 M Tajbhai (Chief Executive Officer) appointed CEO 01 July 2019. J October (Chief Financial Officer) appointed 01 April 2020 WD Geach (Lead independent) MJ Bowman R van Dijk M Nkosi appointed 03 December 2019 R Kader appointed 01 February 2020 K Pillay resigned 21 November 2019 C Priem resigned 31 March 2020 H Adams resigned 31 January 2020
Public Officer	J October CA(SA)
Registration number	1997/003548/06
Domicile and country of incorporation	South Africa
Nature of business	Investment Holding Company
Registered office	10th Floor, 33 on Heerengracht Heerengracht Street Cape Town 8001
Preparer of the financial statements	The annual financial statements were prepared under supervision of Grand Parade Investments' (GPI) Group Financial Director, J October.
Company Secretary	Statucor (Pty) Ltd 6th Floor 119-123 Hertzog Boulevard Foreshore Cape Town 8001
Transfer Secretaries	Computershare Investor Services (Pty) Ltd P O Box 61051 Marshalltown 2107
Sponsors	PSG Capital (Pty) Ltd P O Box 7403 Stellenbosch 7600
Auditors	Ernst & Young Inc. P O Box 656 Cape Town 8000
Attorneys	Cliffe Dekker Hofmeyr P O Box 695 Cape Town 8000
Bankers	The Standard Bank of South Africa Limited Nedbank Limited

DIRECTORS RESPONSIBILITY AND APPROVAL

The Directors are responsible for the preparation of the 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) of South Africa (Companies Act) and the JSE Listing requirements.

The external auditors are responsible for conducting an independent audit of the AFS of the Group and Company in accordance with International Standards on Auditing (ISA) and reporting their opinion to shareholders. Their report is presented on pages 3 to 6.

The Directors have reviewed the Group's and Company's budget and cash flow forecast for the 12 month period from approval date. 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 22 September 2020 and are signed on its behalf by:

M TAJBHAI
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.

STATUCOR (PTY) LTD
Company Secretary
22 September 2020

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

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

J OCTOBER
Chief Financial Officer
22 September 2020

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INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF GRAND PARADE INVESTMENTS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Grand Parade Investments Limited and its subsidiaries ('the group') and company set out on page 13 to 96, which comprise of the consolidated and separate statements of financial position as at 30 June 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2020, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

The Key Audit Matters apply only to the audit of the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
Recoverability of deferred tax assets on assessed losses	
As at 30 June 2020, the Group recorded a deferred tax asset of R178 million, of which R163 million relates to assessed and estimated tax losses. The most significant contributor to the assessed loss is the Burger King Group. Disclosure relating to the deferred tax assets is included in Notes 1.6.2 and 5.3 of the consolidated financial statements. The recognition of a deferred tax asset in respect of tax losses is permitted only to the extent that there is convincing evidence that sufficient taxable income will be available against which the unused tax losses or unused tax credits can be utilised by the entity. To support that the deferred tax asset on assessed and estimated tax losses, which arise out of numerous different legal entities, can be utilised in the future management has	Our procedures comprised, amongst others, the following: • We obtained an understanding of the process followed by management when setting their store roll-out plan, including understanding how they identify the number, location and type of stores which are planned to be opened. • We obtained the revised approved store roll-out plan and compared this to the forecasts. • We evaluated, per store type, the forecast profitability of new stores by: - Segregating the stores by location and store type. - Analysing the historical taxable income for the stores opened within the last 3 years by location and store type. - Comparing management's original forecast of taxable income for the new stores opened during the

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prepared forecasts of the future taxable income per existing and planned store. The utilisation of assessed losses in the Burger King group is dependent on the opening of profitable new stores in historically poorer performing legal entities and collapsing profitable legal entities into the holding company (Burger King South Africa (RF) Proprietary Limited. The key assumptions requiring significant auditing effort in the current year, centred around the store roll-out plan, including the total number, location, and type of store to be opened which all impact the forecast profitability based on the historical performance of specific stores which also determines the timing of collapsing stores into the holding company upon utilisation. Due to the size of the assessed losses and the number of legal entities from which they arise, the recoverability of deferred tax assets on assessed losses is considered a key audit matter again in the current year given that it required significant effort to assess the detailed plans and the historical profitability of stores segregating out the factors which have determined profitability in the past.	current and prior year, to what was achieved in the respective years. - Using the above information, we corroborated the attributes (location and store type) and the historical impact they have had on profitability whilst also considering the general trends and applied this to the forecasted profitability for new stores. • For existing stores the audit team considered the subsequent events evidence after year end to support management's assumptions of the degree of recovery post lockdown (due to COVID-19) along with external forecasts on inflation and considered a "minimal inflation growth" scenario in assessing the reasonability of all of the store profitability forecasts. • We have evaluated the forecast timing of when profitable stores will be collapsed into Burger King South Africa (RF) Proprietary Limited by: - Comparing the prior year's plan to collapse legal entities to what was actually collapsed in the current year. - Inspecting that the planned timing to collapse legal entities in the current forecast matches with the forecast future profitability of each legal entity. • We tested the arithmetical accuracy of the calculations within the respective models. • We considered the prior year tax opinion obtained by management again in the current year. • We assessed the adequacy of the related disclosures in the consolidated financial statements in terms of IAS 12 *Income Taxes* including the significant judgements and estimates disclosures in note 1.6.2 and note 5.3.
Adoption of IFRS 16 *Leases*	
The Group adopted the new accounting standard on leases, IFRS 16 *Leases,* in the current year. The modified retrospective approach was applied in adopting the standard. As at 30 June 2020, right-of-use assets ("ROUA") and lease liabilities with carrying values totalling R318 million and R405 million were recognised respectively. The relevant disclosures required for these balances including the adoption impact of the standard in the current year, are disclosed in notes 1.3, 1.6 and 24 of the consolidated financial statements. The Group has a significant number of lease agreements with different terms and conditions. Initial adoption of IFRS 16 resulted in the recognition of significant ROUA's and lease liabilities. Significant audit effort was required due to the volume of lease agreements within the Group and the evaluation of the appropriateness of the lease period (which includes consideration of whether renewal options / extensions should be included). The initial adoption of IFRS 16 is considered a key audit matter due to the extent of audit effort required and the significant impact on the Group's reported results.	Our procedures comprised, amongst others, the following: • We obtained and read the Group's accounting policy and assessed it against the principles as outlined in IFRS 16 • We evaluated the initial measurement and valuation of the ROUA and the lease liabilities against the principles of IFRS 16. We re-evaluated this at 30 June 2020 as the Group applied the modified retrospective approach • We evaluated the completeness of the leases identified by management as follows: - Evaluating management's assessment of whether payments made to vendors constitute leases by agreeing a sample of vendor payments to contracts and agreements. - Comparing leases identified in the prior year to ROUA and lease liabilities recognised under IFRS 16. - For new stores opened during year, we inspected that a ROUA and lease liability was recognised. - For stores closed during the year, inspected that a ROUA and lease liability was not recognised at year end. • For all lease contracts we: - Evaluated the appropriateness of the lease periods used in the valuation, including the evaluation of any renewal options / extensions included in the lease period, by inspecting the underlying lease contracts and by assessing managements expected lease period with reference to historical and future forecast performance. - Recalculated the lease liabilities, ROUA, finance costs and depreciation. • In conjunction with the internal financial reporting specialists on our team, we assessed the adequacy of disclosures with reference to the requirements of IFRS 16 *Leases*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 100 page document titled "Grand Parade Investments Limited Audited Group and Company Annual Financial Statements for the year ended 30 June 2020", which includes the Statement of Responsibility of the Directors, Directors' Approval, Declaration by the Company Secretary, Preparation of Annual Financial Statements, Report of the Audit and Risk Committee and Report of the Directors as required by the Companies Act of South Africa. Other information also includes Appendix 1: Principal Subsidiary Companies, Appendix 2: Principal Investments, associates and joint ventures, Appendix 3: Directors Interests in Shares and Appendix 4: Analysis of ordinary shareholders, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated or separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the group or company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Grand Parade Investments Limited for 24 years.

Ernst & Young Inc.
Director: Pierre du Plessis
Registered Auditor
Chartered Accountant (SA)

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront
Cape Town
8001

22 September 2020

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. The composition of the Audit and Risk Committee of Grand Parade Investments Limited complies with all statutory requirements relating thereto including the Companies Act (No. 71 of 2008) of South Africa (Companies Act).

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

Engagement with external auditors

- nominated and recommended to shareholders the appointment of a registered auditor as the external auditor of the Company and the Group;
- satisfied itself that the external auditor is independent of GPI, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Ltd Listings Requirements. In considering whether the external auditor is independent, the Committee, in relation to the Company (and other companies within the Group), ascertained that the auditor does not receive any direct or indirect remuneration or other benefit from the company, except as auditor, or for rendering other services to the Company, to the extent permitted in terms of the Companies Act and as agreed with the Committee. The Committee also ensured compliance with other criteria relating to independence or conflict of interest as prescribed by the Independent Regulatory Board for Auditors established by the Auditing Profession Act;
- considered and approved the terms of engagement of the external auditor and the extent and scope of the audit and the timing thereof;
- prior to the commencement of the audit, determined and recommended the audit plan and audit fees to be paid to the auditor;
- ensured that the appointment of the auditor complies with the Companies Act, and other legislation relating to the appointment of the auditor; and
- determined the nature, scope and extent of any non-audit services that the auditor may provide to the Group and the fees relating to such services and satisfied itself that the nature of such services and fees relating thereto did not adversely impact on the independence of the external auditor.

Internal financial controls, and internal audit function

- evaluated the independence, effectiveness and performance of the internal audit function;
- reviewed and approved the internal audit annual work plan, as well as the quarterly internal audit report;
- reviewed the internal auditor's reports and noted the findings thereof and reported to the Board in connection therewith;
- assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year
- under review and that the results of the internal audit tests conducted indicate that the internal financial controls provided a sound basis for the preparation of financial statements;
- considered and confirmed its satisfaction with the effectiveness of the internal audit function, as well as the expertise and experience of the internal auditor.

Oversight of risk management including IT

- monitored the implementation of the Group risk policy and Group risk plan as approved by the Board and reviewed the risk management framework and made appropriate recommendations to the Board;
- reviewed and considered the report by internal audit on the integrity and robustness of the Group's risk management processes;
- reviewed and considered the status of financial, Information Technology and internal controls, for the year under review, and reviewed and accepted the reports relating thereto;
- reviewed and considered business unit risk reports presented to the Committee.

Complaints and concerns

The Committee did not receive any complaints or concerns neither from within or outside the Company, or find any concerns on its own initiative, relating to the following:

- the accounting practices and internal audit of the company;
- the content or auditing of the company's financial statements;
- the internal financial controls of the company; or
- any other matter.

Annual financial statements and reporting

- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Ltd Listings Requirements that the Group Chief Financial Officer, as well as the Group finance function, has the appropriate expertise and experience;
- 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 2019 and the audited annual results for the 2020 financial year;
- reviewed the Annual Financial Statements ('AFS'), 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 in all material respects, the AFS comply with IFRS, the JSE Listing Requirements and the Companies Act, and fairly present the results of operations, financial position, and cash flows of the Group. On this basis the Committee recommended that the Board of directors approve the annual financial statements.

The Committee is satisfied that there have been no instances of material noncompliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

The Chairman of the Audit Committee, or in his absence the other members of the Audit Committee, will attend the Annual General Meeting to answer questions falling within the mandate of the Committee.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.

W GEACH
Chairman

Audit and Risk Committee
22 September 2020

The Directors present their report on the activities of the Group and Company for the year ended 30 June 2020.

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 profit or loss of associated companies and joint ventures.

Group Earnings

Year ended	Notes	30 June 2020	30 June 2019
Headline earnings/(loss) (R'000s)	4	**(61 661)**	37 987
Continuing (R'000s)		**(54 698)**	81 551
Discontinued (R'000s)		**(6 963)**	(43 564)
- Headline (loss)/earnings per share (cents)	4	**(14.44)**	8.91
Continuing (cents)		**(12.81)**	19.13
Discontinued (cents)		**(1.63)**	(10.22)
- Diluted headline (loss)/earnings per share (cents)	4	**(14.44)**	8.88
Continuing (cents)		**(12.81)**	19.07
Discontinued (cents)		**(1.63)**	(10.19)
Basic earnings - net profit for the year (R'000s)	4	**(123 527)**	(36 137)
Continuing operations (R'000s)		**(108 830)**	73 299
Discontinued operations (R'000s)		**(14 697)**	(109 436)
- Basic earnings per share (cents)	4	**(28.93)**	(8.48)
Continuing (cents)		**(25.49)**	17.20
Discontinued (cents)		**(3.44)**	(25.68)
- Diluted earnings per share (cents)	4	**(28.92)**	(8.45)
Continuing (cents)		**(25.48)**	17.14
Discontinued (cents)		**(3.44)**	(25.59)
Dividends net of treasury shares (R'000s)		**-**	-
- ordinary dividend per share (cents)		**-**	-

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

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

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

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

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

GROUP FINANCIAL REVIEW

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

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

The main contributors to the decline in headline earnings are:

• Burger King has reported a decline in its headline earnings contribution of 317%. Adding back the effect of IFRS 16 Burger King made a small loss despite being closed for April 2020 and only operating through home delivery for May 2020. Burger King returned to full operations during June 2020 and has showed resilience during these uncertain times with sales returning to comparable levels despite a sharp decline in sit down sales.

• Mac Brothers was affected by the slow-down in the manufacturing industry in the first half of the year reporting a loss contribution of R9.6 million for the first six months. The decline in the construction and manufacturing sectors was further exacerbated by a complete shutdown of the business during the month of April and May which resulted in a decline of R40.9 million in their headline earnings contributions for the year.

• The gaming businesses were severely affected by the government imposed lockdown restrictions and remained completely shut down from April to June. Sun Slots and SunWest reported a year-on-year decline in headline earnings contribution of R24.4 million and R35.0 million respectively. Both these businesses have resumed operations during July under very strict COVID-19 operational protocols.

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

• The investment in Spur improved headline earnings contribution by R6.6 million as a result of a reduction in debt and finance-related expenses.

• Grand Foods Meat plant reduced headline loss contribution by R0.7 million.

• The savings associated with the liquidation and subsequent closure of Dunkin' Donuts and Baskin-Robbins led to a reduction in the loss contribution of Dunkin' and Baskin-Robbins of R31.4 million.

• Corporate costs before net central finance income for the period decreased by 22% to R34.1 million compared to R43.6 million in the prior year. This is largely due to the restructuring of the head office and cost cutting initiatives implemented by management at the start of the lock-down.

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

	30 June 2020	30 June 2019	Movement	
	R'000s	R'000s	R'000s	%
Food	**(60 256)**	10 454	(70 710)	-676%
Burger King	**(25 501)**	11 749	(37 250)	-317%
Mac Brothers	**(40 986)**	(212)	(40 774)	-19233%
Spur	**7 077**	512	6 565	1282%
Grand Foods Meat Plant	**(846)**	(1 595)	749	47%
Gaming	**68 954**	132 136	(63 182)	-48%
SunWest	**39 899**	74 855	(34 956)	-47%
Sun Slots	**30 744**	55 121	(24 377)	-44%
Worcester Casino	**(50)**	2 160	(2 210)	-102%
Infinity Gaming Africa	**(1 639)**	-	(1 639)	-
Central costs	**(63 396)**	(61 039)	(2 357)	-4%
Corporate Costs (excl Transaction costs, legal fees, tax and finance cost)	**(34 094)**	(43 551)	9 457	22%
Transaction costs, legal fees and taxation	**(11 475)**	(327)	(11 148)	-3409%
Net corporate finance costs	**(13 394)**	(16 932)	3 538	21%
GPI Properties	**(4 433)**	(229)	(4 204)	-1836%
Continuing operations	**(54 698)**	81 551	(136 249)	-167%
Discontinued operations	**(6 963)**	(43 564)	36 601	84%
Dunkin Donuts	**(3 549)**	(25 147)	21 598	86%
Baskin Robbins	**(1 686)**	(11 466)	9 780	85%
Grand Bakery	**(1 728)**	(6 951)	5 223	75%
Headline profit/(loss) after tax	**(61 661)**	37 987	(99 648)	-262%

Dividends
No dividends were declared and paid during the financial year.

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

		30 June 2020	30 June 2019	Movement	
		R'000s	R'000s	R'000s	%
Holding company facilities		**203 095**	**490 551**	**(287 456)**	**59%**
Sunwest	Preference shares	203 095	230 267	(27 172)	12%
Spur	Preference shares	-	260 284	(260 284)	100%
Subsidiary facilities		**54 972**	**69 800**	**(14 828)**	**21%**
GPI Properties	Term loans (Mortgage)	53 491	59 776	(6 285)	11%
Mac Brothers	Finance leases	1 125	4 267	(3 142)	74%
GF Meat Plant	Finance leases	-	5 093	(5 093)	100%
Burger King	Finance leases	356	628	(272)	43%
GPIMS	Finance leases	-	36	(36)	100%
Total Debt		**258 067**	**560 351**	**(302 284)**	**54%**
Debt/EBITDA		**5.19**	**3.37**	**1.82**	**54%**
Debt/Equity		**15.3%**	**30.3%**	**15.00%**	**49.50%**

REVIEW OF INVESTMENT OPERATIONS

FOOD

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

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

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

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

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

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

Spur

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

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

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

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

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

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

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

OTHER

Central Costs

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

Share Capital

No new shares were issued or bought back during the period. Details of the share and the share capital of the Company both authorised and issued have been disclosed in *Note 28* of the Consolidated Annual Financial Statements.

Treasury shares

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

Preference shares

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

Borrowings

The terms of Group's borrowings are fully disclosed in *Note 23* of the Consolidated Annual Financial Statements. In terms of the Memorandum of Incorporation of the Company and its subsidiaries, the borrowing powers of the Directors of these companies are unlimited.

Capital Commitments

Details of the Group's capital commitments are disclosed in Note *31* 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

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

Particulars of the present Directors and Company Secretary are given on page 1.

Directors' interest in contracts

Details of the directors' interests in contracts and transactions with the Group are disclosed in Note 8 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.

The Board has performed a review of the Group's ability to continue trading as a going concern in the foreseeable future and, based on this review, consider that the presentation of the financial statements on this basis is appropriate.

There are no pending or threatened legal or arbitration preceding's which have had or may have a material effect on the financial position of the Group.

Refer to note 33.

Related parties

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2020. Details of related parties and transactions are disclosed in *Note 9* of the Consolidated Annual Financial Statements.

Subsequent Events

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

Burger King South Africa and Grand Foods Meat plant

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

Sun Slots

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

Properties

33 Heerengracht Property

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

N1 City

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

No 3 Epping Circle

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

INAV

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

Company	Valuation method	EV less debt R'000	GPI Holding %	GPI Equity Value R'000	Related holding co R'000	Intrinsic NAV R'000
Food Investments				**675 005**		**675 005**
Burger King	ECP Transaction	510 000	95.78%	488 478	-	488 478
Grand Foods Meat Plant	ECP Transaction	18 000	100.00%	18 000	-	18 000
Mac Brothers	DCF	25 000	100.00%	25 000	-	25 000
Spur	Spot	1 842 452	7.79%	143 527	-	143 527
Gaming and leisure				**1 327 116**	**(204 000)**	**1 123 116**
Other Investments				**159 000**	**(53 491)**	**105 509**
GPI Properties	Independent Appraisal	159 000	100.00%	159 000	(53 491)	105 509

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

PROSPECTS

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

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

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

GRAND PARADE INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

		2020	2019
Continuing Operations	**Note**	**R'000s**	R'000s
Revenue	10.2	**1 312 326**	1 409 418
Cost of Sales		**(709 005)**	(739 077)
Gross Profit		**603 321**	670 341
Operating costs		**(561 601)**	(626 129)
Profit from operations		**41 720**	44 212
Profit from equity-accounted investments	11.1	**69 395**	132 021
Expected credit losses		**(2 906)**	2 400
Loss on sale of investment	16.4.1	**(9 050)**	-
Impairment of assets	11.5	**(10 799)**	(8 933)
Impairment of goodwill	17.2	**(38 598)**	-
Depreciation	11.2	**(95 016)**	(55 044)
Amortisation	20.2	**(6 814)**	(3 790)
(Loss)/profit before finance costs and taxation		**(52 068)**	110 866
Finance income	12	**5 343**	6 535
Finance costs	13	**(76 988)**	(59 430)
(Loss)/profit before taxation		**(123 713)**	57 971
Taxation	5.2	**11 903**	14 885
(Loss)/profit for the period from continuing operations		**(111 810)**	72 856
Discontinued operations			
Loss for the period from discontinued operations	14.3	**(14 697)**	(109 436)
Loss for the period		**(126 507)**	(36 580)
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss		**(13 686)**	(75 882)
Realised fair value adjustments on investments held at fair value through OCI	22.4.1	**26 525**	-
Unrealised fair value adjustments on investments held at fair value through OCI	22.4.1	**(40 211)**	(75 882)
Total comprehensive loss for the period		**(140 193)**	(112 462)
(Loss)/profit for the period from continuing operations attributable to:			
- Ordinary shareholders		**(108 830)**	73 299
- Non-controlling interest	16.2	**(2 980)**	(443)
Loss for the period from discontinued operations attributable to:			
- Ordinary shareholders	14.3	**(14 697)**	(109 436)
- Non-controlling interest		**-**	-
		(126 507)	(36 580)
Total comprehensive loss from continuing operations attributable to:			
- Ordinary shareholders		**(122 516)**	(2 583)
- Non-controlling interest	16.2	**(2 980)**	(443)
Total comprehensive loss from discontinued operations attributable to:			
- Ordinary shareholders	14.3	**(14 697)**	(109 436)
- Non-controlling interest		**-**	-
		(140 193)	(112 462)
		Cents	Cents
Basic loss per share	4.5	**(28.93)**	(8.48)
Continuing operations	4.5	**(25.49)**	17.20
Discontinued operations	4.5	**(3.44)**	(25.68)
Diluted loss per share	4.5	**(28.92)**	(8.45)
Continuing operations	4.5	**(25.48)**	17.14
Discontinued operations	4.5	**(3.44)**	(25.59)

GRAND PARADE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

	Note	2020 R'000s	2019 R'000s
ASSETS			
Non-current assets		**2 278 699**	2 070 370
Investments in jointly controlled entities	15.2.1	**612 911**	634 198
Investments in associates	15.3.1	**375 608**	382 092
Investments held at fair value through OCI	22.4.1	**143 527**	189 523
Goodwill	17.2	**55 104**	93 702
Investment properties	18.2	**7 599**	7 599
Property, plant and equipment	19.2.1	**566 263**	578 947
Intangible assets	20.2	**21 952**	29 215
Right-of-use assets	24.2.2	**318 192**	-
Deferred tax assets	5.3	**177 543**	155 094
Assets classified as held for sale	21.2	**43 959**	36 193
Current assets		**329 010**	577 462
Inventory	26.2	**64 313**	76 034
Related party receivable	9	**22 975**	21 467
Trade and other receivables	22.3.1	**122 576**	109 186
Investments held at fair value through OCI	22.4.1	**-**	228 868
Income tax receivable	30.2	**1 917**	7 920
Cash and cash equivalents	22.2.1	**117 229**	133 987
Total assets		**2 651 668**	2 684 025
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity		**1 719 347**	1 881 937
Ordinary share capital	28.1.3	**798 586**	798 586
Treasury shares	28.2.2	**(153 962)**	(166 286)
Accumulated profit		**1 205 929**	1 401 781
Investments held at fair value reserve	22.4.2	**(132 120)**	(154 229)
Share based payment reserve		**914**	2 085
Non controlling-interest	16.2	**(32 980)**	(30 000)
Total shareholders' equity		**1 686 367**	1 851 937
Non-current liabilities		**575 165**	284 644
Preference shares	23.2	**183 696**	225 190
Interest-bearing borrowings	23.3	**16 703**	52 276
Finance lease liabilities	24.1.5	**-**	1 301
Lease liabilities	24.1.3	**364 682**	-
Provisions	27.2	**8 377**	634
Deferred tax liabilities	5.3	**1 707**	5 243
Current liabilities		**390 136**	547 444
Preference shares	23.2	**19 399**	265 361
Interest-bearing borrowings	23.3	**36 788**	7 500
Finance lease liabilities	24.1.5	**-**	8 723
Lease liabilities	24.1.3	**40 103**	-
Provisions	27.2	**7 719**	13 659
Trade and other payables	23.4	**178 824**	179 773
Dividends payable	30.3	**10 129**	10 405
Income tax payable	30.2	**888**	494
Bank overdraft	22.2.2	**96 286**	61 529
Total equity and liabilities		**2 651 668**	2 684 025

GRAND PARADE INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Ordinary share capital (Note 28.1.3) R'000s	Treasury shares (Note 28.2.2) R'000s	Accumulated profits R'000s	Financial asset fair value reserve (Note 22.4.2) R'000s	Share based payment reserve R'000s	Non-controlling interest (Note 16.2) R'000s	Total equity R'000s
Balance at 30 June 2018	798 586	(166 286)	1 431 892	(78 347)	10 010	(29 557)	1 966 298
IFRS 9 transition adjustment	-	-	(864)	-	-	-	(864)
Total comprehensive income/(loss) for the year	-	-	(36 137)	(75 882)	-	(443)	(112 462)
- Profit/(loss) for the year from continuing operations	-	-	73 299	-	-	(443)	72 856
- Loss for the year from discontinued operations	-	-	(109 436)	-	-	-	(109 436)
- Other comprehensive loss	-	-	-	(75 882)	-	-	(75 882)
Share-based payment reserve expense	-	-	-	-	489	-	489
Share options lapsed	-	-	6 890	-	(8 414)	-	(1 524)
Balance at 30 June 2019	**798 586**	**(166 286)**	**1 401 781**	**(154 229)**	**2 085**	**(30 000)**	**1 851 937**
IFRS 16 transition adjustment	**-**	**-**	**(33 879)**	**-**	**-**	**-**	**(33 879)**
Total comprehensive income/(loss) for the year	**-**	**-**	**(123 527)**	**(13 686)**	**-**	**(2 980)**	**(140 193)**
- (Loss) for the year from continuing operations	**-**	**-**	**(108 830)**	**-**	**-**	**(2 980)**	**(111 810)**
- Loss for the year from discontinued operations	**-**	**-**	**(14 697)**	**-**	**-**	**-**	**(14 697)**
- Other comprehensive loss	**-**	**-**	**-**	**(13 686)**	**-**	**-**	**(13 686)**
Treasury shares allocated to employees	**-**	**12 324**	**(4 464)**	**-**	**(1 791)**	**-**	**6 069**
Share based payment reserve expense	**-**	**-**		**-**	**2 433**	**-**	**2 433**
Share options lapsed	**-**	**-**	**1 813**	**-**	**(1 813)**	**-**	**-**
Disposal of Atlas Gaming Holdings			**(1 493)**	**1 493**			**-**
Disposal of Spur			**(34 302)**	**34 302**			**-**
Balance at 30 June 2020	**798 586**	**(153 962)**	**1 205 929**	**(132 120)**	**914**	**(32 980)**	**1 686 367**

GRAND PARADE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2020

	Note	**2020 R'000s**	2019 R'000s
Cash flows from operating activities			
Net cash generated from operations	30.1	**40 933**	22 167
Income tax received/(paid)	30.2	**5 511**	(1 425)
Finance income received	12	**5 375**	6 635
Net cash inflow from operating activities		**51 819**	27 377
Cash flows from investing activities			
Acquisition of property, plant and equipment (excluding land and buildings)		**(85 671)**	(98 268)
Acquisition of investment properties	18.2	**-**	(585)
Acquisition of intangibles	20.2	**(6 380)**	(4 881)
Investments made	30.4	**-**	(7 164)
Disposal of subsidiary	16.4.1	**(1 231)**	-
Proceeds from disposal of property, plant and equipment and intangible assets		**3 670**	4 020
Proceeds from disposal of non-current assets-held-for-sale		**3 847**	-
Consideration received from the disposal of investments	22.4.1	**260 354**	-
Dividends received	30.5	**112 922**	140 585
Net cash inflow from investing activities		**287 511**	33 707
Cash flows from financing activities			
Dividends paid	30.3	**(276)**	(11)
Proceeds from employees on settlement of share awards		**6 069**	-
Preference share redemption	30.6	**(228 338)**	(32 000)
Repayment of Interest-bearing loans	30.6	**(7 500)**	(7 365)
Repayment of finance leases	30.6	**-**	(14 996)
Repayment of lease liabilities	30.6	**(29 207)**	-
Finance costs		**(131 593)**	(44 938)
Net cash outflow from financing activities		**(390 845)**	(99 310)
Net decrease in cash and cash equivalents		**(51 515)**	(38 226)
Cash and cash equivalents at the beginning of the year		**72 458**	110 684
Total cash and cash equivalents at the end of the year		**20 943**	72 458
Total cash and cash equivalents at year end comprises of:		**20 943**	72 458
Cash and cash equivalents	22.2.1	**117 229**	133 987
Bank overdraft	22.2.2	**(96 286)**	(61 529)

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 financial statements are presented in South African Rands, which is also the functional currency of the Group, 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 except where otherwise stated.

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.

1.2 Statement of compliance

These Group Annual Financial Statements have been prepared in accordance with the framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS), Interpretations issued by the International Accounting Standards Board, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA financial reporting guides as issued by the Accounting Practices Committee, the JSE Listing Requirements and the requirements of the Companies Act, 71 of 2008 of South Africa.

1.3 Changes in accounting policies

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

1.3.1 IFRS 16 Leases

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

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

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

The Group has lease contracts for various items of property, equipment and motor vehicles. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 24.1.1 Leases for the accounting policy prior to 1 July 2019.

1.3 Changes in accounting policies (continued)

1.3.1 IFRS 16 Leases (continued)

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 24.1.2 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

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

Leases previously accounted for as operating leases

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

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

1.3.2 Transition effects on the Statement of Financial Position:

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

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

1.3 Changes in accounting policies (continued)

1.3.2 Transition effects on the Statement of Financial Position:

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

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

1.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2020 and for 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 intra-group balances, transactions, income, expenses and unrealised profits and losses resulting from intra-group 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:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary;
- de-recognises 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 income as appropriate.

1.5 Business combinations

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.

1.5 Business combinations (continued)

If a business combination is achieved in stages, the previously held equity interest is re-measured 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 re-measured until it is finally settled in equity.

Goodwill is calculated as 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.

1.6. Significant accounting judgements and estimates

In the preparation of the 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.
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

1.6.1. 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 programs, 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 19.

1.6.2. 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.

Deferred tax is provided for on unutilised assessed losses of the Group based on forecasts made by management that provide convincing evidence that the utilisation thereof is probable. Management has prepared a forecast for each statutory entity in a cummulative tax loss position, based on the up-to-date market assumptions as well as using the experience gained in the prior years.

1.6. Significant accounting judgements and estimates (continued)

1.6.2. Deferred tax assets (continued)

The most significant factors in achieving forecast profits, and therefore the utilisation of the deferred tax assets reflected in the consolidated annual financial statements are:

- Continued revenue growth per Burger King store in line with the most recent store openings;
- Maintaining the expected rate of store openings of between 10 - 15 stores;
- Improved cost control, achieved through the benefit of economies of scale from the larger group as well as efficiencies gained from experience;
- Taxable profit per store in line with the most recent stores opened;
- The closure of stores that are loss making and not expected to become profitable within a reasonable period of time; and
- The continued allocation of profit-generating stores per statutory entity so as to utilise assessed losses within the relevant statutory entities within a reasonable period of time.

Any significant changes in these factors over the coming years could result in a potential material impact to the recoverability of the asset.

1.6.3. Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit 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 CGU's are disclosed and further explained in Note 17.

1.6.4. 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 of share-based awards 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 7.

1.6.5. Jointly controlled entities and associates

The Group has classified its 15.1% economic interest in SunWest as jointly-controlled entities based on the voting interest the Group has through contractual agreements with the other shareholders in those investments to manage and control the business jointly.

In assessing the level of influence held by GPI in respect of Worcester Casino, the voting rights in Worcester Casino as well as the extent of board representation are evaluated. With 15.1% of votes and 2 of 4 board members, management considers their relationship to be one of significant influence as they are able to participate in the policy-making processes, including participation in decisions about dividend distribution. Therefore, the Group's investment in Worcester Casino is considered to be an associate.

1.6.6. Determining the lease term of contracts with renewal and termination options:

Group as lessee

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

The Group has various lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

1.6. Significant accounting judgements and estimates (continued)

1.6.7 Incremental borrowing rates

The measurement of lease liabilities utilises an Incremental borrowing rate (IBRs) where the interest rate implicit in the contract cannot be determined. The IBR is specific to the asset, start date and term of the relevant lease agreement and is based on a number of inputs including the prime lending rate, the repo rate and a credit risk adjustment.

1.6.8 Assets classified as held for sale and discontinued operations.

Non-current assets (or disposal group) are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. For the sale to be highly probable it must be significantly more likely than probable. Probable is defined as more likely than not.

Discontinued operations are a component of the Group that has either been disposed of, or classified as held for sale.

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

1.7 Cost of sales

Food and Equipment

When inventories are sold, the carrying amount of those inventories are 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.

1.8 Leases

1.8.1 Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

The Group has entered into commercial property leases relating to parts of the buildings it owns. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

1.8.2 Group as a Lessee

Refer to Note 24.

1.9 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.

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.

1.11 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.

1.12 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.

1.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. Standards and interpretations

2.1 Standards issued and effective for the current reporting period

The accounting policies adopted by the Group are consistent with the previous financial year. The group adopted all standards and amendments that became effective in the current period of which IFRS 16 (*Leases*) is the most significant.

For more information regarding the adoption and implementation of these standards refer to Note 1.3.

2.2 Standards issued not yet effective

At the date of authorisation of these 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 3 - Business Combinations	01 Jan 2020	Definition of Business: The amendments: o confirmed that a business must include inputs and a process, and clarified that: – the process must be substantive; and – the inputs and process must together significantly contribute to creating outputs. o narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and o added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. This amendment is unlikely to have a material impact on the Group.
IFRS 3 - Business Combinations	01 Jan 2022	Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. This amendment is unlikely to have a material impact on the Group.
IFRS 7 Financial Instruments: Disclosures	01 Jan 2020	Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting. o The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. o In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. This amendment is unlikely to have a material impact on the Group.

2. Standards and interpretations (continued)

2.2 Standards issued not yet effective (continued)

Standard	Effective date - annual periods commencing on or after	Effect of change
IFRS 9 Financial Instruments	01 Jan 2020	Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting. o The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. o In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. This amendment is unlikely to have a material impact on the Group.
IFRS 9 Financial Instruments	01 Jan 2022	Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in assessing whether to derecognise a financial liability. This amendment is unlikely to have a material impact on the Group.
IAS 1 Presentation of Financial Statements	01 Jan 2020	Disclosure Initiative: The amendments clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. This amendment is unlikely to have a material impact on the Group.
IAS 1 Presentation of Financial Statements	01 Jan 2022	Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. This amendment is unlikely to have a material impact on the Group.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 Jan 2020	Definition of Material: The amendments clarify and align the definition of ‘material’ and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. This amendment is unlikely to have a material impact on the Group.
IAS 16 Property, Plant and Equipment	01 Jan 2022	Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. This amendment is unlikely to have a material impact on the Group.
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	01 Jan 2022	Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity’s assessment whether a contract will be loss-making. This amendment is unlikely to have a material impact on the Group.
IAS 39 Financial Instruments: Recognition and Measurement	01 Jan 2020	Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting. o The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. o In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. This amendment is unlikely to have a material impact on the Group.

3. Segment analysis

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

	External Revenue		Inter- segment revenue (1)		Cost of sales		Operating costs (2)		Equity accounted earnings		EBITDA (3)	
	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's
Food	1 310 908	1 431 708	7 506	28 303	(709 005)	(758 229)	(521 552)	(626 244)	-	-	80 351	49 637
Burger King	1 028 976	1 034 179	-	119	(482 375)	(467 901)	(449 650)	(512 233)	-	-	96 951	53 673
Mac Brothers	125 605	198 059	7 506	26 933	(97 547)	(136 833)	(53 019)	(59 969)	-	-	(24 961)	4 029
Spur	14 086	23 734	-	-	-	-	(212)	(295)	-	-	13 874	23 439
Grand Food Meat Plant	142 241	153 049	-	-	(129 083)	(134 343)	(11 674)	(15 328)	-	-	1 484	3 377
Dunkin Donuts	-	15 849	-	-	-	(11 947)	(3 567)	(23 975)	-	-	(3 567)	(20 072)
Baskin Robbins	-	6 838	-	-	-	(7 205)	(1 701)	(8 055)	-	-	(1 701)	(8 421)
Bakery	-	-	-	1 251	-	-	(1 729)	(6 389)	-	-	(1 729)	(6 388)
Gaming and leisure	-	-	-	-	-	-	-	-	69 395	132 021	69 395	134 133
SunWest	-	-	-	-	-	-	-	-	39 869	74 750	39 869	74 750
Sun Slots	-	-	-	-	-	-	-	-	31 255	55 159	31 255	55 159
Worcester Casino	-	-	-	-	-	-	-	-	(90)	2 112	(90)	2 112
Infinity Gaming Africa	-	-	-	-	-	-	-	-	(1 639)	-	(1 639)	2 112
Group costs	1 418	397	58 414	92 765	-	-	(47 044)	(38 216)	-	-	(45 626)	(37 819)
GPI Properties	316	306	17 482	22 081	-	-	1 248	6 171	-	-	1 564	6 477
Central costs (4)	1 102	91	40 932	70 684	-	-	(48 292)	(44 387)	-	-	(47 190)	(44 296)
	1 312 326	1 432 105	65 920	121 068	(709 005)	(758 229)	(568 596)	(664 460)	69 395	132 021	104 120	145 951

	Impairments of assets and goodwill		Depreciation & Amortisation		Finance Income		Finance Costs		Net profit/(loss) after tax		Total Assets		Total Liabilities	
	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's	2020 R000's	2019 R000's
Food	(57 060)	(74 805)	(99 932)	(66 546)	1 150	1 518	(53 939)	(31 518)	(121 154)	(107 652)	1 402 836	1 289 002	(751 113)	(563 420)
Burger King	(7 418)	(8 933)	(88 781)	(52 282)	1 039	988	(40 695)	(5 158)	(29 549)	3 720	1 065 000	690 707	(610 245)	(213 453)
Mac Brothers	(41 908)	-	(7 960)	(2 490)	-	-	(6 020)	(1 656)	(83 168)	(1 494)	127 844	111 243	(112 726)	(62 543)
Spur	-	-	-	-	26	64	(6 780)	(22 974)	7 106	512	143 648	413 051	(109)	(260 384)
Grand Food Meat Plant	-	-	(3 191)	(3 659)	52	366	(443)	(1 680)	(846)	(1 595)	55 537	57 160	(25 398)	(25 374)
Dunkin Donuts	(498)	(39 389)	-	(4 780)	18	49	(1)	(49)	(4 047)	(64 263)	4 379	6 635	(1 501)	(110)
Baskin Robbins	59	(15 551)	-	(2 770)	15	48	-	(1)	(1 627)	(26 650)	474	2 072	(537)	(507)
Bakery	(7 295)	(10 932)	-	(565)	-	3	-	-	(9 023)	(17 882)	5 954	8 134	(597)	(1 049)
Gaming and leisure	-	-	-	-	-	-	-	-	69 395	132 021	988 519	1 016 290	-	-
SunWest	-	-	-	-	-	-	-	-	39 869	74 750	612 911	634 198	-	-
Sun Slots	-	-	-	-	-	-	-	-	31 255	55 159	352 095	353 839	-	-
Worcester Casino	-	-	-	-	-	-	-	-	(90)	2 112	23 482	28 253	-	-
Infinity Gaming Africa	-	-	-	-	-	-	-	-	(1 639)	-	31	-	-	-
Group costs	(71)	-	(1 898)	(1 198)	4 225	5 117	(23 049)	(27 961)	(74 748)	(60 949)	260 313	378 733	(214 188)	(268 668)
GPI Properties	(35)	-	(1 395)	(1 171)	96	65	(5 537)	(6 516)	(2 290)	(229)	169 933	178 111	(77 917)	(75 468)
Central costs (4)	(36)	-	(503)	(27)	4 129	5 052	(17 512)	(21 445)	(72 458)	(60 720)	90 380	200 622	(136 271)	(193 200)
	(57 131)	(74 805)	(101 830)	(67 744)	5 375	6 635	(76 988)	(59 479)	(126 507)	(36 580)	2 651 668	2 684 025	(965 301)	(832 088)

(1) Transactions between segments are concluded at arms length.
(2) Certain costs are presented pre elimination of intergroup charges and net profit is after these eliminations.
(3) EBITDA excludes inter-segment revenue, impairments and expected credit loses.
(4) Included in Central costs of 2019 is a R9.5m impairment of the Leratadima receivable.

4 Basic and diluted earnings per share

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

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

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

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

	2020 R'000s Gross	2020 R'000s Net	2019 R'000s Gross	2019 R'000s Net
4.1 Reconciliation of the loss for the year attributable to ordinary shareholders				
Basic and diluted (loss)/earnings per share reconciliation				
Loss profit for the year		**(126 507)**		(36 580)
- Continuing operations		**(111 810)**		72 856
- Discontinued operations		**(14 697)**		(109 436)
Non-controlling interest		**2 980**		443
Loss for the year attributable to ordinary shareholders		**(123 527)**		(36 137)
No adjustments have been made to basic earnings in the calculation of diluted earnings.				
4.2 Reconciliation of headline (loss)/earnings for the year				
Loss for the year attributable to ordinary shareholders		**(123 527)**		(36 137)
Continuing operations:				
Loss on sale of investments	**9 050**	**9 050**		-
Impairment of goodwill	**38 598**	**38 598**		-
Impairment of right-of-use assets	**7 213**	**5 870**		
Impairment of intangible assets	**105**	**76**		
Impairment of property, plant and equipment	**3 481**	**2 283**	8 933	8 138
Profit on disposal of property, plant, equipment and intangibles	**(1 722)**	**(1 305)**	-	-
Adjustments by equity-accounted investments	**(611)**	**(440)**	158	114
(Profit)/Loss on disposal of plant and equipment	**(611)**	**(440)**	158	114
Discontinued operations:				
Impairment of assets held for sale	**7 734**	**7 734**	65 872	65 872
Total Headline (loss)/profit		**(61 661)**		37 987
Total Headline (loss)/profit				
- Continuing operations		**(54 698)**		81 551
- Discontinued operations		**(6 963)**		(43 564)
		(61 661)		37 987

	000s	000s
4.3 Reconciliation of WANOS - net of treasury shares		
Shares in issue at beginning of the year	**426 223**	426 223
Treasury shares issued to employees	**697**	-
	426 920	426 223
4.4 Reconciliation of diluted WANOS - net of treasury shares		
WANOS in issue - net of treasury shares	**426 920**	426 223
Effects of dilution from:		
Share options	**154**	1 435
Diluted WANOS in issue - net of treasury shares	**427 074**	427 658

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

5 Taxation

5.1 Accounting policy

5.1.1 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 at 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.

5.1.2 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 generally 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. 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.

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.

Unrecognised deferred tax assets are re-evaluated at the reporting date and are recognised to the extent that management expects there to be taxable profit available in the foreseeable future against which the asset can be utilised. The carrying amount of deferred tax assets are also 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 at 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.

The Group offsets deferred tax assets and deferred tax liabilities only when they are levied by the same taxation authority and are within the same legal entity and that entity has a legally enforceable right to set off current tax assets and liabilities.

	Notes	2020 R'000s	2019 R'000s
5 Taxation (continued)			
5.2 Taxation expense			
South African normal tax			
– current year expense		**880**	2 002
– prior year over/(under) provision		**-**	-
Deferred tax gain		**(12 783)**	(16 978)
		(11 903)	(14 976)
The tax expense is made up of:			
- Continuing operations		**(11 903)**	(14 885)
- Discontinued operations	14.3	**-**	(91)
		(11 903)	(14 976)
		%	%
Standard rate		**28.00**	28.00
Exempt income [1]		**39.61**	84.59
Non-deductible expenses [2]		**(19.59)**	(21.08)
Assessed loss rerecognised		**-**	18.60
Assessed loss not recognised [3]		**(39.42)**	(81.06)
Effective tax rate		**8.60**	29.05

[1] Exempt income pertains mostly to dividends received and equity accounted earnings

[2] Non-deductible expenses pertains to other expenses disallowed under the apportionment basis as well as on impairments of investments.

[3] Assessed losses within the group is only recognised to the extent that there is expected to be taxable income in the future against which it can be utilised.

	R'000s	R'000s
5.3 Deferred taxation		
Deferred tax assets	**177 543**	155 094
Deferred tax liabilities	**(1 707)**	(5 243)
	175 836	149 851
The deferred tax balance is made up as follows:		
Operating lease	**3 569**	9 089
Assessed losses	**162 937**	154 983
Provisions and accruals	**9 897**	5 496
Prepayments	**(2 389)**	(1 806)
Property, plant and equipment	**(25 619)**	(17 911)
Right-of-use asset	**(84 819)**	-
Lease liabilities	**112 260**	-
	175 836	149 851

		2020	2019
5	**Taxation (continued)**	**R'000s**	R'000s
5.3	**Deferred taxation (continued)**		
	Reconciliation of net deferred tax asset		
	Opening balance - 1 July	**149 851**	132 537
	IFRS 9 transition adjustment	**-**	336
	IFRS 16 transition adjustment	**13 202**	-
	Tax for the period recognised in the statement of comprehensive income	**12 783**	16 978
	Operating lease	**4 014**	471
	Assessed losses (1)	**7 954**	16 833
	Provisions and accruals	**5 701**	2 040
	Prepayments	**(1 240)**	582
	Property, plant and equipment	**(15 136)**	(2 948)
	Right-of-use asset	**8 768**	-
	Lease liability	**2 722**	-
	Closing balance - 30 June	**175 836**	149 851

(1) Refer to note 1.6.2 for significant estimates and judgements applied

(2) Deferred tax assets relating to unused tax losses of R247m (2019: R198m) have not been recognised. These losses do not expire. Deferred tax assets relating to deductible temporary differences of R132m (2019: R154m) have not been recognised, refer to Note 22.4.2.

6 Employee benefits

6.1 Accounting policy

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 is based on a minimum service period of 5 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 Fund 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 is 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.

6 Employee benefits (continued)

6.2 Directors emoluments

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

[1] Long-term benefits relate to defined retirement contributions.
[2] C Priem resigned as executive directors and financial director 31 March 2020, emoluments are for 9 months.
[3] J October was appointed financial director on 1 April 2020, emoluments are for 3 months.
[4] H Adams resigned as executive director on 30 June 2019 and was appointed non-executive director and chairman on 1 July 2019 and resigned as chairman and non-executive director on 31 January 2020.
[5] A Abercrombie was appointed chairman on 1 February 2020.
[6] K Pillay resigned as non-executive director on 21 November 2019.
[7] M Nkosi was appointed non-executive director on 3 December 2019
[8] R Kader was appointed non-executive director on 1 February 2020

6 Employee benefits (continued)

6.2 Directors emoluments (continued)

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

[1] Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.
[2] Long-term benefits relate to defined retirement contributions.
[3] P Moodley was appointed 1 August 2018 and resigned as chief executive officer and executive director on 07 December 2018.
[4] M Tajbhai was appointed as executive director on 28 November 2018. Director's emoluments are for 7 months.
[5] C Priem was appointed as chief financial officer at 1 July 2018.
[6] R Hargey was removed as non-executive director on 05 December 2018
[7] N Maharaj resigned as non-executive director on 30 April 2019
[8] N Mlambo was removed as non-executive director on 05 December 2018
[9] M Bowman and R van Dijk were appointed as non-executive directors on 05 December 2018
[10] Non-executive chairman from 1 July 2019
[11] Lead independent from 09 September 2019

7 Share based payments

7.1 Accounting Policy

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. 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 comprehensive income 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 11.4).

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 grant date fair value of the unmodified reward. 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 4. 4).

7.2 Reconciliation of GPI share options granted in terms of the Grand Parade Share Incentive Trust

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

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

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

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

[3] M Tajbhai was appointed as executive director on 28 November 2018.
[4] C Priem was appointed as chief financial officer on 1 July 2018

7 Share based payments (continued)

7.3 Share options per strike price held at 30 June.

2020

Date granted	Strike price R	M Tajbhai 000s	C Priem 000s	Total 000s
09 September 2019	**2.80**	**911**	**804**	**1 715**
02 July 2018	**2.04**	**-**	**1 471**	**1 471**
01 November 2018	**2.26**	**1 504**	**-**	**1 504**
Sub-total		**2 415**	**2 275**	**4 690**

2019

Date granted	Strike price R	H Adams 000s	M Tajbhai 000s	C Priem 000s	Total 000s
26 September 2017	2.61	2 378	-	-	2 378
02 July 2018	2.04	-	-	1 471	1 471
27 August 2018	1.86	3 263	-	-	3 263
01 November 2018	2.26	-	1 504	-	1 504
Sub-total		5 641	1 504	1 471	8 616

7.4 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 7.1* 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 volume weighted average price (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 scheme shall not exceed 46.9 million. The following are the salient features of the share options granted:

1) 5 year vesting period commencing on the grant date and vests in 4 equal tranches.
2) The first tranche vests on the 2nd anniversary of the Option Grant Date and annually thereafter for 3 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.

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

2020	Number 000s	Weighted exercise price R	Total value R'000s
Outstanding at beginning of the year	**8 850**	**2.33**	**20 654**
Granted during the year	**1 715**	**2.80**	**4 802**
Exercised during the year	**(3 263)**	**1.86**	**(6 069)**
Lapsed during the year	**(2 612)**	**2.98**	**(7 784)**
Outstanding at end of the year	**4 690**	**2.47**	**11 603**
Exercisable at the end of the year	**-**	**-**	**-**

Outstanding options	Exercise date 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 R2.04	**1 471**	**-**	**-**	**1 471**
Options with exercise price from R2.26	**376**	**1 128**	**-**	**1 504**
Options with exercise price from R2.80	**804**	**911**	**-**	**1 715**
	2 651	**2 039**	**-**	**4 690**

7 Share based payments (continued)

7.4 IFRS 2 share based payment reserve (continued)

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

	Number	Weighted exercise price	Total value
2019	**'000s**	**R**	**R'000s**
Outstanding at beginning of the year	5 084	4.09	20 810
Granted during the year	6 238	2.00	12 476
Exercised during the year	-	-	-
Forfeited during the year	(2 472)	5.11	(12 632)
Outstanding at end of the year	8 850	2.33	20 654
Exercisable at the end of the year	-	-	-

	Exercise date within one year	Exercise date from two to five years	Exercise date after five years	Total
Outstanding options	**000s**	**000s**	**000s**	**000s**
Options with exercise price from R6.33	114	-	-	114
Options with exercise price from R7.21	120	-	-	120
Options with exercise price from R2.61	594	1 784	-	2 378
Options with exercise price from R2.04	-	1 471	-	1 471
Options with exercise price from R1.86	-	3 263	-	3 263
Options with exercise price from R2.26	-	1 504	-	1 504
	828	8 022	-	8 850

7.4.2 Information on options granted during the year

During the prior year the Group granted 1.71 million options to key employees of the Group. These options were granted on the 9th of September 2019. 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 09 September 2019:

	31-Mar-20	09-Sep-21	09-Sep-22	09-Sep-23	09-Sep-24
- Weighted fair value per option granted (cents)	54	52	60	69	74
- Weighted average share price per GPI share (cents)	285	285	285	285	285
- Exercise price (cents)	280	280	280	280	280
- Expected volatility	31.33%	29.98%	28.91%	30.08%	29.32%
- Dividend yield	4.00%	4.00%	4.00%	4.00%	4.00%
- Risk free interest rate	6.69%	6.48%	6.56%	6.67%	6.80%

7.4.3 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:

1) Implied volatility from traded share options on the entities shares;
2) Historical volatility of GPI and peers' share price over the most recent period that is commensurate with the expected term of the option;
3) The length of time the entity’s shares have been publicly traded;
4) The tendency of volatility to revert to its mean; and
5) Appropriate and regular intervals for price observations.

Total expense of R2.4 million (2019: R0.5 million income), relating to equity-settled share-based payments transactions were recognised during the year.

8 Related party transactions

8.1 Transactions between group companies

The Group in the ordinary course of business entered into various transactions with related parties. Any intra-group 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 9 of the Consolidated Annual Financial Statements.

8.2 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
H Adams	Afriserv (Pty) Ltd	74.64% Shareholder (indirect)
	Nadeson Consulting Services (Pty) Ltd	37.50% Shareholder (Indirect)
	Nadesons Investments (Pty) Ltd	93.30% Shareholder
	Nadeson Projects (Pty) Ltd	30.00% Shareholder
	Proman Project Management Services (Pty) Ltd	37.50% Shareholder (Indirect)
	Risk Benefit Solutions (Pty) Ltd	23.42% Shareholder (indirect)
C Priem	Afriserv (Pty) Ltd	20.00% Shareholder (Indirect)
M Tajbhai	Nadeson Consulting Services (Pty) Ltd	5.00% Shareholder

Afriserv (Pty) Ltd

Afriserv provided office cleaning and security services to the Group to the value of R3.6m during the year (2019: R6.4m).

Nadeson Consulting Services (Pty) Ltd

Nadeson Consulting provided consulting services to the Group during the year to the value of R0.8m (2019: R Nil).

Nadeson Projects (Pty) Ltd

Nadeson Projects did not provide any services to the group in the current or prior year.

Proman Project Management Services (Pty) Ltd

Proman Project Management Services provided services of R0.01m to the Group during the current year (2019: R0.01m). The services provided to the Group during the current and prior year are for the development of Burger King stores.

Risk Benefit Solutions (Pty) Ltd

Risk Benefit Solutions provided insurance underwriting services to the Group during the current year to the value of R4.8m (2019: R5.1m).

Burger King Europe GmbH is the non-controlling shareholder of Burger King, all related party transaction with them are disclosed in Note 20.

8.3 Key management

The key management personnel compensation is as follows:	**2020 R'000s**	2019 R'000s
- Short-term employee benefits	**16 512**	24 919
- Long-term employee benefits	**914**	1 117
- Share based payment expense	**1 390**	489
	18 816	26 525

	2020	2019
8 Related party transactions (continued)	**R'000s**	R'000s
8.4 Employee Loans		
- H Adams	**18 185**	18 185

Refer to Note 9 for more details.

8.5 Directors Fees from Group investments

Certain of the Directors received Director 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.

2020	**SunWest**	**Worcester**	**SunSlots**	**Total**
	R'000	**R'000**	**R'000**	**R'000**
H Adams	**96**	**17**	**-**	**113**
A Abercrombie	**64**	**34**	**186**	**284**
	160	**51**	**186**	**397**

2019	**SunWest**	**Worcester**	**SunSlots**	**Total**
	R'000	**R'000**	**R'000**	**R'000**
H Adams	105	22	-	127
A Abercrombie	76	42	202	320
N Mlambo	57	-	-	57
	238	64	202	504

9 Related party receivable

	2020	2019
	R'000s	R'000s
- H Adams [(1)]	**18 185**	18 185
- Infinity Gaming Africa[(2)]	**4 790**	-
- Atlas Gaming Holdings [(3)]	**-**	3 282
Total gross current assets	**22 975**	21 467
Impairment of loans receivable	**-**	-
Total net current assets	**22 975**	21 467

None of the above related party loans are past due.

[(1)] At 30 June 2020, H. Adams' loan was secured by the 5 250 692 (2019: 5 250 692) GPI ordinary shares purchased by him under the rules of the Employee Share Scheme, the market value of which was R12.4m (2019: R16.0 million). The loan was due 30 June 2020 based on the mutual separation agreement however a new agreement, bearing interest, was signed subsequent to year-end which has extended the due date to 30 June 2021. As part of the amended agreement, the loan is secured by an additional 2 934 592 (2019: Nil) GPI Ordinary shares pledged to the Group.

[(2)] The receivable relates to inventory and is the residual of the original loan to Atlas Gaming Africa after the sale of the investment in Atlas Gaming Africa. Refer to Note 16.4.

[(3)] The loan is denominated in Australian dollars. This loan accrues interest at 10% per annum. The loan was settled during the current year as part of the Sale of Atlas Gaming Holdings, refer to Note 16.4.

10 Revenue

10.1 Accounting policy

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services.

The Group's revenue is disaggregated into Revenue from contracts with customers (i.e. food sales, meat sales and equipment sales), rental income, dividend income and other revenue.

The basis, on which each material revenue stream is recognised, is set out below:

Food sales
Food sales are generated through quick-service restaurants. Revenue from the sale of food is recognised at the point in time when control of the asset is transferred to the customer, the date the sale is made.

Meat sales
Revenue from the sale of meat is recognised at the point in time when control of the asset is transferred to the customer i.e. the date on which the meat is delivered to the customer.

Equipment Sales
Equipment sales are generated through the manufacturing of hospitality equipment. Revenue from the sale of equipment is recognised at the point in time when control of the asset is transferred to the customer i.e. the date on which when practical works completion is approved.

Dividend received
Dividend received is recognised in profit or loss when the right to receive payment is established, this date is published together with the information regarding the dividend declared by the investee.

Rental income
Rental income is derived from the letting of property. Rental income is straight lined over the lease term, in terms of an operating lease per IFRS 16

10.2 Disaggregation of revenue

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

* Other income includes SETA income and Youth wage subsidy.

11 Profit from operations before finance costs and taxation from continuing operations

Profit before finance cost and taxation is stated after:

	Notes	2020 R'000s	2019 R'000s
11.1 Profit from equity accounted investments		**69 395**	132 021
Sunwest	15.2.1	**39 869**	74 750
Sun Slots	15.3.1	**31 255**	55 159
Worcester Casino	15.3.1	**(90)**	2 112
Infinity Gaming Africa	15.3.1	**(1 639)**	-
11.2 Operating expenses:			
Depreciation		**(95 016)**	**(55 044)**
- Property, plant and equipment	19.2.1	**(48 487)**	(55 044)
- Right-of-use asset	24.2.2	**(46 529)**	-
Amortisation	20.2	**(6 814)**	(3 790)
Operating lease rentals of premises		**(3 546)**	(63 382)
- Contingent leases		**(3 546)**	(4 606)
- Straight lined leases		**-**	(58 776)
Profit on disposal of property plant and equipment and intangibles		**1 722**	-
11.3 Auditors remuneration			
Audit fees		**(7 627)**	(6 632)
- Current year		**(7 137)**	(5 430)
- Prior year		**(490)**	(1 202)
11.4 Staff costs		**(232 908)**	(256 639)
- Salaries and wages		**(214 131)**	(227 337)
- Directors remuneration	6.2	**(10 343)**	(20 746)
- Share based payments (expense)/income	6.2	**(2 433)**	(489)
- Provident fund contributions		**(6 001)**	(8 067)
11.5 Impairment of assets		**(10 799)**	(8 933)
Property, plant and equipment	19.2.2	**(3 481)**	(8 933)
Intangible assets	20.2	**(105)**	-
Right-of-use assets	24.2.2	**(7 213)**	-

12 Finance income

	Notes	2020 R'000s	2019 R'000s
Short-term cash deposits		**5 343**	6 535

13 Finance costs

	Notes	2020 R'000s	2019 R'000s
- Preference shares – interest	30.6	**(24 197)**	(43 739)
- Interest bearing borrowings	30.6	**(5 509)**	(6 488)
- Finance lease liabilities		**-**	(1 698)
- Lease liabilities	30.6	**(37 858)**	-
- Provisions		**(2 542)**	-
- Bank overdraft		**(6 882)**	(7 505)
		(76 988)	(59 430)

14 Discontinued Operations

14.1 Accounting policy

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

* Represents a separate major line of business or geographical area of operations
* Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
* Is a subsidiary acquired exclusively with a view to resale

Where a disposal group is to be abandoned, the Group presents the results and cash flows of the disposal group as discontinued operations at the date on which it ceases to be used.

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 the statement of comprehensive income.

14.2 Operations discontinued

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

The results of discontinued operations are presented below:

14.3 Results of discontinued operations	Notes	2020 R'000s	2019 R'000s
Revenue		**-**	22 687
Cost of Sales		-	(19 152)
Gross Profit		**-**	3 535
Operating costs		**(6 995)**	(38 331)
Loss from operations		**(6 995)**	(34 796)
Impairment of land and buildings	19.2.2	**-**	(10 500)
Impairment of property, plant, equipment	19.2.2	**-**	(38 771)
Impairment of intangible assets	20.2	-	(16 601)
Impairment of assets held-for-sale	21.2.2	**(7 734)**	-
Depreciation	19.2.1	**-**	(5 080)
Amortisation	20.2	**-**	(3 830)
Loss before finance costs and taxation		**(14 729)**	(109 578)
Finance income		**32**	100
Finance costs		**-**	(49)
Loss before taxation		**(14 697)**	(109 527)
Taxation		-	91
Loss for the period		**(14 697)**	(109 436)

14.4 Cash flows from/(used in) discontinued operations	2020 R'000s	2019 R'000s
Net cash used in operating activity	**(3 787)**	(41 341)
Net cash generated from/(used in) investing activity	**3 847**	(946)
Net cash (used in)/generated from financing activity	**-**	(447)
Net cash flow for the year	**60**	(42 734)

	Notes	2020 R'000s	2019 R'000s
14 Discontinued Operations (continued)			
14.5 Impairment of assets			
Impairment of land and buildings [1]	19.2.2	**-**	(10 500)
Impairment of property, plant, equipment [2]	19.2.2	**-**	(38 771)
Impairment of intangible assets [3]	20.2	**-**	(16 601)
Impairment of inventory [2]	26.2	**-**	(4 188)
Impairment of assets held-for-sale [4]	21.2.2	**(7 734)**	-

[1] The building from where the Bakery operated was impaired in the prior year before being transferred to assets held for sale.

[2] In the prior year Dunkin and Baskin-Robbins' asset classes such as property, plant and equipment, and inventory were impaired assuming a recovery of between 5c to 10c in the rand during liquidation.

[3] In the prior year intangible assets were fully impaired as the value can not be recovered through sale.

[4] Final impairment of Dunkin and Baskin assets before it was auctioned off, as well as additional impairment on the Bakery building due to the current economic environment, refer to Note 21.2.3

15 Investment in jointly controlled entities and associates

15.1 Accounting policy

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 amongst 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 results 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 or 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 or associates in excess of the Group's interest therein (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 or associates. If a joint venture or associate subsequently reports profits, the Group resumes recognising it 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 indicators exist, 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 indicators exist, the Group estimates the investment in joint venture or associate's 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 associates, the Group recognises its share of any changes and discloses this, where applicable, in other comprehensive income or in the statement of changes in equity.

15 Investment in jointly controlled entities and associates (continued)
15.1 Accounting policy (continued)

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. Joint ventures and associates are equity-accounted until the date on which the Group ceases to have joint control or significant influence over the investment. 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.

15.2 Investment in jointly controlled entities

The Group's investments of 15.1% (2018: 15.1%) in SunWest has been classified as a jointly controlled entity. SunWest holds 100% of Grandwest Casino and Entertainment World and 100% of the Table Bay Hotel. Their principal place of business is in Western Cape, South Africa.

15.2.1 Reconciliation of carrying value	Notes	**2020 R'000s**	2019 R'000s
Carrying amount of the investment - 1 July		**634 198**	625 882
Profit from jointly controlled entities	11.1	**39 869**	74 750
Dividends received		**(61 156)**	(66 434)
Carrying amount of the investment - 30 June		**612 911**	634 198

15.2.2 Investment in jointly controlled entity's financial results

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 entity which is accounted for using the equity method.

Summarised statement of profit or loss and other comprehensive income		
Revenue	**1 811 424**	2 534 985
Cost of sales and operating costs	**(1 252 072)**	(1 598 538)
Depreciation and amortisation	**(121 137)**	(173 490)
Finance income	**8 153**	27 576
Finance cost	**(76 051)**	(96 951)
Profit before tax	**370 317**	693 582
Taxation	**(106 285)**	(198 541)
Profit for the year	**264 032**	495 041
Summarised statement of financial position		
Non-current assets	**1 175 204**	1 292 802
Current assets excluding cash and cash equivalents	**43 659**	25 522
Cash and cash equivalents included in current assets	**24 059**	127 201
Non-current liabilities (excluding trade and other payables and provisions)	**(81 568)**	(354 556)
Current liabilities (excluding trade and other payables and provisions)	**(809 021)**	(554 993)
Current trade and other payables and provisions	**(190 292)**	(232 962)
Equity	**162 041**	303 014

	2020 R'000s	2019 R'000s
15 Investment in jointly controlled entities and associates (continued)		
15.2 Investment in jointly controlled entities (continued)		
15.2.3 Reconciliation between Investment in jointly controlled entity's equity and carrying value		
SunWest's total equity	**162 041**	303 014
Group's proportionate interest	**15.1%**	15.1%
Group's proportionate share of equity	**24 468**	45 755
Goodwill	**588 443**	588 443
Carrying amount of the investment	**612 911**	634 198

15.3 Investments in associates

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

Investment	Effective Holding 2020	Effective Holding 2019	Description of business
Worcester Casino [(1)]	**15.10%**	15.10%	Worcester Casino holds 100% of the Golden Valley Casino situated in Worcester
Sun Slots [(1)]	**30.00%**	30.00%	Sun Slots operates limited pay-out machines throughout the country under different brands.
Infinity Gaming Africa [(2)]	**26.04%**	-	Infinity Gaming Africa sells limited pay-out machines throughout the country under different brands.

[(1)] There has been no change in the %-holding of these investments during the current year.
[(2)] For more information on the acquisition of the investment in Infinity Gaming Africa refer to Note 16.4.

15.3.1 Reconciliation of carrying value of Investment in associate

	Notes	Sun Slots 2020 R'000s	Sun Slots 2019 R'000s	Worcester Casino 2020 R'000s	Worcester Casino 2019 R'000s	Infinity Gaming Africa 2020 R'000s	Infinity Gaming Africa 2019 R'000s	Total 2020 R'000s	Total 2019 R'000s
Carrying amount of the investment - 1 July		**353 840**	348 205	**28 252**	28 557	**-**	-	**382 092**	376 762
Acquisition of investment	16.4.1	**-**	-	**-**	-	**1 670**	-	**1 670**	-
Profit/(loss) from associates	11.1	**31 255**	55 159	**(90)**	2 112	**(1 639)**	-	**29 526**	57 271
Dividends received		**(32 999)**	(48 000)	**(4 681)**	(2 417)	**-**	-	**(37 680)**	(50 417)
Reversal of share based payment reserve		**-**	(1 524)	**-**	-	**-**	-	**-**	(1 524)
Carrying amount of the investment - 30 June		**352 096**	353 840	**23 481**	28 252	**31**	-	**375 608**	382 092

15.3.2 Investment in associates' financial results

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

	Sun Slots 2020 R'000s	Sun Slots 2019 R'000s	Worcester Casino 2020 R'000s	Worcester Casino 2019 R'000s
Summarised statement of profit or loss and other comprehensive income				
Revenue	**989 529**	1 236 103	**126 819**	165 678
Cost of sales and operating costs	**(754 997)**	(919 693)	**(115 708)**	(137 699)
Depreciation and amortisation	**(86 253)**	(56 463)	**(12 700)**	(15 631)
Finance income	**13 106**	8 852	**1 770**	1 665
Finance cost	**(16 172)**	(11 158)	**(390)**	(178)
Profit/(loss) before tax	**145 213**	257 641	**(209)**	13 835
Taxation	**(41 030)**	(73 780)	**(384)**	150
Profit/(loss) for the year	**104 183**	183 861	**(593)**	13 985

15 Investment in jointly controlled entities and associates (continued)

15.3 Investments in associates (continued)

15.3.2 Investment in associates' financial results (continued)

	Sun Slots		Worcester Casino	
	2020	2019	**2020**	2019
	R'000s	R'000s	**R'000s**	R'000s
Summarised statement of financial position				
Non-current assets	**678 297**	678 297	**153 901**	161 876
Current assets excluding cash and cash equivalents	**67 582**	67 582	**4 742**	5 622
Cash and cash equivalents included in current assets	**79 911**	79 911	**1 898**	19 886
Non-current liabilities (excluding trade and other payables and provisions)	**(37 113)**	(34 589)	**(8 582)**	(11 524)
Current liabilities (excluding trade and other payables and provisions)	**(161 155)**	(106 553)	**(8 692)**	4 510
Current trade and other payables and provisions	**(90 576)**	(141 889)	**(14 341)**	(19 845)
Equity	**536 946**	542 759	**128 926**	160 525

15.3.3 Reconciliation between Investment in associates' equity and carrying value

	Sun Slots		Worcester Casino		Total	
	2020	2019	**2020**	2019	**2020**	2019
	R'000s	R'000s	**R'000s**	R'000s	**R'000s**	R'000s
Investment in associates' equity	**536 946**	542 759	**128 926**	160 525	**665 872**	703 284
Group's proportionate interest	**30.00%**	30.00%	**15.10%**	15.10%		
Group's proportionate share of equity	**161 084**	162 828	**19 468**	24 239	**180 552**	187 067
Goodwill	**191 012**	191 012	**4 013**	4 013	**195 025**	195 025
Carrying amount of the investment	**352 096**	353 840	**23 481**	28 252	**375 577**	382 092

16 Investment in Subsidiaries

16.1 Accounting policy

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 intra-group balances, transactions, income, expenses and unrealised profits and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

16.2 Subsidiaries with material non-controlling interest

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

Non-controlling interest	**2020**	2019
Accumulated losses of non-controlling interests:	**R'000s**	R'000s
Burger King South Africa (Pty) Ltd - Group	**32 980**	30 000
Loss allocated to non-controlling interest:		
Burger King South Africa (Pty) Ltd - Group	**2 980**	443

16 Investment in Subsidiaries (continued)

16.3 Summarised financial information of subsidiaries with material non-controlling interest (continued)

Burger King South Africa (Pty) Ltd

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

	2020	2019
	R'000s	R'000s
Portion of equity interest held by non-controlling interests:		
Burger King South Africa (Pty) Ltd	**8.90%**	8.90%

The summarised financial information of the Burger King South Africa - Group is provided below. This information is based on amounts before inter-company eliminations.

	2020	2019
Summarised statement of profit or loss and other comprehensive income		
Revenue	**1 028 976**	1 034 298
Cost of sales and operating costs	**(937 846)**	(994 070)
Operating income	**91 130**	40 228
Depreciation and amortisation	**(92 749)**	(56 533)
Finance income	**1 028**	968
Finance expense	**(47 090)**	(5 157)
Loss before tax	**(47 681)**	(20 494)
Tax	**13 653**	15 518
Loss after tax	**(34 028)**	(4 976)
Total loss attributable to		
- Ordinary shareholder	**(31 048)**	(4 533)
- Non-controlling interests	**(2 980)**	(443)
Summarised statement of financial position		
Non-current assets	**918 506**	580 266
Current assets	**146 494**	110 441
Non-current liabilities	**(351 269)**	(916)
Current liabilities	**(894 026)**	(805 386)
Equity	**(180 295)**	(115 595)
Total equity attributable to:		
- Ordinary shareholder	**(147 315)**	(85 595)
- Non-controlling interest	**(32 980)**	(30 000)
Summarised statement of cash flow information		
Operating	**106 806**	93 040
Investing	**(87 686)**	(108 710)
Financing	**(14 209)**	(6 836)
Net decrease in cash and cash equivalents	**4 911**	(22 506)

	2020	2019
16 Investment in Subsidiaries (continued)	**R'000s**	R'000s

16.4 Disposal of subsidiary

On 29 August 2017, the Group entered into a share swap agreement with DRGT International SARL, for its 4.95% holding in Atlas Gaming Holdings ("AGH") and its 100% holding in Atlas Gaming Africa ("AGA") in exchange for a 26.04% stake in DRGT's local wholly-owned subsidiary Infinity-e Gaming Africa ("IGA"). This swap is subject to certain conditions precedent, including SARB approval, all conditions precedent were met in July 2019. Infinity-e Gaming Africa is an industry-leading gaming systems supplier servicing licensed customers in Africa and the Indian Ocean islands.

16.4.1 Disposal of Investments

	2020	2019
Atlas Gaming Africa net asset value		
Intangible assets	**6 192**	-
Inventory	**3 971**	-
Trade and other receivables	**45**	-
Cash and cash equivalents	**1 231**	-
Income tax receivable	**6**	-
Trade and other payables	**(43)**	-
GPI's share of net assets disposed of	**11 402**	-
Loan with Infinity Gaming Africa	**(4 790)**	
Investment held in Atlas Gaming Holdings	**826**	
Loan with Atlas Gaming Holdings	**3 282**	
	10 720	-
Fair value of 26.04% of Infinity Gaming Africa[1]	**1 670**	-
Loss on disposal of Atlas Gaming Africa	**(9 050)**	**-**

[1] Refer to Note 15.3.1 for more details regarding the investment in Infinity Gaming Africa.

17 Goodwill

17.1 Accounting policy

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 of a business combination.

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.

17 Goodwill

17.2 Reconciliation of goodwill

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

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

[(1)] Refer to Note 17.3.1 for details regarding the impairment.

[(2)] Burger King purchased a store from a franchisee on 01 February 2019. The store was purchased for a total consideration of R7.1 million, with identifiable assets of R5.9 million resulting in a Goodwill of R1.2 million.

17 Goodwill (continued)

17.3 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.

17.3.1 Mac Brothers

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

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

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

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

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

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

17 Goodwill (continued)

17.3 Goodwill impairment testing (continued)

17.3.2 Grand Foods Meat Plant

The annual impairment test was performed on the CGU and it was determined that the value-in-use amount was higher than the carrying amount and therefore no impairment loss has been recognised. Subsequent to year end, the Group signed a binding offer to sell all the Group's shares in Burger King (95.36%) and Grand Foods Meat Plant (100%) to ECP Africa Fund IV LLC. The sale is subject to shareholder approval and certain conditions precedent. The consideration for Grand Foods Meat Plant per the binding offer is R23.0 million less debt. Sale at this value would result in full impairment of the goodwill balance of R53.9 million. Refer also to note 32.

	2020	2019
Pre-tax discount rate applied to projections	**24.51%**	24.04%
Growth rate used to extrapolate cash flows beyond five years	**5.00%**	5.00%

Analysis illustrating the sensitivity of the value in use calculation to the key assumptions:

	Rate	**Headroom/(impairment)**
Revenue	13.10%	
Revenue growth plus 0.5%	13.60%	5 659
Revenue growth less 0.5%	12.60%	(5 369)
EBITDA	3.30%	
EBITDA plus 0.5%	3.80%	13 352
EBITDA less 0.5%	2.80%	(13 154)
WACC	19.20%	
WACC plus 0.5%	19.70%	(2 577)
WACC less 0.5%	18.70%	2 967
TERMINAL GROWTH RATE	5.00%	
Terminal growth rate plus 0.5%	5.50%	2 627
Terminal growth rate minus 0.5%	4.50%	(2 257)

Revenue growth rates - The revenue growth rates used in the cash flow projections have been based on the growth in demand arising from continued roll-out of new Burger King stores and the 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 borrowings the Group is obliged to service. Specific risks associated with the CGU is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

EBITDA growth - The growth rates used in the cash flow projections have been based on the growth in revenue as well as relevant performance.

Terminal growth rates - The terminal growth rates have been based on the long term growth forecasts.

18 Investment property

18.1 Accounting policy

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

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

The useful lives are as follows:

Land and buildings	- 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 above.

18.2 Reconciliation of investment property

	Industrial Buildings	Total
2020	**R'000s**	**R'000s**
Cost	**7 599**	**7 599**
Accumulated depreciation	**-**	**-**
Carrying value at 1 July 2019	**7 599**	**7 599**
Additions	**-**	**-**
Carrying value at 30 June 2020	**7 599**	**7 599**
Made up of:		
Cost	**7 599**	**7 599**
Accumulated depreciation	**-**	**-**
2019		
Cost	7 014	7 014
Accumulated depreciation	-	-
Carrying value at 1 July 2018	7 014	7 014
Additions	585	585
Carrying value at 30 June 2019	7 599	7 599
Made up of:		
Cost	7 599	7 599
Accumulated depreciation	-	-

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

The property is currently vacant and held for capital appreciation, the property incurred expenses to the value of R0.4 million (2019: R0.5 million)

18.3 Fair value of investment properties carried at cost

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

			2020		2019	
			Fair Value	**Carrying Value**	Fair Value	Carrying Value
Property	Class	Location	**R'000s**	**R'000s**	R'000s	R'000s
Erf 33997, Goodwood	Industrial Building	Goodwood	**7 599**	**7 599**	7 885	7 599

The fair value of investment property is classified as level 3 in the fair value hierarchy.

The property and its value-forming attributes are benchmarked against the current market and fair consideration is then made in order to indicate what value the property may realise in the broader investment or end-user market based on the principal of willing buyer and willing seller.

Inputs and assumptions used include property nature/use, building grade, lettable area. Competent property management, reasonably stable economic conditions and stable interest rates which influence real-estate value are assumed. It is assumed that, on lease expiry, the rental achievable from the property may increase if the rent has lagged the market or revert to market if the rent is higher than market.

The fair value is based on recent market valuations performed.

19 Property, plant and equipment

19.1 Accounting policy

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.

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 15 years
Land and buildings	- 20 years
Plant and equipment: Food Group	- 5 to 15 years
Lift, Generators and security systems	- 5 to 15 years

19 Property, plant and equipment

19.2.1 Reconciliation of property, plant and equipment

2020	**Computer equipment**	**Furniture & fittings**	**Leasehold improvements**	**Motor vehicles**	**Plant & equipment**	**Premises soft furnishings**	**Projects under development**	**Land & buildings [1]**	**Plant & equipment: Food Group**	**Total**	
	R'000s	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**Notes**
Cost	**34 977**	**34 450**	**9 619**	**11 526**	**87 008**	**294 958**	**4 019**	**143 920**	**306 952**	**927 429**	
Accumulated depreciation and impairment	**(24 442)**	**(23 820)**	**(912)**	**(7 743)**	**(42 103)**	**(114 417)**	**(1 340)**	**(18 524)**	**(115 181)**	**(348 482)**	
Carrying value at 1 July 2019	**10 535**	**10 630**	**8 707**	**3 783**	**44 905**	**180 541**	**2 679**	**125 396**	**191 771**	**578 947**	
IFRS 16 adoption transfers to right-of-use assets	**-**	**-**	**-**	**(2 880)**	**(23 182)**	**-**	**-**	**-**	**-**	**(26 062)**	24.2.2
Carrying value at 1 July 2019 post IFRS 16 adoption	**10 535**	**10 630**	**8 707**	**903**	**21 723**	**180 541**	**2 679**	**125 396**	**191 771**	**552 885**	
Additions	**6 344**	**3 076**	**-**	**-**	**2 456**	**31 792**	**1 742**	**-**	**40 261**	**85 671**	
Disposals	**(269)**	**(58)**	**(41)**	**-**	**-**	**(371)**	**-**	**-**	**(677)**	**(1 416)**	
Transfers to non-current assets held for sale	**-**	**-**	**-**		**-**	**-**	**-**	**(18 909)**	**-**	**(18 909)**	21.2.1
Depreciation	**(4 915)**	**(1 966)**	**-**	**(2)**	**(3 922)**	**(18 662)**	**-**	**(351)**	**(18 669)**	**(48 487)**	11.2
Impairment	**-**	**-**	**-**	**-**	**(103)**	**(2 866)**	**-**	**-**	**(512)**	**(3 481)**	19.2.2
Carrying value at 30 June 2020	**11 695**	**11 682**	**8 666**	**901**	**20 154**	**190 434**	**4 421**	**106 136**	**212 174**	**566 263**	
Made up of:											
Cost	**39 084**	**36 846**	**9 578**	**3 984**	**47 133**	**282 433**	**4 421**	**108 511**	**317 115**	**849 105**	
Accumulated depreciation and impairment	**(27 389)**	**(25 164)**	**(912)**	**(3 083)**	**(26 979)**	**(91 999)**	**-**	**(2 375)**	**(104 941)**	**(282 842)**	

The depreciation reflected above is made up of:		
- Continuing operations	**(48 487)**	11.2
- Discontinued operations	**-**	14.3
	(48 487)	

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

19 Property, plant and equipment (continued)

19.2.1 Reconciliation of property, plant and equipment

2019	**Computer equipment**	**Furniture & fittings**	**Leasehold improvements**	**Motor vehicles**	**Plant & equipment**	**Premises soft furnishings**	**Projects under development**	**Land & buildings (1)**	**Plant & equipment: Food Group**	**Total**	**Notes**
	R'000s	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	
Cost	30 631	31 388	9 619	12 316	84 506	258 386	1 535	170 315	265 075	863 771	
Accumulated depreciation and impairment	(21 848)	(17 971)	(912)	(6 442)	(33 449)	(68 219)	-	(7 673)	(73 640)	(230 154)	
Carrying value at 1 July 2018	8 783	13 417	8 707	5 874	51 057	190 167	1 535	162 642	191 435	633 617	
Additions	5 654	4 079	-	324	2 385	36 195	3 072	-	46 559	98 268	
Additions through business combinations	376	333	-	-	135	377	-	-	4 382	5 603	
Disposals	(451)	(488)	-	(134)	(18)	-	-	-	(2 929)	(4 020)	
Transfers to non-current assets held for sale	(1 233)	(862)	-	(980)	-	-	(588)	(26 395)	(6 135)	(36 193)	21.2.1
Depreciation	(2 470)	(5 849)	-	(1 225)	(8 233)	(15 961)	-	(351)	(26 035)	(60 124)	
Impairment	(124)	-	-	(76)	(421)	(30 237)	(1 340)	(10 500)	(15 506)	(58 204)	19.2.2
Carrying value at 30 June 2019	10 535	10 630	8 707	3 783	44 905	180 541	2 679	125 396	191 771	578 947	
Made up of:											
Cost	34 977	34 450	9 619	11 526	87 008	294 958	4 019	143 920	306 952	927 429	
Accumulated depreciation and impairment	(24 442)	(23 820)	(912)	(7 743)	(42 103)	(114 417)	(1 340)	(18 524)	(115 181)	(348 482)	

The depreciation reflected above is made up of:		
- Continuing operations	(55 044)	11.2
- Discontinued operations	(5 080)	14.3
	(60 124)	

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

	Notes	2020 R'000s	2019 R'000s
19 Property, plant and equipment (continued)			
19.2.2 Impairment:			
The impairment reflected above is made up of:			
- Continuing operations	11.5	**(3 481)**	(8 933)
- Discontinued operations		-	(49 271)
		(3 481)	(58 204)

Continuing operations:

The assets impaired all relate to the Food division, Burger King. The impairment relates to the assets of 2 stores that were closed during the year that could not be transferred to another store. The assets were fully impaired to Nil carrying value.

Impairment per category:	2020 R'000s	2019 R'000s
Computer Equipment	-	(124)
Motor vehicles	-	(76)
Plant & equipment	**(103)**	(251)
Premises soft furnishings	**(2 866)**	(8 128)
Plant & equipment Food division	**(512)**	(354)
	(3 481)	(8 933)

Discontinuing operations:

The fixed assets impaired in the prior year related to Dunkin Donuts® and Baskin-Robbins® who are in liquidation, the assets were impaired to the fair value less cost to sell expected to be achieved at the auction held on 22 August 2019. The land and buildings impaired relate to the Bakery building which was impaired to the fair value less cost to sell and was transferred to Non-current assets held for sale, refer to Note 21.2

Impairment per category:	Notes	2020 R'000s	2019 R'000s
Plant & equipment		-	(170)
Premises soft furnishings		-	(22 108)
Projects under development		-	(1 340)
Plant & equipment: Food Division		-	(15 153)
	14.5	-	(38 771)
Land and buildings (Bakery building)	14.5	-	(10 500)
		-	(49 271)

20 Intangible assets

20.1 Accounting policy

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. Intangibles are amortised over the useful life on a straight line basis. 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. An intangible asset 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.

20 Intangible assets (continued)
20.1 Accounting policy (continued)

The useful lives are as follows:

Master franchise licence	- 20 years
Franchise licences	- 5 to 10 years
Computer software	- 3 years

20.2 Reconciliation of intangible assets

2020	Master franchise licence R000's	Franchise licences R000's	Computer software R000's	Total R000's	Notes
Cost	**18 101**	**26 826**	**23 065**	**67 992**	
Accumulated amortisation and impairment	**(16 408)**	**(10 665)**	**(11 704)**	**(38 777)**	
Carrying value at 1 July 2019	**1 693**	**16 161**	**11 361**	**29 215**	
Additions	**-**	**4 328**	**2 052**	**6 380**	
Disposal	**-**	**(237)**	**(6 487)**	**(6 724)**	
Amortisation	**(225)**	**(2 508)**	**(4 081)**	**(6 814)**	11.2
Impairment	**-**	**-**	**(105)**	**(105)**	11.5
Carrying value at 30 June 2020	**1 468**	**17 744**	**2 740**	**21 952**	
Made up of:					
Cost	**2 572**	**27 568**	**14 613**	**44 753**	
Accumulated amortisation and impairment	**(1 104)**	**(9 824)**	**(11 873)**	**(22 801)**	
Amortisation reflected above is made up of:					
- Continuing operations				**(6 814)**	11.2
- Discontinued operations				**-**	14.3
				(6 814)	
Impairment reflected above is made up of:					
- Continuing operations				**(105)**	11.5
- Discontinued operations				**-**	
				(105)	

2019	Master franchise licence R000's	Franchise licences R000's	Computer software R000's	Total R000's	
Cost	18 101	24 665	20 374	63 140	
Accumulated amortisation and impairment	(2 230)	(5 287)	(7 039)	(14 556)	
Carrying value at 1 July 2018	15 871	19 378	13 335	48 584	
Additions		2 161	2 720	4 881	
Disposal	-	-	(29)	(29)	
Amortisation	(850)	(2 997)	(3 773)	(7 620)	
Impairment	(13 328)	(2 381)	(892)	(16 601)	
Carrying value at 30 June 2019	1 693	16 161	11 361	29 215	
Made up of:					
Cost	18 101	26 826	23 065	67 992	
Accumulated amortisation and impairment	(16 408)	(10 665)	(11 704)	(38 777)	
Amortisation reflected above is made up of:					
- Continuing operations				(3 790)	11.2
- Discontinued operations				(3 830)	14.3
				(7 620)	
Impairment reflected above is made up of:					
- Continuing operations				-	
- Discontinued operations				(16 601)	14.3
				(16 601)	

20 Intangible assets (continued)

20.2 Reconciliation of intangible assets (continued)

At 30 June 2020, the Group's intangible assets are made up of a master franchise licence, franchise licences, and computer software and no internally generated or indefinite useful life intangibles have been recognised.

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. Costs of R15.5 million was incurred to acquire a Master Franchise Development agreement for the right to trade under the brand names of Dunkin Donuts® and Baskin-Robbins® in South Africa. The Master Franchise Development agreement for Dunkin Donuts® and Baskin-Robbins® has been fully impaired in the prior year due to the liquidation of the companies. There were no other movements during the year.

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' leases. The franchise licence fees for Dunkin Donuts® and Baskin-Robbins® were fully impaired in the prior year due to the liquidation of the companies. There were no other movements during the year.

Computer software:

The computer software of Dunkin Donuts® and Baskin-Robbins® were fully impaired in the prior year due to the liquidation of the companies.

21 Non-current assets held for sale

21.1 Accounting policy

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 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 in the statement of financial position.

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.

21.2 The assets included in non-current assets held for sale are as follows:

Non-current assets	Notes	2020 R'000s	2019 R'000s
Land and buildings	21.2.1	**38 009**	26 395
Property, plant and equipment	21.2.2	**5 950**	9 798
		43 959	36 193

21.2.1 Reconciliation of land and buildings

Opening balance - 1 July [(1)]		**26 395**	-
Transfers from property, plant and equipment [(2)]	19.2.1	**18 909**	26 395
Impairment [(3)]	21.2.3	**(7 295)**	-
Closing balance - 30 June		**38 009**	26 395

21.2.2 Reconciliation of property, plant and equipment

Opening balance - 1 July		**9 798**	-
Transfers from property, plant and equipment [(4)]		**-**	9 798
Disposals [(5)]		**(3 409)**	-
Impairment [(6)]	21.2.3	**(439)**	-
Closing balance - 30 June [(1)]		**5 950**	9 798

21.2.3 Impairment of non-current assets-held-for-sale

Land and buildings	21.2.1	**(7 295)**	-
Property, plant and equipment	21.2.2	**(439)**	-
	14.5	**(7 734)**	**-**

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

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

[(3)] The impairment relates to the Bakery building which was impaired to align the carrying value to the fair value determined by the valuation of the property on 30 June 2020. For more information regarding the valuation methods refer to Note 18.3.

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

[(5)] Dunkin Donuts and Baskin-Robbins's property, plant and equipment was auctioned off on 22 August 2019 and sold for R2.5 million and R 1.3 million respectively.

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

22 Financial instruments - financial assets

22.1 Accounting policy

i) Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to Note 10.1, Revenue recognition.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii) Subsequent measurement of financial assets

Financial assets are classified into three categories:

* Financial assets at amortised cost (debt instruments)
* Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
* Financial assets at fair value through profit or loss

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are

* the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  and
* the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes:

* cash and cash equivalents,
* trade and other receivables, and
* loans receivable

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

The Group classifies its investments in unlisted and listed equity instruments, excluding investments in subsidiaries, joint ventures and associates, at fair value through OCI.

22 Financial instruments - financial assets

22.1 Accounting policy (continued)

ii) Subsequent measurement of financial assets (continued)

Financial assets designated at fair value through OCI (equity instruments) (continued)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as revenue in profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets measured at fair value through OCI includes the investment held

iii) Derecognition of financial assets

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

* 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; and
* 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

Impairment of financial assets carried at amortised cost

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Generally, trade receivables are written-off if past due for more than two years and are not subject to enforcement activity as that is when it is determined that there is no reasonable expectation of recovering a financial asset or portion thereof.

22 Financial instruments - financial assets (continued)

22.2 Cash and cash equivalents

Cash and cash equivalents and overnight borrowings are measured at amortised cost, using the EIR method, less accumulated impairments. The EIR amortisation is included in finance income or costs in the statement of comprehensive income. Cash and cash equivalents comprise cash on hand and amounts held on short-term deposit at financial institutions. Overnight borrowings include short-term borrowings repayable on demand.

		2020 R'000s	2019 R'000s
22.2.1	**Cash and cash equivalents**	**117 229**	133 987
22.2.2	**Bank overdraft**	**(96 286)**	(61 529)
	Total cash and cash equivalents	**20 943**	72 458

Cash and cash equivalents include Money Market call accounts with floating interest rates that fluctuated between 3.25% and 6.25% during the year (2019: between 6.25% and 6.50%). All cash and cash equivalents are on demand with no set maturities. At year end the Group had overdraft facilities of R112.0 million (2019: R100.0 million). This is made up of a R100.0 million (2019: R75.0 million) overdraft facility in Burger King with Nedbank Limited attracting interest at prime less 0.75% and with a monthly commitment fee of 1.46% - 2.15% and a RNil (2019: R13.0 million) facility held by GPI with Standard Bank Limited, the facility in the prior year attracted interest at prime and with a monthly commitment fee of 0.65%. Furthermore there is a R12 million (2019: R12 million) overdraft facility in Mac Brothers with ABSA attracting interest at prime less 0.25%.

The group provided a cash collateral of R46.6 million to Standard bank for the preference shares outstanding at year end, for more details please refer to Note 23.2.1

22.3 Trade and other receivables

Trade and other receivables and loans are measured at amortised cost, using the EIR method, less impairment losses. The EIR amortisation is included in finance income in the statement of comprehensive income.

		2020 R'000s	2019 R'000s
22.3.1	**Reconciliation of trade and other receivables**		
	Trade receivables	**65 834**	60 944
	Less: provision for doubtful debts	**(5 361)**	(3 050)
		60 473	57 894
	Deposits and other receivables*	**45 859**	26 925
	Prepayments	**8 871**	12 273
	Vat receivable	**7 373**	12 094
		122 576	109 186

*Deposits and other receivables include Deposits paid, ETI credits receivable and miscellaneous receivables.

The fair value of trade and other receivables approximates their carrying value due to the short-term nature thereof.

Group receivables are considered overdue 30 days from the invoice date. Refer to *Note 25.3.2* for the maturity analysis of trade and other receivables financial assets.

22.3.2 Gross accounts receivable

0 to 30 Days	**44 704**	39 112
30 to 60 days	**5 694**	8 296
60 to 120 days	**8 555**	1 711
over 120 days	**6 881**	11 825
	65 834	60 944

All movements in the gross balance relates to the origination and settlement of trade receivables

22.3.3 Past due and impaired accounts receivable

0 to 30 Days	**(41)**	**(366)**
30 to 60 days	**-**	**(296)**
60 to 120 days	**(87)**	**(63)**
over 120 days	**(5 233)**	**(2 325)**
	(5 361)	(3 050)

Opening balance	**(3 050)**	(12 959)
IFRS 9 Opening balance adjustment	**-**	(1 200)
Increase in expected credit loss raised	**(2 906)**	(372)
Release of unutilised expected credit loss	**-**	2 772
Impairment utilised (receivables written off as uncollectable)	**595**	8 709
Closing balance	**(5 361)**	(3 050)

22 Financial instruments - financial assets (continued)

22.3 Trade and other receivables (continued)

Impairment of Trade and other receivables

Trade receivables were grouped according to their credit risk profiles based on account behaviour and market information to more accurately measure the ECL. Each major account grouping were aged according to days outstanding in order to apply a general or specific default rate percentage commensurate with the risk of default.

The default rate percentages used were informed by historical data and managements best judgement based on the current status of the book, the projected economic outlook (GDP growth, inflation and interest rates) over the short term in major territories we operate in and our current collections rate achieved.

The general loss rate for the major groupings without known credit issues visible i.e. accounts with standard terms and accounts with special terms were 3 and 5 % respectively.

	>= 150days	120 / 149days	90 / 119days	60 / 89days	30 / 59days	< 30days	Balance
Provision for DD % Aged - Standard Terms	6%	6%	5%	4%	3%	2%	3%
Provision for DD % Aged - Special Terms	7%	7%	6%	5%	4%	3%	5%

The specific loss rate for Account groupings with known credit issues are between 50 to 100%.

22.4 Investments held at fair value

These investments are measured at fair value with the fair value movement included in Other Comprehensive Income. In terms of IFRS 9 these fair value adjustments will never be recycled to profit or loss.

22.4.1 Investments held at fair value through OCI

Investment	Effective Holding 2020	2019	Description of business
Spur	**7.79%**	17.79%	Spur Corporation operates a franchise restaurant business with multiple brands in South Africa and internationally.
Atlas Gaming Holdings	**0.00%**	4.95%	Atlas Gaming is a gaming software and machine development company based in Melbourne, Australia.

	Spur[1] 2020 R'000s	2019 R'000s	Atlas Gaming [2] 2020 R'000s	2019 R'000s	Total 2020 R'000s	2019 R'000s
Opening balance	**412 604**	488 486	**5 787**	5 787	**418 391**	494 273
Disposals	**(260 352)**	-	**(826)**	-	**(261 178)**	-
Realised fair value losses	**31 486**	-	**(4 961)**	-	**26 525**	-
Unrealised fair value losses	**(40 211)**	(75 882)	**-**	-	**(40 211)**	(75 882)
	143 527	412 604	**-**	5 787	**143 527**	418 391

	2020 R'000s	2019 R'000s
Balance made up as follows:		
Current portion	**-**	228 868
Non-current portion	**143 527**	189 523
	143 527	418 391

Unrealised fair value losses do not have related tax consequences as the resultant deferred tax asset is not considered recoverable.

(1) In June 2019, GPI entered into an agreement with Spur to sell back its BBBEE portion of equity in Spur, 10.8 million shares for R24 per share and a total purchase consideration of R260 million. All conditions precedent were met and the share were sold 14 October 2019. The entire purchase consideration was used to pay down the preference share debt which was used to fund the initial transaction.

The Group pledged 7 257 651 Spur shares to the value of R123.3 million to Standard bank for the preference shares outstanding at 30 June 2020, for more information refer to Note 23.2.1

(2) Refer to note 16.4.

22 Financial instruments - financial assets (continued)

22.4 Investments held at fair value (continued)

22.4.2 Investments held at fair value reserve

The movements in the unrealised gains relating to the Group's Investments held at fair value through OCI are as follows:

	Atlas Gaming		Spur		Total	
	2020	2019	**2020**	2019	**2020**	2019
	R'000s	R'000s	**R'000s**	R'000s	**R'000s**	R'000s
Opening Balance - 1 July	**3 468**	3 468	**(157 697)**	(81 815)	**(154 229)**	(78 347)
Movement during the year:						
Disposal of investment *(Note 22.4.1)*	**1 493**		**34 302**		**35 795**	-
Unrealised fair value (losses)/gains on Investments held at fair value through OCI (*Note 22.4.1*)	**-**	-	**(40 211)**	(75 882)	**(40 211)**	(75 882)
Realised fair value (losses)/gains released to accumulated profit (Note 22.4.1)	**(4 961)**	-	**31 486**	-	**26 525**	-
Closing balance - 30 June	**-**	3 468	**(132 120)**	(157 697)	**(132 120)**	(154 229)
Gross	**-**	3 468	**(132 120)**	(157 697)	**(132 120)**	(154 229)
Tax	**-**	**-**	**-**	**-**	**-**	**-**
Net Closing balance	**-**	3 468	**(132 120)**	(157 697)	**(132 120)**	(154 229)

23 Financial instruments - financial liabilities

23.1 Accounting policies

i) Initial recognition and measurement of financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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 loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

iii) Derecognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another financial liability 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 de-recognition of the original liability and recognised as a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

23.2 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 EIR method. The dividends paid on these preference shares are recognised in profit or loss as interest expense.

		2020	2019
	Notes	**R'000s**	R'000s
Standard Bank (SunWest)	23.2.1	**203 095**	230 267
Standard Bank (Spur) Class "A"	23.2.2	**-**	71 083
Standard Bank (Spur) Class "B"	23.2.2	**-**	78 987
Spur (Vendor funding)	23.2.3	**-**	110 214
		203 095	490 551
Balance below including interest accrual approximates fair value:			
Current portion		**19 399**	265 361
Non-current portion		**183 696**	225 190
		203 095	490 551

	2020	2019
23 Financial instruments - financial liabilities (continued)	**R'000s**	R'000s

23.2 Preference shares (continued)

23.2.1 Preference shares – Standard Bank (SunWest)

Authorised

203 356 authorised preference shares of R1 per share (2019: 203 356)

Issued

7 913 redeemable preference shares of R25 400 per share (2019: 8 937)

	2020	2019
Opening balance - 1 July	**230 267**	251 673
Amortisation of capitalised fee	**517**	517
Interest accrued	**17 489**	21 036
Interest paid	**(19 168)**	(15 959)
Redemption of preference shares	**(26 010)**	(27 000)
Closing balance - 30 June	**203 095**	230 267

10 000 authorised preference shares were issued at a value of R 25 400 each during the previous year with a final redemption date of 21 December 2022. Interest is paid semi-annually on 31 March and 30 September at a rate of 85% of the prime interest rate. The shares held in Sunwest, are held as security against the preference shares.

The shares have the following mandatory redemptions:
- 631 shares on 22 December 2020.
- 2 066 shares on 21 December 2021.
- 5 216 shares on 21 December 2022.

The preference share agreement has the following financial covenants:
- A share cover ratio of at least 4.5 (2019: 4.0) must be maintained
- A Debt Service Cover ratio of at least 1.2 (2019: 1.2) must be maintained

As at 30 June 2020 the share cover ratio was 2.41 (2019: 5.14), the debt service cover ratio was 5.14 (2019: 5.42). The breach in the share cover ratio is directly linked to the drop in share prices of gaming companies due to COVID-19. The Group provided additional security in the form of R 46.6 million in cash collateral and pledged 7 247 651 Spur shares at a market value of R123.3 million on 30 June 2020 to Standard Bank. The additional security provided resulted in a revised share cover ratio of 3.88.This does not trigger a mandatory redemption, management are engaging Standard Bank on additional security pledges required to remedy the remaining breach

23.2.2 Preference shares – Standard Bank (Spur)

Authorised

90 000 authorised A preference shares of R1 000 per share (2019: 90 000)

60 000 authorised B preference shares of R1 000 per shares (2019: 60 000)

Issued

Nil redeemable A preference shares of R1 000 per share (2019: 70 000)

Nil redeemable B preference share of R1 000 per share (2019: 60 000)

	A Preference Shares		B Preference Shares	
	2020	2019	**2020**	2019
	R'000s	R'000s	**R'000s**	R'000s
Opening balance - 1 July	**71 083**	75 957	**78 987**	78 863
Capitalised raising fee - net of related amortisation	**-**	174	**86**	98
Redemption	**(70 000)**	(5 000)	**(60 000)**	-
Interest accrued	**1 885**	6 673	**1 861**	6 441
Interest paid	**(2 968)**	(6 721)	**(20 934)**	(6 415)
Closing balance - 30 June	**-**	71 083	**-**	78 987

23 Financial instruments - financial liabilities (continued)

23.2 Preference shares (continued)

23.2.2 Preference shares – Standard Bank (Spur)

A cumulative redeemable preference shares:

The A cumulative redeemable preference shares were redeemed in full on 14 October 2019, prior to the redemption of these preference shares the Group ceded its shares in Spur and provided a performance guarantee to Standard Bank.

B cumulative redeemable preference shares:

The B cumulative redeemable preference shares were redeemable in full on 14 October 2019, prior to the redemption of these preference shares the Group provided a performance guarantee to Standard Bank.

23.2.3 Preference shares – Spur

Authorised

72 328 authorised preference shares of R1 000 per share (2019: 72 328)

Issued

Nil redeemable preference shares of R1 000 per share (2019: 72 328)

	2020	2019
	R'000s	R'000s
Opening balance - 1 July	**110 214**	100 625
Redemption	**(72 328)**	-
Interest accrued	**2 962**	9 589
Interest paid	**(40 848)**	-
Closing balance - 30 June	**-**	110 214

The redeemable preference shares were redeemable in full on 14 October 2019, prior to the redemption of these preference shares A reversionary cession over the Spur shares ceded to Standard Bank as security for the A preference shares were given to Spur Corporation. No other security was provided.

23 Financial instruments - financial liabilities (continued)

23.3 Interest-bearing borrowings

Interest-bearing borrowings are classified as financial liabilities and are held at amortised cost using the EIR method. The interest paid is recognised in profit or loss as interest expense.

	2020	2019
	R'000s	R'000s
Sanlam Capital Markets - Term loan 1	**22 934**	29 834
Sanlam Capital Markets - Term loan 3	**30 557**	29 942
	53 491	59 776
Balance made up as follows:		
Current portion	**36 788**	7 500
Non-current portion	**16 703**	52 276
	53 491	59 776

23.3.1 Sanlam Capital Markets - Term loan 1

The SCM term loan 1 bears interest at the 3 month 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 2020 is 8.76% (2019: 10.30%). 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 19). The carrying value of the office building is R84.1 million (2019: R84.1 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:
- Group must maintain a debt to tangible net worth ratio of no greater than 40%. The ratio was 39% at 30 June 2020 (2019: 28%).

The fair value of the term loan approximates its carrying value as the terms are market related.

Sanlam has provided the Group with a six month payment holiday on capital and interest repayments, ending 31 December 2020, the payment holiday has no effect on any redemption periods.

23.3.2 Sanlam Capital Markets - Term loan 3

The SCM term loan 3 bears interest at the 3 month JIBAR rate plus 3% which equalled 8.61% at 30 June 2020 (2019: 10.15%). 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 of R30 million is repayable on the maturity date of the loan on 26 January 2021.

The proceeds from the term loan 3 funds were used to fund the acquisition of two properties situated in Goodwood, Erf 33996 and Erf 33997. Erf 33996 is a meat processing plant tenanted by a Group company and has been recognised in property, plant and equipment (Note 19). Erf 33997 is vacant land classified as investment property (Note 18). The carrying value of Erf 33996 at 30 June 2020 is R19.6 million (2019: R19.6 million) and Erf 33997 R7.6 million (2019: R7.6 million).

23 Financial instruments - financial liabilities (continued)

23.3 Interest-bearing borrowings (continued)

23.3.2 Sanlam Capital Markets - Term loan 3

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 R30 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 has the following financial covenant:

- Group must maintain a debt to tangible net worth ratio of no greater than 40.0%. The ratio was 39% at 30 June 2020 (2019: 28%).
- The GPI Group must maintain an interest cover ratio of greater than 2.5 times the reporting periods. The interest cover ratio is calculated as EBITDA divided by net interest and was 0.89 times at 30 June 2020 (2019: 3.13 times). Sanlam has suspended the interest cover ratio requirement for the 30 June 2020 reporting period and therefore the Group is not in breach of covenant at 30 June 2020.

The fair value of the term loan approximates its carrying value as the terms are market related.

Sanlam has provided the Group with a six month payment holiday on interest repayments ending 31 December 2020.

23.4 Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through interest based on the EIR method.

Trade and other payables are short-term in nature and are classified as current liabilities in the statement of financial position.

Reconciliation of trade and other payables	**2020 R'000s**	2019 R'000s
Trade payables and expense accruals	**129 471**	75 313
Other payables and accruals	**49 353**	104 460
Annual leave accrual	**2 974**	11 292
Audit fee accrual	**6 202**	7 838
Deferred income	**2 922**	3 146
Payroll accruals	**8 268**	9 511
Sundry accruals	**8 189**	13 250
Operating lease straight lining liability	**-**	32 157
Other payables*	**20 408**	26 636
VAT	**390**	630
	178 824	179 773

*Other payables includes Deposits held, tenant installation allowances, contingent rent provisions.

Trade payables are repaid on average of 30 days from the invoice date. The trade and other payables carrying amount approximates fair value.

24 Lease liability and right-of-use assets

24.1 Lease liability

24.1.1 Accounting policy - 1 July 2018 - 30 June 2019

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.

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.

24.1.2 Accounting policy - 1 July 2019 - 30 June 2020

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities, which represent the obligation to make future lease payments, and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

Initial measurement

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

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

The lease payments include:
- fixed payments
- less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, and
- amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the expense occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

24 Lease liability and assets Continued

24.1 Lease liability (continued)

24.1.2 Accounting policy - 1 July 2019 - 30 June 2020 (continued)

Subsequent measurement

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Depending on the nature of the change, the discount rate may need to be revised, and the corresponding adjustment would adjust the right-of-use asset or be taken to profit or loss.

COVID-19-related rent concessions

In May 2020, the IASB issued Covid-19-Related Rent Concessions - Amendment to IFRS 16 Leases (the amendment). In line with the amendment, the Group accounts for Covid-19-related rent concessions as if the change were not a lease modification, provided the concession meets the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease

In accounting for Covid-19-related rent concessions as if the change were not a lease modification, the Group accounts for the concession as a negative variable lease payment. The lease liability is remeasured at the initial discount rate and the corresponding adjustment recognised as a gain in the statement of comprehensive income.

Derecognition

When the Group loses control of the right to use a leased asset, the related Lease liability is derecognised. Gains or losses on derecognition are calculated as the difference between the carrying value of the right-of-use asset with the carrying value of lease liability. These gains or losses are recognised directly in the statement of comprehensive income.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

24 Lease liability and assets Continued

24.1 Lease liability (continued)

24.1.3 Amounts recognised in the consolidated statement of financial position

	2020 R'000s	2019 R'000s
Lease liabilities - Non-current		
Property [1]	364 349	-
Plant, equipment and motor vehicles [2]	333	
	364 682	-
Lease liabilities - Current		
Property [1]	38 955	-
Plant, equipment and motor vehicles [2]	1 148	-
	40 103	-
Lease liabilities - Total		
Property [1]	403 304	-
Plant, equipment and motor vehicles [2]	1 481	-
	404 785	-
Reconciliation of total lease liability:		
Opening balance - 1 July	-	-
Transition accounting	401 195	-
New leases	38 085	-
Interest accrued	37 858	-
Lease payments	(65 642)	-
Principal payments	(29 207)	-
Interest payments	(36 435)	-
Other movements [5]	(792)	-
Rental concessions	(5 919)	-
Closing balance - 30 June	404 785	-

[1] The Group's property leases are mainly Burger King stores and the Mac Brothers office buildings, with an average lease term of 8.8 years. 12 of the 90 leases' renewal options have been taken into account in the measurement of the lease liability.

[2] The Group's plant and equipment leases consist of motor vehicles and equipment used in the manufacturing process of Mac Brothers and Grand Foods Meat Plant with an average lease period of 5 years.

[3] The Group's lease contracts do not contain early termination options and no residual guarantees.

[4] The Group's leases have general restriction provisions such as
i) restriction against the transfer or cession of the lease to a third party without the landlords' consent;
ii) restriction against the transfer or sale of majority of the shares /controlling interest in a BK entity without the landlord's consent;
iii) limitation of liability.

[5] Other movements consist of remeasurements and terminations.

The following table presents the contractual maturity analysis of Lease liabilities.

	On Demand R'000s	Less than 3 months R'000s	3 – 12 months R'000s	1-2 years R'000s	3-5 years R'000s	5-10 years R'000s	> 10 years R'000s	Total R'000s
2020								
Lease liabilities	-	(5 279)	(28 937)	(40 230)	(152 968)	(172 216)	(5 155)	(404 785)
Interest on Lease liabilities leases	-	(6 194)	(29 596)	(32 382)	(71 182)	(32 731)	(1 642)	(173 727)
Total	-	(11 473)	(58 533)	(72 612)	(224 150)	(204 947)	(6 797)	(578 512)

24 Lease liability and assets (continued)
24.1 Lease liability (continued)
24.1.4 Amounts recognised in the statement of consolidated statement of comprehensive income

	Notes	2020 R'000s	2019 R'000s
Short term lease expenses			
Property		**(700)**	-
Variable lease payments [1]			
Property		**(3 057)**	-
Finance costs			
Property		**(37 387)**	-
Plant and equipment		**(471)**	-
	13	**(37 858)**	-

[1] Variable lease payments consists out of Turnover rental, 54 of the 90 lease contracts contain Turnover rental clauses. Turnover rental is calculated at an average of 5% of the store's annual turnover net of discounts.

24.1.5 Lease commitments

At 30 June 2019, the group had outstanding commitments under non-cancellable finance leases which fall due as follows:

	Minimum lease payments	Future finance charges	Present value
2019	**R'000**	**R'000**	**R'000**
Current			
Not later than one year	9 143	(420)	8 723
Non-current			
Later than one year and no later than 5 years	1 378	(77)	1 301
Later than 5 years			
	10 521	(497)	10 024

At 30 June 2019, the group had outstanding commitments under non-cancellable operating leases which fall due as follows:

	2019 R'000s
Not later than one year	62 012
Later than one year and no later than 5 years	250 581
Later than 5 years	164 640
	477 233

24 Lease liability and assets (continued)
24.1 Lease liability (continued)
24.1.7 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 average 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 on average of 8.0%.

The future minimum rentals receivables under non-cancellable operating leases are as follows:

	2020	2019
	R'000s	R'000s
Rentals due within one year	**1 675**	1 606
Due within one to five years	**4 871**	-
Due after 5 years	**2 035**	-
	8 581	1 606

24.1.8 Lease commitments

The Group has already committed to leases of stores where the leases have not yet commenced. At 30 June 2020 the Group has committed to 6 new leases of 10 years each with an annual lease payment of R 4.6 million.

24.2 Right-of-use asset
24.2.1 Accounting policy

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the lessor makes an underlying asset available for use by the Group)

Initial measurement

Right-of-use assets are initially recognised at cost. The cost of right-of-use assets includes the amount of the corresponding lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Subsequent measurement

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Property	5 - 15 years
Motor vehicles	5 years
Equipment	5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policy 1.6.3 Impairment of non-financial assets.

Derecognition

When the Group loses control of the right to use a leased asset, the asset is derecognised. Gains or losses on derecognition are calculated as the difference between the carrying value of the right-of-use asset with the carrying value of lease liability. These gains or losses are recognised directly in the statement of comprehensive income.

24.2.2 Reconciliation of right-of-use assets

	Properties	**Plant and Equipment: Motor vehicles**	**Plant and Equipment: Equipment**	**Total**	
2020	**R000's**	**R000's**	**R000's**	**R000's**	**Notes**
Cost	-	-	-	-	
Accumulated amortisation and impairment	-			-	
Carrying value at 1 July 2019	-	-	-	-	
Transition application of IFRS	**307 742**	-	-	**307 742**	
Transfers on transitions from property, plant and equipment	-	**2 880**	**23 182**	**26 062**	**19.2.1**
Additions	**38 085**	**3**	-	**38 088**	
Other movements [(1)]	**42**	-	-	**42**	
Depreciation	**(42 990)**	**(816)**	**(2 723)**	**(46 529)**	11.2
Impairment	**(7 213)**	-	-	**(7 213)**	11.5
Carrying value at 30 June 2020	**295 666**	**2 067**	**20 459**	**318 192**	
Made up of:					
Cost	**471 710**	**6 291**	**43 321**	**521 322**	
Accumulated amortisation and impairment	**(176 044)**	**(4 224)**	**(22 862)**	**(203 130)**	
Depreciation reflected above is made up of:					
- Continuing operations				**(46 529)**	11.2
- Discontinued operations				-	
				(46 529)	
Impairment reflected above is made up of:					
- Continuing operations				**(7 213)**	11.5
- Discontinued operations				-	
				(7 213)	

[(1)] Other movements consists of remeasurements

25 Financial instruments - disclosure

25.1 Classification of financial instruments

The Group's principal financial assets are investments held at fair value through OCI, trade and other receivables, related party loans receivables and cash. The Group’s principal financial liabilities are preference shares, interest-bearing borrowings, lease liabilities, trade and other payable. The main purpose of these instruments is to raise finance for the Group's operations and investments. 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.

	Notes	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-financial assets[1]	Total
		R'000s	R'000s	R'000s	R'000s
25.1.1 Financial assets					
2020					
Cash and cash equivalents	22.2.1	**117 229**	**-**	**-**	**117 229**
Related party loans	0	**22 975**	**-**	**-**	**22 975**
Trade and other receivables	22.3.1	**106 332**	**-**	**16 244**	**122 576**
Investments held at fair value	22.4.1	**-**	**143 527**	**-**	**143 527**
Total		**246 536**	**143 527**	**16 244**	**406 307**
2019					
Cash and cash equivalents	22.2.1	133 987	-	-	133 987
Related party loans	0	21 467	-	-	21 467
Trade and other receivables	22.3.1	84 819	-	24 367	109 186
Investments held at fair value	22.4.1	-	418 391	-	418 391
Total		240 273	418 391	24 367	683 031

[1] The non-financial assets are made up of the year-end prepayments and vat receivables balances.

	Notes	Financial liabilities measured at amortised cost	Non-financial liabilities[1]	Total
		R'000s	R'000s	R'000s
25.1.2 Financial liabilities				
2020				
Trade and other payables	23.4	**(172 538)**	**(6 286)**	**(178 824)**
Overdraft	22.2.2	**(96 286)**	**-**	**(96 286)**
Dividends payable	30.3	**(10 129)**	**-**	**(10 129)**
Preference shares	23.2	**(203 095)**	**-**	**(203 095)**
Interest-bearing borrowings	23.3	**(53 491)**	**-**	**(53 491)**
Total		**(535 539)**	**(6 286)**	**(541 825)**
2019				
Trade and other payables	23.4	(132 300)	(47 473)	(179 773)
Overdraft	22.2.2	(61 529)	-	(61 529)
Dividends payable	30.3	(10 405)	-	(10 405)
Preference shares	23.2	(490 551)	-	(490 551)
Interest-bearing borrowings	23.3	(59 776)	-	(59 776)
Finance lease liabilities	24.1.5	(10 024)	-	(10 024)
Total		(764 585)	(47 473)	(812 058)

[1] The non-financial liabilities are made up of the year-end operating lease straight lining, VAT, deferred income and annual leave accrual.

25 Financial instruments - disclosure (continued)

25.2 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
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that

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

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

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

The Group ceded a portion of its investment in Spur to Standard Bank due to avoid a breach in covenant of the preference shares, for more information please refer to Note 23.2.1

[(1)] Investments held at fair value - Spur

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

25 Financial instruments - disclosure (continued)

25.3 Financial risk management

The Group and Company has exposure to the following risks from its use of financial instruments:
- Market risk;
- Credit risk; and
- Liquidity risk

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.

25.3.1 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: Currency risk

Currency risk is the risk that the cash flows of a financial instrument will fluctuate due to changes in the price of a foreign currency in relation to the ZAR. The Group's exposure to the risk of changes in the price of a foreign currency in relation to the ZAR relates to the Group's obligation in terms of the settlement of foreign trade payables. The Group have foreign trade payables outstanding at year in in USD, EUR and the GBP.

At the reporting date, the exposure to foreign currency was R3.8 million (2019: R7.6 million). An increase or decrease of 10% in the exchange rates would have an impact of approximately R0.3 million (2019: R0.8 million) on the profit or loss of the Group.

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 risk by factoring in forecast movements in the market interest rates into its cash flow projections and by ensuring that sufficient available funds are maintained in bank accounts to cover the cashflows affected by the movements in the forecast market interest rate. The Group does not have fixed rate financial instruments. 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.

	Increase in basis points	**Effect on pre-tax**	**Decrease in basis points**	**Effect on pre-tax**
		R'000s		R'000s
2020	**100**	**(2 356)**	**(100)**	**2 356**
2019	100	(4 879)	(100)	4 879

25 Financial instruments - disclosure (continued)

25.3 Financial risk management (continued)

25.3.1 Market risk (continued)

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 R143.5 million (2019: R412.6 million). An increase or decrease of 10% on the JSE market index would have an impact of approximately R11.1 million (2019: R35.1 million) on other comprehensive income to the Group.

25.3.2 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.

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 are as disclosed below.

Cash and cash equivalents

The Group and Company only deposits cash surpluses with major banks of high quality and credit standing. The cash and cash equivalents are deposited with three financial institutions. The maximum exposure is the carrying values as per Note 22.2.

Trade receivables, other receivables and related party loans

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. 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.

Employee loans

Loans are issued to key employees to fund the acquisition of GPI Shares allocated to employees under the GPI Employee Share Scheme. The employee loan credit risk is managed by employees ceding GPI Shares to the Group as security for the loan.

The following table presents the maturity analysis of related party loans and trade and other receivables.

2020	Notes	Current R'000s	30 to 60 days R'000s	60 to 120 days R'000s	Over 120 days R'000s	Total R'000s
Related party loans	-	**22 975**	**-**	**-**		**22 975**
Trade and other receivables	22.3.1	**44 663**	**5 694**	**8 468**	**1 648**	**60 473**
Total		**67 638**	**5 694**	**8 468**	**1 648**	**83 448**

2019	Notes	Current R'000s	30 to 60 R'000s	60 to 120 R'000s	Over 120 R'000s	Total R'000s
Related party loans	-	21 467	-	-	-	21 467
Trade and other receivables	22.3.1	38 746	8 000	1 648	9 500	57 894
Total		60 213	8 000	1 648	9 500	79 361

25 Financial instruments - disclosure (continued)

25.3 Financial risk management (continued)

25.3.3 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 monitors 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 manages the liquidity risk by considering all future cashflows associated with financial liabilities in the cash flow projections and ensures that adequate funds are held to meet their commitments. In addition the short-term risks are managed by ensuring that adequate banking facilities are in place.

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
2020						
Trade and other payables	**-**	**(172 538)**	**-**	**-**	**-**	**(172 538)**
Preference shares	**-**	**-**	**(16 002)**	**(52 502)**	**(132 486)**	**(200 990)**
Interest on preference shares	**(3 397)**	**-**	**(9 191)**	**(10 640)**	**(5 987)**	**(29 215)**
Interest-bearing borrowings	**-**	**-**	**(36 483)**	**(7 500)**	**(10 304)**	**(54 287)**
Interest on interest-bearing borrowings	**-**	**-**	**(796)**	**(454)**	**(210)**	**(1 460)**
Bank overdraft	**(96 286)**	**-**	**-**	**-**	**-**	**(96 286)**
Dividends payable	**(10 129)**	**-**	**-**	**-**	**-**	**(10 129)**
Total	**(109 812)**	**(172 538)**	**(62 472)**	**(71 096)**	**(148 987)**	**(564 905)**
2019						
Trade and other payables	-	(137 647)	-	-	-	(137 647)
Preference shares	-	-	(256 319)	(42 037)	(184 963)	(483 319)
Interest on preference shares	(7 232)	(5 577)	(18 431)	(17 665)	(19 035)	(67 940)
Interest-bearing borrowings	-	(1 875)	(5 625)	(37 442)	(14 834)	(59 776)
Interest on interest-bearing borrowings	-	(1 017)	(2 940)	(2 387)	(494)	(6 838)
Finance Leases	-	(2 476)	(6 247)	(919)	(382)	(10 024)
Interest on finance leases	-	(177)	(243)	(64)	(13)	(497)
Bank overdraft	(61 529)	-	-	-	-	(61 529)
Dividends payable	(10 405)	-	-	-	-	(10 405)
Total	(79 166)	(148 769)	(289 805)	(100 514)	(219 721)	(837 975)

25.5 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, repurchase shares 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 an externally imposed maximum debt to equity ratio of 40% and this is monitored by management on an ongoing basis. Refer to *Note 23.3.1* and *Note 23.3.2* . The Group has complied with all external capital requirements imposed.

26 Inventory

26.1 Accounting policies

Inventories are valued at the lower of cost and net realisable value. Cost is measured using standard costing and revised in light of current conditions as necessary. 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
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

	2020	2019
	R'000s	R'000s
26.2 Composition of inventory		
Catering equipment	**44 816**	45 684
Stock of food and packaging	**17 653**	21 763
Spare parts	**1 815**	6 754
Consumables	**396**	288
Work in progress	**2 730**	4 921
Gaming machines	**-**	3 971
	67 410	83 381
Provision for impairment to net realisable value		
Stock of food and packaging	**(3 097)**	(7 347)
- Continuing Operations	**(3 097)**	(3 159)
- Discontinued Operations	**-**	(4 188)
	64 313	76 034

27 Provisions

27.1 Accounting policy

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.

27.2 Reconciliation of provisions	**Dismantling provision (1)**	**Long service leave (2)**	**Employee bonuses (3)**	**Total**
	2020	**2020**	**2020**	**2020**
	R'000s	**R'000s**	**R'000s**	**R'000s**
Opening balance - 1 July	-	634	13 659	14 293
Provision raised/(released) during the year	7 782	398	11 013	19 193
Amount utilised	-	(437)	(16 953)	(17 390)
Closing balance - 30 June	**7 782**	**595**	**7 719**	**16 096**
		2019	2019	2019
		R'000s	R'000s	R'000s
Opening balance - 1 July		631	13 193	13 824
Provision raised/(released) during the year		66	16 158	16 224
Amount utilised		(63)	(15 692)	(15 755)
Closing balance - 30 June		634	13 659	14 293

	2020	2019
	R'000s	R'000s
Balance made up as follows:		
Current portion	**7 719**	13 659
Non-current portion	**8 377**	634
	16 096	14 293

(1) This provision relates to the contractual obligation of Burger King to restore leased premises for their stores back to it's original state at the end of the lease term. The expected costs for "white boxing" of the stores are discounted over the lease term of the store at the prime lending rate.

(2) The provision relates to the Group's policy of rewarding employees for their loyalty and long service to the company. It is uncertain how many employees will remain in the Group's employment for the prescribed period of time to qualify for long service rewards.

(3) The provision relates to incentive bonusses for employees, the value of the bonus is dependant on whether the specified KPI's were met for the employee and whether the employee is still in the Group's employment at the date that the bonus is rewarded.

28 Stated Capital

28.1 Ordinary Share Capital

28.1.1 Accounting policy

Ordinary shares are classified as equity. Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable costs.

	2020 R'000s	2019 R'000s
28.1.2 Authorised share capital		
2 000 000 000 ordinary shares of no par value	-	-
28.1.3 Reconciliation of issued share capital		
Opening balance	**798 586**	798 586
Shares cancelled	-	-
Closing balance (issued and fully paid)	**798 586**	798 586
28.1.4 Reconciliation of number of shares in issue	**000s**	000s
Opening balance	**470 023**	470 023
Shares cancelled	-	-
Closing balance	**470 023**	470 023

28.2 Treasury shares

28.2.1 Accounting policy

Own equity instruments which are re-acquired (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.

28.2.2 Reconciliation of treasury shares	**R'000s**	R'000s
Opening balance	**(166 286)**	(166 286)
Treasury shares allocated to employees	**12 324**	-
Shares acquired	-	-
Closing balance	**(153 962)**	(166 286)
28.2.3 Reconciliation of number of treasury shares		
Opening balance – 1 July	**(43 800)**	(43 800)
Shares allocated to employees	**3 263**	-
Shares acquired	-	-
Closing balance – 30 June	**(40 537)**	(43 800)

At 30 June 2020, the Grand Parade Share Incentive Trust holds 1.72 million GPI shares (2019: 4.98 million GPI Shares) in treasury for the purpose of hedging GPI's Employee Share Scheme. During the year the Grand Parade Share Incentive Trust repurchased no GPI Shares (2019: nil) and allocated 3.26 million GPI Shares (2019: nil) to employees under the GPI Employee Share Scheme. At 30 June 2020, the GPI Women's BBBEE Empowerment Trust holds 14.82 million GPI shares (2019: 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. At 30 June 2020, GPI Management Services holds 24 million GPI Shares (2019: 24 million GPI Shares) in treasury. During the year GPI Management Services repurchased no GPI Shares (2019: nil).

29 Dividends declared and paid

No final ordinary dividend was declared in respect of the 2020 financial year (2019: nil cents per share in respect of the 2019 financial year).

			2020	2019
30	**Notes to the cash flow statement**		**R'000s**	R'000s
30.1	**Cash generated from operations**			
	Profit before taxation from continuing operations		**(123 713)**	57 971
	Profit before taxation from discontinuing operations		**(14 697)**	(109 527)
	Profit before taxation from continuing and discontinuing operations		**(138 410)**	(51 556)
	Adjustments for:			
	- Depreciation	11.2	**95 016**	60 124
	- Amortisation	20.2	**6 814**	7 620
	- Finance income		**(5 375)**	(6 635)
	- Finance costs	13	**76 988**	59 479
	- Dividends received	10.2	**(14 086)**	(23 734)
	- Profit on disposal of intangibles		**532**	
	- Profit on disposal of property, plant and equipment		**(2 254)**	-
	- Loss on disposal of investments		**9 050**	-
	- Share based payments expense	6.2	**2 433**	489
	- Impairment of plant and equipment	19.2.1	**3 481**	47 704
	- Impairment of property		**-**	10 500
	- Impairment of intangible assets	20.2	**105**	16 601
	- Impairment of non-current assets-held-for-sale	21.2.3	**7 734**	-
	- Impairment of right-of-use-asset	24.2.2	**7 213**	-
	- Impairment of goodwill	17.2	**38 598**	-
	- Release of lease liability upon cancelation of lease		**(5 447)**	-
	- Lease concessions		**(5 919)**	-
	- Profit from equity accounted investments	11.1	**(69 395)**	(132 021)
	Operating cash flows before working capital changes		**7 078**	(11 429)
	Decrease in inventory		**7 750**	9 770
	Increase in trade and other receivables		**(15 780)**	(7 480)
	Increase in trade and other payables and provisions		**41 885**	31 306
	Net cash generated from operations		**40 933**	22 167
30.2	**Taxation paid**			
	Taxation – beginning of the year		**(7 426)**	(8 003)
	Amount per statement of comprehensive income (Note 5)			
	- current year	5.2	**880**	2 002
	- prior year over provision		**-**	-
	- Sale of Atlas Gaming Africa		**6**	-
	Taxation – closing balance		**1 029**	7 426
	Taxation received/(paid) during the year		**5 511**	(1 425)
	The closing tax balances comprises of the following:			
	- Income tax receivable		**1 917**	7 920
	- Income tax liabilities		**(888)**	(494)
			1 029	7 426
30.3	**Dividends paid**			
	Opening balance		**10 405**	10 416
	Dividends declared		**-**	-
	Closing balance		**(10 129)**	(10 405)
			276	11

Dividends paid relate to prior years.

			2020	2019
30	**Notes to the cash flow statement (continued)**		**R'000s**	R'000s
30.4	**Investment made**			
	Acquisition of BK store - Disa Road		**-**	(7 164)
			-	(7 164)
30.5	**Dividends received**			
	Sunwest	15.2.1	**61 156**	66 434
	Sun Slots	15.3.1	**32 999**	48 000
	Spur		**14 086**	23 734
	Worcester	15.3.1	**4 681**	2 417
			112 922	140 585

30.6 Disclosure of changes in liabilities arising from financing activities

2020	**Opening balance**	**Non-cash movement**	**Cash movement**	**Interest incurred**	**Interest paid**	**Amortisation of Capital raising fee**	**Closing balance**
	R'000s	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**
Preference shares	**490 551**	**-**	**(228 338)**	**24 197**	**(83 930)**	**615**	**203 095**
Interest-bearing borrowings	**59 776**	**-**	**(7 500)**	**5 509**	**(4 346)**	**52**	**53 491**
Finance Lease liabilities	**10 024**	**(10 024)**	**-**	**-**	**-**	**-**	**-**
Lease liabilities	**-**	**432 569**	**(29 207)**	**37 858**	**(36 435)**	**-**	**404 785**
	560 351	**422 545**	**(265 045)**	**67 564**	**(124 711)**	**667**	**661 371**
2019							
Preference shares		507 118	(32 000)	43 739	(29 095)	789	490 551
Interest-bearing borrowings		67 229	(7 365)	6 488	(6 623)	47	59 776
Finance lease liabilities		25 020	(14 996)	1 698	(1 698)	-	10 024
		599 367	**(54 361)**	**51 925**	**(37 416)**	**836**	**560 351**

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

Capital commitments relate mostly to the opening of new Burger King stores.

32 Subsequent events

Disposal of Burger King and Grand Foods Meat Plant

The Group signed a binding offer to sell all the Group's shares in Burger King (95.36%) and Grand Foods Meat Plant (100%) to ECP Africa Fund IV LLC. The sale is subject to shareholder approval and certain conditions precedent. The consideration is R 570.0 million less debt and R 23.0 million less debt respectively.

33 Going Concern

The World Health Organisation declared the novel Coronavirus (COVID-19) outbreak a public health emergency on 11 March 2020. On 17 March 2020, the South African government declared the COVID-19 pandemic a national disaster and shortly thereafter announced a national lockdown commencing at midnight 26 March 2020. As a result of the national lockdown, all the Group’s operational businesses were closed during the month of April. Burger King operated through delivery-only during May 2020 and resumed full operations during June 2020. All other businesses resumed full operations during July 2020.

It is currently not possible to accurately predict the full financial impact on the Group of the COVID-19 pandemic, and the future measures taken by the South African Government to tackle it. There are too many uncertainties at this time, including the extent and duration of the COVID-19 outbreak, and global and local Government fiscal policy response.

As such, the Board of directors have considered a range of scenario forecasts to understand the potential outcomes on the Group. In line with standard governance practice, the Board of directors have made an assessment of the Group’s solvency and liquidity for a extended period by applying these forecast scenarios and evaluated the scenarios in light of the current cash positions and borrowing facilities available to the Group and is satisfied of the Group’s ability to continue as a going concern for the foreseeable future.

GRAND PARADE INVESTMENTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2020

	Note	2020 R'000s	2019 R'000s
Revenue	2.2	**41 888**	70 759
Operating costs		**(38 592)**	(42 873)
Profit from operations		**3 296**	27 886
Expected credit losses	15.3.4	**(6 563)**	-
Impairment of subsidiaries	11.2	**(521 610)**	(101 113)
Impairment of associates	12.2	**(1 670)**	
Reversal of impairment of loans		**-**	99 379
Loss on sale of subsidiary	11.3	**(11 500)**	-
Depreciation	13.2	**(63)**	(22)
Amortisation	14.2	**(30)**	(6)
(Loss)/profit before interest and taxation		**(538 140)**	26 124
Finance income	4	**2 591**	4 466
Finance costs	5	**(18)**	(361)
(Loss)/profit before taxation		**(535 567)**	30 229
Taxation	6.2	**(33)**	55
(Loss)/profit for the year		**(535 600)**	30 284
Other comprehensive income/(loss)			
Realised fair value adjustments	15.4	**(4 961)**	-
Total comprehensive (loss)/income for the year		**(540 561)**	30 284

GRAND PARADE INVESTMENTS LIMITED
STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

	Note	2020 R'000s	2019 R'000s
ASSETS			
Non-current assets		**1 105 544**	1 632 981
Investments in subsidiaries	11.2	**1 072 818**	1 594 428
Investments in associates	12.2	**30 972**	30 972
Investments held at fair value through OCI	15.4	**-**	5 786
Property, plant and equipment	13.2	**104**	79
Intangible assets	14.2	**58**	91
Deferred tax asset	6.3	**1 592**	1 625
Current assets		**101 151**	121 637
Related party receivables	10	**30 987**	17 136
Trade and other receivables	15.3.1	**45 800**	36 601
Cash and cash equivalents	15.2	**24 276**	67 580
Income tax receivable	20.2	**88**	320
Total assets		**1 206 695**	1 754 618
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity			
Stated capital	19.3	**798 586**	798 586
Accumulated profit		**383 920**	918 227
Investments held at fair value reserve	15.5	**-**	2 690
IFRS 2 share based payment reserve		**954**	2 085
Total shareholders' equity		**1 183 460**	1 721 588
Non-current liabilities		**163**	108
Provisions	18.2	**163**	108
Current liabilities		**23 072**	32 922
Provisions	18.2	**1 649**	4 799
Trade and other payables	16.2	**11 294**	17 718
Dividends payable	20.3	**10 129**	10 405
Total equity and liabilities		**1 206 695**	1 754 618

GRAND PARADE INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Stated Capital	Accumulated profits	Financial asset held at fair value reserve	IFRS 2 Share based payment reserve	Total equity
	R'000s	R'000s	R'000s	R'000s	R'000s
Balance at 30 June 2018	794 135	880 723	2 690	13 267	1 690 815
Total comprehensive loss for the year	-	30 284	-	-	30 284
- Profit for the year	-	30 284	-	-	30 284
Reclassification of reserve	4 451	(4 451)	-	-	-
Share based payment expense	-	-	-	489	489
Share options lapsed	-	11 671	-	(11 671)	-
Balance at 30 June 2019	**798 586**	**918 227**	**2 690**	**2 085**	**1 721 588**
Total comprehensive income for the year	**-**	**(535 600)**	**(4 961)**	**-**	**(540 561)**
- Loss for the year	**-**	**(535 600)**	**-**	**-**	**(535 600)**
- Other Comprehensive loss			**(4 961)**		**(4 961)**
Share based payment expense	**-**	**-**	**-**	**2 433**	**2 433**
Sale of Atlas Gaming Holdings	**-**	**(2 271)**	**2 271**	**-**	**-**
Share options lapsed	**-**	**3 564**	**-**	**(3 564)**	**-**
Balance at 30 June 2020	**798 586**	**383 920**	**-**	**954**	**1 183 460**

GRAND PARADE INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Note	2020 R'000s	2019 R'000s
Cash flows from operating activities			
Net cash utilised in operations	20.1	**(56 633)**	(39 158)
Income tax refunded/(paid)	20.2	**232**	(2 246)
Finance income received	4	**2 591**	4 466
Net cash outflow from operating activities		**(53 810)**	(36 938)
Cash flows from investing activities			
Acquisition of property, plant and equipment	13.2	**(89)**	(101)
Acquisition of intangibles	14.2	**-**	(91)
Proceeds from disposal of property plant and equipment		**5**	-
Investments made		**-**	(1 237 824)
Inter-group loans advanced		**(26 197)**	(22 738)
Inter-group loans repaid		**-**	1 217 642
Dividends received	20.4	**37 081**	63 416
Net cash inflow from investing activities		**10 800**	20 304
Cash flows from financing activities			
Dividends paid	20.3	**(276)**	(11)
Finance costs		**(18)**	(148)
Net cash outflow from financing activities		**(294)**	(159)
Net decrease in cash and cash equivalents		**(43 304)**	(16 793)
Cash and cash equivalents at the beginning of the year		**67 580**	84 373
Total cash and cash equivalents at the end of the year		**24 276**	67 580

1. Accounting policies

1.1 Basis of preparation of financial results

Refer to Note 1.1 of the Consolidated Annual Financial Statements for details regarding the basis of preparation of the Companies financial results.

1.2 Statement of compliance

Refer to Note 1.2 of the Consolidated Annual Financial Statements for details regarding the statement of compliance of the Companies financial statements.

1.3 Change in accounting policy

Refer to Note 1.3 of the Consolidated Annual Financial Statements for details regarding the details of IFRS 16.

The Company's leases consist of the lease of the office building and printers. The office building's contract is on a monthly renewal basis, no new contract has been entered into due to the offer to purchased signed by GPI Properties on the office building and as such is classified as a short term lease. The printers being leases is considered to be low value assets and as such there has been no change in the accounting treatment of leases for the Company. Lease expenses are recognised in the statement of comprehensive income when they are incurred.

2. Revenue

2.1 Accounting policy

For detailed information about the accounting policy applied refer to Note 10.1 of the Consolidated Annual Financial Statements.

	Notes	2020 R'000s	2019 R'000s
2.2 Disaggregation of revenue			
Revenue from transactions with customers			
Management fee income		**3 851**	7 268
Other revenue			
Dividends received		**37 081**	63 416
- Grand Casino Investments	20.4	**31 000**	61 000
- GPI Investments 1	20.4	**1 400**	-
- Worcester	20.4	**4 681**	2 416
Other income		**956**	75
		38 037	63 491
Total Revenue			
Revenue from contracts with customers		**3 851**	7 268
Other revenue		**38 037**	63 491
		41 888	70 759

3 Profit before finance costs and taxation

Profit before finance and taxation cost is stated after:

	Notes	2020 R'000s	2019 R'000s
3.1 Expenses:			
3.1.1 Auditors remuneration			
Audit fees		**(1 548)**	(1 928)
- current year		**(1 528)**	(1 270)
- prior year		**(20)**	(658)
3.1.2 Staff costs		**(17 196)**	(23 995)
- Salaries and wages		**(3 179)**	(1 690)
- Directors’ remuneration	7	**(10 343)**	(20 746)
- Share based payments expense	7	**(2 433)**	(489)
- Provident fund contributions		**(1 241)**	(1 070)

4 Finance income

		2020 R'000s	2019 R'000s
Short-term cash deposits		**2 591**	4 466

5 Finance costs

		2020 R'000s	2019 R'000s
Interest on facilities		**(18)**	(361)

6 Taxation

6.1 Accounting policy

For detailed information about the accounting policy applied refer to Note 5.1 of the Consolidated Annual Financial Statements.

	2020 R'000s	2019 R'000s
6.2 Reconciliation of tax:		
South African normal tax		
- current year	-	-
- prior year	-	(30)
Deferred tax	(33)	(25)
	(33)	(55)
	%	%
Standard rate	28.00	28.00
Exempt income (1)	1.94	(58.74)
Non-deductible expenses (2)	(28.39)	97.11
Reversal of impairment/(Impairment) of loans	-	(92.05)
Tax loss not recognised (3)	(1.56)	25.50
Effective tax rate	(0.01)	(0.18)
6.3 The deferred tax balance is made up as follows:		
Provisions and accruals	1 895	1 895
Prepayments	(303)	(270)
	1 592	1 625
Reconciliation of net deferred tax asset		
Opening balance - 1 July	1 625	1 600
Amount for the period recognised in profit or loss	(33)	25
Provisions and accruals	-	188
Prepayments	(33)	(163)
	1 592	1 625
Tax expense for the period recognised in other comprehensive income	-	-
Closing balance - 30 June	1 592	1 625

(1) Exempt income relates to dividends received.
(2) Non-deductible expenses relates to expenditure incurred in the production of the exempt income
(3) Deferred tax assets relating to losses of R60.3 million (2019: R7.7 million) have not been recognised. These losses do not expire.

7 Directors emoluments

7.1 Accounting policy

For detailed information about the accounting policy applied refer to Note 6.1 of the Consolidated Annual Financial Statements.

7.2 Directors emoluments

For detailed information about director emoluments refer to Note 6.2 of the Consolidated Annual Financial Statements.

8 Share based payments

8.1 Accounting Policy

Refer to Note 7.1 of the Consolidated Annual Financial Statements for the accounting policies

8.2 Reconciliation of GPI share options granted in terms of the Grand Parade Share Incentive Trust

Refer to Note 7.2 of the Consolidated Annual Financial Statements for the accounting policies

8.3 Share options per strike price held at 30 June.

Refer to Note 7.3 of the Consolidated Annual Financial Statements for the accounting policies

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

Refer to Note 7.4.1 of the Consolidated Annual Financial Statements for the accounting policies

8.4.2 Information on options granted during the year

Refer to Note 7.4.2 of the Consolidated Annual Financial Statements for details regarding the options granted during the year.

9 Related party transactions

Other than those disclosed in Note 10 of the Company financial statements and Note 8 of the Consolidated Annual Financial Statements there are no other related parties identified.

Certain 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, refer to Note 8.5 of the Consolidated Annual Financial Statements for details.

			Notes	2020 R'000s	2019 R'000s
10 Related party balances					
10.1 Related party receivables					
Interest free loans	**Nature of relationship**				
- Atlas Gaming Africa	Subsidiary of associate			**-**	13 854
- Atlas Gaming Holdings	Investment held at fair value through OCI			**-**	3 282
- Grand Foods	Subsidiary	(Direct)		**10 648**	-
- Grand Casino Investments [1]	Subsidiary	(Direct)		**3 000**	-
- GPI Properties [1]	Subsidiary	(Indirect)		**8 425**	-
- Mac Brother Catering Equipment [1]	Subsidiary	(Indirect)		**4 124**	-
				26 197	17 136

[1] Thes loans are unsecured, bear no interest and is repayable on demand.

				2020	2019
Related party receivable	**Nature of relationship**				
- Infinity Gaming Africa	Associate			**4 790**	-
Total non-current assets				**-**	-
Total current assets				**30 987**	17 136
				30 987	17 136
10.2 Trade Receivables	**Nature of relationship**				
- Atlas Gaming Africa	Subsidiary of associate			**78**	49
- Burger King	Subsidiary	(Indirect)		**21 733**	19 383
- GPI BBBEE Women's Trust				**-**	137
- GPI Investments 1	Subsidiary	(Direct)		**30**	39
- GPI Management Services	Subsidiary	(Direct)		**1 764**	-
- GPI Properties	Subsidiary	(Indirect)		**7 336**	4 704
- Grand Casino Investments	Subsidiary	(Direct)		**2 986**	14
- Grand Foods	Subsidiary	(Direct)		**-**	532
- Grand Foods Investments 3	Subsidiary	(Indirect)		**21**	7
- Grand Foods Management Services	Subsidiary	(Indirect)		**6 533**	2 685
- Grand Foods Meat Plant	Subsidiary	(Indirect)		**3 278**	1 237
- Grand Parade Share Incentive Trust				**-**	104
- Mac Brothers Catering Equipment	Subsidiary	(Indirect)		**6 766**	4 937
			15.3.1	**50 525**	33 828
Allowance for doubtful debt			15.3.1	**(6 563)**	-
- Grand Foods Management Services				**(6 533)**	-
- GPI Investments 1				**(30)**	-
			15.3.1	**43 962**	**33 828**

		2020	2019
11	**Investments in subsidiaries**	**R'000s**	R'000s

11.1 Accounting policy

Investments in subsidiaries are measured at cost.

11.2 Investments in subsidiaries

	2020	2019
Grand Foods	**740 972**	1 236 757
Grand Capital	**117 310**	126 935
Grand Sport	**-**	-
GPI Management Services	**101 641**	117 841
Grand Casino Investments	**31 294**	31 294
GPI Investments 1	**595**	595
Rilapath	**57 311**	57 311
Grand Parade Share Incentive Trust	**23 695**	23 695
	1 072 818	1 594 428

During the year the following investments were impaired:

	2020	2019
Impairment	**(521 610)**	(101 113)
Grand Foods [1]	**(495 785)**	-
Grand Capital	**(9 625)**	-
Grand Sport	**-**	(254)
GPI Management Services [2]	**(16 200)**	(29 126)
GPI Investments 1 [2]	**-**	(71 733)

[1] The impairment raised on the investment in the Grand Foods group relate to various of Grand Foods' subsidiaries including Burger King, Grand Foods Meat Plant and Mac brothers. Based on performance of the subsidiaries during the year, the impact of COVID-19 lockdowns and general decrease in macro-economic conditions, and recent valuations based on updated forecasts, resulted in a recoverable amount lower than carrying value. Burger King, Grand Foods Meat Plant and Mac Brothers' recoverable amount was determined as the value-in-use.

[2] The fair value of the investment in subsidiaries is based on the net asset value of the subsidiary entity and the recoverable amount is fair value less cost of disposal, classified as a level 3 in the fair value hierarchy. The decrease in the underlying NAV, mostly as a result of decreases in listed equity investments within the entities, was the driver of impairment. There were no movement from or into level 3 during the year.

11.3 Disposal of subsidiary and investment held at fair value through OCI

On 29 August 2017, the Group entered into a share swap agreement with DRGT International SARL, for its 4.95% holding in Atlas Gaming Holdings ("AGH") and its 100% holding in Atlas Gaming Africa ("AGA") in exchange for a 26.04% stake in DRGT's local wholly-owned subsidiary Infinity-e Gaming Africa ("IGA"). The 26.04% stake in IGA is split into 12.85% for AGH and 13.19% for AGA. This swap is subject to certain conditions precedent, including SARB approval, all conditions precedent was met in July 2019. Infinity-e Gaming Africa is an industry-leading gaming systems supplier servicing licensed customers in Africa and the Indian Ocean islands.

	2020	2019
Investment in Atlas Gaming Africa	**-**	-
Loans receivable from Atlas Gaming Africa and Atlas Gaming Holdings	**9 063**	-
	9 063	-
Investment in Atlas Gaming Africa	**825**	
Loans receivable from Atlas Gaming Africa and Atlas Gaming Holdings	**3 282**	
	4 107	
Fair value of 26.04% of Infinity Gaming Africa	**1 670**	-
Loss on disposal of Atlas Gaming Africa	**11 500**	-

12 Investment in associates

12.1 Accounting policy

Investments in associates are measured at cost.

12.2 Reconciliation of investment in associates

	Worcester Casino		Sun Slots		Infinity Gaming Africa		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	R'000s	R'000s	**R'000s**	R'000s	**R'000s**	R'000s	**R'000s**	R'000s
Carrying amount - 1 July	**30 972**	30 972	**-**	1 716	-	-	**30 972**	32 688
Acquisition [1]	**-**	-	**-**	-	1 670	-	**1 670**	-
Disposal of investment [2]	**-**	-	**-**	(1 716)	-	-	**-**	(1 716)
Impairment of investment					(1 670)	-	**(1 670)**	-
Carrying amount - 30 June	**30 972**	30 972	**-**	-	**-**	-	**30 972**	30 972

[1] On 29 August 2017, the Group entered into a share swap agreement with DRGT International SARL, for its 4.95% holding in Atlas Gaming Holdings ("AGH") and its 100% holding in Atlas Gaming Africa ("AGA") in exchange for a 26.04% stake in DRGT's local wholly-owned subsidiary Infinity-e Gaming Africa ("IGA"). The 26.04% stake in IGA is split into 12.85% for AGH and 13.19% for AGA. This swap is subject to certain conditions precedent, including SARB approval, all conditions precedent was met in July 2019. Infinity-e Gaming Africa is an industry-leading gaming systems supplier servicing licensed customers in Africa and the Indian Ocean islands. The investment was impaired as the investment group is has significant accumulated losses.

[2] In the prior year GPI sold it's shares in SunSlots to Grand Casino Investments (a 100% held subsidiary of the Company) in exchange for additional shares in Grand Casino Investments. Additional shares in Grand Casino investments were issued at the same value as the carrying value of the investment held in SunSlots, consequently no profit or loss was realised on the transaction.

13 Property, plant and equipment

13.1 Accounting policy

For detailed information regarding the accounting policy applied refer to Note 19.1 of the Consolidated Annual Financial Statements.

The useful lives are as follows:

Computer equipment	- 3 years
Furniture and fittings	- 5 years

13.2 Reconciliation of property, plant and equipment

2020	**Computer equipmen**	**Furniture & fittings**	**Total**
	R'000s	**R'000s**	**R'000s**
Cost	**101**	**-**	**101**
Accumulated depreciation	**(22)**	**-**	**(22)**
Carrying value at 1 July 2019	**79**	**-**	**79**
Additions	**69**	**20**	**89**
Disposals	**(1)**	**-**	**(1)**
Depreciation	**(62)**	**(1)**	**(63)**
Carrying value at 30 June 2020	**85**	**19**	**104**
Made up of:			
Cost	**170**	**20**	**190**
Accumulated depreciation	**(84)**	**(1)**	**(85)**

2019	**Computer equipmen**	**Furniture & fittings**	**Total**
	R'000s	**R'000s**	**R'000s**
Cost	-	-	-
Accumulated depreciation	-	-	-
Carrying value at 1 July 2018	**-**	**-**	**-**
Additions	101	-	101
Depreciation	(22)	-	(22)
Carrying value at 30 June 2019	**79**	**-**	**79**
Made up of:			
Cost	101	-	101
Accumulated depreciation	(22)	-	(22)

14 Intangible assets

14.1 Accounting policy

For detailed information regarding the accounting policy applied refer to Note 20.1 of the Consolidated Annual Financial Statements.

The useful lives are as follows:

Computer software	- 3 years

14.2 Reconciliation of Intangible assets

	Computer software R000's	Total R000's
2020		
Cost	97	97
Accumulated amortisation	(6)	(6)
Carrying value at 1 July 2019	**91**	**91**
Disposal	(3)	(3)
Amortisation	(30)	(30)
Carrying value at 30 June 2020	**58**	**58**
Made up of:		
Cost	94	94
Accumulated amortisation	(36)	(36)
2019		
Cost	6	-
Accumulated amortisation	-	-
Carrying value at 1 July 2018	**6**	**6**
Additions	91	91
Amortisation	(6)	(6)
Carrying value at 30 June 2019	**91**	**91**
Made up of:		
Cost	97	97
Accumulated amortisation	(6)	(6)

15 Financial instruments - financial assets

15.1 Accounting policy

For detailed information regarding the accounting policy applied refer to Note 22.1 of the Consolidated Annual Financial Statements.

15.2 Cash and cash equivalents

Cash and cash equivalents include Money Market call accounts with floating interest rates that fluctuated between 3.25% and 6.25% during the year (2019: between 6.25% and 6.50%).

	2020 R'000s	2019 R'000s
Cash and cash equivalents	**24 276**	**67 580**

At year end the Company had available overdraft facilities of R Nil (2019: R13 million) and utilised overdraft facilities of R Nil (2019: R Nil).

		2020	2019
15	**Financial instruments - financial assets (continued)**	**R'000s**	R'000s
15.3.1	**Trade and other receivables**		
	Gross trade receivables	**50 525**	33 828
	Less: allowance for doubtful debts	**(6 563)**	-
	Net trade receivables	**43 962**	33 828
	Prepayments	**735**	1 686
	VAT	**1 103**	1 087
		45 800	36 601
15.3.2	**Gross accounts receivable**		
	0 to 30 Days	**3 238**	8 163
	30 to 60 days	**465**	-
	60 to 120 days	**19 875**	1 830
	over 120 days	**26 947**	23 835
		50 525	33 828
15.3.3	**Past due and impaired accounts receivable**		
	0 to 30 Days	**(8)**	-
	30 to 60 days	**-**	-
	60 to 120 days	**(22)**	-
	over 120 days	**(6 533)**	-
		(6 563)	-
15.3.4	**Reconciliation of allowance for doubtful debt**		
	Opening balance - 1 July	**-**	-
	Increase in expected credit loss raised	**(6 563)**	-
	Closing balance - 30 June	**(6 563)**	-

Impairment of Trade and other receivables

Trade receivables are grouped according to their credit risk profiles based on account behaviour and market information to more accurately measure the ECL. Each major account grouping is aged according to days outstanding in order to apply a general or specific default rate percentage commensurate with the risk of default.

The default rate percentage is informed by historical data and management best judgement based on the current status of the book, the projected economic outlook (GDP growth, inflation and interest rates) over the short term and our current collections rate achieved.

All Trade and other receivables are related parties within the same group, based on past experience and projected economic outlook these receivables are all considered to be recoverable, except for GPI Investments 1 and Grand Foods Management services which stopped operation during this year. The Company has provided in full for these two receivables.

15.4 Investments held at fair value through OCI

	Atlas Gaming Holdings	
	2020	2019
	R'000s	R'000s
Opening balance - 1 July	**5 786**	5 786
Fair value adjustment	**(4 961)**	
Disposal	**(825)**	-
Closing balance - 30 June	**-**	5 786

On 29 August 2017, the Group entered into a share swap agreement with DRGT International SARL, for its 4.95% holding in Atlas Gaming Holdings ("AGH") and its 100% holding in Atlas Gaming Africa ("AGA") in exchange for a 26.04% stake in DRGT's local wholly-owned subsidiary Infinity-e Gaming Africa ("IGA"). The 26.04% stake in IGA is split into 12.85% for AGH and 13.19% for AGA. This swap is subject to certain conditions precedent, including SARB approval, all conditions precedent was met in July 2019. Infinity-e Gaming Africa is an industry-leading gaming systems supplier servicing licensed customers in Africa and the Indian Ocean islands.

	2020	2019
15 Financial instruments - financial assets (continued)	**R'000s**	R'000s

15.5 Investments held at fair value through OCI reserve

The movements in the unrealised gains relating to the Company's investments held at fair value through OCI are as follows:

	2020	2019
Opening balance - 1 July	**2 690**	2 690
Fair value adjustment	**(4 961)**	
Disposal of investment	**2 271**	-
Closing balance - 30 June	**-**	2 690

(1) Refer to note 15.4 for details regarding the disposal of the investment

16 Financial instruments - financial liabilities

16.1 Accounting policy

For detailed information regarding the accounting policy applied refer to Note 22.1 of the Consolidated Annual Financial Statements.

16.2 Trade and other payables

	2020	2019
Trade payables	**5 697**	6 068
Other payables and accruals	**5 597**	11 650
Audit fee accrual	**1 528**	1 318
Sundry accruals	**3 240**	3 835
Annual leave accrual	**712**	2 054
Payroll accruals	**117**	4 443
	11 294	17 718

17 Financial instruments - disclosure

17.1 Classification of financial instruments

The Company's principal financial assets are investments held at fair value through OCI, trade and other receivables, related party loans receivables and cash. The Company's principal financial liabilities are trade and other payables. 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.

	Notes	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Non-Financial assets	Total
		R'000s	R'000s	R'000s	R'000s
17.2 Financial assets					
2020					
Cash and cash equivalents	15.2	**24 276**	**-**	**-**	**24 276**
Investments held at fair value	15.4	**-**	**-**	**-**	**-**
Related party loans	10	**30 987**	**-**	**-**	**30 987**
Trade and other receivables	15.3.1	**43 962**	**-**	**1 838**	**45 800**
Total		**99 225**	**-**	**1 838**	**101 063**
2019					
Cash and cash equivalents	15.2	67 580	-	-	67 580
Investments held at fair value	15.4	-	5 786	-	5 786
Related party loans	10	17 136	-	-	17 136
Trade and other receivables	15.3.1	33 828	-	2 773	36 601
Total		118 544	5 786	2 773	127 103

17 Financial instruments - disclosure (continued)

17.3 Financial liabilities

	Notes	Financial liabilities measured at amortised cost R'000s	Non-financial liabilities R'000s	Total R'000s
2020				
Trade and other payables	16.2	**10 465**	**829**	**11 294**
Dividends payable	20.3	**10 129**	**-**	**10 129**
Total		**20 594**	**829**	**21 423**
2019				
Trade and other payables	16.2	11 221	6 497	17 718
Dividends payable	20.3	10 405	-	10 405
Total		21 626	6 497	28 123

17.4 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.

The Market risk the Group is exposed to is interest rate 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 short term investments in terms of 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
2020	**100**	**243**	**(100)**	**(243)**
2019	100	676	(100)	(676)

Credit risk is the risk of financial loss caused by the inability or unwillingness of a counter-party 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 Company only deposits cash surpluses with major banks of high quality and credit standing. At year end, the Company did not consider there to be any significant concentration of credit risk 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, 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 Company'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.

The following table presents the maturity analysis of related party loans and trade and other receivables.

	Current	30 to 60 days	60 to 120 days	Over 120 days	Total
2020	**R'000s**	**R'000s**	**R'000s**	**R'000s**	**R'000s**
Related party loans	**30 987**	**-**	**-**	**-**	**30 987**
Trade and other receivables	**3 230**	**465**	**19 853**	**20 414**	**43 962**
Total	**34 217**	**465**	**19 853**	**20 414**	**74 949**

17 Financial instruments - disclosure (continued)

17.5 Credit risk (continued)

Related party loans receivables (continued)

The following table presents the maturity analysis of related party loans and trade and other receivables.

	Current R'000s	30 to 60 days R'000s	60 to 120 days R'000s	Over 120 days R'000s	Total R'000s
2019					
Related party loans	17 136	-	-	-	17 136
Trade and other receivables	8 163	-	1 830	23 835	33 828
Total	25 299	-	1 830	23 835	50 964

17.6 Liquidity risk

Refer to *Note 25.3.3* 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
2020						
Trade and other payables	**-**	**1 759**	**8 706**	**-**	**-**	**10 465**
Dividends payable	**10 129**	**-**	**-**	**-**	**-**	**10 129**
Total	**10 129**	**1 759**	**8 706**	**-**	**-**	**20 594**
2019						
Trade and other payables	-	5 761	11 957	-	-	17 718
Dividends payable	10 405	-	-	-	-	10 405
Total	10 405	5 761	11 957	-	-	28 123

18 Provisions

18.1 Accounting policy

For detailed information about the accounting policy applied refer to Note 27.1 of the Consolidated Annual Financial Statements.

18.2 Reconciliation of provisions

	Long service leave [1] 2020 R'000s	Employee bonuses [2] 2020 R'000s	Total 2020 R'000s
2020			
Opening balance - 1 July	**108**	**4 799**	**4 907**
Provision raised during the year	**67**	**1 865**	**1 932**
Amount utilised	**(12)**	**(5 015)**	**(5 027)**
Closing balance - 30 June	**163**	**1 649**	**1 812**
	2019 R'000s	2019 R'000s	2019 R'000s
2019			
Opening balance - 1 July	167	4 816	4 983
Provision raised during the year	(49)	3 291	3 242
Amount utilised	(10)	(3 308)	(3 318)
Closing balance - 30 June	108	4 799	4 907

	2020 R'000s	2019 R'000s
Balance made up as follows:		
Non-current provisions	**163**	108
Current provisions	**1 649**	4 799
	1 812	4 907

[1] The provision relates to the Group's policy of rewarding employees for their loyalty and long service to the company. It is uncertain how many employees will remain in the Group's employment for the prescribed period of time to qualify for long service rewards.

[2] The provision relates to incentive bonusses for employees, the value of the bonus is dependant on whether the specified KPI's were met for the employee and whether the employee is still in the Group's employment at the date that the bonus is rewarded.

19 Stated capital

19.1 Accounting policy

For detailed information about the accounting policy applied refer to Note 29.1.1 of the Consolidated Annual Financial Statements.

	2020 R'000s	2019 R'000s
19.2 Authorised share capital		
2 000 000 000 ordinary shares of no par value	**-**	-
19.3 Reconciliation of issued share capital		
Opening balance – 1 July	**798 586**	794 135
Reclassification of reserve	**-**	4 451
Closing balance (issued and fully paid) – 30 June	**798 586**	798 586
19.4 Number of shares in issue	**000s**	000s
Opening balance – 1 July	**470 023**	470 023

	Notes	2020 R'000s	2019 R'000s
20 Notes to the cash flow statement			
20.1 Cash generated from operations			
(Loss)/profit before taxation		**(535 567)**	30 229
Adjustments for:			
- Depreciation	13.2	**63**	22
- Amortisation	14.2	**30**	6
- Finance income	4	**(2 591)**	(4 466)
- Finance costs	5	**18**	361
- Dividends received	2.2	**(37 081)**	(63 416)
- Share based payment expense	3.1.2	**2 433**	489
- Impairment of subsidiaries	11.2	**521 610**	101 113
- Impairment of associates		**1 670**	
- Reversal of impairment of loans		**-**	(99 379)
- Loss on disposal of subsidiary		**11 500**	-
Operating cash flows before working capital changes		**(37 915)**	(35 041)
Increase in trade and other receivables		**(9 199)**	(15 644)
(Decrease)/Increase in trade and other payables and provisions		**(9 519)**	11 527
Net cash utilised in operations		**(56 633)**	(39 158)
20.2 Taxation paid			
Taxation – 1 July		**(320)**	1 956
Current tax per statement of comprehensive income			
- current year		**-**	-
- prior year under provision		**-**	(30)
Taxation – 30 June		**88**	320
		(232)	2 246
The closing tax balances comprises of the following:			
- Income tax refunds		**88**	320
- Income tax Payable		**-**	-
		88	320
20.3 Dividends paid			
Opening balance - 1 July		**(10 405)**	(10 416)
Dividends declared		**-**	-
Closing balance - 30 June		**10 129**	10 405
		(276)	(11)

Dividends paid relate to prior years.

	2020	2019
20 Notes to the cash flow statement (continued)	**R'000s**	R'000s
20.4 Dividends received		
- Grand Casino Investments	**31 000**	61 000
- GPI Investments 1	**1 400**	-
- Worcester	**4 681**	2 416
	37 081	63 416

21 Contingent liabilities

The company is not aware of any contingent liabilities at year end as it is not involved in any dispute or litigation at year end.

22 Guarantees

The company has provided guarantees for the following related parties debt:

1) Overdraft facilities for Burger King and Mac Brothers, refer to Note 22.2 of the Consolidated Annual Financial Statements for details regarding the overdraft facilities.

2) Finance leases of equipment by Mac Brothers with Mercantile Bank, with an outstanding balance of R1.1 million at 30 June 2020, for which the company provided a performance guarantee.

3) Lease of premises by Mac brothers with minimum lease payments of R66.2 million for the remaining lease term, for which the company provided a guarantee.

4) Sanlam Capital loans on properties by GPI Properties, refer to Note 23.3 of the Consolidated Annual Financial Statements for details regarding these interest bearing borrowings.

23 Subsequent events

Refer to Note 32 of the Consolidated Annual Financial Statements.

Appendix 1
Principal Subsidiary Companies at 30 June 2020:
At year end the Group consisted of GPI and principal subsidiaries as listed below:

	Ordinary share capital and premium		**Effective Percentage holding**	
	2020	2019	**2020**	2019
	R	R	**%**	%
Burger King South Africa (Pty) Ltd	**180 000 000**	180 000 000	**91.10**	91.10
GPI Investments 1 (Pty) Ltd	**72 327 960**	72 327 960	**100.00**	100.00
GPI Management Services (Pty) Ltd	**137 761 600**	137 761 600	**100.00**	100.00
GPI Properties (Pty) Ltd	**126 156 336**	126 156 336	**100.00**	100.00
GPI Women's BBBEE Empowerment Trust	**-**	-	**100.00**	100.00
Grand Capital Investment Holdings (Pty) Ltd	**126 395 955**	126 395 955	**100.00**	100.00
Grand Casino Investments (Pty) Ltd	**31 294 000**	31 294 000	**100.00**	100.00
Grand Casino Investments KZN (Pty) Ltd	**28 582 092**	28 582 092	**100.00**	100.00
Grand Foods (Pty) Ltd	**656 961 451**	656 961 451	**100.00**	100.00
Grand Foods Bakery (Pty) Ltd	**21 884 520**	21 884 520	**100.00**	100.00
Grand Foods Meat Plant (Pty) Ltd	**40 273 397**	40 273 397	**100.00**	100.00
Grand Parade Share Incentive Trust	**1 000**	1 000	**100.00**	100.00
Grand Property Management (Pty) Ltd	**100**	100	**100.00**	100.00
Mac Oven (Pty) Ltd	**100**	100	**100.00**	100.00
Cape Filtered Water Solutions (Pty) Ltd	**10**	10	**100.00**	100.00
Impala Lily Property Investments (Pty) Ltd	**10**	10	**100.00**	100.00
Sabenza (Pty) Ltd	**10**	10	**100.00**	100.00
Mac Brothers Catering Equipment (Pty) Ltd	**21 286 608**	21 286 608	**100.00**	100.00
Utish Investments (Pty) Ltd	**215 883 683**	215 883 683	**100.00**	100.00

Appendix 2

Investments, associates and joint ventures

	30 JUNE 2020			30 JUNE 2019		
	Shares held	**Effective Interest**	**Voting Interest**	Shares held	Effective Interest	Voting Interest
FOOD						
Spur	**8 447 731**	**7.79%**	**7.79%**	19 295 824	17.79%	17.79%
GAMING						
Atlas Gaming	**-**	**0.00%**	**0.00%**	6 763 000	4.95%	4.95%
SunWest	**2 220 278**	**15.10%**	**Joint control**	2 220 278	15.10%	Joint control
Worcester Casino	**2 113 087**	**15.10%**	**15.10%**	2 113 087	15.10%	15.10%
Sun Slots	**300**	**30.00%**	**30.00%**	300	30.00%	30.00%

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 2020

	Direct	**Indirect**	**Total shares**	
Director	**Beneficial**	**Beneficial**	**Beneficial**	**Beneficial**
Ordinary Shares	**000's**	**000's**	**000's**	**%**
A Abercrombie [1]	**5**	**-**	**5**	**-**
M Bowman	**13**	**-**	**13**	**-**
M Tajbhai	**42**	**-**	**42**	**0.01**
	60	**-**	**60**	**0.01**

[1] These shares are encumbered by a maximum debt of R1 million.

As at 30 June 2019

	Direct	**Indirect**	**Total shares**	
Director	**Beneficial**	**Beneficial**	**Beneficial**	**Beneficial**
Ordinary Shares	**000's**	**000's**	**000's**	**%**
H Adams	6 506	37 317	43 823	9.32
A Abercrombie	-	7 000	7 000	1.49
M Bowman	-	136	136	0.03
M Tajbhai	42	-	42	0.01
	6 548	44 453	51 001	10.85

There were no changes in directors interest in shares between year end and date of approval of the financial statements.

Appendix 4

Shareholder Spread	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
1 - 1,000	1 284	17.51%	522 887	0.11%
1,001 - 10,000	4 250	57.97%	20 289 116	4.32%
10,001 - 100,000	1 578	21.52%	43 039 574	9.16%
100,001 - 1,000,000	165	2.25%	43 999 065	9.36%
Over 1,000,000	55	0.75%	362 172 099	77.05%
Total	**7 332**	**100.00%**	**470 022 741**	**100.00%**

Distribution of Shareholders	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
Assurance Companies	9	0.12%	907 905	0.19%
Close Corporations	28	0.38%	1 596 903	0.34%
Collective Investment Schemes	26	0.35%	35 473 724	7.55%
Custodians	9	0.12%	562 856	0.12%
Foundations & Charitable Funds	3	0.04%	34 000	0.01%
Hedge Funds	8	0.11%	82 867 563	17.63%
Insurance Companies	3	0.04%	431 511	0.09%
Investment Partnerships	10	0.14%	1 661 958	0.35%
Managed Funds	1	0.01%	12 055 775	2.56%
Private Companies	85	1.16%	126 252 186	26.86%
Public Entities	1	0.01%	181 693	0.04%
Retail Shareholders	7 020	95.74%	108 956 314	23.18%
Retirement Benefit Funds	28	0.38%	63 373 521	13.48%
Share Schemes	2	0.03%	1 722 692	0.37%
Stockbrokers & Nominees	8	0.11%	5 321 985	1.13%
Trust	90	1.23%	28 622 154	6.09%
Unclaimed Scrip	1	0.01%	1	0.00%
	7 332	**100.00%**	**470 022 741**	**100.00%**

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

Fund Managers With A Holding Greater Than 3% of The Issued Shares	Number of Shares	% of issued Capital
Value Capital Partners	98 211 186	20.89%
Arakot	47 268 792	10.06%
Kagiso Asset Mgt	38 302 539	8.15%
GPI Mgt Services	24 000 000	5.11%
Rozendal Partners	15 416 622	3.28%
Total	**223 199 139**	**47.49%**

Beneficial Shareholders With A Holding Greater Than 3% Of The Issued Shares	Number of Shares	% of issued Capital
Value Capital Partners H4 QI Hedge Fund	54 745 420	11.65%
Arakot	47 268 792	10.06%
Midnigt Storm Investments Pty Ltd	24 248 649	5.16%
GPI Mgt Services Pty Ltd	24 000 000	5.11%
Eskom Pension and Provident Fund	18 581 342	3.95%
Rozendal Flexible Prescient QI Hedge Fund	15 416 622	3.28%
GPI Woman's BBBEE Empowerment Trust	14 814 815	3.15%
Total	**199 075 640**	**42.35%**