GRAND PARADE

INVESTMENTS LIMITED

2021

AUDITED GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

AT 30 JUNE 2021

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LEVEL OF ASSURANCE

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

COMPANY INFORMATION

for the year ended 30 June 2021

Directors	A Abercrombie (Non-executive Chairman) M Tajbhai (Chief Executive Officer) J October (Chief Financial Officer) WD Geach (Lead independent) MJ Bowman (Non-executive) R van Dijk (Non-executive) M Nkosi (Non-executive) R Kader (Non-executive)
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 Chief Financial Officer, J October CA(SA).
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

STATEMENT OF RESPONSIBILITY BY THE DIRECTORS AND COMPANY SECRETARY

for the year ended 30 June 2021

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 Listings 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 5 to 9.

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 30 September 2021 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*

30 September 2021

Preparation of Annual Financial Statements

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

J OCTOBER *Chief Financial Officer*

30 September 2021

Declaration by Group Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

The Group CEO and CFO, hereby confirm that:

a) the consolidated and separate annual financial statements set out on pages 2 to 107, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS and requirements of the Companies Act;

b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the financial statements; and

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statement, having fulfilled our role and function with input from the internal and external audit function. We have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that may have taken place, and taken the necessary remedial action.

J OCTOBER *Chief Financial Officer*

30 September 2021

M TAJBHAI *Chief Executive Officer*

30 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAND PARADE INVESTMENTS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

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 2021, 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 2021, the Group recorded a deferred tax asset of R189.1 million, of which R177.3 million relates to assessed and estimated tax losses. The most significant contributor to the assessed and estimated tax 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 future taxable income will be available against which the unused tax losses or unused tax credits can be utilised by the respective entities. 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 prepared forecasts of the future taxable income per legal entity in the Burger King Group.	Our procedures comprised, amongst others, the following: • We obtained an understanding of management's process for assessing the recoverability of the deferred tax asset as well as their assessment calculations. • We obtained an understanding of the process followed by management when setting key assumptions regarding the store roll-out plan, including understanding how they identify the number, location and the type of store to be opened (walk-in/drive-through). • We obtained management's forecast for stores and made extensive use of our internal risk evaluation experts in determining whether the assumptions listed above are reasonable compared to that of the prior period. • We obtained the revised approved store roll-out plan and compared this to the forecasts. • We evaluated management's store roll-out plan against the provisions of the Burger King Sales agreement with ECP Africa. We assessed the number of stores to be opened per management's forecast to the minimum number of stores to be opened per the sales agreement.

Key Audit Matter	How the matter was addressed in the audit
Recoverability of deferred tax assets on assessed losses	
The utilisation of assessed and estimated tax 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 difficult trading environment and deteriorating macro-economic outlook in the current year resulted in the management applying significant assumptions relating to store forecasts given that some of the changes in current year performance may be isolated to the impact of lockdown and others to ongoing macro-economic factors. The key assumptions requiring significant auditing effort in the current year, centered around the store roll-out plan, including the total number and type of store to be opened which all impacts 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 of the assessed and estimated tax losses. Due to the size of the assessed and estimated tax losses and the number of legal entities from which they arise, the recoverability of deferred tax assets on assessed and estimated tax losses is considered a key audit matter given that it required significant effort to assess the detailed plans and the historical profitability of stores.	• We evaluated management's forecast for stores by assessing each store included in the assessment as well as the revenue, cost of sales, operating costs, depreciation and the profitability impact of the distribution channels available to customers applied in determining the forecasted earnings used in the assessment. " • We evaluated management's forecasted growth rate by: – Obtaining relevant data (CPI, Food Price Inflation and Forecasted CPI) and assessed the applicability of each index as a growth rate; and – Developed a growth rate using a combination of the above indices and evaluated the growth rate against that used by management. • We evaluated, per store type, the forecast profitability of new stores by: – Segregating the stores by store type; – Analysing the historic taxable income for stores opened within the last 3 years by B7store type; – Comparing management's original forecast of taxable income for the new stores opened during the current and prior year, to what was achieved in the respective years; and – Using the above information, we corroborated the attributes 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. • We further evaluated management's forecasted operating costs and assessed the impact of the increased labour requirements and the forecasted costs per the Burger King sales agreement with ECP Africa. • We evaluated the forecasted 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 collapsed in the current year; and – 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 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.

Key Audit Matter	How the matter was addressed in the audit
Significant components (SunWest and SunSlots) audited by Non-EY Audit Firm	
The Group holds a 15.1% share of SunWest and a 30% share in SunSlots. In the Group Financial Statements, the investments are equity accounted in terms of IFRS 11 with the investment in SunWest classified as an Investment in a Jointly Controlled entity and the investment in SunSlots being classified as an Investment in Associate in terms of IAS 28. Disclosure relating to the Investments in Jointly Controlled entities and Investments in Associates is disclosed in notes 15.2.1 and 15.3.1 respectively. For the period ended 30 June 2021, the GPI Group recognised equity accounted earnings of R70 million from these investments in the Statement of Profit or Loss and Other Comprehensive Income. As at 30 June 2021, the equity accounted carrying value of the investments is R963 million representing 38% of the Group's total assets. The financial year end of SunWest and SunSlots is 31 December which is non-coterminous to the GPI Group Financial year end of 30 June. The 6-month financial results (1 January 2021 – 30 June 2021) of SunWest and SunSlots that form part of GPI management's equity accounted earnings and the carrying value of the investments calculations are not audited by the Component Auditor as part of their annual audit. Due to the significance of the SunWest and SunSlots components profit before tax contribution in the current year and the financial year end of the components being non-coterminous to that of the GPI Group, we focused our attention on the financial information of the components for the 6 months ended 30 June 2021. Significant audit effort was required in developing the component group instructions which dictate the overall opinion/representations required from the component auditors as well as the additional specific procedures that provide the required assurance over the financial information of the components.	• We issued Full Scope Group Instructions to the component auditor detailing the scope and nature of the audit work required to be performed and the representations and component deliverables to be submitted to the primary team. • We assessed the competence, knowledge, and experience of the Component Auditor, and performed a cross-review of the 31 December 2020 audit file. Included in the cross-review was an inspection and review of the component auditor's materiality thresholds and audit findings. • We analysed the representations and component deliverables for any matters or findings that would have impacted the GPI Group audit opinion. • For the period 1 January 2021 – 30 June 2021, we prepared and provided specified audit procedures to be performed on the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position balances that were identified as significant. The results of the procedures were included in the component deliverables and were assessed in terms of any implications on the GPI Group audit opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 107 page document titled "Grand Parade Investments Limited Audited Group and Company Annual Financial Statements for the year ended 30 June 2021", 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

30 September 2021

REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 30 June 2021

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). The committee is made up of WD Geach CA(SA), BA LLB (CPT), MCom FCIS (Chairman), MJ Bowman BCom (Wits), MBA (UCT) and R Van Dijk CA(SA), B Rek Hons (USB). All four meetings of the committee have been attended by all members.

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

Engagement with external auditors

- nominated and recommended to shareholders the appointment of the external auditor of the Company and the Group who is a registered auditor;
- satisfied itself that the external auditor is independent of the Company, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, paragraph 3.84(g)(iii) and the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements ("JSE Listings Requirements");
- considered and approved the terms of engagement of the external auditor and the extent and scope of the audit and the timing thereof;
- in consultation with management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2021 financial year;
- prior to the commencement of the audit, determined and recommended the audit fees to be paid to the auditor;
- approved the nature and extent of non-audit services that the external auditor may provide;
- 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 2020 and the audited annual results for the 2021 financial year;

Internal financial controls, and 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 although there were deficiencies in the internal financial controls noted adequate measures have been taken where appropriate to provide reasonable assurance that the annual financial statements fairly present in all material respects the financial position, performance and cash flows of the Group;
- 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

- satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor, that the risk management processes and systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements;
- 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;
- implemented POPIA Framework and associated policies across the business that promotes a robust level of protection and ethical use of Personal Data.

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, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the Company be regarded as a going concern;
- reviewed the accounting policies and financial statements for the year ended 30 June2021, and based on the information provided to the committee, considered that the Company and Group complies, in all material respects, with the requirements of International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act and the JSE Listings Requirements;
- considered and reviewed management implementation of the JSE Limited's ("JSE") latest report on the proactive monitoring of financial statements for compliance with IFRS and ensured that the listing requirements were complied with;
- as required by the new JSE Listings Requirements (paragraph 3.84 (k) thereof) the CEO and CFO have disclosed to the committee and the auditor a comprehensive list of the deficiencies in design and operational effectiveness of the internal financial controls, together with a description of the actions required to be taken to remediate these deficiencies. The Committee is satisfied that the rectification actions will improve the effectiveness of the internal financial controls.
- ensured that the appropriate financial reporting procedures exist and are operating as required by the JSE Listings Requirements paragraph 3.84(g)(ii);
- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Company's CFO, as well as the group finance function, has the appropriate expertise and experience and where weaknesses were identified that appropriate remedial action was put in place and have been communicated to the committee and its external auditors; and;
- undertook the prescribed functions in terms of section 94(7) of the Companies Act, on behalf of the subsidiary companies of the group.

Key audit matters

The Committee considered the following areas of audit emphasis and key audit matters raised by the external auditors in relation to the audit of the consolidated financial statements:

- recoverability of deferred tax assets on estimated and assessed losses
- significant components (SunWest and SunSlots) audited by Non-EY Audit Firm

Based on the work performed by the external audit and management support the committee is satisfied with these key audit matters.

W GEACH
Chairman
Audit and Risk Committee

30 September 2021

REPORT OF THE DIRECTORS

for the year ended 30 June 2021

The Directors present their report on the activities of the Group and Company for the year ended 30 June 2021.

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		Notes	**30 June 2021**	30 June 2020
Headline loss	(R'000)	4	**(27 028)**	(61 661)
– Continuing	(R'000)		**(27 028)**	(54 698)
– Discontinued	(R'000)		**–**	(6 963)
Headline loss per share	(cents)	4	**(6,29)**	(14,44)
– Continuing	(cents)		**(6,29)**	(12,81)
– Discontinued	(cents)		**–**	(1,63)
Diluted headline loss per share	(cents)	4	**(6,29)**	(14,44)
– Continuing	(cents)		**(6,29)**	(12,81)
– Discontinued	(cents)		**–**	(1,63)
Basic loss – net loss for the year	(R'000)	4	**(28 993)**	(123 527)
– Continuing	(R'000)		**(28 993)**	(108 830)
– Discontinued	(R'000)		**–**	(14 697)
Basic loss per share	(cents)	4	**(6,75)**	(28,93)
– Continuing	(cents)		**(6,75)**	(25,49)
– Discontinued	(cents)		**–**	(3,44)
Diluted loss per share	(cents)	4	**(6,75)**	(28,92)
– Continuing	(cents)		**(6,75)**	(25,48)
– Discontinued	(cents)		**–**	(3,44)
Dividends net of treasury shares	(R'000)		**–**	–
Ordinary dividend per share	(cents)		**–**	–

The 2021 financial year was impacted by the second wave of COVID-19 infections and the associated level 3 restrictions which were in place from December 2020 to February 2021. The restrictions and the general uncertainty following the second COVID-19 wave had a significant impact on the Gaming assets which in turn affected the group earnings. Notwithstanding the challenging trading conditions, the gaming assets displayed signs of recovery. Sun Slots in particular has been buoyant and has recovered to pre COVID-19 levels and has resumed dividend payments. Overall headline loss for the year reduced as a result of the increase in earnings contribution from the Gaming assets and a significant reduction of the loss from the Food assets. Year to date headline loss contributions from the Foods businesses reduced by R17 million while the year to date headline loss contribution from the Gaming assets improved by R4.0 million. Overall headline loss for the group reduced by R35 million over the year.

GPI's Gaming assets consist of its interest in SunWest, Worcester Casino and Sun Slots. At the start of the financial year these assets resumed trading under extremely strict trading conditions including capacity restrictions, a ban on the sale of alcohol and early curfews. From July to November 2020 these restrictions were gradually lifted which improved the performance of these businesses. However, in December 2020 further restrictions were imposed to mitigate the spread of the second wave of COVID-19 infections which eroded all gains made in the first half of the year. SunWest was particularly affected by the disruption in trading and although showing signs of recovery only managed to achieve 52% of 2019 Gross Gaming Revenue (GGR). Sun Slots on the other hand was resilient during these extremely challenging conditions. Revenue was marginally (5%) down on pre-COVID levels. The business is generating positive cash and has resumed dividend payments. For the financial year Sun Slots declared a R240 million dividend (2020: R110 million) resulting in a dividend to the Group of R72 million (2020: R33 million).

The Foods business reduced its headline loss by R17.0 million from a loss of R60.3 million in the prior period to a loss of R43.2 million in the current period. Burger King continued to perform well despite the COVID-19 challenges noted above with comparative sales up 5.9% compared to the prior period (excluding non-trading months). Despite the revenue growth profitability in the business is a concern with Gross margins down 2% compared to the prior year due to a shift in sales to home delivery. The business has recently launched its own delivery platform which will assist in mitigating the decrease in profitability. Mac Brothers had a challenging year with revenue down R25.1 million for the year at a Group level. Despite this, the improvement in operational expenditure of R8.4 million, due to the restructure of the business, assisted in reducing the headline loss contribution by R18 million for the year from a loss of R41.0 million to a loss of R23 million.

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 reduction in its headline loss of 56%. Headline loss decreased from a loss of R61.7 million in the prior year to a loss of R27.0 million at the end of June 2021.

The main contributors to the reduction in headline loss are:

- Burger King's headline contribution improved by R11.8 million during the year from a loss of R25.5 million in the prior period to a loss of R13.7 million in the current period.
- Mac Brothers' loss contribution for the period improved by R18.0 million from R41.0 million in the prior period to R23.0 million in the current period, despite a significant decrease in sales as a direct result of the COVID-19 pandemic. The improvement can be attributed to the sharp decrease in operating costs of R8.4 million compared to the prior period.
- The gaming assets' headline earnings contribution increased by R4.0 million from R69.0 million in the prior period to R73.0 million in the current period. The increase in earnings is largely due to the recovery of Sun Slots and Infinity Gaming in the current year against prior year which was offset by a deterioration of earnings from SunWest.
- The Investment in Spur accounted for a decline of R7.2 million during the current year. No dividends were received from Spur in the current year as they were preserving cash during this period.
- Grand Foods Meat plant increased its headline loss contribution by R5.6 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 R7.0 million.
- Central cost decreased by R6.6 million in the current period largely as a result of reduced finance cost and cost saving initiatives offset by higher transaction costs as a result of the Burger King transaction. Furthermore there was unrecognised tax amounting to R3.4 million in properties in the prior period.

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

	30 June 2021 R'000s	30 June 2020 R'000s	Movement R'000s	%
Food	**(43 241)**	(60 256)	17 015	28%
Burger King	**(13 709)**	(25 501)	11 792	46%
Mac Brothers	**(22 968)**	(40 986)	18 018	44%
Spur	**(73)**	7 077	(7 150)	(101%)
Grand Foods Meat Plant	**(6 491)**	(846)	(5 645)	(667%)
Gaming	**72 978**	68 954	4 024	6%
SunWest	**25 249**	39 899	(14 650)	(37%)
Sun Slots	**44 770**	30 744	14 026	46%
Worcester Casino	**1 389**	(50)	1 439	–
Infinity Gaming Africa	**1 570**	(1 639)	3 209	–
Central costs	**(56 765)**	(63 396)	6 631	10%
Corporate Costs (excl Transaction costs, legal fees, tax and finance cost)	**(32 695)**	(34 094)	1 399	4%
Transaction costs, legal fees and taxation	**(16 467)**	(11 475)	(4 992)	(44%)
Net corporate finance costs	**(10 564)**	(13 394)	2 830	21%
GPI Properties	**2 961**	(4 433)	7 394	167%
Continuing operations	**(27 028)**	(54 698)	27 670	51%
Discontinued operations	**–**	(6 963)	6 963	100%
Dunkin Donuts	**–**	(3 549)	3 549	100%
Baskin Robbins	**–**	(1 686)	1 686	100%
Grand Bakery	**–**	(1 728)	1 728	100%
Headline (loss)/earnings after tax	**(27 028)**	(61 661)	34 633	56%

Dividends

No dividends were declared and paid during the financial year.

Capital structure

The Group reduced its debt by R26.3 million during the year due to a repayment of R16.1 million on its preference debt and R9.5 million on its term loan and finance leases. This excludes operating finance leases.

		30 June 2021 R'000s	30 June 2020 R'000s	Movement R'000s	%
Holding company facilities		**186 971**	203 095	(16 124)	8%
SunWest	Preference shares	**186 971**	203 095	(16 124)	8%
Subsidiary facilities		**44 846**	54 972	(10 126)	18%
GPI Properties	Term loans (Mortgage)	**43 365**	53 491	(10 126)	19%
Mac Brothers	Finance leases	**1 125**	1 125	–	0%
Burger King	Finance leases	**356**	356	–	0%
Total Debt		**231 817**	258 067	(26 250)	10%
Debt/EBITDA		**1,81**	5,19	(3,38)	(65%)
Debt/Equity		**13,8%**	15,3%	1,50%	9,80%

Review of investment operations

FOOD

Burger King

Burger King's total revenue for the year grew to R1.349 billion compared to R1.010 billion in the prior year.

Average monthly restaurant revenues (ARS) increased by 31% from R0.896 million last year to R1.171 million this year, largely as a result of the strong growth in Drive Thru ARS (2020: R1.109 million 2021: R1.438 million)

The current financial period observed substantial changes in consumer traffic trends. Comparative (comparison of stores trading for a full 12 months) Traffic: 2021: -4.5%; 2020: -11.0%).

The changes in service mode mix towards Home Delivery (2021: 15.0% from 2020: 8.1%) and Drive Thru sales (2021: 46.2% from 2020: 36.7%) have resulted in a net comparative sales gain of 11% (2020: 0.8%) for all our Drive Thru locations. Overall Comparative Sales Growth in 2021 was 5.9%.(Excluding April and May 2020 that the restaurants were closed).

The restrictions on Take Away & Dine In service modes resulted in Mall & In-Line Traffic reducing even further (2020: -12.3%; 2021: -16.6%) resulting in the mix of cash positive locations deteriorating substantially versus pre-COVID performance (Cash positive restaurants: YTD June 2021: 64% vs YTD Mar 2020: 72%).

The sales growth landscape has changed fundamentally for QSR in South Africa, restaurants in general are under pressure. With our focus since 2015 on suburban Drive Thru (DT) location growth (Portfolio Mix DT 2021: 60% vs 2020: 55% vs 2015: 21%) we need to look at mechanisms to capitalise in the Home Delivery growth of 141% we saw in 2021.

The total number of Burger King restaurants as at 30 June 2021 were 102 of which 95 are corporate owned. The net restaurant movement for the year totaled 5, which included the opening of 7 new restaurants and the closure of 2 unprofitable restaurants.

Burger King realised a Company EBITDA of R51.70 million during FY2021 compared to R34.62 million in the prior year.

Spur

The repayment of the debt resulted in no finance charges in the current year (2020: R6.8 m), and no dividends were received during the year (2020: R14.1m). The result is that a small operating cost of R0.1 m (2020: R7.1m) is reported for the year.

Grand Foods Meat Plant

Grand Foods Meat Plant is directly influenced by Burger King's performance through their agreement with Burger King's main logistics partner, Digistics (Pty) Ltd. Grand Foods Meat Plant's revenue increased by 44% to R204 million compared to prior year's R142 million.

Cost of sales outpaced revenue during the period increasing by 53% from R129.1 million to R196.7 million, as a result of higher input cost. Gross margin for the year decreased by 5% points from 9% to 4% due to higher beef prices in the second and third quarter of the year.

Grand Foods Meat Plant's earnings for the year resulted in a R6.5 million loss after tax, compared to the R1.65 million net loss after tax incurred in the prior year.

Mac Brothers Catering Equipment

The past financial year was unfortunately characterised by a long and protracted recovery from the COVID-19 pandemic and slowdown in the local economy. The latter part of the year showed no improvement in global travel and further lock down restrictions hampered their core market in the leisure, hotel and gaming industry from gaining any real growth momentum. This resulted in a very lack lustre second half performance due to capital budgets of key customers being frozen and projects delayed. This resulted in revenue decreasing by R30.5 million from R131.5 million to R101 million and gross profit decreasing by R3 million from R28 million to R25 million for the year.

Operating costs reduced by R8 million from R53 million to R45 million which includes R1 million in restructuring costs. Spending was curtailed to essential services only and research and development limited to critical projects. On a comparable basis (i.e. excluding the grant income); EBITDA loss improved by R19 million from R24 million in 2020 to R5 million in 2021 and net losses after tax were curtailed to R19 million in 2021 a significant improvement from R40 million in 2020.

OTHER

Central costs

The Group's net central costs (excluding funding cost) for the year amounted to R32.7 million, which is 4% lower than the central costs of R34.1 million last year. This is as a result of a restructure of the holding company which led to an improvement in efficiency. The overall savings were partially offset by once-off termination costs and additional transaction costs relating to the Burger King transaction incurred during the year.

Share capital

No new shares were issued or bought back during the period. Details of the shares in issue 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 2021 a total of 40.3 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 1.49 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 631 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totaling R16.1 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

There were no changes in the Directors and Company Secretariate during the current year.

Particulars of the present Directors and Company Secretary are given on page 2.

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.

Management performed various scenario analysis considering the likelihood of a fourth wave and the impact on the underlying businesses. Based on this assessment and the financial resources made available by the Group's funders, management was comfortable to present the going concern assumption to the Board. The Board has performed a review of the Group and Company'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 proceeding'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 8* and *Note* 9 of the Consolidated Annual Financial Statements.

Subsequent events

Sale of Burger King and Grand Foods Meat Plant

In June 2021 the competition authorities prohibited the transaction due to public interest concerns and in particular the loss of Historical Disadvantaged Persons (HDP) ownership that would result from the transaction. Management have been in discussions with the buyer and the competition commissions and have now settled on a list of conditions that the competition commission has approved. Subsequently a request for reconsideration has been filed with the Competitions Tribunal, which resulted in the transaction being approved with conditions. As the major conditions precedent were not met as at 30 June 2021 and significant uncertainty existed around whether the transaction would be approved, these assets have not been classified as a discontinued operation.

Related party loan

In August 2021 Dr Adams loan, which was granted during his tenure for acquisition of shares, was repaid in full including accrued interest. Subsequently all security has been released over the shares pledged as security for this loan.

INAV (Intrinsic Net Asset Value)

Management's assessment of the iNAV puts the value of the Group at R4.51 a share including an allowance for head office costs of R75 million and excluding finance costs and capital gains tax implications. Based on this valuation GPI is trading at a 36% discount to the current share price which presents a good opportunity to unlock value through a controlled sale of assets.

Company	**Intrinsic NAV 2021**	Intrinsic NAV 2020
	R'000	R'000
Food Investments	**638 886**	675 005
Gaming and leisure	**1 216 389**	**1 123 116**
GPI Properties	**77 635**	**105 509**
Value	**1 932 910**	1 903 630
Cash net of anticipated head office cost	**5 000**	22 943
iNAV	**1 937 910**	1 926 573
Issued shares	**429 718**	429 486
iNAV per share cents	**4,51**	4,49
Current share price cents	**2,89**	2,04
Discount	**(36%)**	(55%)

Prospects

The South African economy grew by a better than expected 1.2% in the second quarter of the financial year, growing for four consecutive quarters. The pace of growth accelerated from 1.0% in the first quarter, which was revised lower from 1.1%. Although the economy is 19.3% larger than a year ago, having recovered off a low base, overall economic activity is now only back to 2017 levels and only expected to recover to pre-COVID levels by the end of 2022.

The work done by management over the last 3 years in exiting unprofitable businesses, reducing debt, improving the profitability of operational businesses, and reducing head office costs has positioned the group to deliver on its objective of unlocking value for shareholders. The imminent sale of Burger King South Africa and Grand Foods Meat plant will unlock more than R1.15 per share in value. Following the sale of BKSA the way forward for GPI centers around 3 major themes;

1- To maximize the value of the business through the sale of the Group's property assets and exiting of MacBrothers,

2- To further reduce head office costs and reduce dividend leakage

3- To return capital to shareholders by resuming dividend payments.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Notes	2021 R'000	2020 R'000
CONTINUING OPERATIONS			
Revenue	10.2	**1 675 828**	1 312 326
Cost of Sales		**(934 433)**	(709 005)
Gross Profit		**741 395**	603 321
Operating costs		**(683 785)**	(561 601)
Profit from operations		**57 610**	41 720
Profit from equity-accounted investments	11.1	**73 253**	69 395
Expected credit losses	22.3.3	**(742)**	(2 906)
Loss on sale of investment	16.4.1	**–**	(9 050)
Profit on sale of investment property	11.2	**2 289**	–
Impairment of assets	11.5	**(4 557)**	(10 799)
Impairment of goodwill	17,2	**–**	(38 598)
Depreciation	11.2	**(103 832)**	(95 016)
Amortisation	20.2	**(5 234)**	(6 814)
Profit/(loss) before finance costs and taxation		**18 787**	(52 068)
Finance income	12	**3 794**	5 343
Finance costs	13	**(62 031)**	(76 988)
Loss before taxation		**(39 450)**	(123 713)
Taxation	5,2	**8 825**	11 903
Loss for the period from continuing operations		**(30 625)**	(111 810)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	14.3	**–**	(14 697)
Loss for the period		**(30 625)**	(126 507)
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss		**19 092**	(13 686)
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	**19 092**	(40 211)
Total comprehensive loss for the period		**(11 533)**	(140 193)
Loss for the period from continuing operations attributable to:			
– Ordinary shareholders		**(28 993)**	(108 830)
– Non-controlling interest	16,2	**(1 632)**	(2 980)
Loss for the period from discontinued operations attributable to:			
– Ordinary shareholders	14.3	**–**	(14 697)
– Non-controlling interest		**–**	–
		(30 625)	(126 507)
Total comprehensive loss from continuing operations attributable to:			
- Ordinary shareholders		**(9 901)**	(122 516)
- Non-controlling interest	16,2	**(1 632)**	(2 980)
Total comprehensive loss from discontinued operations attributable to:			
- Ordinary shareholders	14.3	**–**	(14 697)
- Non-controlling interest		**–**	–
		(11 533)	(140 193)

		Cents	Cents
Basic loss per share	4,5	**(6,75)**	(28,93)
– Continuing operations	4,5	**(6,75)**	(25,49)
– Discontinued operations	4,5	**–**	(3,44)
Diluted loss per share	4,5	**(6,75)**	(28,92)
– Continuing operations	4,5	**(6,75)**	(25,48)
– Discontinued operations	4,5	**–**	(3,44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Notes	2021 R'000	2020 R'000
ASSETS			
Non-current assets		**2 268 137**	2 278 699
Investments in jointly-controlled entities	15.2.1	**638 160**	612 911
Investments in associates	15.3.1	**351 611**	375 608
Investments held at fair value through OCI	22.4.1	**162 619**	143 527
Goodwill	17,2	**55 104**	55 104
Investment properties	18,2	**–**	7 599
Property, plant and equipment	19.2.1	**554 815**	566 263
Intangible assets	20.2	**20 703**	21 952
Right-of-use assets	24.2.2	**295 964**	318 192
Deferred tax assets	5,3	**189 161**	177 543
Assets classified as held for sale	21,2	**25 050**	43 959
Current assets		**324 507**	329 010
Inventory	26.2	**53 934**	64 313
Related party receivable	9	**22 473**	22 975
Trade and other receivables	22.3.1	**116 866**	122 576
Income tax receivable	30.2	**4 002**	1 917
Cash and cash equivalents	22.2.1	**127 232**	117 229
Total assets		**2 617 694**	2 651 668
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity		**1 710 243**	1 719 347
Ordinary share capital	28.1.3	**798 586**	798 586
Treasury shares	28.2.2	**(153 079)**	(153 962)
Accumulated profit		**1 176 897**	1 205 929
Investments held at fair value reserve	22.4.2	**(113 028)**	(132 120)
Share-based payment reserve		**867**	914
Non controlling-interest	16,2	**(34 612)**	(32 980)
Total shareholders' equity		**1 675 631**	1 686 367
Non-current liabilities		**521 919**	575 165
Preference shares	23,2	**131 711**	183 696
Interest-bearing borrowings	23,3	**10 304**	16 703
Lease liabilities	24.1.3	**365 886**	364 682
Provisions	27.2	**10 580**	8 377
Deferred tax liabilities	5,3	**3 438**	1 707
Current liabilities		**420 144**	390 136
Preference shares	23,2	**55 260**	19 399
Interest-bearing borrowings	23,3	**33 061**	36 788
Lease liabilities	24.1.3	**33 444**	40 103
Provisions	27.2	**12 996**	7 719
Trade and other payables	23.4	**172 725**	178 824
Dividends payable	30.3	**10 129**	10 129
Income tax payable	30.2	**190**	888
Bank overdraft	22.2.2	**102 339**	96 286
Total equity and liabilities		**2 617 694**	2 651 668

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Ordinary share capital (Note 28.1.3) R'000s	Treasury shares (Note 28.2.2) R'000s	Accumu-lated 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 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 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**
Total comprehensive (loss)/income for the year	**–**	**–**	**(28 993)**	**19 092**	**–**	**(1 632)**	**(11 533)**
– Loss for the year from continuing operations	**–**	**–**	**(28 993)**	**–**	**–**	**(1 632)**	**(30 625)**
– Other comprehensive loss	**–**	**–**	**–**	**19 092**	**–**	**–**	**19 092**
Treasury shares allocated to employees	**–**	**883**	**(814)**	**–**	**(70)**	**–**	**(1)**
Share-based payment reserve expense	**–**	**–**	**–**	**–**	**748**	**–**	**748**
Share options lapsed	**–**	**–**	**775**	**–**	**(725)**	**–**	**50**
Balance at 30 June 2021	**798 586**	**(153 079)**	**1 176 897**	**(113 028)**	**867**	**(34 612)**	**1 675 631**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Notes	2021 R'000	2020 R'000
Cash flows from operating activities			
Net cash generated from operations	30.1	**75 588**	40 933
Income tax paid/(received)	30.2	**(3 846)**	5 511
Finance income received	12	**3 794**	5 375
Net cash inflow from operating activities		**75 536**	51 819
Cash flows from investing activities			
Acquisition of property, plant and equipment (excluding land and buildings)		**(45 765)**	(85 671)
Acquisition of land and buildings	19.2.1	**–**	–
Acquisition of investment properties	18.2	**–**	–
Acquisition of intangibles	20.2	**(4 470)**	(6 380)
Disposal of subsidiary	16.4.1	**–**	(1 231)
Proceeds from disposal of investment property		**32 000**	–
Proceeds from disposal of property, plant and equipment and intangible assets		**–**	3 670
Proceeds from disposal of non-current assets-held-for-sale		**–**	3 847
Loans advanced	34,6	**–**	–
Consideration received from the disposal of investments	22.4.1	**–**	260 354
Dividends received	30.4	**72 001**	112 922
Net cash inflow from investing activities		**53 766**	287 511
Cash flows from financing activities			
Dividends paid	30.3	**–**	(276)
Proceeds from employees on settlement of share awards		**–**	6 069
Preference share redemption	30.5	**(16 002)**	(228 338)
Repayment of Interest-bearing loans	30.5	**(10 996)**	(7 500)
Repayment of lease liabilities	30.5	**(39 100)**	(29 207)
Finance costs		**(59 254)**	(131 593)
Net cash outflow from financing activities		**(125 352)**	(390 845)
Net increase/(decrease) in cash and cash equivalents		**106 289**	(51 515)
Reclassification of Bank overdraft out of cash and cash equivalents[1]	1.6.9	**102 339**	–
Decrease in cash and cash equivalents		**3 950**	–
Cash and cash equivalents at the beginning of the year		**20 943**	72 458
Total cash and cash equivalents at the end of the year		**127 232**	20 943
Total cash and cash equivalents at year end comprises of:		**127 232**	20 943
Cash and cash equivalents	22.2.1	**127 232**	117 229
Bank overdraft	22.2.2	**–**	(96 286)

[1] *At the end of the current year the Group classified the overdraft as funding and it is shown as a movement in cash and cash equivalents going forward as Management is of the view that the overdraft will remain in a overdraft position during the following year.*

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

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 in-line with IFRS and 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, No. 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 2020. None of the adoptions had a significant impact on the results of the Group.

1.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2021 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 profit or loss or retained 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. Accounting Policies (continued)

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 an assessed tax loss position, based on the up-to-date market assumptions as well as using the experience gained in the prior years.

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 and 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

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

1. Accounting Policies (continued)

1.6 Significant accounting judgements and estimates (continued)

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 through use (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 two of four 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).

1.6.7 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 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.

1. Accounting Policies (continued)

1.6 Significant accounting judgements and estimates (continued)

1.6.9 Consideration whether bank facilities is classified as part of funding activities or cash and cash equivalents in the statement of cashflow

In evaluating whether bank facilities constitute financing activities or should be classified as cash and cash equivalents in the statement of cashflow, management evaluates all cash and cash equivalents and funding provided. A facility is considered to cash and cash equivalents when it fluctuates between positive and negative balances, but where it remains negative, it is considered part of the financing of the business. Management assesses each facility based on its relevant facts and circumstances to ascertain the appropriate treatment. In the current year, certain overdrafts that have historically been judged to be cash and cash equivalents have more recently remained in a negative position. Management has therefore considered the forecast budgeted cashflows to ascertain whether this will remain in an overdraft position for the foreseeable future and therefore a change in classification is appropriate going forward.

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 cost of sales 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 VIU. When the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing VIU, 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. Accounting Policies (continued)

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 none are significant to the Group.

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 1 First-time Adoption of International Financial Reporting Standards	1 Jan 2022	Annual Improvements to IFRS Standards 2018–2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. This amendment is unlikely to have a material impact on the Group.
IFRS 3 – Business Combinations	1 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	1 Jan 2021	Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. This amendment is unlikely to have a material impact on the Group.
IFRS 9 Financial Instruments	1 Jan 2021	Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect: • designating an alternative benchmark rate as the hedged risk; or • changing the description of the hedged item, including the designated portion, or of the hedging instrument. This amendment is unlikely to have a material impact on the Group.
IFRS 9 Financial Instruments	1 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.

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 16 Leases	1 Jan 2021	Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. This amendment is unlikely to have a material impact on the Group.
IFRS 16 Leases	1 Apr 2021	COVID-19-Related Rent Concessions: Amendment providing lessees with an exemption from assessing whether a COVID-19-related rent concession (a rent concession that reduces lease payments due on or before 30 June 2022) is a lease modification. This amendment is unlikely to have a material impact on the Group.
IAS 1 Presentation of Financial Statements	1 Jan 2023	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 1 Presentation of Financial Statements	1 Jan 2023	Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. This amendment is unlikely to have a material impact on the Group.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 Jan 2023	Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. 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
IAS 12 Income Taxes	1 Jan 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items. This amendment is unlikely to have a material impact on the Group.
IAS 16 Property, Plant and Equipment	1 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	1 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	1 Jan 2021	Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments to IAS 39 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform by requiring companies to amend their hedging relationships to reflect: • designating an alternative benchmark rate as the hedged risk; • changing the description of the hedged item, including the designated portion, or of the hedging instrument; or • changing the description of how the entity would assess hedge effectiveness. 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]	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Food	**1 674 817**	1 310 908	**11 124**	7 506	**(934 433)**	(709 005)	**(639 863)**	(521 552)	**–**	–	**99 779**	80 351
Burger King	**1 366 630**	1 028 976	**–**	–	**(670 567)**	(482 375)	**(579 021)**	(449 650)	**–**	–	**116 300**	96 951
Mac Brothers	**104 198**	125 605	**11 124**	7 506	**(67 131)**	(97 547)	**(47 408)**	(53 019)	**–**	–	**(10 341)**	(24 961)
Spur	**–**	14 086	**–**	–	**–**	–	**(73)**	(212)	**–**	–	**(73)**	13 874
Grand Food Meat Plant	**203 989**	142 241	**–**	–	**(196 735)**	(129 083)	**(13 361)**	(11 674)	**–**	–	**(6 107)**	1 484
Dunkin' Donuts	**–**	–	**–**	–	**–**	–	**–**	(3 567)	**–**	–	**–**	(3 567)
Baskin-Robbins	**–**	–	**–**	–	**–**	–	**–**	(1 701)	**–**	–	**–**	(1 701)
Bakery	**–**	–	**–**	–	**–**	–	**–**	(1 729)	**–**	–	**–**	(1 729)
Gaming and leisure	**–**	–	**–**	–	**–**	–	**–**	–	**73 253**	69 395	**73 253**	69 395
SunWest	**–**	–	**–**	–	**–**	–	**–**	–	**25 250**	39 869	**25 250**	39 869
Sun Slots	**–**	–	**–**	–	**–**	–	**–**	–	**45 157**	31 255	**45 157**	31 255
Worcester Casino	**–**	–	**–**	–	**–**	–	**–**	–	**1 276**	(90)	**1 276**	(90)
Infinity Gaming Africa	**–**	–	**–**	–	**–**	–	**–**	–	**1 570**	(1 639)	**1 570**	(1 639)
Group costs	**1 011**	1 418	**39 155**	58 414	**–**	–	**(43 922)**	(47 044)	**–**	–	**(42 911)**	(45 626)
GPI Properties	**821**	316	**15 713**	17 482	**–**	–	**4 643**	1 248	**–**	–	**5 464**	1 564
Central costs [4]	**190**	1 102	**23 442**	40 932	**–**	–	**(48 565)**	(48 292)	**–**	–	**(48 375)**	(47 190)
	1 675 828	1 312 326	**50 279**	65 920	**(933 548)**	(709 005)	**(683 785)**	(568 596)	**73 253**	69 395	**130 121**	104 120

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

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

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

Impairments of assets and goodwill		Depreciation & Amortisation		Finance Income		Finance Costs		Net profit/(loss) after tax		Total Assets		Total Liabilities	
2021 R'000	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
(4 557)	(57 060)	**(107 902)**	(99 932)	**2 764**	1 150	**(45 676)**	(53 939)	**(47 823)**	(121 154)	**1 313 050**	1 402 836	**(670 598)**	(751 113)
(4 497)	(7 418)	**(97 057)**	(88 781)	**2 691**	1 039	**(40 107)**	(40 695)	**(17 762)**	(29 549)	**994 442**	1 065 000	**(559 147)**	(610 245)
(60)	(41 908)	**(7 869)**	(7 960)	**–**	–	**(5 210)**	(6 020)	**(23 497)**	(83 168)	**89 539**	127 844	**(76 257)**	(112 726)
–	–	**–**	–	**–**	26	**–**	(6 780)	**(73)**	7 106	**162 709**	143 648	**(254)**	(109)
–	–	**(2 976)**	(3 191)	**73**	52	**(359)**	(443)	**(6 491)**	(846)	**55 553**	55 537	**(32 305)**	(25 398)
–	(498)	**–**	–	**–**	18	**(1)**	(1)	**–**	(4 047)	**4 379**	4 379	**(1 501)**	(1 501)
–	59	**–**	–	**–**	15	**–**	–	**–**	(1 627)	**474**	474	**(537)**	(537)
–	(7 295)	**–**	–	**–**	–	**–**	–	**–**	(9 023)	**5 954**	5 954	**(597)**	(597)
–	–	**–**	–	**–**	–	**–**	–	**73 253**	69 395	**989 771**	988 519	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**25 250**	39 869	**638 160**	612 911	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**45 157**	31 255	**325 252**	352 095	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**1 276**	(90)	**24 758**	23 482	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**1 570**	(1 639)	**1 601**	31	**–**	–
(1)	(71)	**(1 164)**	(1 898)	**1 030**	4 225	**(16 355)**	(23 049)	**(56 055)**	(74 748)	**314 873**	260 313	**(271 465)**	(214 188)
–	(35)	**(1 089)**	(1 395)	**44**	96	**(4 700)**	(5 537)	**6 914**	(2 290)	**158 105**	169 933	**(64 101)**	(77 917)
(1)	(36)	**(75)**	(503)	**986**	4 129	**(11 655)**	(17 512)	**(62 969)**	(72 458)	**156 768**	90 380	**(207 364)**	(136 271)
(4 557)	(57 131)	**(109 066)**	(101 830)	**3 794**	5 375	**(62 031)**	(76 988)	**(30 625)**	(126 507)	**2 599 213**	2 651 668	**(942 063)**	(965 301)

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.

4.1 Reconciliation of the loss for the year attributable to ordinary shareholders

	2021 R'000 Gross	**2021 R'000 Net**	2020 R'000 Gross	2020 R'000 Net
Basic and diluted (loss)/earnings per share reconciliation				
Loss profit for the year		**(30 625)**		(126 507)
– Continuing operations		**(30 625)**		(111 810)
– Discontinued operations		**–**		(14 697)
Non-controlling interest		**1 632**		2 980
Loss for the year attributable to ordinary shareholders		**(28 993)**		(123 527)

No adjustments have been made to basic earnings in the calculation of diluted earnings.

4.2 Reconciliation of headline (loss)/earnings for the year

	2021 R'000 Gross	**2021 R'000 Net**	2020 R'000 Gross	2020 R'000 Net
Loss for the year attributable to ordinary shareholders		**(28 993)**		(123 527)
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	**242**	**174**	105	76
Impairment of property, plant and equipment	**4 315**	**2 776**	3 481	2 283
Profit on disposal of property, plant, equipment and intangibles	**–**	**–**	(1 722)	(1 305)
Profit on disposal of investment property	**(2 289)**	**(752)**	(1 722)	(1 305)
Adjustments by equity-accounted investments	**(324)**	**(233)**	(611)	(440)
Impairment of investment	**–**	**–**	–	–
(Profit)/Loss on disposal of plant and equipment	**(324)**	**(233)**	(611)	(440)
Discontinued operations:				
Impairment of assets held for sale	**–**	**–**	7 734	7 734
Total Headline (loss)/profit		**(27 028)**		(61 661)
Total Headline (loss)/profit				
– Continuing operations		**(27 028)**		(54 698)
– Discontinued operations		**–**		(6 963)
		(27 028)		(61 661)

4.3 Reconciliation of WANOS – net of treasury shares

	2021 '000s	2020 '000s
Shares in issue at beginning of the year	**429 485**	426 223
Treasury shares issued to employees	**17**	697
	429 502	426 920

4. Basic and diluted earnings per share (continued)

4.4 Reconciliation of diluted WANOS – net of treasury shares

	2021 '000s	2020 '000s
WANOS in issue – net of treasury shares	**429 502**	426 920
Effects of dilution from:		
Share options	**–**	154
Diluted WANOS in issue – net of treasury shares	**429 502**	427 074

4.5 Statistics

	Cents	Cents
Basic loss per share	**(6,75)**	(28,93)
– Continuing operations	**(6,75)**	(25,49)
– Discontinued operations	**–**	(3,44)
Diluted loss per share	**(6,75)**	(28,92)
– Continuing operations	**(6,75)**	(25,48)
– Discontinued operations	**–**	(3,44)
Headline (loss)/profit per share	**(6,29)**	(14,44)
– Continuing operations	**(6,29)**	(12,81)
– Discontinued operations	**–**	(1,63)
Diluted headline (loss)/profit per share	**(6,29)**	(14,44)
– Continuing operations	**(6,29)**	(12,81)
– Discontinued operations	**–**	(1,63)

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.

5. Taxation (continued)

5.1 Accounting policy (continued)

5.1.2 Deferred tax (continued)

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.

5.2 Taxation expense

	Notes	2021 R'000	2020 R'000
South African normal tax			
– current year expense		**1 063**	880
– prior year over/(under) provision		**–**	–
Deferred tax gain		**(9 888)**	(12 783)
		(8 825)	(11 903)
The tax expense is made up of:			
– Continuing operations		**(8 825)**	(11 903)
– Discontinued operations	14,3	**–**	–
		(8 825)	(11 903)

	%	%
Standard rate	**28,00**	28,00
Exempt income [(1)]	**58,55**	39,61
Non-deductible expenses [(2)]	**(25,04)**	(19,59)
Assessed loss not recognised [(3)]	**(39,14)**	(39,42)
Effective tax rate	**22,37**	8,60

[(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.

5.3 Deferred taxation

	2021 R'000	2020 R'000
Deferred tax assets	**189 161**	177 543
Deferred tax liabilities	**(3 438)**	(1 707)
	185 723	175 836
The deferred tax balance is made up as follows:		
Operating leases	**1 154**	3 569
Assessed losses	**177 339**	162 937
Provisions and accruals	**13 618**	9 897
Prepayments	**(2 275)**	(2 389)
Property, plant and equipment	**(30 447)**	(25 619)
Right-of-use asset	**(80 382)**	(84 819)
Lease liabilities	**106 716**	112 260
	185 723	175 836

5. Taxation (continued)

5.3 Deferred taxation (continued)

Reconciliation of net deferred tax asset

	2021 R'000	2020 R'000
Opening balance – 1 July	**175 836**	149 851
IFRS 9 transition adjustment	**–**	–
IFRS 16 transition adjustment	**–**	13 202
Tax for the period recognised in the statement of comprehensive income	**9 887**	12 783
Operating leases	**(2 415)**	4 014
Assessed losses[1]	**14 402**	7 954
Provisions and accruals	**3 721**	5 701
Prepayments	**114**	(1 240)
Property, plant and equipment	**(4 828)**	(15 136)
Right-of-use asset	**4 437**	8 768
Lease liability	**(5 544)**	2 722
Closing balance – 30 June	**185 723**	175 836

[1] *Refer to Note 1.6.2 for significant estimates and judgements applied.*

Deferred tax assets relating to unused tax losses of R247 million (2020: R247 million) have not been recognised. These losses do not expire. Deferred tax assets relating to deductible temporary differences of R132 million (2020: R132 million) have not been recognised.

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 five years and accumulates up to a maximum of 35 years continuous service. Consideration is given to the current wage and salary levels and the number of employees expected to qualify for the award. Movements in the provision are taken to profit or loss.

Retirement benefit obligations

The Group has a defined contribution plan which is governed by the Pension 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

2021	Salary R'000	Long-term benefits[1] R'000	Bonuses R'000	Severance pay R'000	Directors' fees R'000	Audit and Risk committee R'000
Executive directors						
M Tajbhai	1 868	202	914	–	–	–
J October	1 492	108	792	–	–	–
Sub-total	3 360	310	1 706	–	–	–
Non-executive directors						
A Abercrombie	–	–	–	–	904	–
W Geach	–	–	–	–	322	159
M Bowman	–	–	–	–	284	89
R van Dijk	–	–	–	–	284	89
M Nkosi	–	–	–	–	275	–
R Kader					273	–
Sub-total	–	–	–	–	2 342	337
Total	3 360	310	1 706	–	2 342	337

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

2020	Salary R'000	Long-term benefits[1] R'000	Bonuses R'000	Severance pay R'000	Directors fees R'000	Audit and Risk committee R'000
Executive directors						
M Tajbhai	1 711	212	1 700	–	–	–
C Priem[2]	1 141	146	1 500	733	–	–
J October[3]	305	14	–	–	–	–
Sub-total	3 157	372	3 200	733	–	–
Non-executive directors						
H Adams [4]	–	–	–	–	338	–
A Abercrombie [5]	–	–	–	–	298	–
W Geach	–	–	–	–	298	150
M Bowman	–	–	–	–	250	70
R van Dijk	–	–	–	–	261	84
K Pillay [6]	–	–	–	–	92	25
M Nkosi [7]	–	–	–	–	155	–
R Kader [8]	–	–	–	–	130	–
Sub-total	–	–	–	–	1 822	329
Total	3 157	372	3 200	733	1 822	329

[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 nine months.*
[3] *J October was appointed financial director on 1 April 2020, emoluments are for three months.*
[4] *H Adams resigned as executive director on 30 June 2019 and was appointed non-executive director and chairman on 1 July 2019 and resigned as ch*
[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.*

Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
–	**–**	**–**	**2 984**	**–**	**748**
–	**–**	**–**	**2 392**	**–**	**–**
–	**–**	**–**	**5 376**	**–**	**748**
43	**74**	**66**	**1 087**	**–**	**–**
–	**–**	**–**	**481**	**–**	**–**
86	**58**	**–**	**517**	**–**	**–**
–	**–**	**–**	**373**	**–**	**–**
58	**109**	**–**	**442**	**–**	**–**
58	**–**	**45**	**376**	**–**	**–**
245	**241**	**111**	**3 276**	**–**	**–**
245	**241**	**111**	**8 652**	**–**	**748**

Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Loans advanced R'000	Share-based payment expense R'000
–	–	–	3 623	–	452
–	–	–	3 520	–	938
–	–	–	319	–	–
–	–	–	7 462	–	1 390
7	20	7	372	–	1 043
87	79	80	544	–	–
13	–	7	468	–	–
127	63	–	510	–	–
–	–	–	345	–	–
–	–	–	117	–	–
59	87	–	301	–	–
56	–	38	224	–	–
349	249	132	2 881	–	1 043
349	249	132	10 343	–	2 433

hairman and non–executive director on 31 January 2020.

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).

Tax regulations require the withholding of the amount for the employee's tax obligation associated with the share-based payment and the transfer of that amount to the tax authority on behalf of the employee. This requires the entity to withhold the number of equity instruments equal to the monetary value of the tax obligation from the total number of equity instruments that would have been issued to the employee upon exercising of the share based payment.

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

2021	Number of unvested share options 30 June 2020 '000s	Granted during the year '000s	Exercised during the year '000s	Forfeited during the year '000s	Lapsed during the year '000s	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2021 '000s
M Tajbhai	2 415	–	(53)	–	(323)	2,40	–	2 039
C Priem[(1)]	2 275	–	(317)	(1 958)	–	–	–	–
Sub-total	**4 690**	**–**	**(370)**	**(1 958)**	**(323)**			**2 039**

[(1)] 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 were exercised by 31 March 2021.

2021	Number of unvested share options 30 June 2019 '000s	Granted during the year '000s	Exercised during the year '000s	Forfeited during the year '000s	Average market price per share on vesting date R	Vesting price per share R	Number of unvested share options 30 June 2020 '000s
H Adams	5 641	–	(3 263)	(2 378)	–	–	–
M Tajbhai[(3)]	1 504	911	–	–	2,46	–	2 415
C Priem[(4)]	1 471	804	–	–	2,31	–	2 275
Sub-total	8 616	1 715	(3 263)	(2 378)			4 690

[(3)] 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.

[(4)] 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.

7. Share-based payments (continued)

7.3 Share options per strike price held at 30 June

2021 Date granted	Strike price R	M Tajbhai '000s	C Priem '000s	Total '000s
9 September 2019	**2,80**	**911**	**–**	**911**
2 July 2018	**2,04**	**–**	**–**	**–**
1 November 2018	**2,26**	**1 128**	**–**	**1 128**
Sub-total		**2 039**	**–**	**2 039**

2020 Date granted	Strike price R	M Tajbhai '000s	C Priem '000s	Total '000s
9 September 2019	2,80	911	804	1 715
2 July 2018	2,04	–	1 471	1 471
1 November 2018	2,26	1 504	–	1 504
Sub-total		2 415	2 275	4 690

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

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

2021	Number '000s	Weighted exercise price R	Total value R'000
Outstanding at beginning of the year	**4 690**	**2,47**	**11 603**
Granted during the year	**–**	**–**	**–**
Exercised during the year[1]	**(370)**	**2,07**	**(766)**
Forfeited during the year	**(1 957)**	**2,35**	**–**
Lapsed during the year	**(323)**	**2,26**	**(730)**
Outstanding at end of the year	**2 040**	**2,69**	**5 489**
Exercisable at the end of the year	**–**	**–**	**–**

[1] *The shares were exercised on the net settlement basis and are reflected at gross amounts before tax*

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 R2.26	**376**	**752**	**–**	**1 128**
Options with exercise price from R2.80	**228**	**683**	**–**	**911**
	604	**1 435**	**–**	**2 039**

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)

2020	Number '000s	Weighted exercise price R	Total value R'000
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

7.4.2 Information on options granted during the year

During the current year no new options were granted to key employees of the Group.

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 R748 039 income (2020: R2.4 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
M Tajbhai	Nadeson Consulting Services (Pty) Ltd	5.00% Shareholder

8. Related party transactions (continued)

8.2 Identity of related parties (continued)

Nadeson Consulting Services (Pty) Ltd

Nadeson Consulting did not provide any services to the Group during the year (2020: R0.8 million).

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

8.3 Key management

The key management personnel compensation is as follows:

	2021 R'000	2020 R'000
Short-term employee benefits	**9 967**	16 512
Long-term employee benefits	**576**	914
Share based payment expense	**748**	1 390
	11 291	18 816

8.4 Employee loans

	2021 R'000	2020 R'000
H Adams	**17 683**	18 185

Refer to Note 9 for more details.

8.5 Directors' fees from Group investments

Certain of the Directors received Directors' fees as a result of being Board members on the Board committees of the underlying investment companies. These fees are paid directly to these Directors.

2021	**SunWest R'000s**	**Worcester R'000s**	**SunSlots R'000s**	**Total R'000s**
A Abercrombie	**64**	**34**	**186**	**284**

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

9. Related party receivable

	2021 R'000	2020 R'000
H Adams[1]	**17 683**	18 185
Infinity Gaming Africa[2]	**4 790**	4 790
Total gross current assets	**22 473**	22 975
Impairment of loans receivable	**–**	–
Total net current assets	**22 473**	22 975

None of the above related party loans are past due.

(1) *At 30 June 2021, H. Adams' loan was secured by the 8 185 284 (2020: 5 250 692) GPI ordinary shares purchased by him under the rules of the Employee Share Scheme, the market value of which was R22.5 million (2020: R12.4 million). The loan was due 30 June 2021 based on the amendment to the mutual separation agreement. The loan bore interest at 85% of prime amounting to 5.95% per annum (from January 2021). During August 2021 the loan and all interest accrued was settled in full and all related securities were released. Refer to subsequent events.*

(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.*

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

	2021 R'000	2020 R'000
Revenue from transactions with customers		
Food sales	**1 348 060**	1 010 457
Meat sales	**203 698**	141 945
Equipment sales	**89 931**	124 040
	1 641 689	1 276 442
Other revenue		
Dividends received	**–**	14 086
Other income*	**29 615**	21 613
Rental income	**821**	185
	30 436	35 884
Total revenue		
Revenue from contracts with customers	**1 641 689**	1 276 442
Other revenue	**34 139**	35 884
	1 675 828	1 312 326

* *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	2021 R'000	2020 R'000
11.1	**Profit from equity accounted investments**		**73 253**	69 395
	SunWest	15.2.1	**25 249**	39 869
	Sun Slots	15.3.1	**45 157**	31 255
	Worcester Casino	15.3.1	**1 276**	(90)
	Infinity Gaming Africa	15.3.1	**1 571**	(1 639)
11.2	**Operating expenses:**			
	Depreciation		**(103 832)**	(95 016)
	– Property, plant and equipment	19.2.1	**(52 081)**	(48 487)
	– Right-of-use asset	24.2.2	**(51 751)**	(46 529)
	Amortisation	20.2	**(5 234)**	(6 814)
	Operating lease rentals of premises		**(6 164)**	(3 546)
	– Contingent leases		**(6 164)**	(3 546)
	– Straight-lined leases		**–**	–
	Profit on disposal of property plant and equipment and intangibles		**–**	1 722
	Profit on disposal of investment property		**2 289**	–
11.3	**Auditors' remuneration**			
	Audit fees		**(7 207)**	(7 627)
	– Current year		**(6 819)**	(7 137)
	– Prior year		**(388)**	(490)
11.4	**Staff costs**		**(266 908)**	(232 908)
	Salaries and wages		**(251 842)**	(214 131)
	Directors remuneration	6.2	**(8 652)**	(10 343)
	Share-based payments expense	6.2	**(748)**	(2 433)
	Provident fund contributions		**(5 666)**	(6 001)
11.5	**Impairment of assets**		**(4 557)**	(10 799)
	Property, plant and equipment	19.2.2	**(4 315)**	(3 481)
	Intangible assets	20.2	**(242)**	(105)
	Right-of-use assets	24.2.2	**–**	(7 213)

12. Finance income

Short-term cash deposits		**3 794**	5 343

13. Finance costs

Preference shares – interest	30.5	**(11 542)**	(24 197)
Interest-bearing borrowings	30.5	**(3 372)**	(5 509)
Lease liabilities	30.5	**38 599**	(37 858)
Provisions		**(733)**	(2 542)
Bank overdraft		**(7 785)**	(6 882)
		(62 031)	(76 988)

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 2019 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:

	Notes	2021 R'000	2020 R'000
14.3 Results of discontinued operations			
Revenue		–	–
Cost of Sales		–	–
Gross Profit		–	–
Operating costs		–	(6 995)
Loss from operations		–	(6 995)
Impairment of land and buildings	19.2.2	–	–
Impairment of property, plant, equipment	19.2.2	–	–
Impairment of intangible assets	20.2	–	–
Impairment of assets held-for-sale	21.2.2	–	(7 734)
Depreciation	19.2.1	–	–
Amortisation	20.2	–	–
Loss before finance costs and taxation		–	(14 729)
Finance income		–	32
Finance costs		–	–
Loss before taxation		–	(14 697)
Taxation		–	–
Loss for the period		–	(14 697)
14.4 Cash flows from/(used in) discontinued operations			
Net cash used in operating activity		–	(3 787)
Net cash generated from/(used in) investing activity		–	3 847
Net cash (used in)/generated from financing activity		–	–
Net cash flow for the year		–	60
14.5 Impairment of assets			
Impairment of land and buildings [1]	19.2.2	–	–
Impairment of property, plant, equipment [2]	19.2.2	–	–
Impairment of intangible assets [3]	20.2	–	–
Impairment of inventory [2]	26.2	–	–
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.

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. Investment in jointly controlled entities and associates (continued)

15.2 Investment in jointly-controlled entities

The Group's investments of 15.1% (2020: 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

	Note	2021 R'000	2020 R'000
Carrying amount of the investment – 1 July		**612 911**	634 198
Profit from jointly controlled entities	11.1	**25 249**	39 869
Dividends received		–	(61 156)
Carrying amount of the investment – 30 June		**638 160**	612 911

An annual impairment test was performed on the investment and it was determined that the value-in-use amount is higher than the carrying value .

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.

	2021 R'000	2020 R'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	**1 328 166**	1 811 424
Cost of sales and operating costs	**(923 568)**	(1 252 072)
Depreciation and amortisation	**(129 449)**	(121 137)
Finance income	**3 482**	8 153
Finance cost	**(35 997)**	(76 051)
Profit before tax	**242 634**	370 317
Taxation	**(75 419)**	(106 285)
Profit for the year	**167 215**	264 032
Summarised statement of financial position		
Non-current assets	**1 084 728**	1 175 204
Current assets excluding cash and cash equivalents	**79 916**	43 659
Cash and cash equivalents included in current assets	**62 594**	24 059
Non-current liabilities (excluding trade and other payables and provisions)	**(158 944)**	(81 568)
Current liabilities (excluding trade and other payables and provisions)	**(563 280)**	(809 021)
Current trade and other payables and provisions	**(175 769)**	(190 292)
Equity	**329 245**	162 041

15.2.3 Reconciliation between investment in jointly controlled entity's equity and carrying value

	2021 R'000	2020 R'000
SunWest's total equity	**329 245**	162 041
Group's proportionate interest	**15,1%**	15,1%
Group's proportionate share of equity	**49 716**	24 468
Goodwill	**588 443**	588 443
Carrying amount of the investment	**638 159**	612 911

15. Investment in jointly controlled entities and associates (continued)

15.3 Investments in associates

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

	Effective Holding		
Investment	**2021**	2020	**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%**	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

		Sun Slots		Worcester Casino		Infinity Gaming Africa		Total	
	Notes	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Carrying amount of the investment – 1 July		**352 096**	353 840	**23 481**	28 252	**31**	–	**375 608**	382 092
Acquisition of investment	16.4.1	**–**	–	**–**	–	**–**	1 670	**–**	1 670
Profit/(loss) from associates	11.1	**45 157**	31 255	**1 276**	(90)	**1 571**	(1 639)	**48 004**	29 526
Dividends received		**(72 001)**	(32 999)	**–**	(4 681)	**–**	–	**(72 001)**	(37 680)
Reversal of share based payment reserve		**–**	–	**–**	–	**–**	–	**–**	–
Carrying amount of the investment – 30 June		**325 252**	352 096	**24 757**	23 481	**1 602**	31	**351 611**	375 608

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		Worcester Casino	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000
Summarised statement of profit or loss and other comprehensive income				
Revenue	**1 190 965**	989 529	**116 610**	126 819
Cost of sales and operating costs	**(892 177)**	(754 997)	**(93 066)**	(115 708)
Depreciation and amortisation	**(86 345)**	(86 253)	**(12 932)**	(12 700)
Finance income	**10 113**	13 106	**823**	1 770
Finance cost	**(13 737)**	(16 172)	**(982)**	(390)
Profit/(loss) before tax	**208 819**	145 213	**10 453**	(209)
Taxation	**(58 634)**	(41 030)	**(2 003)**	(384)
Profit/(loss) for the year	**150 185**	104 183	**8 450**	(593)

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	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000
Summarised statement of financial position				
Non-current assets	**649 621**	678 297	**147 192**	153 901
Current assets excluding cash and cash equivalents	**47 718**	67 582	**6 445**	4 742
Cash and cash equivalents included in current assets	**82 254**	79 911	**16 777**	1 898
Non-current liabilities (excluding trade and other payables and provisions)	**(42 848)**	(37 113)	**(9 491)**	(8 582)
Current liabilities (excluding trade and other payables and provisions)	**(185 315)**	(161 155)	**(13 095)**	(8 692)
Current trade and other payables and provisions	**(103 963)**	(90 576)	**10 452**	(14 341)
Equity	**447 467**	536 946	**129 535**	128 926

15.3.3 Reconciliation between investment in associates' equity and carrying value

	Sun Slots		Worcester Casino		Total	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Investment in associates' equity	**447 467**	536 946	**129 535**	128 926	**584 483**	665 872
Group's proportionate interest	**30,00%**	30,00%	**15,10%**	15,10%		
Group's proportionate share of equity	**134 240**	161 084	**19 560**	19 468	**154 984**	180 552
Goodwill	**191 012**	191 012	**4 013**	4 013	**195 025**	195 025
Carrying amount of the investment	**325 252**	352 096	**23 573**	23 481	**348 825**	375 577

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	**2021 R'000**	2020 R'000
Accumulated losses of non-controlling interests:		
Burger King South Africa (Pty) Ltd – Group	**34 612**	32 980
Loss allocated to non-controlling interest:		
Burger King South Africa (Pty) Ltd – Group	**1 632**	2 980

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.

	2021 R'000	2020 R'000
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.

	2021 R'000	2020 R'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	**1 366 630**	1 028 976
Cost of sales and operating costs	**(1 253 022)**	(937 846)
Operating income	**113 608**	91 130
Depreciation and amortisation	**(100 925)**	(92 749)
Finance income	**794**	1 028
Finance expense	**(39 442)**	(47 090)
Loss before tax	**(25 965)**	(47 681)
Tax	**6 506**	13 653
Loss after tax	**(19 459)**	(34 028)
Total loss attributable to		
– Ordinary shareholder	**(17 827)**	(31 048)
– Non-controlling interests	**(1 632)**	(2 980)
Summarised statement of financial position		
Non-current assets	**882 545**	918 506
Current assets	**111 897**	146 494
Non-current liabilities	**(340 950)**	(351 269)
Current liabilities	**(855 227)**	(894 026)
Equity	**(201 735)**	(180 295)
Total equity attributable to:		
– Ordinary shareholder	**(167 123)**	(147 315)
– Non-controlling interest	**(34 612)**	(32 980)
Summarised statement of cash flow information		
Operating	**98 827**	106 806
Investing	**(52 126)**	(87 686)
Financing	**(62 556)**	(14 209)
Net decrease in cash and cash equivalents	**(15 855)**	4 911

16. Investment in Subsidiaries (continued)

16.4 Disposal of subsidiary

There was no disposal of subsidiaries in the current period. In the prior period 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

	2021 R'000	2020 R'000
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 CGUs 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 CGU 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 CGU retained.

17. **Goodwill** (continued)

17.2 Reconciliation of goodwill

	Grand Foods Meat Plant R'000	Mac Brothers R'000	Disa Road R'000	Total R'000
2021				
Cost	**53 910**	**38 598**	**1 194**	**93 702**
Accumulated impairment	**–**	**(38 598)**	**–**	**(38 598)**
Carrying value at 1 July 2020	**53 910**	**–**	**1 194**	**55 104**
Impairment	**–**	**–**	**–**	**–**
Carrying value at 30 June 2021	**53 910**	**–**	**1 194**	**55 104**
Made up of:				
Cost	**53 910**	**38 598**	**1 194**	**93 702**
Accumulated impairment	**–**	**(38 598)**	**–**	**(38 598)**
2020				
Cost	53 910	38 598	1 194	93 702
Accumulated impairment	–	–	–	–
Carrying value at 1 July 2019	53 910	38 598	1 194	93 702
Impairment[(1)]	–	(38 598)	–	(38 598)
Carrying value at 30 June 2020	53 910	–	1 194	55 104
Made up of:				
Cost	53 910	–	1 194	55 104
Accumulated impairment	–	–	–	–

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

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

Mac Brothers was significantly affected by the decline in the construction and manufacturing industries as well the high operating leverage in the business.

Revenue of R101.5 million for the year ended 30 June 2021 was R30.0 million lower than reported in the prior period. EBITDA, a loss of R26.2 million for the year ended 30 June 2021 was R33.2 million lower than reported in the prior period.

The annual impairment test was performed on the CGUs and it was determined that the recoverable amounts were higher than the carrying amounts and therefore no further impairment loss has been recognised in the current year.

In the prior year the recoverable amount of the investment was determined to be lower than the carrying value and therefore the goodwill and a portion of the right of use asset was impaired.

17. Goodwill (continued)

17.3 Goodwill impairment testing (continued)

17.3.1 Mac Brothers (continued)

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

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

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. A binding offer to sell all the Group's shares in Burger King (95.78%) and Grand Foods Meat Plant (100%) to ECP Africa Fund IV LLC. The sale is still subject to Competition commission approval and this was obtained on 17th September 2021. 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.

	2021	**2020**
Pre-tax discount rate applied to projections	**0,00%**	24,51%
Growth rate used to extrapolate cash flows beyond five years	**4,00%**	5,00%

Analysis illustrating the sensitivity of the VIU calculation to the key assumptions:

	Rate	Increase/ (decrease) in headroom	Rate	Increase/ (decrease) in headroom
Revenue	23,00%		13,10%	
Revenue growth plus 0.5%	23,50%	877	13,60%	5 659
Revenue growth less 0.5%	22,50%	(877)	12,60%	(5 369)
EBITDA	8,00%		3,30%	
EBITDA plus 0.5%	8,50%	513	3,80%	13 352
EBITDA less 0.5%	7,50%	(513)	2,80%	(13 154)
Post-tax discount rate	18,93%		19,20%	
Post-tax discount rate plus 0.5%	19,43%	(4 109)	19,70%	(2 577)
Post-tax discount rate less 0.5%	18,43%	3 927	18,70%	2 967
Terminal growth rate	4,00%		5,00%	
Terminal growth rate plus 0.5%	4,50%	1 899	5,50%	2 627
Terminal growth rate minus 0.5%	3,50%	(1 776)	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 post-tax discount rate. The post-tax discount rate takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's shareholders.

17. Goodwill (continued)

17.3 Goodwill impairment testing (continued)

17.3.2 Grand Foods Meat Plant (continued)

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.

Gross profit growth – The growth rates used in the cash flow projections have been based on the growth in revenue as well as input cost.

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 R'000	Total R'000
2021		
Cost	**7 599**	**7 599**
Accumulated depreciation	**–**	**–**
Carrying value at 1 July 2020	**7 599**	**7 599**
Disposals	**(7 599)**	**(7 599)**
Carrying value at 30 June 2020	**–**	**–**
Made up of:		
Cost	**–**	**–**
Accumulated depreciation	**–**	**–**
2020		
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	–	–

The property was sold during the current financial year.

18. Investment property (continued)

18.3 Fair value of investment properties carried at cost

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

			2021		2020	
Property	**Class**	**Location**	**Fair value R'000**	**Carrying value R'000**	Fair value R'000	Carrying value R'000
Erf 33997, Goodwood	Industrial building	Goodwood	–	–	7 599	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 (continued)

19.2 Reconciliation of property, plant and equipment

	Notes	Computer equipment R'000	Furniture and fittings R'000	Leasehold improvements R'000	Motor vehicles R'000	Plant and equipment R'000	Premises soft furnishings R'000	Projects under development R'000	Land and buildings[1] R'000	Plant and equipment: Food Group R'000	Total R'000
2021											
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)
Carrying value at 1 July 2020		11 695	11 682	8 666	901	20 154	190 434	4 421	106 136	212 174	566 263
IFRS 16 adoption transfers to right-of-use assets		–	–	–	–	–	–	–	–	–	–
Carrying value at 1 July 2019 post-IFRS 16 adoption		11 695	11 682	8 666	901	20 154	190 434	4 421	106 136	212 174	566 263
Additions		2 598	538	–	–	307	24 248	71	–	17 714	45 476
Disposals		(250)	–	–	–	–	(277)	–	–	(1)	(528)
Depreciation	11.2	(3 111)	(3 562)	–	(715)	(6 929)	(9 386)	–	–	(28 378)	(52 081)
Impairment	19.2.2	(53)	(5)	–	–	(5)	(3 783)	–	–	(469)	(4 315)
Carrying value at 30 June 2021		10 879	8 653	8 666	186	13 527	210 941	4 492	106 136	191 335	554 815
Made up of:											
Cost		41 432	37 384	9 578	3 984	63 195	306 404	4 492	108 511	334 828	909 808
Accumulated depreciation and impairment		(30 553)	(28 731)	(912)	(3 798)	(49 668)	(105 168)	–	(2 375)	(133 788)	(354 993)

[1] *Land and buildings includes land, buildings, generators, air conditioners, lifts and security systems.*

19. Property, plant and equipment (continued)

19.2 Reconciliation of property, plant and equipment

	Notes	Computer equipment R'000	Furniture and fittings R'000	Leasehold improvements R'000	Motor vehicles R'000	Plant and equipment R'000	Premises soft furnishings R'000	Projects under development R'000	Land and buildings[1] R'000	Plant and equipment: Food Group R'000	Total R'000
2020											
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	24.2.2	–	–	–	(2 880)	(23 182)	–	–	–	–	(26 062)
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	21.2.1	–	–	–	–	–	–	–	(18 909)	–	(18 909)
Depreciation		(4 915)	(1 966)	–	(2)	(3 922)	(18 662)	–	(351)	(18 669)	(48 487)
Impairment	19.2.2	–	–	–	–	(103)	(2 866)	–	–	(512)	(3 481)
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)

[1] *Land and buildings includes land, buildings, generators, air conditioners, lifts and security systems..*

19. Property, plant and equipment (continued)

19.3 Impairment

	Note	2021 R'000	2020 R'000
Continuing operations:			
The assets impaired all relate to the Food division, Burger King. The impairment relates to the assets of two (2020: two) 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:			
Computer equipment		**(53)**	–
Motor vehicles		**–**	–
Plant and equipment		**(5)**	(103)
Premises soft furnishings		**(3 783)**	(2 866)
Plant and equipment Food division		**469**	(512)
		(4 310)	(3 481)

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 CGU 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.

The useful lives are as follows:

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

20. Intangible assets (continued)

20.2 Reconciliation of intangible assets

	Notes	Master franchise licence R000's	Franchise licences R000's	Computer software R000's	Total R000's
2021					
Cost		2 572	27 568	14 613	44 753
Accumulated amortisation and impairment		(1 104)	(9 824)	(11 873)	(22 801)
Carrying value at 1 July 2020		1 468	17 744	2 740	21 952
Additions		–	1 653	2 817	4 470
Amortisation	11.2	(33)	(3 257)	(1 944)	(5 234)
Impairment	11.5	–	(485)	–	(485)
Carrying value at 30 June 2021		(621)	17 711	3 613	20 703
Made up of:					
Cost		4 225	27 568	17 430	49 223
Accumulated amortisation and impairment		(4 846)	(9 857)	(13 817)	(13 817)
2020					
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)
Impairment		–	–	(105)	(105)
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)

20. Intangible assets (continued)

20.2 Reconciliation of intangible assets (continued)

At 30 June 2021, 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 licence fee of R1.6 million paid to Burger King Europe is for the rights to the Master Franchise for South Africa. 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. 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. Non-current assets held for sale (continued)

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

Non-current assets	Notes	2021 R'000	2020 R'000
Land and buildings	21.2.1	**19 100**	38 009
Property, plant and equipment	21.2.2	**5 950**	5 950
		25 050	43 959

21.2.1 Reconciliation of land and buildings

	Notes	2021 R'000	2020 R'000
Opening balance – 1 July[1]		**38 009**	26 395
Transfers from property, plant and equipment[2]	19.2.1	**–**	18 909
Disposal[2]		**(18 909)**	–
Impairment[3]	21.2.3	**–**	(7 295)
Closing balance – 30 June		**19 100**	38 009

21.2.2 Reconciliation of property, plant and equipment

	Notes	2021 R'000	2020 R'000
Opening balance – 1 July		**5 950**	9 798
Transfers from property, plant and equipment[4]		**–**	–
Disposals[4]		**–**	(3 409)
Impairment[5]	21.2.3	**–**	(439)
Closing balance – 30 June[1]		**5 950**	5 950

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

	Notes	2021 R'000	2020 R'000
Land and buildings	21.2.1	**–**	(7 295)
Property, plant and equipment	21.2.2	**–**	(439)
	14.5	**–**	(7 734)

[1] *In the prior year 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 2021. 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 after 30 June 2021. The building is carried at fair value as determined by an independent valuer.*

[2] *In the prior year 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. The sale was concluded in November 2020.*

[3] *In the prior year 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] *In the prior year the 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.*

[5] *In the prior year 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 met:

- 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.

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 in Spur and Atlas Gaming Africa.

22. Financial instruments – financial assets (continued)

22.1 Accounting policy (continued)

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.

		2021 R'000	2020 R'000
22.2.1	**Cash and cash equivalents**	**127 232**	117 229
22.2.2	**Bank overdraft**	**–**	(96 286)
	Total cash and cash equivalents	**127 232**	20 943
	Bank overdraft	**(102 339)**	–

Cash and cash equivalents include Money Market call accounts with floating interest rates that fluctuated between 3.25% and 2.95% during the year (2020: between 3.25% and 6.25%). All cash and cash equivalents are on demand with no set maturities. At year end the Group had overdraft facilities of R112.0 million (2020: R112.0 million) of which R102.3 million (2020: R96.3 million) was utilised. This is made up of a R100.0 million (2020: R100.0 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 there is a R12 million (2020: R12 million) overdraft facility in Mac Brothers with ABSA attracting interest at prime less 0.25%.

The Group has classified the overdraft of Burger King and Mac Brothers as financing in the cash flow as these items have been in overdraft position for the year and is forecast to remain in overdraft for the upcoming year. Refer note 30.5

The group provided a cash collateral of R18.6 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.

22.3.1 Reconciliation of trade and other receivables

	2021 R'000	2020 R'000
Trade receivables	**103 757**	65 834
Less: Provision for doubtful debts	**(5 338)**	(5 361)
	98 419	60 473
Deposits and other receivables*	**4 358**	45 859
Prepayments	**5 188**	8 871
Vat receivable	**8 901**	7 373
	116 866	122 576

* *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

	2021	2020
0 to 30 Days	**74 705**	44 704
30 to 60 days	**4 150**	5 694
60 to 120 days	**11 413**	8 555
over 120 days	**13 489**	6 881
	103 757	65 834

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

22. Financial instruments – financial assets (continued)

22.3 Trade and other receivables (continued)

22.3.3 Past due and impaired accounts receivable

	2021 R'000	2020 R'000
0 to 30 Days	**(9)**	(41)
30 to 60 days	**(26)**	–
60 to 120 days	**(2 141)**	(87)
over 120 days	**(3 162)**	(5 233)
	(5 338)	(5 361)
Opening balance – 1 July	**(5 361)**	(3 050)
Increase in expected credit loss raised	**(742)**	(2 906)
Impairment utilised (receivables written off as uncollectable)	**765**	595
Closing balance – 1 June	**(5 338)**	(5 361)

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.

	>= 150 days	120/ 149 days	90/ 119 days	60/ 89 days	30/ 59 days	< 30 days	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

	Effective Holding		
Investment	**2021**	2020	**Description of business**
Spur	**7,79%**	7,79%	Spur Corporation operates a franchise restaurant business with multiple brands in South Africa and internationally.
Atlas Gaming Holdings	**0,00%**	0,00%	Atlas Gaming is a gaming software and machine development company based in Melbourne, Australia.

22. Financial instruments – financial assets (continued)

22.4 Investments held at fair value (continued)

22.4.1 Investments held at fair value through OCI (continued)

	Spur[1]		Atlas Gaming[2]		Total	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Opening balance	**143 527**	412 604	**–**	5 787	**143 527**	418 391
Disposals	**–**	(260 352)	**–**	(826)	**–**	(261 178)
Realised fair value losses	**–**	31 486	**–**	(4 961)	**–**	26 525
Unrealised fair value losses	**19 092**	(40 211)	**–**	–	**19 092**	(40 211)
	162 619	143 527	**–**	–	**162 619**	143 527

	2021 R'000	2020 R'000
Balance made up as follows:		
Current portion	**–**	–
Non-current portion	**162 619**	143 527
	162 619	143 527

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 B-BBEE 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 during the prior year. The value of these shares at year end amounts to R139.7 million.

[2] *Refer to note 16.4.*

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	
	Notes	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Opening Balance – 1 July		**–**	3 468	**(132 120)**	(157 697)	**(132 120)**	(154 229)
Movement during the year:							
Disposal of investment	22.4.1	**–**	1 493	**–**	34 302	**–**	35 795
Unrealised fair value (losses)/gains on Investments held at fair value through OCI	22.4.1	**–**	–	**19 092**	(40 211)	**19 092**	(40 211)
Realised fair value (losses)/gains released to accumulated profit	22.4.1	**–**	(4 961)	**–**	31 486	**–**	26 525
Closing balance – 30 June		**–**	–	**(113 028)**	(132 120)	**(113 028)**	(132 120)
Gross		**–**	–	**(113 028)**	(132 120)	**(113 028)**	(132 120)
Tax		**–**	–	**–**	–	**–**	–
Net closing balance		**–**	–	**(113 028)**	(132 120)	**(113 028)**	(132 120)

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 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.

	Notes	2021 R'000	2020 R'000
Standard Bank (SunWest)	23.2.1	**186 971**	203 095
		186 971	203 095
Balance below including interest accrual approximates fair value:			
Current portion		**55 260**	19 399
Non-current portion		**131 711**	183 696
		186 971	203 095

23.2.1 Preference shares – Standard Bank (SunWest)

Authorised

203 356 authorised preference shares of R1 per share (2020: 203 356)

Issued

7 283 redeemable preference shares of R25 400 per share (2020: 7 913)

	2021	2020
Opening balance – 1 July	**203 095**	230 267
Amortisation of capitalised fee	**517**	517
Interest accrued	**11 542**	17 489
Interest paid	**(12 181)**	(19 168)
Redemption of preference shares	**(16 002)**	(26 010)
Closing balance – 30 June	**186 971**	203 095

10 000 authorised preference shares were issued at a value of R 25 400 each during previous years 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:

- 632 shares on 22 December 2020
- 2 067 shares on 21 December 2021
- 5 216 shares on 21 December 2022

23. Financial instruments – financial liabilities (continued)

23.2 Preference shares (continued)

23.2.1 Preference shares – Standard Bank (SunWest) (continued)

The preference share agreement has the following financial covenants:

- A share cover ratio of at least 4.75 (2020: 4.5) must be maintained
- A Debt Service Cover ratio of at least 1.2 (2020: 1.2) must be maintained

As at 30 June 2021 the share cover ratio was 10.7 (2020: 2.41), the debt service cover ratio was 6.10 (2020: 5.14). The breach in the share cover ratio in the prior year was directly linked to the drop in share prices of gaming companies due to COVID-19. The Group provided additional security in the form of R46.6 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 requested in the prior year resulted in a revised share cover ratio of 3.88. This did not trigger a mandatory redemption. During the current year the cover ratios were met and no additional security is provided. The cash collateral at 30 June 2021 amounts to R18.4 million

23.2.2 Preference shares – Standard Bank (Spur)

Authorised

90 000 authorised A preference shares of R1 000 per share (2020: 90 000)

60 000 authorised B preference shares of R1 000 per shares (2020: 60 000)

Issued

Nil redeemable A preference shares of R1 000 per share (2020: nil)

Nil redeemable B preference share of R1 000 per share (2020: nil)

	A Preference Shares		B Preference Shares	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000
Opening balance – 1 July	**–**	71 083	**–**	78 987
Capitalised raising fee – net of related amortisation	**–**	–	**–**	86
Redemption	**–**	(70 000)	**–**	(60 000)
Interest accrued	**–**	1 885	**–**	1 861
Interest paid	**–**	(2 968)	**–**	(20 934)
Closing balance – 30 June	**–**	–	**–**	–

A cumulative redeemable preference shares:

The A cumulative redeemable preference shares were redeemed in full during the 2020 financial year.

B cumulative redeemable preference shares:

The B cumulative redeemable preference shares were redeemed in full during the 2020 financial year.

23.2.3 Preference shares – Spur

The Spur cumulative redeemable preference shares were redeemed in full during the 2020 financial year.

	2021 R'000	2020 R'000
Opening balance – 1 July	**–**	110 214
Redemption	**–**	(72 328)
Interest accrued	**–**	2 962
Interest paid	**–**	(40 848)
Closing balance – 30 June	**–**	–

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.

	2021 R'000	2020 R'000
Sanlam Capital Markets – Term loan 1	**17 804**	22 934
Sanlam Capital Markets – Term loan 3	**25 561**	30 557
	43 365	53 491
Balance made up as follows:		
Current portion	**33 061**	36 788
Non-current portion	**10 304**	16 703
	43 365	53 491

23.3.1 Sanlam Capital Markets – Term loan 1

The SCM term loan 1 bears interest at the three-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 2021 is 6.83% (2020: 8.76%). 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 (2020: 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 14.9% at 30 June 2021 (2020: 12.9%).

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 equaled 6.68% at 30 June 2021 (2020: 8.61%). 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 01 June 2023. This was originally due in January 2021 and have subsequently been extended by agreement to June 2023. With no modification to the underlying terms.

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 and was classified as investment property (Note 18). This property was sold during the year and transfer took place in February 2021. The carrying value of Erf 33996 at 30 June 2021 is R19.6 million (2020: R19.6 million) and Erf 33997 carrying value was R7.6 million as at 30 June 2020.

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.

23. Financial instruments – financial liabilities (continued)

23.3 Interest-bearing borrowings (continued)

23.3.2 Sanlam Capital Markets – Term loan 3 (continued)

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 14.7% at 30 June 2020 (2020: 12.9%).
- 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 2.30 times at 30 June 2021 (2020: 0.89 times). Sanlam has suspended the interest cover ratio requirement for the 30 June 2021 reporting period subsequent to 30 June 2021 and therefore the cover was not met at 30 June 2021 and is disclosed as current.

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 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.

	2021 R'000	2020 R'000
Reconciliation of trade and other payables		
Trade payables and expense accruals	**91 386**	129 471
Other payables and accruals	**81 339**	49 353
Annual leave accrual	**9 886**	2 974
Audit fee accrual	**6 349**	6 202
Deferred income	**2 708**	2 922
Payroll accruals	**14 110**	8 268
Sundry accruals	**30 058**	8 189
Other payables*	**18 228**	20 408
VAT	**–**	390
	172 725	178 824

* *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

24.4.1 Accounting policy

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.

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.

24. Lease liability and right-of-use assets (continued)

24.1 Lease liability (continued)

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

COVID-19-related rent concessions

In March 2021, 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 2022; 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 right-of-use assets (continued)

24.1 Lease liability (continued)

24.1.3 Amounts recognised in the consolidated statement of financial position

	2021 R'000	2020 R'000
Lease liabilities – Non-current		
Property[1]	**365 847**	364 349
Plant, equipment and motor vehicles[2]	**39**	333
	365 886	364 682
Lease liabilities – Current		
Property[1]	**33 145**	38 955
Plant, equipment and motor vehicles[2]	**299**	1 148
	33 444	40 103
Lease liabilities – Total		
Property[1]	**398 992**	403 304
Plant, equipment and motor vehicles[2]	**338**	1 481
	399 330	404 785
Reconciliation of total lease liability:		
Opening balance – 1 July	**404 785**	–
Transition accounting	**–**	401 195
New leases	**40 618**	38 085
Interest accrued	**35 963**	37 858
Lease payments	**(78 395)**	(65 642)
Principal payments	**(39 100)**	(29 207)
Interest payments	**(39 295)**	(36 435)
Other movements[5]	**(1 215)**	(792)
Rental concessions	**(2 426)**	(5 919)
Closing balance – 30 June	**399 330**	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 five years.

[3] Other movements consist of remeasurements and terminations.

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

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; and
iii) limitation of liability.

The following table presents the contractual maturity analysis of lease liabilities:

	On demand R'000	Less than 3 months R'000	3–12 months R'000	1–2 years R'000	3–5 years R'000	5–10 years R'000	> 10 years R'000	Total R'000
2021								
Lease liabilities	**–**	**(5 715)**	**(28 180)**	**(48 288)**	**(164 125)**	**(145 777)**	**(6 011)**	**(398 096)**
Interest on lease liabilities	**–**	**(6 152)**	**(29 133)**	**(31 159)**	**(63 960)**	**(23 460)**	**(1 303)**	**(155 167)**
Total	**–**	**(11 867)**	**(57 313)**	**(79 447)**	**(228 085)**	**(169 237)**	**(7 314)**	**(553 263)**
2020								
Lease liabilities	–	(5 279)	(28 937)	(40 230)	(152 968)	(172 216)	(5 155)	(404 785)
Interest on lease liabilities	–	(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 right-of-use assets (continued)

24.1 Lease liability (continued)

24.1.4 Amounts recognised in the statement of consolidated statement of comprehensive income

	Note	2021 R'000	2020 R'000
Short-term lease expenses			
Property		**(1 102)**	(700)
Variable lease payments[1]			
Property		**(6 164)**	(3 057)
Finance costs			
Property		**35 784**	(37 387)
Plant and equipment		**179**	(471)
	13	**35 963**	(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 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:

	2021 R'000	2020 R'000
Rentals due within one year	–	1 675
Due within one to five years	–	4 871
Due after five years	–	2 035
	–	8 581

24.1.6 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.

24. Lease liability and right-of-use assets (continued)

24.2 Right-of-use asset (continued)

24.2.1 Accounting policy (Continued)

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

	Notes	Properties R000's	Plant and equipment: Motor vehicles R000's	Plant and equipment: Equipment R000's	Total R000's
2021					
Cost		**471 710**	**6 291**	**43 321**	**521 322**
Accumulated amortisation and impairment		**(176 044)**	**(4 224)**	**(22 862)**	**(203 130)**
Carrying value at 1 July 2020		**295 666**	**2 067**	**20 459**	**318 192**
Additions [1]		**33 372**	**–**	**–**	**33 372**
Remeasurement		**(3 849)**	**–**	**–**	**(3 849)**
Depreciation	11.2	**(47 974)**	**(949)**	**(2 828)**	**(51 751)**
Carrying value at 30 June 2020		**277 215**	**1 118**	**17 631**	**295 964**
Made up of:					
Cost		**501 233**	**6 291**	**43 321**	**550 845**
Accumulated amortisation and impairment		**(224 018)**	**(5 173)**	**(25 690)**	**(254 881)**

[1] *Included in additions is the sale and leaseback of the N1 City property.*

	Notes	Properties R000's	Plant and equipment: Motor vehicles R000's	Plant and equipment: Equipment R000's	Total R000's
2020					
Accumulated amortisation and impairment		–	–	–	–
Carrying value at 1 July 2019		–			–
		–	–	–	–
Transition application of IFRS					
Transfers on transitions from property, plant and equipment		307,742	–	–	307,742
Additions	-	–	2,880	23,182	26,062
Other movements [1]		38,085	3	–	38,088
Depreciation		42	–	–	42
Impairment	13.0	(42,990)	(816)	(2,723)	(46,529)
Carrying value at 30 June 2020	-	(7,213)	–	–	(7,213)
		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)

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.

25.1.1 Financial assets

	Notes	Financial assets measured at amortised cost R'000	Financial assets measured at fair value through other compre-hensive income R'000	Non-financial assets[1] R'000	Total R'000
2021					
Cash and cash equivalents	22.2.1	**127 232**	**–**	**–**	**127 232**
Related party loans	9	**22 473**	**–**	**–**	**22 473**
Trade and other receivables	22.3.1	**102 777**	**–**	**14 089**	**116 866**
Investments held at fair value	22.4.1	**–**	**162 619**	**–**	**162 619**
Total		**252 482**	**162 619**	**14 089**	**429 190**
2020					
Cash and cash equivalents	22.2.1	117 229	–	–	117 229
Related party loans	9	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

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

25.1.2 Financial liabilities

	Notes	Financial assets measured at amortised cost R'000	Non-financial assets[1] R'000	Total R'000
2021				
Trade and other payables	23,4	**(160 131)**	**(12 594)**	**(172 725)**
Overdraft	22.2.2	**(102 339)**	**–**	**(102 339)**
Dividends payable	30.3	**(10 129)**	**–**	**(10 129)**
Preference shares	23,2	**(186 971)**	**–**	**(186 971)**
Interest-bearing borrowings	23,3	**(43 365)**	**–**	**(43 365)**
Total		**(502 935)**	**(12 594)**	**(515 529)**
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)

[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 value and are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2021				
Investments held at fair value – Spur[1]	**162 619**	**–**	**–**	**162 619**
Total	**162 619**	**–**	**–**	**162 619**
2020				
Investments held at fair value – Spur[1]	143 527	–	–	143 527
Total	143 527	–	–	143 527

	2021 R'000	2020 R'000
Current asset	**–**	–
Non-current asset	**162 619**	143 527
	162 619	143 527

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

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

	Level 1 R'000	Level 3 R'000	Total R'000
2021			
Opening balance – 1 July	**143 527**	**–**	**143 527**
Fair value adjustments	**19 092**	**–**	**19 092**
Carrying value – 30 June	**162 619**	**–**	**162 619**
2020			
Opening balance – 1 July	183 736	228 868	412 604
Fair value adjustments	(40 209)	31 484	(8 725)
Closing balance – 30 June		(260 352)	(260 352)
	143 527	–	143 527

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
- 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 USD, EUR and the GBP.

At the reporting date, the exposure to foreign currency was R3.8 million (2020: R3.8 million). An increase or decrease of 10% in the exchange rates would have an impact of approximately R0.3 million (2020: R0.3 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, 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 profit R'000	Decrease in basis points	Effect on pre-tax profit R'000
2021	**100**	**(2 061)**	**(100)**	**2 061**
2020	100	(2 356)	(100)	2 356

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 R162.6 million (2020: R143.5 million). An increase or decrease of 10% on the JSE market index would have an impact of approximately R12.6 million (2020: R11.1 million) on other comprehensive income to the Group.

25. Financial instruments – disclosure (continued)

25.3 Financial risk management (continued)

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:

	Notes	Current R'000	30 to 60 days R'000	60 to 120 days R'000	Over 120 days R'000	Total R'000
2021						
Related party loans	9	**22 473**	**–**	**–**		**22 473**
Trade and other receivables	22.3.1	**74 696**	**4 124**	**9 272**	**10 327**	**98 419**
Total		**97 169**	**4 124**	**9 272**	**10 327**	**120 892**
2020						
Related party loans	9	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

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'000	Less than 3 months R'000	3–12 months R'000	1–2 years R'000	> 2 years R'000	Total R'000
2021						
Trade and other payables	**–**	**(160 131)**	**–**	**–**	**–**	**(160 131)**
Preference shares	**–**	**–**	**(52 502)**	**(132 486)**	**–**	**(184 988)**
Interest on preference shares	**(1 983)**	**(2 830)**	**(6 660)**	**(3 805)**	**–**	**(15 278)**
Interest-bearing borrowings	**–**	**(1 875)**	**(5 625)**	**(35 865)**	**–**	**(43 365)**
Interest on interest-bearing borrowings	**–**	**(329)**	**(887)**	**(912)**	**–**	**(2 128)**
Bank overdraft	**(102 339)**	**–**	**–**	**–**	**–**	**(102 339)**
Dividends payable	**(10 129)**	**–**	**–**	**–**	**–**	**(10 129)**
Total	**(114 451)**	**(165 165)**	**(65 674)**	**(173 068)**	**–**	**(518 358)**
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	–	–	(36 486)	(7 500)	(10 304)	(54 290)
Interest on interest-bearing borrowings	–	–	(769)	(454)	(210)	(1 433)
Bank overdraft	(96 286)	–	–	–	–	(96 286)
Dividends payable	(10 129)	–	–	–	–	(10 129)
Total	(109 812)	(172 538)	(62 448)	(71 096)	(148 987)	(564 881)

25.4 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.

26.2 Composition of inventory

	2021 R'000	2020 R'000
Catering equipment	**31 570**	44 816
Stock of food and packaging	**20 049**	17 653
Spare parts	**1 425**	1 815
Consumables	**396**	396
Work in progress	**2 709**	2 730
	56 149	67 410
Provision for impairment to net realisable value		
Stock of food and packaging	**(2 215)**	(3 097)
– Continuing operations	**(2 215)**	(3 097)
– Discontinued operations	**–**	–
	53 934	64 313

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 that 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. **Provisions** (continued)

27.2 Reconciliation of provisions

	Dismantling provision[1] 2021 R'000	Long service leave[2] 2021 R'000	Employee bonuses[3] 2021 R'000	Total 2021 R'000
Opening balance – 1 July	**7 782**	**595**	**7 719**	**16 096**
Provision raised/(released) during the year	**2 644**	**423**	**16 262**	**19 329**
Amount utilised	**(434)**	**(430)**	**(10 985)**	**(11 849)**
Closing balance – 30 June	**9 992**	**588**	**12 996**	**23 576**
Opening balance – 1 July	—	634	13 659	14 293
Provision raised/(released) during the year	7 782	398	11 013	11 411
Amount utilised	—	(437)	(16 953)	(17 390)
Closing balance – 30 June	7 782	595	7 719	8 314

	2021 R'000	2020 R'000
Balance made up as follows:		
Current portion	**12 996**	7 719
Non-current portion	**10 580**	8 377
	23 576	16 096

[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 bonuses for employees, the value of the bonus is dependent on whether the specified KPIs 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.

		2021 R'000	2020 R'000
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**		
	Opening balance	**470 023**	470 023
	Shares cancelled	**–**	–
	Closing balance	**470 023**	470 023

28. Stated Capital (continued)

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.

		2021 R'000	2020 R'000
28.2.2	**Reconciliation of treasury shares**		
	Opening balance – 1 July	**(153 962)**	(166 286)
	Treasury shares allocated to employees	**883**	12 324
	Shares acquired	**–**	–
	Closing balance – 30 June	**(153 079)**	(153 962)
28.2.3	**Reconciliation of number of treasury shares**		
	Opening balance – 1 July	**(40 537)**	(43 800)
	Shares allocated to employees	**232**	3 263
	Shares acquired	**–**	–
	Closing balance – 30 June	**(40 305)**	(40 537)

At 30 June 2021, the Grand Parade Share Incentive Trust holds 1.49 million GPI shares (2020: 1.72 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 (2020: nil) and allocated 0.23 million GPI Shares (2020: 3.26) to employees under the GPI Employee Share Scheme. At 30 June 2021, the GPI Women's BBBEE Empowerment Trust holds 14.82 million GPI shares (2020: 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 2021, GPI Management Services holds 24 million GPI Shares (2020: 24 million GPI Shares) in treasury. During the year GPI Management Services repurchased no GPI Shares (2020: nil).

29. Dividends declared and paid

No final ordinary dividend was declared in respect of the 2021 financial year (2020: nil cents per share in respect of the 2020 financial year).

30. Notes to the cash flow statement

30.1 Cash generated from operations

	Notes	2021 R'000	2020 R'000
Profit before taxation from continuing operations		**(39 450)**	(123 713)
Profit before taxation from discontinuing operations		**–**	(14 697)
Profit before taxation from continuing and discontinuing operations		**(39 450)**	(138 410)
Adjustments for:			
– Depreciation	11.2	**103 832**	95 016
– Amortisation	20.2	**5 234**	6 814
– Finance income		**(3 794)**	(5 375)
– Finance costs	13	**62 031**	76 988
– Dividends received	10,2	**–**	(14 086)
– Profit on disposal of intangibles		**–**	532
– Profit on disposal of investment property		**(2 289)**	–
– Profit on disposal of property, plant and equipment		**–**	(2 254)
– Loss on disposal of investments		**–**	9 050
– Share-based payments expense	6,2	**748**	2 433
– Impairment of plant and equipment	19.2.1	**4 310**	3 481
– Impairment of intangible assets	20.2	**242**	105
– 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 cancellation of lease		**–**	(5 447)
– Lease concessions		**(2 344)**	(5 919)
– Profit from equity accounted investments	11.1	**(73 252)**	(69 395)
Operating cash flows before working capital changes		**55 268**	7 078
Decrease in inventory		**10 379**	7 750
Increase in trade and other receivables		**5 710**	(15 780)
Increase in trade and other payables and provisions		**4 231**	41 885
Net cash generated from operations		**75 588**	40 933

30.2 Taxation paid

	Notes	2021 R'000	2020 R'000
Taxation – beginning of the year		**(1 029)**	(7 426)
Amount per statement of comprehensive income (Note 5)			
– current year	5,2	**1 063**	880
– Sale of Atlas Gaming Africa		**–**	6
Taxation – closing balance		**3 812**	1 029
Taxation received/(paid) during the year		**(3 846)**	5 511
The closing tax balances comprises of the following:			
– Income tax receivable		**4 002**	1 917
– Income tax liabilities		**(190)**	(888)
		3 812	1 029

30.3 Dividends paid

		2021 R'000	2020 R'000
Opening balance		**10 129**	10 405
Dividends declared		**–**	–
Closing balance		**(10 129)**	(10 129)
		–	276

30. Notes to the cash flow statement (continued)

30.4 Dividends received

	Notes	2021 R'000	2020 R'000
SunWest	15.2.1	–	61 156
Sun Slots	15.3.1	**72 001**	32 999
Spur		–	14 086
Worcester	15.3.1	–	4 681
		72 001	112 922

30.5 Disclosure of changes in liabilities arising from financing activities

	Opening balance R'000	Non-cash movement R'000	Cash movement R'000	Interest incurred R'000	Interest paid R'000	Amortisation of capital raising fee R'000	Closing balance R'000
2021							
Preference shares	**203 095**	–	**(16 002)**	**11 542**	**(12 279)**	**615**	**186 971**
Interest-bearing borrowings	**53 491**	–	**(10 996)**	**3 708**	**(2 838)**	–	**43 365**
Finance lease liabilities	–	–	–	–	–	–	–
Lease liabilities	–	**36 977**	**(36 159)**	**35 963**	**39 295**	–	**399 330**
	256 586	**36 977**	**(63 157)**	**51 213**	**54 412**	**615**	**629 666**
2020							
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

31. Capital commitments

	2021 R'000	2020 R'000
Authorised but not contracted		
Property, plant and equipment	**75 000**	67 500

32. Subsequent events

Sale of Burger King and Grand Foods Meat Plant

In June 2021 the competition authorities prohibited the transaction due to public interest concerns and in particular the loss of Historical Disadvantaged Persons (HDP) ownership that would result from the transaction. Management have been in discussions with the buyer and the competition commissions and have now settled on a list of conditions that the competition commission has approved. Subsequently a request for reconsideration has been filed with the Competitions Tribunal, which resulted in the transaction being approved with conditions. As the major conditions precedent were not met as at 30 June 2021 and significant uncertainty existed around whether the transaction would be approved, these assets have not been classified as a discontinued operation.

Related Party Loan

In August 2021 Dr Adams loan, which was granted during his tenure for acquisition of shares, was repaid in full including accrued interest. Subsequently all security has been released over the shares pledged as security for this loan.

33. Going concern

Management have prepared several forecasts taking into consideration several factors inter alia; the uncertainty of COVID-19 and related trading restrictions, the current Burger King Master Development Franchise (MFDA) current and future debt repayments and all available funding. Based on all the scenarios tested the Group has sufficient liquidity to continue operations.

In line with standard governance practice, the Board of directors have made an assessment of the Group's solvency and liquidity for an extended period by analysing managements forecasts and is satisfied of the Group's ability to continue as a going concern for the foreseeable future.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Notes	**2021 R'000**	2020 R'000
Revenue	2,2	**23 633**	41 888
Operating costs		**(47 319)**	(38 592)
Profit from operations		**(23 686)**	3 296
Expected credit losses	15.3.4	**–**	(6 563)
Impairment of subsidiaries	11,2	**(20 716)**	(521 610)
Impairment of associates	12,2	**–**	(1 670)
Impairment of loans		**(20 814)**	–
Loss on sale of subsidiary	11,3	**–**	(11 500)
Depreciation	13,2	**(44)**	(63)
Amortisation	14.2	**(31)**	(30)
(Loss)/profit before interest and taxation		**(65 291)**	(538 140)
Finance income	4	**477**	2 591
Finance costs	5	**(3)**	(18)
(Loss)/profit before taxation		**(64 817)**	(535 567)
Taxation	6,2	**(265)**	(33)
(Loss)/profit for the year		**(65 082)**	(535 600)
Other comprehensive income/(loss)			
Realised fair value adjustments	15,4	**–**	(4 941)
Total comprehensive (loss)/income for the year		**(65 082)**	(540 541)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Notes	2021 R'000	2020 R'000
ASSETS			
Non-current assets		**1 095 186**	1 105 544
Investments in subsidiaries	11,2	**1 062 750**	1 072 818
Investments in associates	12,2	**30 972**	30 972
Property, plant and equipment	13,2	**110**	104
Intangible assets	14.2	**27**	58
Deferred tax asset	6,3	**1 327**	1 592
Current assets		**52 077**	101 151
Related party receivables	10	**12 715**	30 987
Trade and other receivables	15.3.1	**29 237**	45 800
Cash and cash equivalents	15.2	**10 037**	24 276
Income tax receivable	20,2	**88**	88
Total assets		**1 147 263**	1 206 695
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity			
Stated capital	19,3	**798 586**	798 586
Accumulated profit		**319 673**	383 920
IFRS 2 share-based payment reserve		**867**	954
Total shareholders' equity		**1 119 126**	1 183 460
Non-current liabilities		**155**	163
Provisions	18.2	**155**	163
Current liabilities		**27 982**	23 072
Provisions	18.2	**2 239**	1 649
Trade and other payables	16,2	**15 614**	11 294
Dividends payable	20,3	**10 129**	10 129
Total equity and liabilities		**1 147 261**	1 206 695

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Stated capital R'000	Accumulated profits R'000	Financial asset held at fair value reserve R'000	IFRS 2 Share-based payment reserve R'000	Total equity R'000
Balance at 30 June 2019	798 586	918 227	2 690	2 085	1 721 588
Total comprehensive loss for the year	–	(535 600)	(4 961)	–	(540 561)
– Profit 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**
Total comprehensive income for the year	**–**	**65 082**	**–**	**–**	**65 082**
– Loss for the year	**–**	**65 087**	**–**	**–**	**65 082**
– Other comprehensive loss			**–**		**–**
Share-based payment expense	**–**	**–**	**–**	**748**	**748**
Share options lapsed	**–**	**835**	**–**	**(835)**	**–**
Balance at 30 June 2021	**798 586**	**319 673**	**–**	**867**	**1 119 126**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Notes	**2021 R'000**	2020 R'000
Cash flows from operating activities			
Net cash utilised in operations	20,1	**21 474**	(56 633)
Income tax refunded/(paid)	20,2	**–**	232
Finance income received	4	**477**	2 591
Net cash outflow from operating activities		**20 997**	(53 810)
Cash flows from investing activities			
Acquisition of property, plant and equipment	13,2	**(49)**	(89)
Acquisition of intangibles	14.2	**–**	–
Proceeds from disposal of property plant and equipment		**–**	5
Investments made		**–**	–
Inter-group loans advanced	20.4	**(16 690)**	40 549
Inter-group loans repaid	20.5	**3 500**	14 353
Dividends received	20.6	**20 000**	37 081
Net cash inflow from investing activities		**6 761**	10 801
Cash flows from financing activities			
Dividends paid	20,3	**–**	(276)
Finance costs		**(3)**	(18)
Net cash outflow from financing activities		**(3)**	(294)
Net decrease in cash and cash equivalents		**(14 239)**	(43 304)
Cash and cash equivalents at the beginning of the year		**24 276**	67 580
Total cash and cash equivalents at the end of the year		**10 037**	24 276

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

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.

2.2 Disaggregation of revenue

	Notes	2021 R'000	2020 R'000
Revenue from transactions with customers			
Management fee income		**3 442**	3 851
Other revenue			
Dividends received	20.6	**20 000**	37 081
– Grand Casino Investments	20.4	**20 000**	31 000
– GPI Investments 1	20.4	**–**	1 400
– Worcester	20.4	**–**	4 681
Other income		**191**	956
		20 191	38 037
Total revenue			
Revenue from contracts with customers		**3 442**	3 851
Other revenue		**20 191**	38 037
		23 633	41 888

3. Profit before finance costs and taxation

Profit before finance and taxation cost is stated after:

3.1 Expenses:

3.1.1 Auditors' remuneration

		Notes	2021 R'000	2020 R'000
	Audit fees		**(1 499)**	(1 548)
	– current year		**(1 499)**	(1 528)
	– prior year		**–**	(20)
3.1.2	**Staff costs**		**(19 017)**	(17 196)
	Salaries and wages		**(8 770)**	(3 179)
	Directors' remuneration	7	**(8 652)**	(10 343)
	Share-based payments expense	7	**(748)**	(2 433)
	Provident fund contributions		**(847)**	(1 241)

4. Finance income

Short-term cash deposits	**477**	2 591

5. Finance costs

Interest on facilities	**(3)**	(18)

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.

6.2 Reconciliation of tax:

	2021 R'000	2020 R'000
South African normal tax		
– current year	**–**	–
– prior year	**–**	–
Deferred tax	**(265)**	(33)
	(265)	(33)

	%	%
Standard rate	**28,00**	28,00
Exempt income[(1)]	**8.64**	1,94
Non-deductible expenses[(2)]	**(25,37)**	(28,39)
Tax loss not recognised[(3)]	**(10,86)**	(1,56)
Effective tax rate	**0,41**	(0,01)

6. Taxation (continued)

6.3 The deferred tax balance is made up as follows:

	2021 R'000	2020 R'000
Provisions and accruals	**1 426**	1 895
Prepayments	**(99)**	(303)
	1 327	1 592
Reconciliation of net deferred tax asset		
Opening balance – 1 July	**1 592**	1 625
Amount for the period recognised in profit or loss	**(265)**	(33)
– Provisions and accruals	**(469)**	–
– Prepayments	**204**	(33)
	1 327	1 592
Tax expense for the period recognised in other comprehensive income	**–**	–
Closing balance – 30 June	**1 327**	1 592

(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 R90.2 million (2020: R60.3 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's 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.

8.3.1 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.

8.3.2 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.

10. Related party balances

10.1 Related party receivables

	Nature of relationship		Notes	2021 R'000	2020 R'000
Interest-free loans	**Nature of relationship**				
– Grand Foods	Subsidiary	(Direct)		**–**	10 648
– Grand Casino Investments[(1)]	Subsidiary	(Direct)		**3 000**	3 000
– GPI Properties[(1)]	Subsidiary	(Indirect)		**4 925**	8 425
– Mac Brother Catering Equipment[(1)]	Subsidiary	(Indirect)		**20 814**	4 124
				28 739	26 197
Impairment:					
– Mac Brother Catering Equipment[(1)]				**(20 814)**	–
				7 925	26 197

[(1)] *These loans are unsecured, bear no interest and is repayable on demand.*

Related party receivable	**Nature of relationship**			
– Infinity Gaming Africa	Associate		**4 790**	4 790
Total non-current assets			**–**	–
Total current assets			**12 715**	30 987
			12 715	30 987

10.2 Trade receivables

Company	**Nature of relationship**		Notes	2021 R'000	2020 R'000
– Atlas Gaming Africa	Subsidiary of associate			**–**	78
– Burger King	Subsidiary	(Indirect)		**93**	21 733
– GPI BBBEE Women's Trust				**–**	–
– GPI Investments 1	Subsidiary	(Direct)		**–**	30
– GPI Management Services	Subsidiary	(Direct)		**1 325**	1 764
– GPI Properties	Subsidiary	(Indirect)		**9 858**	7 336
– Grand Casino Investments	Subsidiary	(Direct)		**1 161**	2 986
– Grand Foods	Subsidiary	(Direct)		**13**	–
– Grand Foods Investments 3	Subsidiary	(Indirect)		**168**	21
– Grand Foods Management Services	Subsidiary	(Indirect)		**6 533**	6 533
– Grand Foods Meat Plant	Subsidiary	(Indirect)		**3 863**	3 278
– Grand Parade Share Incentive Trust				**–**	–
– Mac Brothers Catering Equipment	Subsidiary	(Indirect)		**9 263**	6 766
			15.3.1	**32 277**	50 525
Allowance for doubtful debt			15.3.1	**(6 563)**	(6 563)
Grand Foods Management Services				**(6 533)**	(6 533)
GPI Investments 1				**(30)**	(30)
			15.3.1	**25 714**	43 962

10.2 Trade payables

Company	**Nature of relationship**		2021 R'000	2020 R'000
– GPI Management Services	Subsidiary	(Indirect)	**(6 001)**	(5 170)
– GPI Properties	Subsidiary	(Indirect)	**(393)**	(2 051)
– Grand Foods Management Services			**(9)**	–
			(6 403)	(7 221)

11. Investments in subsidiaries

11.1 Accounting policy

Investments in subsidiaries are measured at cost.

11.2 Investments in subsidiaries

	2021 R'000	2020 R'000
Grand Foods	**751 620**	740 972
Grand Capital	**97 189**	117 310
Grand Sport	**–**	–
GPI Management Services	**101 641**	101 641
Grand Casino Investments	**31 294**	31 294
GPI Investments 1	**–**	595
Rilapath	**57 311**	57 311
Grand Parade Share Incentive Trust	**23 695**	23 695
	1 062 750	1 072 818
During the year the following investments were impaired:		
Impairment	**(20 716)**	(521 610)
Grand Foods[1]	**–**	(495 785)
Grand Capital[3]	**(20 121)**	(9 625)
Grand Sport	**–**	–
GPI Management Services[2]	**–**	(16 200)
GPI Investments 1[2]	**(595)**	–

(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.*

(3) *The impairment is due to the underlying poor performance of the property portfolio, which is linked to vacancies and COVID-19 concessions granted.*

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

In the prior year 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.

There was no disposals in the current year.

	2021 R'000	2020 R'000
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		Infinity Gaming Africa		Total	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Carrying amount – 1 July	**30 972**	30 972	**–**	–	**30 972**	30 972
Acquisition[1]	**–**	–	**–**	1 670	**–**	1 670
Impairment of investment			**–**	(1 670)	**–**	(1 670)
Carrying amount – 30 June	**30 972**	30 972	**–**	–	**30 972**	30 972

[1] *During 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.*

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

2021	Computer equipment R'000	Furniture & fittings R'000	Total R'000
Cost	**170**	**20**	**190**
Accumulated depreciation	**(84)**	**(1)**	**(85)**
Carrying value at 1 July 2020	**86**	**19**	**105**
Additions	**49**	**–**	**49**
Depreciation	**(41)**	**(4)**	**(45)**
Carrying value at 30 June 2021	**94**	**16**	**110**
Made up of:			
Cost	**219**	**20**	**239**
Accumulated depreciation	**(125)**	**(4)**	**(129)**

13. Property, plant and equipment (continued)

13.2 Reconciliation of property, plant and equipment (continued)

2020	Computer equipment R'000	Furniture & fittings R'000	Total R'000
Cost	101	–	101
Accumulated depreciation	(22)	–	(22)
Carrying value at 1 July 2020	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)

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
2021		
Cost	**94**	**94**
Accumulated amortisation	**(36)**	**(36)**
Carrying value at 1 July 2020	**58**	**58**
Disposal	**–**	**–**
Amortisation	**(31)**	**(31)**
Carrying value at 30 June 2021	**27**	**27**
Made up of:		
Cost	**94**	**94**
Accumulated amortisation	**(67)**	**(67)**
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)

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 2.95% and 3.50% during the year (2020: between 3.25% and 6.25%).

	2021 R'000	2020 R'000
Cash and cash equivalents	**10 037**	24 276

At year end the Company had available overdraft facilities of R Nil (2020: nil) and utilised overdraft facilities of R Nil (2020: RNil).

15.3.1 Trade and other receivables

Gross trade receivables	**32 434**	50 525
Less: allowance for doubtful debts	**(6 563)**	(6 563)
Net trade receivables	**25 871**	43 962
Prepayments	**558**	735
VAT	**2 808**	1 103
	29 237	45 800

15.3.2 Gross accounts receivable

0 to 30 Days	**687**	3 238
30 to 60 days	**900**	465
60 to 120 days	**–**	19 875
over 120 days	**30 847**	26 947
	32 434	50 525

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	**(6 563)**	(6 533)
	(6 563)	(6 563)

15.3.4 Reconciliation of allowance for doubtful debt

Opening balance – 1 July 2020	**(6 563)**	–
Increase in expected credit loss raised	**–**	(6 563)
Closing balance – 30 June 2021	**(6 563)**	(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 expected credit losses. 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 the 2020 financial year. The Company has provided in full for these two receivables.

15. Financial instruments – financial assets (continued)

15.4 Investments held at fair value through OCI

	Atlas Gaming Holdings	
	2021 R'000	2020 R'000
Opening balance – 1 July 2020	**–**	5 786
Fair value adjustment	**–**	(4 961)
Disposal	**–**	(825)
Closing balance – 30 June 2021	**–**	–

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.

15.5 Investments held at fair value through OCI reserve

	Atlas Gaming Holdings	
	2021 R'000	2020 R'000
The movements in the unrealised gains relating to the Company's investments held at fair value through OCI are as follows:		
Opening balance – 1 July	**–**	2,690
Fair value adjustment	**–**	-4,961
Disposal of investment	**–**	2,271
Closing balance – 30 June	**–**	–

[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

	2021 R'000	2020 R'000
Trade payables	**9 286**	5 697
Other payables and accruals	**6 328**	5 597
Audit fee accrual	**1 599**	1 528
Sundry accruals	**3 555**	3 240
Annual leave accrual	**1 100**	712
Payroll accruals	**74**	117
	15 614	11 294

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.

17.2 Financial assets

	Notes	Financial assets measured at amortised cost R'000	Financial assets measured at fair value through other comprehensive income R'000	Non-Financial assets R'000	Total R'000
2021					
Cash and cash equivalents	15.2	**10 037**	**–**	**–**	**10 037**
Investments held at fair value	15,4	**–**	**–**	**–**	**–**
Related party loans	10	**12 715**	**–**	**–**	**12 715**
Trade and other receivables	15.3.1	**25 871**	**–**	**3 366**	**29 237**
Total		**48 623**	**–**	**3 366**	**51 989**
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**

17.3 Financial liabilities

	Notes	Financial liabilities measured at amortised cost R'000	Non-financial liabilities R'000	Total R'000
2021				
Trade and other payables	16,2	**14 440**	**1 174**	**15 614**
Dividends payable	20,3	**10 129**	**–**	**10 129**
Total		**24 569**	**1 174**	**25 743**
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**

17. Financial instruments – disclosure (continued)

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
2021	**100**	**100**	**(100)**	**(100)**
2020	100	243	(100)	(243)

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 R'000	30 to 60 days R'000	60 to 120 days R'000	Over 120 days R'000	Total R'000
2021					
Related party loans	**12 715**	**–**	**–**	**–**	**12 715**
Trade and other receivables	**687**	**899**	**–**	**24 285**	**25 871**
Total	**13 402**	**899**	**–**	**24 285**	**38 586**
2020					
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 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'000	Less than 3 months R'000	3–12 months R'000	1–2 years R'000	> 2 years R'000	Total R'000
2021						
Trade and other payables	**–**	**14 440**	**–**	**–**	**–**	**14 440**
Dividends payable	**10 129**	**–**	**–**	**–**	**–**	**10 129**
Total	**10 129**	**14 440**	**–**	**–**	**–**	**24 569**
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**

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] R'000	Employee bonuses[2] R'000	Total R'000
2021			
Opening balance – 1 July	**163**	**1 649**	**1 812**
Provision raised during the year	**(4)**	**3 949**	**3 945**
Amount utilised	**(4)**	**(3 359)**	**(3 363)**
Closing balance – 30 June	**155**	**2 239**	**2 394**
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**

	2020 R'000	2019 R'000
Balance made up as follows:		
Non-current provisions	**155**	163
Current provisions	**2 239**	1 649
	2 394	1 812

[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 bonuses for employees, the value of the bonus is dependent on whether the specified KPIs 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.

19.2 Authorised share capital

	2021 R'000	2020 R'000
2 000 000 000 ordinary shares of no par value	–	–

19.3 Reconciliation of issued share capital

	2021 R'000	2020 R'000
Opening balance – 1 July	**798 586**	798 586
Reclassification of reserve	**–**	–
Closing balance (issued and fully paid) – 30 June	**798 586**	798 586

19.4 Number of shares in issue

	2021	2020
Opening balance – 1 July	**470 023**	470 023

20. Notes to the cash flow statement

20.1 Cash generated from operations

	Notes	2021 R'000	2020 R'000
(Loss)/profit before taxation		**(64 817)**	(535 567)
Adjustments for:			
– Depreciation	13,2	**44**	63
– Amortisation	14.2	**31**	30
– Finance income	4	**(477)**	(2 591)
– Finance costs	5	**3**	18
– Dividends received	2,2	**(20 000)**	(37 081)
– Share-based payment expense	3.1.2	**748**	2 433
– Impairment of subsidiaries	11,2	**20 716**	521 610
– Impairment of associates		**–**	1 670
– Reversal of impairment of loans		**20 814**	–
– Loss on disposal of subsidiary		**–**	11 500
Operating cash flows before working capital changes		**(42 938)**	(37 915)
Increase in trade and other receivables		**16 563**	(9 199)
(Decrease)/Increase in trade and other payables and provisions		**4 902**	(9 519)
Net cash utilised in operations		**(21 473)**	(56 633)

20.2 Taxation paid

	2021	2020
Opening balance – 1 July	**(88)**	(320)
Current tax per statement of comprehensive income		
– current year	**–**	–
– prior year under provision	**–**	–
Closing balance – 30 June	**88**	88
	–	(232)
The closing tax balances comprises of the following:		
– Income tax refunds	**88**	88
– Income tax payable	**–**	–
	88	88

20.3 Dividends paid

	2021	2020
Opening balance – 1 July	**(10 129)**	(10 405)
Dividends declared	**–**	–
Closing balance – 30 June	**10 129**	10 129
	–	(276)

Dividends paid relate to prior years.

20. Notes to the cash flow statement (continued)

20.4 Inter-group loans advanced

	2021 R'000	2020 R'000
– Grand Casino	**–**	(3 000)
– GPI Properties		(8 425)
– Burger King		(25 000)
– Grand Foods	**–**	–
– Mac Brothers	**(16 690)**	(4 124)
	(16 690)	(40 549)

20.5 Inter-group loans repaid

	2021 R'000	2020 R'000
- Rilapath	**–**	6 000
- GPI Properties	**3 500**	–
- Grand Parade Share Incentive Trust	**–**	8 353
	3 500	14 353

20.6 Dividend received

	2021 R'000	2020 R'000
Grand Casino Investments	**20 000**	31 000
GPI Investments 1	**–**	1 400
Worcester	**–**	4 681
	20 000	37 081

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) Lease of premises by Mac brothers with minimum lease payments of R41.0 million for the remaining lease term, for which the company provided a guarantee.

3) 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.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

Appendix 1

Principal Subsidiary Companies at 30 June 2021:

At year-end the Group consisted of GPI and principal subsidiaries as listed below:

	Ordinary share capital and premium		Effective percentage holding	
	2021 R	2020 R	**2021 R**	2020 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	**33 531 498**	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	**1 254 800 382**	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	**21 287 051**	21 286 608	**100,00**	100,00
Utish Investments (Pty) Ltd	**820 933 283**	215 883 683	**100,00**	100,00

Appendix 2

Investments, associates and joint ventures

	30 June 2021			30 June 2020		
	Shares held	**Effective Interest**	**Voting Interest**	Shares held	Effective Interest	Voting Interest
FOOD						
Spur	**8 447 731**	**7,79%**	**7,79%**	8 447 731	7,79%	7,79%
GAMING						
SunWest	**2 220 278**	**15,10%**	**Joint control**	2 220 278	15,10%	Joint control
Worcester Casino	**4 738 755**	**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 2021

Director Ordinary Shares	Direct Beneficial 000's	Indirect Beneficial 000's	Total shares Beneficial 000's	Total shares Beneficial %
A Abercrombie[1]	**5**	**7 000**	**7 005**	**1,49**
M Bowman	**13**	**–**	**13**	**–**
M Tajbhai	**70**	**–**	**70**	**0,01**
	88	**7 000**	**7 088**	**1,50**

As at 30 June 2020

Director Ordinary Shares	Direct Beneficial 000's	Indirect Beneficial 000's	Total shares Beneficial 000's	Total shares Beneficial %
A Abercrombie[1]	5	7 000	7 005	1,49
M Bowman	13	–	13	–
M Tajbhai	42	–	42	0,01
	60	7 000	7 060	1,50

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

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	98 134 218	20.89%
Arakot	47 268 792	10.06%
Kagiso Asset Management	38 302 539	8.15%
GPI Management Services	24 000 000	5.11%
Rozendal Partners	15 416 622	3.28%
Total	**223 122 171**	**47.49%**

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