GRAND PARADE

INVESTMENTS LIMITED

AUDITED

GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2022

CONTENTS

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 2022

Company information **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	11th Floor, 33 on Heerengracht Heerengracht Street Cape Town 8001
Preparer of the financial statements	The annual financial statements were prepared under the 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 Prviate Bag X9000 Saxonwold 2132
Sponsors	PSG Capital (Pty) Ltd 1st Floor, Ou Kollege Building, 35 Kerk Street,Stellenbosch,7600 PO Box 7403
Auditors	Deloitte and Touche 5 Magwa Crescent Waterfall City Waterfall Johannesburg 2000
Bankers	The Standard Bank of South Africa Limited First Rand Bank Limited

STATEMENT OF RESPONSIBILITY BY THE DIRECTORS AND COMPANY SECRETARY
FOR THE YEAR ENDED 30 JUNE 2022

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 AFS were authorised for issue by the Board on the 28 October 2022.

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 28 October 2022 and are signed on its behalf by

M TAJBHAI
Chief Executive Officer

J OCTOBER
Chief Financial Officer

DECLARATION BY THE COMPANY SECRETARY TO THE SHAREHOLDERS 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

28 October 2022

DECLARATION BY GROUP CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

Each of the directors, whose names are stated below, hereby confirm that:

a) the annual financial statements set out on pages 18 to 21, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

b) to the best of our knowledge and belief, 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 issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls within the combined assurance model pursuant to principle 15 of the King Code;

e) where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action remedy the deficiencies; and

f) we are not aware of any fraud involving directors.

J OCTOBER
Chief Financial Officer

28 October 2022

M TAJBHAI
Chief Executive Officer

28 October 2022

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

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Audit & Assurance
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5 Magwa Crescent
Waterfall City
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To the Shareholders of Grand Parade Investments Limited

Opinion

We have audited the consolidated financial statements of Grand Parade Investments Limited and its subsidiaries (the group) set out on pages 18 to 102, which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grand Parade Investments Limited and its subsidiaries as at 30 June 2022, and its consolidated financial performance and consolidated 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 Financial Statements section of our report. We are independent of the group 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**How the matter was addressed in the audit**
Measurement, valuation and disclosure of discontinued operations (Note 14)	
The Group entered into a sale agreement to dispose of the Burger King South Africa (BKSA) and Grand Foods Meat Plant (GFMP) groups to unlock value for shareholders. The transaction was closed on 3 November 2021, on which date control passed to the acquirer. On 4 April 2022 Mac Brothers group was placed under voluntary liquidation when the Court appointed the liquidator and control in terms of IFRS 10: Consolidated Financial Statements, was lost. A loss from the discontinued operations amounting to R44.4 million was recorded in the statement of profit or loss and other comprehensive income. Deficiencies were noted in the financial reporting and close processes of the underlying businesses within these disposal groups. These are fundamental and pervasive to the integrity of the financial reporting of the group and impacted our audit approach, which was reliant on work done by the component auditors involved in the audits of those components. We identified this matter to be a key audit matter due to the following: • Additional audit work and significant interaction was required between management, the group engagement team and the Mac Brothers management to obtain sufficient and appropriate audit evidence; and • Additional audit work and significant interaction was required between management, the group engagement team and the component auditor of BKSA and GFMP operations to obtain sufficient and appropriate audit evidence.	Our procedures included the following: • Issued the component auditors with referral instructions which outlined the scope of their work; • Obtained an understanding of the component auditor, including an understanding of their competence, skill and independence; • Included frequent interactions with, and oversight of the component auditor of the BKSA and GFMP operations through meetings that were conducted with the component auditor to obtain an understanding of the component and its environment and obtain updates on progress, risks and audit findings; • Included more frequent interactions with the GPI and Mac Brothers management on the Mac Brothers operations through meetings that were conducted by the group auditor with management to obtain an update on progress of audit deliverables; • Extended our review of the component auditor working papers which included their significant risks for BKSA and GFMP operations; • Conducted close out meetings with the component auditor to conclude on the appropriateness of the audit procedures performed on the component; • Re-calculated the profit/loss from the discontinued operations based on the audited trial balances of BKSA, GFMP and Mac Brothers operations; • Recalculated profit/loss on disposal of BKSA and GFMP operations based on the audited trial balance as at disposal date; • Recalculated the profit/loss on deconsolidation of Mac Brothers at date of loss of control based on the audited trial balance at that date; and • Assessed the recognition and disclosure of the accounting matters for compliance with IFRS, including recognition and disclosure of discontinued operations in terms of the requirements of IFRS 5, and the requirements for loss of control in terms of IFRS 10. The accounting and disclosures pertaining to the discontinued operations is found to be appropriate in terms of the relevant accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Grand Parade Investments Limited Audited Group and Company Annual Financial Statement at 30 June 2022", which includes the Declaration by the Company Secretary, Report of the Audit and Risk Committee, Report of the Directors as required by the Companies Act of South Africa, the Declaration by the Group Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and the Integrated Report, which we obtained prior to the date of this report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 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.

Other Matter

The consolidated financial statements of the Group for the year ended 30 June 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2021.

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 Deloitte has been the auditor of Grand Parade Investments Limited for one year.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Carmeni Naidoo Bester
Partner
31 October 2022

5 Magwa Crescent
Waterfall City
Waterfall
2090

REPORT OF THE AUDIT AND RISK COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2022

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), BRek Hons (USB). All four meetings of the Committee have been attended by the majority of members.

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

ENGAGEMENT WITH EXTERNAL AUDITORS

- during the year, following the sale of BKSA and GFMP and the change of auditors of its remaining major assets, the audit committee approached prospective audit firms to investigate changing the Group's auditors. On conclusion of the process the committee recommended and the Board endorsed the appointment of Deloitte & Touche as the new external auditor of the Group from 2022, with Mrs Carmeni Naidoo Bester as the designated individual auditor;
- satisfied itself that the incoming external auditor is independent of the Company, as set out in the Companies Act, and suitable for appointment by considering the information stated in 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 2022 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; and
- reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the interim results for the six months ended
- 31 December 2021 and the audited annual results for the 2022 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; and
- 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; and
- implemented Protection of Personal Information Act (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; or
- the internal financial controls of the Company.

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 June 2022 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 Johannesburg Stock Exchange Listings Requirements;
- engaged extensively with management on their response to the JSE Limited ("JSE") on their findings after review of the Group's June 2021 and December 2021 results and ensured the implementation of the relevant suggestions to ensure that the current year financial statements comply with the JSE's latest findings;
- considered and reviewed management implementation of the JSE's 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 JSE Listing 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 Listing 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:

- Measurement, valuation and disclosure of discontinued operations.

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

28 October 2022

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report on the activities of the Group and Company for the year ended 30 June 2022.

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 jointly controlled entities.

Group earnings		Notes	**30 June 2022**	30 June 2021 Restated*
Headline earnings/(loss)	(R'000)	4	**(13 749)**	(27 028)
– Continuing	(R'000)		**1 646**	12 777
– Discontinued	(R'000)		**(15 395)**	(39 805)
Adjusted Headline earnings/(loss)**	(R'000)		**47 928**	(27 028)
Adjusted Headline earnings/(loss) per share**	(cents)		**11.14**	(6.29)
Headline and diluted headline earnings/(loss) per share	(cents)	4	**(3.20)**	(6.29)
– Continuing	(cents)		**0.38**	2.97
– Discontinued	(cents)		**(3.58)**	(9.26)
Basic loss – net profit/(loss) for the year	(R'000)	4	**(11 736)**	(28 993)
– Continuing	(R'000)		**(25 350)**	13 762
– Discontinued	(R'000)		**13 614**	(42 755)
Basic and diluted earnings/(loss) per share	(cents)	4	**(2.73)**	(6.75)
– Continuing	(cents)		**(5.90)**	3.20
– Discontinued	(cents)		**3.17**	(9.95)
Dividends net of treasury shares	(R'000)		**544 212**	–
Ordinary dividend per share	(cents)		**125**	–

* *Restated for discontinued operations.*

** *Adjusted to exclude Expected Credit Loss and the write-off of receivables related to Mac Brothers.*

Grand Parade Investments (GPI) performed well over the financial year with headline loss for the year improving by R13.3 million (49%) from a loss of R27.0 million to a loss of R13.7 million. The loss in the current year includes an impairment against the inter-company loan with Mac Brothers (expected credit loss) and a write-off of receivables, which was recognised when control of the subsidiary was lost, as a result of the liquidation of the company. The total adjustments amount to R61.7 million and if this amount is excluded from the headline loss, it would result in an adjusted headline earnings of R47.9 million, a R74.9 million improvement from a R27.0 million loss posted in the prior year.

The positive performance of the Group was underpinned by the turnaround of the gaming assets which had been impacted by COVID-19 and the related lock down restrictions in the prior year. On the 1st of October 2021, South Africa moved to alert level 1 which allowed businesses to trade with no curfew. Capacity restrictions remained in place for the most part of the year which together with rising inflation and sustained power outages prevented a full recovery of the gaming businesses. Despite this the gaming assets contributed R107.9 million to headline earnings over the year, an increase of R34.9 million (48%), compared to the prior year.

During the year, GPI made good progress on the implementation of its strategy to unlock value, which was showcased by the completion of the Burger King South Africa (BKSA) sale and the unbundling of the Group's interest in Spur Corporation (Spur). Together these initiatives allowed the Group to return R1.25 per share to shareholders and reduce debt by 41% or R95.9 million. Mac Brothers continued to perform poorly, resulting in the decision to place the business under voluntary liquidation on the 4th of April 2022.

Management's continued efforts to reduce costs also contributed to the improvement in the Group's performance. Central costs decreased by a further 12% over the year. Corporate costs excluding transaction and finance related costs decreased by 18% over the year, while finance costs decreased by 56% due to the decrease in overall debt.

The improvement in adjusted headline earnings from continuing operations was offset by losses from discontinued operations which relate to the Mac Brothers business. Mac Brothers posted a loss of R31.4 million for the period up to liquidation which includes a loss of R21.6 million related to the impairment on inventory (sold during the liquidation proceedings) and other liquidation costs. These losses are not expected in the next financial year as the business is in the process of being liquidated.

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. In the current financial year, included in headline earnings is the impairment of the inter-company loan with Mac Brothers (expected credit loss) and write-off of receivables which are once off non-reoccurring events and thus the Group reported an Adjusted Headline Earnings which excluded these losses and write-offs. In the current financial year the Group disposed of BKSA and in the process of liquidating Mac Brothers. Both these businesses have been classified as discontinued operations.

GPI reported an improvement in its adjusted headline earnings (excludes impairment of loan and write-off of receivables) from a loss of R27.0 million to a profit of R47.9 million.

The major contributing factors are outlined below:

- BKSA's headline earnings contribution improved by R25.8 million during the year from a loss of R13.7 million in the prior year to a profit of R12.1 million during the four months of trading before ownership transferred to Emerging Capital Partners (ECP).
- The gaming assets' headline earnings contribution increased by R34.9 million from R73.0 million in the prior year to R107.9 million in the current year. The increase in earnings is largely due to the recovery of Sun Slots and SunWest in the current year due to the easing of the COVID-19 related restrictions and the improvement in trading conditions during the year.
- Spur resumed dividends during the year which accounted for a positive contribution to headline earnings of R9.3 million from a loss in the prior year.
- Grand Foods Meat plant reduced its headline loss contribution by R6.8 million and contributed positively for the four months of trading.
- Central costs decreased by R6.6 million in the current year largely as a result of reduced finance costs, which reduced by R5.9 million and a reduction in Corporate cost which decreased by R5.8 million due to aggressive cost saving initiatives implemented during the year.
- The improvements in earnings listed above were offset by Mac Brothers' loss contribution for the year which deteriorated by R8.4 million from R23.0 million in the prior year to a loss of R31.4 million in the current period. This loss includes an impairment of inventory amounting to R21.6 million realised after the assets were auctioned off by the liquidator.

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

	30 June 2022	30 June 2021	Movement	
	R'000	R'000	R'000	%
Food	**9 279**	(73)	9 352	–
Spur	**9 279**	(73)	9 352	–
Gaming	**107 904**	72 978	34 926	48%
SunWest	**39 174**	25 249	13 925	55%
Sun Slots	**65 831**	44 770	21 061	47%
Worcester Casino	**2 248**	1 389	859	–
Infinity Gaming Africa	**651**	1 570	(919)	–
Central costs	**(50 199)**	(56 765)	6 566	12%
Corporate Costs (excl. Transaction costs, legal fees, tax and finance costs)	**(26 881)**	(32 695)	5 814	18%
Transaction costs, legal fees and taxation	**(15 082)**	(16 467)	1 385	8%
Net corporate finance costs	**(4 608)**	(10 564)	5 956	56%
GPI Properties	**(3 628)**	2 961	(6 589)	223%
Expected credit loss and write off of receivables relating to Mac Brothers (A)	**(61 677)**	–	(61 677)	–
Loan impairment	**(48 081)**	–	(48 081)	–
Receivable write-off	**(13 596)**	–	13 596)	–
Headline earnings – Continuing operations (B)	**5 307**	16 140	(10 833)	(67%)
Adjusted Headline earnings – Continuing operations (B-A)*	**66 984**	16 140	50 844	315%
Discontinued operations (C)	**(19 056)**	(43 168)	24 112	56%
Burger King	**12 091**	(13 709)	25 800	188%
Mac Brothers	**(31 412)**	(22 968)	(8 444)	(37%)
Grand Foods Meat Plant	**265**	(6 491)	6 756	104%
Headline earnings (B+C)	**(13 749)**	(27 028)	13 279	49%
Adjusted Headline earnings – (B+C-A)	**47 928**	(27 028)	74 956	277%

* *Adjusted to exclude Expected Credit Loss (loan impairment) and the write-off of receivables related to the liquidation of Mac Brothers. These have been excluded as they are non-recurring and non-cash.*

Dividends

A special dividend of 88 cents per share was declared on 11 November 2021 and paid on 6 December 2021. In addition, the Group's investment in Spur was unbundled and distributed as a dividend in specie on 17 June 2022 which amounted to a dividend of 37 cents per share.

An ordinary dividend of 12 cents per share has been declared relating to the 2022 financial year and will be payable during December 2022.

Capital structure

The Group reduced its debt by R95.9 million during the year mainly as a result of a repayment of R87.0 million on the preference debt and interest and R7.5 million on the term loan.

		30 June 2022 R'000	30 June 20201 R'000	Movement R'000	%
Holding company facilities		**100 000**	186 971	(86 971)	47%
SunWest	Preference shares	**100 000**	186 971	(86 971)	47%
Subsidiary facilities		**35 868**	44 846	(8 978)	20%
GPI Properties	Term loans (Mortgage)	**35 868**	43 365	(7 497)	17%
Mac Brothers	Finance leases	**–**	1 125	(1 125)	100%
Burger King	Finance leases	**–**	356	(356)	100%
Total Debt[1]		**135 868**	231 817	(95 949)	41%
Debt/EBITDA[2]		**2.21**	7.12*	(4.91)	(69%)
Net debt[3]/EBITDA		**(0.83)**	1.61	(2.44)	(152%)
Debt/Equity[4]		**12.0%**	13.8%	1.8%	(13.0%)

* *Restated to exclude discontinued operations.*

[1] *Total debt refers to the non-current and current portions of the preference shares and interest-bearing borrowings.*

[2] *EBITDA refers to earnings before interest, tax, depreciation and amortisation. This is calculated by adding back interest, depreciation and amortisation to the loss or profit before taxation shown in the Consolidated Statements of Profit or Loss and Other Comprehensive Income.*

[3] *Net debt refers to the total debt as defined above less the cash balances.*

[4] *Debt to equity is defined as the ratio of total debt as defined above as a percentage of equity which consists of ordinary share capital, accumulated profits and reserves.*

REVIEW OF INVESTMENT OPERATIONS

FOOD

Burger King

Four months of BKSA trade have been included against a full year in the prior year as the sale of the business was completed in November 2021. BKSA's total restaurant revenue for the four-month period grew by R70.6 million from R428.5 million to R499.1 million in the current year (2021: Full year R1.350 billion).

BKSA realised a Company EBITDA of R31.6 million compared to R17.7 million in the prior period (2021: Full year R51.7 million).

Spur

During the period a total dividend of 111 cents was declared and paid by Spur (2021: nil) which resulted in a profit contribution by Spur of R9.3 million against a loss of R0.1 million in the prior year.

Grand Foods Meat Plant

GFMP is directly influenced by BKSA's performance through their agreement with BKSA's main logistics partner, Digistics (Pty) Ltd. The results of the meat plant have been included for four months in the current year. GFMP's revenue for the four months increased by 24% from R59 million to R73.5 million compared to the same period in the prior year.

GFMP's earnings for the year resulted in a R0.3 million profit after tax, compared to the R1.4 million profit after tax in the prior year.

Mac Brothers Catering Equipment

During the financial year, after a protracted period of trying to sell the business, the board resolved to place Mac Brothers under voluntary liquidation in order to limit the losses and reduce the cash drain on the Group. The business has been deconsolidated from the date that the liquidator was appointed and has been treated as discontinued operations in the results. These results include ten months of trading for the financial year. During the ten-month period revenue decreased by R36.8 million from R101.1 million to R58.9million and gross profit by R5.6 million from R26.5 million to R20.9 million.

Profit and loss after tax excluding impairments and loss on sale of property, plant and equipment (PPE) amounted to a loss of R30.1 million. During the liquidation assets to the value of R25.9 million were impaired taking the full loss for the period to R35.8 million.

GAMING

SunWest

SunWest's revenue for the year increased by R391.7 million from R1 328 million in the prior year to R1 719 million in the current year.

Revenue was 32% below 2019 (pre-COVID-19) revenue of R2 534.0 million. EBITDA for the year increased by 19% from R404.6 million in the prior year to R533.2 million in the current year which is 48% lower than the 2019 EBITDA of R938.0 million. Net Profit after tax increased by 31% to R218.8 million for the year (2021: R167.2 million). SunWest received R50 million in business interruption claims during the prior year which are included in the results stated above.

Total dividends of R350.0 million were paid for the year of which the Group's portion amounted to R52.9 million.

Sun Slots

The Sun Slots business has been resilient throughout the pandemic period with a strong recovery in trading over the prior year. Sun Slots increased revenue by 19% from R1 191 million in the prior year to R1 414 million in the current year. The revenue for the current year is R178 million ahead of that of the pre COVID-19 levels (2019: R1 236 million). EBITDA for the year increased by 34% from R298.8 million in the prior year to R401.7 million in the current year and is R85.29 million ahead of pre-COVID-19 levels. Net Profit after Tax increased by R68.3 million from R151.1 million in the prior year to R219.4 million in the current year, which is R35.6 million ahead of the corresponding period in 2019. Sun Slots received R62.9 million in business interruption claims during the year which are included in the results stated above.

Dividends of R250.0 million were paid for the year of which the Group's portion amounted to R75.0 million.

Worcester

Worcester revenue for the year increased by R3.5 million from R116.6 million in the prior year to R120.2 million in the current year. EBITDA for the current year decreased by R12.6 million to R10.9 million from R 23.5 million. Dividends of R25.2 million were paid for the year of which the Group's portion amounted to R3.8 million. Included in the results of Worcester are extra ordinary expenses amounting to R4.7 million. The Group's portion amounts to R0.7 million.

OTHER

Central costs

The Group's net central costs (excluding finance cost, and transaction costs) for the year amounted to R26.9 million, which is 18% lower than central costs of R32.7 million in the prior year. Included in central costs are costs related to the final round retrenchments which were completed in March 2022 following the sale of BKSA which amounted to R0.8 million in the current year.

Share capital

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

Treasury shares

At 30 June 2022 a total of 40.2 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 1.36 million treasury shares, GPI Management Services holding 24.0 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 7 283 redeemable preference shares (SunWest) to Standard Bank at an issue price of R25 400 per share, totaling R185.0 million. A bridging facility of R100.0 million was raised during the year and utilised to repay the Standard Bank preference shares. This facility was repaid with the issue of 10 000 new preference shares to RMB for a consideration of R100.0 million during June 2022.

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 Secretariat during the current year.

Particulars of the present Directors and Company Secretary are provided 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 analyses considering the likelihood of a further impact of COVID-19, the liquidation of its catering business and various contractual obligations. Based on this assessment and the available financial resources of the Group together with anticipated cash flows from continuing operations, which were stress tested, management is satisfied and comfortable to confirm the going concern status of the Group. The Board has performed a review of the Group's ability to continue trading as a going concern in the foreseeable future and based on this review, consider the presentation of the financial statements on a going concern basis to be appropriate.

There are no pending legal or arbitration proceedings which have had or may have a material effect on the financial position of the Group. Refer to note 33.

Subsequent events

During August 2022 the transfer of the Meat Plant property was finalised and the funds received. These funds were utilised to repay R20.0 million of the corresponding mortgage facility in August 2022.

On 4th October 2022 the Group entered into a back-to-back agreement to purchase and on-sell the Mac Brothers buildings. The Group will purchase two properties for a consideration of R66.5 million, located in Epping Cape Town and Sabenza Johannesburg and simultaneously sell them to an independent third party for a consideration R44 million.

The lease was cancelled by the liquidator, the sale and lease back arrangement was part of the negotiation to avoid a lengthy litigious process (refer to note 20 on page 102).

An ordinary dividend of 12 cents per share has been declared relating to the 2022 financial year and will be payable during December 2022.

Refer to note 35 for disclosure around contingent liabilities arising from the cancellation of the lease.

PROSPECTS

Over the last year GPI has made good progress on the implementation of its value unlock strategy and has completed several key initiatives such as; the sale of BKSA, the unbundling of the Group's interest in Spur and the recent liquidation of Mac Brothers. In addition, the Group has reduced debt and head office costs which has strengthened the financial position of the Group.

GPI is now left with its 15.1% interest in SunWest, 15.1% interest in Golden Valley Casino, 30% interest in Sun Slots and two non-core properties. The gaming businesses have performed extremely well following the lifting of all COVID-19-related restrictions. Sun Slots, in particular, has been resilient to the tough trading restrictions and has surpassed pre-COVID-19 levels. We expect trading conditions to continue to improve over the second half calendar year as international travel improves which will assist the recovery of Grand West and the Table Bay Hotel. All GPI's gaming businesses have resumed dividend payments and are well positioned to capitalise on the expected improvement in trading conditions over the next year. With a further reduction in head office costs dividend income from the gaming businesses will flow through to shareholders.

Furthermore, GPI has commenced a process to unlock value for shareholders through the sale of assets and distribution of capital to shareholders. Any reference to future financial performance and prospects has not been reviewed by or reported on by the Group's auditors.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R'000	*Restated 2021 R'000
CONTINUING OPERATIONS			
Revenue	10.2	**17 527**	1 012
Operating costs		**(92 020)**	(46 621)
Profit from equity-accounted investments	11.1	**107 905**	73 253
Expected credit loss**		**(50 820)**	–
Finance income	12	**4 297**	2 927
Finance costs	13	**(11 663)**	(18 252)
(Loss)/profit before taxation	11	**(24 774)**	12 319
Taxation	5.2	**(576)**	1 443
(Loss)/profit for the year from continuing operations		**(25 350)**	13 762
DISCONTINUED OPERATIONS			
Profit/(loss) for the year from discontinued operations	14.3	**13 773**	(44 387)
Loss for the year		**(11 577)**	(30 625)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss		**3 172**	19 092
Realised fair value adjustments on investments held at fair value through OCI	22.4.1	**2 242**	–
Unrealised fair value adjustments on investments held at fair value through OCI	22.4.1	**930**	19 092
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(8 405)**	(11 533)
(Loss)/profit for the period from continuing operations attributable to:			
– Ordinary shareholders		**(25 350)**	13 762
Profit/(loss) for the period from discontinued operations attributable to:			
– Ordinary shareholders	14.3	**13 614**	(42 755)
– Non-controlling interest		**159**	(1 632)
		(11 577)	(30 625)
Total comprehensive (loss)/profit from continuing operations attributable to:			
– Ordinary shareholders		**(22 178)**	32 854
Total comprehensive profit/(loss) from discontinued operations attributable to:			
– Ordinary shareholders	14.3	**13 614**	(42 755)
– Non-controlling interest		**159**	(1 632)
		(8 405)	(11 533)
		Cents	Cents
Basic earnings/(loss) per share		**(2.73)**	(6.75)
– Continuing operations	4.5	**(5.90)**	3.20
– Discontinued operations	4.5	**3.17**	(9.95)
Diluted earnings/(loss) per share	4.5	**(2.73)**	(6.75)
– Continuing operations	4.5	**(5.90)**	3.20
Discontinued operations	4.5	**3.17**	(9.95)

* *The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 14) and to reflect the Statement of Profit or Loss and Other Comprehensive Income by function. Refer to note 2.3*

** *Expected credit loss includes to the impairment of the inter-company loan with Mac Brothers. Write-off of receivables have been included under operating expenses.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets		**1 075 652**	2 268 137
Investments in jointly-controlled entities	15.2.1	**624 485**	638 160
Investments in associates	15.3.1	**341 536**	351 611
Investments held at fair value through OCI	22.4.1	**14 695**	162 619
Goodwill	17.2	**–**	55 104
Investment properties	18.2	**76 500**	–
Property, plant and equipment	19.2	**1 415**	554 815
Intangible assets	20.2	**12**	20 703
Right-of-use assets	24.2.2	**–**	295 964
Deferred tax assets	5.3	**3 052**	189 161
Deferred proceeds	34	**13 957**	–
Assets classified as held for sale	21.2	**44 650**	25 050
Current assets		**198 537**	324 507
Inventory	26.2	**305**	53 934
Related party receivable	9	**6 032**	22 473
Trade and other receivables	22.3.1	**3 959**	116 866
Income tax receivable	30.2	**1 329**	4 002
Cash and cash equivalents	22.2.1	**186 912**	127 232
Total assets		**1 318 839**	2 617 694
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity		**1 140 901**	1 710 243
Ordinary share capital	28.1.3	**798 586**	798 586
Treasury shares	28.2.2	**(152 790)**	(153 079)
Accumulated profit		**502 921**	1 176 897
Investments held at fair value reserve	22.4.2	**(8 638)**	(113 028)
Share-based payment reserve		**822**	867
Non controlling-interest	16.2	**–**	(34 612)
Total shareholders' equity		**1 140 901**	1 675 631
Non-current liabilities		**102 303**	521 919
Preference shares	23.2	**100 000**	131 711
Interest-bearing borrowings	23.3	**–**	10 304
Lease liabilities	24.1.2	**–**	365 886
Provisions	27.2	**120**	10 580
Deferred tax liabilities	5.3	**2 183**	3 438
Current liabilities		**75 635**	420 144
Preference shares	23.2	**–**	55 260
Interest-bearing borrowings	23.3	**35 868**	33 061
Lease liabilities	24.1.2	**–**	33 444
Provisions	27.2	**316**	12 996
Trade and other payables	23.4	**5 708**	172 725
Dividends payable	30.3	**21 267**	10 129
Dividend tax payable		**12 362**	–
Income tax payable	30.2	**114**	190
Bank overdraft	22.2.2	**–**	102 339
Total equity and liabilities		**1 318 839**	2 617 694

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Ordinary share capital (Note 28.1.3) R'000	Treasury shares (Note 28.2.2) R'000	Accumu-lated profits R'000	Investments held at fair value reserve (Note 22.4.2) R'000	Share-based payment reserve R'000	Non-controlling interest (Note 16.2) R'000	Total equity R'000
Balance at 30 June 2020	798 586	(153 962)	1 205 929	(132 120)	914	(32 980)	1 686 367
Total comprehensive loss for the year	–	–	(28 993)	19 092	–	(1 632)	(11 533)
– Profit for the year from continuing operations	–	–	13 762	–	–	–	13 762
– Loss for the year from discontinued operations	–	–	(42 755)	–	–	(1 632)	(44 387)
– Other comprehensive profit	–	–	–	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
Disposal of Atlas Gaming Holdings	–	–	–	–	–	–	–
Disposal of Spur	–	–	–	–	–	–	–
Balance at 30 June 2021	**798 586**	**(153 079)**	**1 176 897**	**(113 028)**	**867**	**(34 612)**	**1 675 631**
Total comprehensive (loss)/income for the year	**–**	**–**	**(11 577)**	**3 172**	**–**	**–**	**(8 405)**
– Loss for the year from continuing operations	**–**	**–**	**(25 350)**	**–**	**–**	**–**	**(25 350)**
– Profit for the year from discontinued operations	**–**	**–**	**13 773**	**–**	**–**	**–**	**13 773**
– Other comprehensive profit	**–**	**–**	**–**	**3 172**	**–**	**–**	**3 172**
Realised fair value adjustments on investments held at fair value through OCI	**–**	**–**	**(101 218)**	**101 218**	**–**	**–**	**–**
Increase in BKSA investment	**–**	**–**	**(16 725)**	**–**	**–**	**16 725**	**–**
Dividends paid[(1)]	**–**	**–**	**(544 212)**	**–**	**–**	**–**	**(544 212)**
Ordinary dividend paid	**–**	**–**	**(393 412)**	**–**	**–**	**–**	**(393 412)**
Dividend in specie	**–**	**–**	**(150 800)**	**–**	**–**	**–**	**(150 800)**
Treasury shares allocated to employees	**–**	**289**	**(244)**	**–**	**(45)**	**–**	**–**
Derecognition of BKSA non-controlling interest	**–**	**–**	**–**	**–**	**–**	**17 887**	**17 887**
Balance at 30 June 2022	**798 586**	**(152 790)**	**502 921**	**(8 638)**	**822**	**–**	**1 140 901**

(1) *Dividend per share amount to 125 cents*

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R'000	*Restated 2021 R'000
Cash flows from operating activities			
Net cash utilised by operations	30.1	**(16 175)**	(20 933)
Income tax paid	30.2	**(262)**	–
Finance income received	12	**4 297**	2 927
Cash inflow from discontinued operations		**73 082**	93 542
Net cash inflow from operating activities		**60 942**	75 536
Cash flows from investing activities			
Proceeds from sale of BKSA and GFMP investments		**477 393**	–
Proceeds from disposal of investment property		**–**	32 000
Dividends received	30.4	**142 384**	72 001
Cash outflow from discontinued operations		**(37 123)**	(50 235)
Net cash inflow from investing activities		**582 654**	53 766
Cash flows from financing activities			
Dividends paid	30.3	**(369 912)**	–
Employee loans		**17 683**	–
Preference share redemption	30.5	**(184 988)**	(16 002)
Preference share issued	30.5	**100 000**	–
Bridging facility raised		**100 000**	–
Bridging facility repaid		**(100 000)**	–
Repayment of Interest-bearing loans		**(7 500)**	(10 993)
Related party loans		**2 500**	–
Finance costs		**(11 663)**	(18 252)
Cash (outflow)/inflow from discontinued operations		**(130 036)**	22 234
Net cash outflow from financing activities		**(583 916)**	(23 013)
Net increase in cash and cash equivalents		**59 680**	106 289
Cash and cash equivalents at the beginning of the year		**127 232**	20 943
Total cash and cash equivalents at the end of the year		**186 912**	127 232

* *The prior year figures have been restated for the separate disclosure of discontinued operations. Refer Note 14.*

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 are applicable to the Group from 1 July 2021. None of the changes to the accounting standards 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 2022 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:

- no longer recognises the assets (including goodwill) and liabilities of the subsidiary;
- no longer 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 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 judgement by management 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 forecasted 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; and
- The closure of stores that are loss making and not expected to become profitable within a reasonable period of time.

Any significant changes in these factors in future 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)

1.6.2 Jointly-controlled entities and associates

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

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

1.6.3 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 not to renew 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 not to renew 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 not to renew (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

1.6.4 Incremental borrowing rates

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

1.6.5 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Significant accounting judgements and estimates (continued)

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

1.6.6 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 for a extended period of time, 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 prior 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.

1.6.7 Loss of control of subsidiary

In evaluating whether control is maintained of a subsidiary management evaluates whether it has power over the subsidiary ie. it has the existing rights that give the ability to direct the relevant activities. When instituting liquidation proceedings once the liquidator is appointed all powers vest with the liquidator and the liquidator can only be removed by the Master of the High Court. Therefore once a liquidator is appointed management deconsolidates the subsidiary as control is assumed to have been lost.

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 value-in-use. When the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Impairment of non-financial assets (continued)

money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

1.11 Dividends payable

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

1.12 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period, foreign currency is dealt with as follows:

- 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 Interest and dividends received

Interest received is classified under operating activities and dividend received is classified as investing activities and this is consistent with prior year.

1.14 Interest and dividends paid

Interest paid and dividends paid is classified as financing activities and this is consistent with prior year.

1.15 Fair value measurement

Fair value is the net amount that would be received on the sale of 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 is 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 AND PRIOR PERIOD RESTATEMENT

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
IAS 1 Presentation of Financial Statements	01 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.
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.
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.

2. STANDARDS AND INTERPRETATIONS AND PRIOR PERIOD RESTATEMENT (CONTINUED)

2.2 Standards issued not yet effective (continued)

Standard	Effective date – annual periods commencing on or after	Effect of change
IFRS 9 Financial Instruments	01 Jan 2022	Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. This amendment is unlikely to have a material impact on the Group.
IAS 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.
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.

2. STANDARDS AND INTERPRETATIONS AND PRIOR PERIOD RESTATEMENT (CONTINUED)

2.3 Restatement of prior year comparatives

During the current year the Statement of Profit or Loss and Other Comprehensive income was restated to bring it in line with a Statement of Profit or Loss and Other Comprehensive income by function as this was previously erroneously shown as a blend of function and nature. The changes to the prior year Statement of Profit/(loss) and other Comprehensive Income resulting from the restatement are shown below. During the year the entity accounted for BKSA, GFMP and Mac Brothers as discontinued operations (refer Note 7) and the restatement have also been shown below.

IAS 1 Presentation of Financial Statements requires that items on the Statement of Profit or Loss and Other Comprehensive income be presented by either their function or by their nature.

	Previously stated R'000s	Function adjustment R'000s	Discontinued operations R'000s	Restated R'000s
Revenue	1 675 828	–	(1 674 816)	1 012
Cost of Sales	(934 433)	–	934 433	–
Gross Profit	741 395	–	(740 383)	1 012
Operating costs	(683 785)	(111 334)	748 498	(46 621)
Profit/(loss) from operations	57 610	(111 334)	8 115	(45 609)
Profit from equity-accounted investments	73 253	–	–	73 253
Expected credit losses	(742)	–	742	–
Profit on sale of investment property	2 289	(2 289)	–	–
Impairment of assets	(4 557)	4 557		–
Depreciation	(103 832)	103 832	–	–
Amortisation	(5 234)	5 234	–	–
Profit/(loss) before finance costs and taxation	18 787	–	8 857	27 644
Finance income	3 794	–	(867)	2 927
Finance costs	(62 031)	–	43 779	(18 252)
Profit/(loss) before taxation	(39 450)	–	51 769	12 319
Taxation	8 825	–	(7 382)	1 443
(Loss)/profit for the period from continuing operation	**(30 625)**	**–**	**44 387**	**13 762**

The change to the presentation of the Statement of Profit or Loss and Other Comprehensive Income to a functional presentation had no impact on headline earnings per share or earnings per share.

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. Central costs aggregates all the groups head office companies. Listed below is a detailed segment analysis:

	External Revenue		Inter-segment revenue[(1)]		Cost of sales		Operating costs[(2)]		Equity accounted earnings		EBITDA[(3)]	
	2022 R'000	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000
Food	10 729	–	–	–	–	–	(1 464)	(73)	–	–	9 265	(73)
Spur	10 729	–	–	–	–	–	(1 464)	(73)	–		9 265	(73)
Gaming and leisure	–	–	–	–	–	–	–	–	107 905	73 253	107 905	73 253
SunWest	–	–	–	–	–	–	–	–	39 175	25 250	39 175	25 250
Sun Slots	–	–	–	–	–	–	–	–	65 831	45 157	65 831	45 157
Worcester Casino	–	–	–	–	–	–	–	–	2 248	1 276	2 248	1 276
Infinity Gaming Africa	–	–	–	–	–	–	–	–	651	1 570	651	1 570
Group costs	6 798	1 012	1 136 241	39 155	–	–	(62 428)	(43 922)	–	–	(55 710)	(42 910)
GPI Properties	6 798	821	7 989	15 713	–	–	(10 137)	4 643	–	–	(3 125)	5 464
Central costs	–	191	1 128 252	23 442	–	–	(52 291)	(48 565)	–	–	(52 585)	(48 374)
Continuing operations	17 527	1 012	1 136 241	39 155	–	–	(63 892)	(43 995)	107 905	73 253	61 460	30 270

	Impairments of assets and goodwill		Depreciation & Amortisation		Finance Income		Finance Costs		Net profit/(loss) after tax		Total Assets		Total Liabilities	
	2022 R'000	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000	**2022 R'000**	*Restated 2021 R'000
Food	–	–	–	–	15	–	–	–	9 280	(73)	–	162 709	–	(254)
Spur	–		–		15	–	–		9 280	(73)	–	162 709	–	(254)
						–								
Gaming and leisure	–	–	–	–	–	–	–	–	107 905	73 253	966 020	989 771	–	–
SunWest	–	–	–	–	–	–	–	–	39 175	25 250	624 485	638 160	–	–
Sun Slots	–	–	–	–	–	–	–	–	65 831	45 157	316 083	325 252	–	–
Worcester Casino	–	–	–	–	–	–	–	–	2 248	1 276	23 200	24 758	–	–
Infinity Gaming Africa	–	–	–	–	–	–	–	–	651	1 570	2 252	1 601	–	–
Group costs	(26 997)	–	(1 131)	(1 164)	4 282	1 029	(11 663)	(15 605)	(142 535)	(59 418)	352 818	314 873	(177 938)	(271 465)
GPI Properties	(13 715)	–	(1 060)	(1 089)	12	43	(2 786)	(3 950)	(21 748)	6 914	131 187	158 105	(41 714)	(64 101)
Central costs	(13 282)	–	(71)	(75)	4 270	986	(8 877)	(11 655)	(120 787)	(66 332)	221 631	156 768	(136 045)	(207 364)
Continuing operations	(26 997)	–	(1 131)	(1 164)	4 297	1 029	(11 663)	(15 605)	(25 350)	13 762	1 318 838	1 467 353	(177 938)	(271 719)

* *The prior year has been restated for the separate disclosure of discontinued operations. Refer to note 2.3.*

(1) *Inter-segment sales are charged at prevailing market prices.*

(2) *Certain costs are presented pre elimination of intergroup charges and net profit is after these eliminations.*

(3) *EBITDA excludes inter-segment revenue, impairments and expected credit losses.*

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

	2022 R'000 Gross	**2022 R'000 Net**	*Restated 2021 R'000 Gross	*Restated 2021 R'000 Net
Basic and diluted loss per share reconciliation				
(Loss)/earnings for the year		**(11 577)**		(30 625)
– Continuing operations		**(25 350)**		13 762
– Discontinued operations		**13 773**		(44 387)
Non-controlling interest		**(159)**		1 632
Loss for the year attributable to ordinary shareholders		**(11 736)**		(28 993)

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

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

	2022 R'000 Gross	**2022 R'000 Net**	*Restated 2021 R'000 Gross	*Restated 2021 R'000 Net
Loss for the year attributable to ordinary shareholders		**(11 736)**		(28 993)
Continuing operations:				
Impairment of property, plant and equipment	**13 715**	**13 715**		
Impairment of associates	**13 281**	**13 281**		
Profit on disposal of investment property	**–**	**–**	(2 289)	(752)
Profit on disposal of plant and equipment of equity-accounted investments	**–**	**–**	(324)	(233)
Discontinued operations:				
Impairment of intangible assets	**–**	**–**	242	174
Profit on derecognition of subsidiary	**(68 196)**	**(68 196)**	–	–
Impairment of property, plant and equipment	**4 418**	**4 418**	4 315	2 776
Profit on disposal of investments in BKSA and GFMP	**34 769**	**34 769**	–	–
Total headline loss		**(13 749)**		(27 028)
Total headline profit/(loss)				
– Continuing operations		**1 646**		12 777
– Discontinued operations		**(15 395)**		(39 805)
		(13 749)		(27 028)

4.3 Reconciliation of WANOS – net of treasury shares

	2022 '000s	*Restated 2021 '000s
Shares in issue at beginning of the year	**429 718**	429 485
Treasury shares issued to employees	**259**	17
	429 977	429 502

4. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

4.4 Reconciliation of diluted WANOS – net of treasury shares

	2022 '000s	2021 '000s
WANOS in issue – net of treasury shares	**429 977**	429 502
Diluted WANOS in issue – net of treasury shares	**429 977**	429 502

4.5 Statistics

	Cents	Cents
Basic earnings/(loss) per share	**(2.73)**	(6.75)
– Continuing operations	**(5.90)**	3.20
– Discontinued operations	**3.17**	(9.95)
Diluted earnings/(loss) per share	**(2.73)**	(6.75)
– Continuing operations	**(5.90)**	3.20
– Discontinued operations	**3.17**	(9.95)
Headline earnings/(loss) per share	**(3.20)**	(6.29)
– Continuing operations	**0.38**	2.97
– Discontinued operations	**(3.58)**	(9.26)
Diluted headline earnings/(loss) per share	**(3.20)**	(6.29)
– Continuing operations	**0.38**	2.97
– Discontinued operations	**(3.58)**	(9.26)
Dividend per share	**125**	–

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

	2022 R'000	2021 R'000
South African normal tax		
– current year	(149)	–
Deferred tax	(427)	1 443
	(576)	1 443
	%	%
Standard rate	(28.00)	28.00
Exempt income[1]	59.00	58.55
Non-deductible expenses[2]	(26.44)	(25.04)
Assessed loss not recognised[3]	–	(39.14)
Effective tax rate	4.56	22.37

[1] *Exempt income pertains 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

	2022 R'000	2021 R'000
Deferred tax assets	3 052	189 161
Deferred tax liabilities	(2 183)	(3 438)
	869	185 723
The deferred tax balance is made up as follows:		
Operating leases	(675)	1 154
Assessed losses	1 989	177 339
Provisions and accruals	1 063	13 618
Prepayments	(103)	(2 275)
Property, plant and equipment	(1 405)	(30 447)
Right-of-use asset	–	(80 382)
Lease liabilities	–	106 716
	869	185 723

5. TAXATION (CONTINUED)

5.3 Deferred taxation (continued)

Reconciliation of net deferred tax asset

	2022 R'000	2021 R'000
Opening balance	185 723	175 836
Discontinued operations	–	8 444
Disposal of BKSA	(184 427)	–
Tax for the period recognised in the statement of comprehensive income	(427)	1 443
Operating leases	(10)	(181)
Assessed losses[1]	(2 052)	1 588
Provisions and accruals	(414)	1 167
Prepayments	(4)	171
Property, plant and equipment	2 053	(1 302)
Closing balance	869	185 723

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

6. EMPLOYEE BENEFITS

6.1 Accounting policy

Wages and salaries, annual leave and sick leave

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

Long-service leave provision

The liability for long-service leave is recognised in provisions and is based on a minimum service period of 5 years and accumulates up to a maximum of 35 years continuous service. Consideration is given to the current wage and salary levels and the number of employees expected to qualify for the award. Movements in the provision are taken to profit or loss.

Retirement benefit obligations

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

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

Short-term incentive plan

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

Termination benefits

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

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

6. EMPLOYEE BENEFITS (CONTINUED)

6.2 Directors' emoluments

2022	Salary R'000	Long-term benefits[1] R'000	Bonuses R'000	Directors' fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Share-based payment expense R'000
Executive directors										
M Tajbhai	1 933	287	1 767	–	–	–	–	–	3 987	282
J October	1 513	150	1 136	–	–	–	–	–	2 799	92
Sub-total	3 446	437	2 903	–	–	–	–	–	6 786	374
Non-executive directors										
A Abercrombie	–	–	–	749	–	77	77	90	993	–
W Geach	–	–	–	281	224	–	–	–	505	–
M Bowman	–	–	–	230	108	113	77	–	528	–
R van Dijk	–	–	–	241	123	–	–	–	364	–
M Nkosi	–	–	–	230	–	77	113	–	420	–
R Kader	–	–	–	241	–	77	–	61	379	–
Sub-total	–	–	–	1 972	455	344	267	151	3 189	–
Total	3 446	437	2 903	1 972	455	344	267	151	9 975	374

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

Directors interest in shares have been disclosed in Appendix 3.

2021	Salary R'000	Long-term benefits[1] R'000	Bonuses R'000	Directors' fees R'000	Audit and risk committee R'000	Remuneration and nomination committee R'000	Investment committee R'000	Social and ethics committee R'000	Total Remuneration R'000	Share-based payment expense R'000
Executive directors										
M Tajbhai	1 868	202	914	–	–	–	–	–	2 984	748
J October	1 492	108	792	–	–	–	–	–	2 392	–
Sub-total	3 360	310	1 706	–	–	–	–	–	5 376	748
Non-executive directors										
A Abercrombie	–	–	–	904	–	43	74	66	1 087	–
W Geach	–	–	–	322	159	–	–	–	481	–
M Bowman	–	–	–	284	89	86	58	–	517	–
R van Dijk	–	–	–	284	89	–	–	–	373	–
M Nkosi	–	–	–	275	–	58	109	–	442	–
R Kader	–	–	–	273	–	58	–	45	376	–
Sub-total	–	–	–	2 342	337	245	241	111	3 276	–
Total	3 360	310	1 706	2 342	337	245	241	111	8 652	748

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

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

2022	Number of unvested share options 30 June 2021 000s	Exercised during the year 000s	Forfeited during the year 000s	Lapsed during the year 000s	Number of unvested share options 30 June 2022 000s	Average market price per share on vesting date R
M Tajbhai	2 039	(161)	–	(443)	1 435	2.91
J October	647	(27)	–	(135)	485	2.85
T Pillay[1]	750	(31)	(563)	(156)	–	2.93
Sub-total	**3 436**	**(219)**	**(563)**	**(734)**	**1 920**	

[1] T Pillay left the employment of the Group as at the end of February 2022.

2021	Number of unvested share options 30 June 2020 000s	Exercised during the year 000s	Forfeited during the year 000s	Lapsed during the year 000s	Number of unvested share options 30 June 2021 000s	Average market price per share on vesting date R
M Tajbhai	2 415	(53)	–	(323)	2 039	2.40
C Priem[2]	2 275	(317)	(1 958)	–	–	
Sub-total	**4 690**	**(370)**	**(1 958)**	**(323)**	**2 039**	

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

7. SHARE-BASED PAYMENTS (CONTINUED)

7.3 Share options per strike price held at 30 June

2022 Date granted	Strike price R	M Tajbhai 000s	J October 000s	Total 000s
9 September 2019	2.80	683	485	1 168
1 November 2018	2.26	752	–	752
Sub-total		**1 435**	**485**	**1 920**

2021 Date granted	Strike price R	M Tajbhai	Total
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

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:

2022	Number 000s	Weighted exercise price R	Total value R'000
Outstanding at beginning of the year	3 436	2.50	8 590
Granted during the year	–	–	–
Exercised during the year[1]	(219)	2.42	(530)
Forfeited during the year	(563)	2.26	(1 272)
Lapsed during the year	(734)	2.50	(1 835)
Outstanding at end of the year	1 920	2.58	4 953
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 of R2.26	376	376	–	752
Options with exercise price of R2.80	389	779	–	1 168
	765	1 155	–	1 920

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)

2021	Number	Weighted exercise price R	Total value R'000
Outstanding at beginning of the year	4 690	2.47	11 584
Granted during the year	–	–	–
Exercised during the year	(370)	2.07	(766)
Forfeited during the year	(1 957)	2.35	(4 599)
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	–	–	–

Outstanding options	Exercise date within one year	Exercise date from two to five years	Exercise date after five years	Total
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

7.4.2 Information on options granted during the year

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

Fair value was determined by the Black-Scholes-Merton model.

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.

The total expense of R373 725 (2021: R748 039) relating to equity-settled share based payment transactions was 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
R Kader	Afriserve (Pty) Ltd	Director

8. RELATED PARTY TRANSACTIONS (CONTINUED)

8.2 Identity of related parties (continued)

Nadeson Consulting Services (Pty) Ltd

Nadeson Consulting provided consulting services of R0.01 million to the group during the year (2021: nil).

Afriserve (Pty) Ltd

Afriserve provided cleaning and security services to the group. The total of these services for the year was R1.14 million (2021: R1.29 million)

8.3 Key management

The key management personnel compensation is as follows:

	2022 R'000	2021 R'000
Short-term employee benefits	11 435	9 967
Long-term employee benefits	632	576
Share-based payment expense	374	748
	12 441	11 291

8.4 Directors fees from Group investments

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

8.5 Directors' fees from Group investments

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

2022	SunWest R'000	Worcester R'000	SunSlots R'000	Total R'000
A Abercrombie	100	78	125	303

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

9. RELATED PARTY RECEIVABLE

	2022 R'000	2021 R'000
H Adams	–	17 683
Infinity Gaming Africa[1]	2 290	4 790
Mac Brothers Catering Equipment[2]	3 742	
Total gross current assets	6 032	22 473
Total net current assets	6 032	22 473

None of the above related party loans are past due.

[1] *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.*

[2] *The receivable relates to loans advanced to Mac Brothers.*

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 rental income, dividend income and miscellaneous rental income.

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

Dividends received

Dividends 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

	2022 R'000	*Restated 2021 R'000
Other revenue		
Dividends received	**10 729**	–
Miscellaneous rental income	**255**	191
Rental income	**6 543**	821
	17 527	1 012

* *The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 14) and to reflect the Statement of Profit or Loss and Other Comprehensive Income by function. Refer to note 2.3.*

11. PROFIT/(LOSS)BEFORE TAXATION FROM CONTINUING OPERATIONS

Profit before finance cost and taxation is stated after:

	Notes	2022 R'000	*Restated 2021 R'000
11.1 Profit from equity accounted investments		**107 905**	73 253
SunWest	15.2.1	**39 175**	25 249
Sun Slots	15.3.1	**65 831**	45 157
Worcester Casino	15.3.1	**2 248**	1 276
Infinity Gaming Africa	15.3.1	**651**	1 571
11.2 Operating expenses:			
Depreciation		**(1 116)**	(1 133)
– Property, plant and equipment		**(1 116)**	(1 133)
Amortisation		**(15)**	(31)
Profit on disposal of investment property		**–**	2 289
11.3 Auditors' remuneration			
Audit fees		**(3 261)**	(1 872)
– Current year		**(3 261)**	(1 870)
– Prior year		**–**	(2)

11. PROFIT/(LOSS)BEFORE TAXATION FROM CONTINUING OPERATIONS (CONTINUED)

	Notes	2022 R'000	*Restated 2021 R'000
11.4 Staff costs		**(13 437)**	(24 309)
Salaries and wages		**(2 173)**	(9 243)
Directors remuneration	6.2	**(9 975)**	(8 652)
Share-based payments expense	6.2	**(374)**	(748)
Provident fund contributions		**(915)**	(5 666)
11.5 Impairment of assets		**(13 848)**	–
Land and buildings	19.2.2	**(13 848)**	–

12. FINANCE INCOME

	2022 R'000	*Restated 2021 R'000
Short-term cash deposits	**4 297**	2 927

13. FINANCE COSTS

	2022 R'000	*Restated 2021 R'000
Preference shares – interest	**(6 715)**	(11 542)
Interest-bearing borrowings	**(2 787)**	(3 372)
Banking facility	**(2 161)**	(3 338)
	(11 663)	(18 252)

* *The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 14)*

14. DISCONTINUED OPERATIONS

14.1 Accounting policy

A disposal group which consists of a group of assets and associated liabilities which the entity intends to dispose of in a single transaction, qualifies as discontinued

- 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 April 2022 the board resolved to liquidate a subsidiary Macbrothers Catering Equipment (Pty) Ltd. The liquidator was appointed during April 2022. The business is still in the process of being liquidated. During the current year the Group also disposed of all its shares in BKSA and GFMP to ECP. These subsidiaries are accounted for in the discontinued operations below. Refer note 16.4.1 for more information.

14. DISCONTINUED OPERATIONS (CONTINUED)

14.2 Operations discontinued (continued)

The results of discontinued operations are presented below:

	Notes	Macbrothers 2022 R'000	Macbrothers 2021 R'000	Burger King 2022 R'000	Burger King 2021 R'000	Grand Foods Meat Plant 2022 R'000	Grand Foods Meat Plant 2021 R'000	Total 2022 R'000	Total 2021 R'000
14.3 Results of discontinued operations									
Revenue		**64 323**	101 364	**512 696**	1 369 463	**75 975**	203 989	**652 994**	1 674 816
Cost of Sales		**(43 401)**	(67 131)	**(251 209)**	(670 567)	**(72 741)**	(196 735)	**(367 351)**	(934 433)
Gross Profit		**20 922**	34 233	**261 487**	698 896	**3 234**	7 254	**285 643**	740 383
Operating costs		**(52 724)**	(48 670)	**(225 944)**	(683 491)	**(2 683)**	(16 337)	**(281 351)**	(748 498)
Expected credit loss		**–**	–	**(239)**	(742)	**–**		**(239)**	(742)
Profit on derecognition of subsidiary		**68 196**	–	**–**	–	**–**		**68 196**	–
Profit/(loss) on sale of investments		**–**	–	**27 271**	–	**(62 040)**		**(34 769)**	–
Profit/(loss) before finance costs and taxation		**36 394**	(14 437)	**62 575**	14 663	**(61 489)**	(9 083)	**37 480**	(8 857)
Finance income		**–**		**–**	794	**–**	73	**–**	867
Finance costs		**(4 028)**	(5 210)	**(13 806)**	(38 211)	**(324)**	(358)	**(18 158)**	(43 779)
Profit/(loss) before taxation		**32 366**	(19 647)	**48 769**	(22 754)	**(61 813)**	(9 368)	**19 322**	(51 769)
Taxation		**–**		**(5 587)**	4 505	**38**	2 877	**(5 549)**	7 382
Profit/(loss) for the period		**32 366**	(19 647)	**43 182**	(18 249)	**(61 775)**	(6 491)	**13 773**	(44 387)
14.4 Cash flows (utilised in)/generated from discontinued operations									
Net cash (utilised in)/generated from operating activities		**1 592**	(4 117)	**66 153**	95 858	**5 337**	1 800	**73 082**	93 542
Net cash utilised in investing activities		**–**	–	**(37 123)**	(50 235)	**–**	–	**(37 123)**	(50 235)
Net cash (utilised in)/generated from financing activities		**(111 561)**	7 490	**(12 158)**	15 103	**(6 318)**	(359)	**(130 036)**	22 234
Net cash flow for the year		**(109 969)**	3 373	**16 872**	60 726	**(981)**	1 441	**(94 077)**	65 541

	Notes	2022 R'000	2021 R'000
14.5 Impairment of assets			
Impairment of property, plant, equipment	19.2.2	**(4 418)**	–
Impairment of inventory	26.2	**(21 632)**	–

Inventory with a carrying value and PPE with a net book value of R29.2 million and R17.5 million respectively were written down to their net realisable value which represented the proceeds from liquidation amounting to R16.2 million.

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 joint 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% (29.94% voting) (2021: 15.1% (29.94% voting)) 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. SunWest has a year end of 31 December, financial information at 30 June 2022 was used for preparation of these consolidated financial statements.

15.2.1 Reconciliation of carrying value

	Note	2022 R'000	2021 R'000
Carrying amount of the investment		638 160	612 911
Profit from jointly controlled entities	11.1	39 175	25 249
Dividends received		(52 850)	–
Carrying amount of the investment		624 485	638 160

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.

	2022 R'000	2021 R'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	1 666 353	1 328 166
Cost of sales and operating costs	(1 111 751)	(923 568)
Depreciation and amortisation	(139 153)	(129 449)
Finance income	42 841	3 482
Finance cost	(87 804)	(35 997)
Profit before tax	370 486	242 634
Taxation	(111 048)	(75 419)
Profit for the year	259 438	167 215

	2022 R'000	2021 R'000
Summarised statement of financial position		
Non-current assets	1 122 318	1 084 728
Current assets excluding cash and cash equivalents	44 519	79 916
Cash and cash equivalents included in current assets	108 351	62 594
Non-current liabilities (excluding trade and other payables and provisions)	(144 609)	(158 944)
Current liabilities (excluding trade and other payables and provisions)	(669 117)	(563 280)
Current trade and other payables and provisions	(222 773)	(175 769)
Equity	238 689	329 245

15. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (CONTINUED)

15.2 Investment in jointly controlled entities (continued)

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

	2022 R'000	2021 R'000
SunWest's total equity	238 689	329 245
Group's proportionate interest	15.1%	15.1%
Group's proportionate share of equity	36 042	49 717
Goodwill	588 443	588 443
Carrying amount of the investment	624 485	638 160

15.3 Investments in associates

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

Investment	Effective Holding 2022	Effective Holding 2021	Description of business
Worcester Casino	15.10%	15.10%	Worcester Casino holds 100% of the Golden Valley Casino situated in Worcester.
Sun Slots	30.00%	30.00%	Sun Slots operates limited pay-out machines throughout the country under different brands.
Infinity Gaming Africa	26.04%	26.04%	Infinity Gaming Africa sells limited pay-out machines throughout the country under different brands.

There has been no change in the percentage holding of these investments during the current year.

Worcester Casino and Sun Slots has a year end of 31 December, financial information at 30 June 2022 was used for preparation of these consolidated financial statements.

15.3.1 Reconciliation of carrying value of investment in associate

		Sun Slots		Worcester Casino		Infinity Gaming Africa		Total	
	Notes	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Carrying amount of the investment		325 252	352 096	24 757	23 481	1 602	31	351 611	375 608
Profit from associates	11.1	65 831	45 157	2 248	1 276	651	1 571	68 730	48 004
Dividends received		(75 000)	(72 001)	(3 805)	–	–	–	(78 805)	(72 001)
Carrying amount of the investment		316 083	325 252	23 200	24 757	2 253	1 602	341 536	351 611

15. INVESTMENT IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (CONTINUED)

15.3 Investments in associates (continued)

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	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Summarised statement of profit or loss and other comprehensive income				
Revenue	**1 413 580**	1 190 965	**120 150**	116 610
Cost of sales and operating costs	**(1 011 872)**	(892 177)	**(90 950)**	(93 066)
Depreciation and amortisation	**(88 901)**	(86 345)	**(14 067)**	(12 932)
Finance income	**10 664**	10 113	**1 027**	823
Finance cost	**(18 464)**	(13 737)	**(565)**	(982)
Profit before tax	**305 007**	208 819	**15 595**	10 453
Taxation	**(85 572)**	(58 634)	**(705)**	(2 003)
Profit for the year	**219 435**	150 185	**14 890**	8 450
Summarised statement of financial position				
Non-current assets	**682 596**	649 621	**150 384**	147 192
Current assets excluding cash and cash equivalents	**70 286**	47 718	**4 624**	6 445
Cash and cash equivalents included in current assets	**109 958**	82 254	**15 514**	16 777
Non-current liabilities (excluding trade and other payables and provisions)	**(55 183)**	(42 848)	**(10 530)**	(9 491)
Current liabilities (excluding trade and other payables and provisions)	**(230 416)**	(185 315)	**(7 908)**	(13 095)
Current trade and other payables and provisions	**(160 337)**	(103 963)	**(25 019)**	(10 452)
Equity	**416 904**	447 467	**127 065**	137 376

15.3.3 Reconciliation between material Investments in associates' equity and carrying value

	Sun Slots		Worcester Casino		Total	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Investment in associates' equity	**416 904**	447 467	**127 065**	129 535	**543 969**	577 002
Group's proportionate interest	**30.00%**	30.00%	**15.10%**	15.10%		
Group's proportionate share of equity	**125 071**	134 240	**19 187**	19 560	**144 258**	153 800
Goodwill	**191 012**	191 012	**4 013**	4 013	**195 025**	195 025
Carrying amount of the investment	**316 083**	325 252	**23 200**	23 573	**339 283**	348 825

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. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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	2022 R'000	2021 R'000
Accumulated losses of non-controlling interests:		
Burger King South Africa (Pty) Ltd – Group	**–**	34 612

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

Burger King South Africa (Pty) Ltd

The Group held 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. During the year, before the disposal of the subsidiary, the loans were capitalised increasing the total investment in the subsidiary to 95.68% and reducing the minority interest to 4.32%. The total holdings in BKSA has been sold and the minority interest is now nil.

Burger King South Africa (Pty) Ltd was disposed of on 3rd November 2021. The results of the entity for the period is included in discontinued operations. Please see note 14.

	2022 R'000	2021 R'000
Portion of equity interest held by non-controlling interests:		
Burger King South Africa (Pty) Ltd	**0.00%**	8.90%

The summarised financial information of the Burger King South Africa – Group is provided below. The current year is for the period up to and including 3rd November and the information is based on amounts before inter-company eliminations.

	2022 R'000	2021 R'000
Summarised statement of profit or loss and other comprehensive income		
Revenue	**512 696**	1 366 630
Cost of sales and operating costs	**(477 153)**	(1 353 205)
Operating income	**35 543**	13 425
Expected credit losses	**(239)**	(742)
Finance income	**–**	794
Finance expense	**(13 806)**	(39 442)
Profit/(loss) before tax	**21 498**	(25 965)
Tax	**(5 587)**	6 506
Profit/(loss) after tax	**15 911**	(19 459)
Total loss attributable to		
– Ordinary shareholder	**15 752**	(19 459)
– Non-controlling interests	**159**	–
Summarised statement of financial position		
Non-current assets	**–**	882 545
Current assets	**–**	111 897
Non-current liabilities	**–**	(340 950)
Current liabilities	**–**	(855 227)
Equity	**–**	(201 735)
Total equity attributable to:		
– Ordinary shareholder	**–**	(167 123)
– Non-controlling interest	**–**	(34 612)
Summarised statement of cash flow information		
Operating	**–**	95 858
Investing	**–**	(50 235)
Financing	**–**	15 103
Net decrease in cash and cash equivalents	**–**	60 726

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

16.4

16.4.1 Disposal of subsidiary

The Group sold its interests in BKSA and the GFMP to ECP on 3 November 2021.

	Burger King South Africa	Grand Foods Meat Plant	Total
Net asset value			
Plant and equipment	436 715	19 902	456 617
Intangible assets	24 446	–	24 446
Right-of-use assets	282 641	–	282 641
Deferred tax assets	165 857	10 306	176 163
Goodwill	1 194	53 910	55 104
Inventories	16 665	13 435	30 100
Trade and other receivables	71 765	12 153	83 918
Cash and cash equivalents	35 963	14 101	50 064
Finance lease liability	(45 430)	–	(45 430)
Lease liabilities	(344 538)	–	(344 538)
Provisions	(21 312)	(365)	(21 677)
Trade and other payables	(103 999)	(37 543)	(141 542)
Bank overdraft	(95 130)	(3 715)	(98 845)
Non-controlling interest	18 120	–	18 120
Net asset value	442 957	82 184	525 141
Fair value of proceeds	470 228	20 144	490 372
Profit/(loss) in sale of subsidiary	27 271	(62 040)	(34 769)

16.4.2 Deconsolidation of subsidiary

Mac Brothers has been in financial difficulties over the last two years and has been a cash drain on the Group. The continued poor performance led the Directors to resolve to liquidate the business. The liquidator was appointed by the Master of the High Court and he assumed control of the business 4 April 2022. Mac Brothers was a wholly-owned subsidiary of the Group and was consolidated into the results of the Group until the 4th of April.

As a result of the appointment of the liquidators by the Master of the High Court, management effectively lost control of the business as all powers reside with the liquidator and the Master of the High Court. Management have assessed the loss of control, from the date that the liquidators were appointed and classified Mac Brothers as a discontinued operation for the nine-month period, comparatives have been restated. As at the date of liquidation Mac Brothers has been deconsolidated from the Group in terms of IFRS 10 Consolidated Financial Statements.

The fair value of the consideration receivable is deemed to be Rnil as a return on the liquidation is unlikely. The liquidation has not been completed at year-end. The fair value of the retained interest approximates Rnil as the underlying entity is being liquidated.

As a result of the liquidation of Mac Brothers the lease agreement for their premises was cancelled by the liquidator in June 2022. Refer to note 32, subsequent events disclosure and note 21 on page 102 regarding the guarantee in respect of the lease

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

16.4 (continued)

16.4.2 Deconsolidation of subsidiary (continued)

	2022 R'000s
Fair value of the consideration receivable	–
Net liability position	54 913
Impairment of receivable	13 282
Fair value of retained interest	–
Gain on deconsolidation of subsidiary	68 195
The carrying value of assets and liabilities as at the date of deconsolidation were:	
Property, plant and equipment	13 656
Inventories	4 692
Trade and other receivables	3 878
Total assets	22 226
Shareholder loans	45 953
Trade and other payables	11 225
Bank overdraft	11 550
Finance lease liability	107
Income received in advance	8 305
Total liabilities	77 140
Net liabilities	54 913

17. GOODWILL

17.1 Accounting policy

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the fair value of the existing interest prior to obtaining control over the net identifiable assets and liabilities assumed of a business combination.

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

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

17.2 Reconciliation of goodwill

	Grand Foods R'000	Disa Road R'000	Total R'000
2022			
Cost	53 910	1 194	55 104
Accumulated impairment	–	–	–
Carrying value at 1 July 2021	53 910	1 194	55 104
Impairment	–	–	–
Disposal of BKSA and GFMP	(53 910)	(1 194)	(55 104)
Carrying value at 30 June 2022	–	–	–

17. GOODWILL (CONTINUED)

17.2 Reconciliation of goodwill (continued)

	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[1]	–	–	–	–
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)

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

17.3 Goodwill impairment testing

17.3.1 Mac Brothers

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.

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%

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 during the prior year and it was determined that the value-in-use amount was higher than the carrying amount and therefore no impairment loss was been recognised. The sale of all the Group's shares Grand Foods Meat Plant (100%) to ECP Africa Fund IV LLC was concluded on 3 November 2021. The consideration for Grand Foods Meat Plant per the sale was R23.0 million less debt. The sale resulted in the full amount of the carrying value being written off during the year as the selling price was lower than the value in use as previously calculated.

	2022	2021
Pre-tax discount rate applied to projections		26.29%
Growth rate used to extrapolate cash flows beyond five years		4.00%

17. GOODWILL (CONTINUED)

17.3 Goodwill impairment testing (continued)

17.3.2 Grand Foods Meat Plant continued)

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

	2021 Rate	2021 Increase/ (decrease) in headroom
Revenue	23.00%	
Revenue growth plus 0.5%	23.50%	877
Revenue growth less 0.5%	22.50%	(877)
EBITDA	8.00%	
EBITDA plus 0.5%	8.50%	513
EBITDA less 0.5%	7.50%	(513)
Post-tax discount rate	18.93%	
Post-tax discount rate plus 0.5%	19.43%	(4 109)
Post-tax discount rate less 0.5%	18.43%	3 927
Terminal growth rate	4.00%	
Terminal growth rate plus 0.5%	4.50%	1 899
Terminal growth rate minus 0.5%	3.50%	(1 776)

Revenue growth rates – The revenue growth rates used in the cash flow projections were 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 was also adjusted to take into account the impact of annual inflation.

Discount rates – Discount rates represented 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 was based on specific circumstances of the Group and its CGU's and was derived from its post-tax discount rate. The post-tax discount rate takes into account both debt and equity. The cost of equity was derived from the expected return on investment by the Group's shareholders. The cost of debt was based on the interest-bearing borrowings the Group is obliged to service. Specific risks associated with the CGU was incorporated by applying individual beta factors. The beta factors were evaluated annually based on publicly available market data.

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

Terminal growth rates – The terminal growth rates were 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 no longer recognised.

Investment properties are 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:

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 properties only when there is a change in the use of a 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. INVESTMENT PROPERTY (CONTINUED)

18.2 Reconciliation of investment property

	Office Building R'000	Total R'000
2022		
Carrying value at 1 July 2021	**–**	**–**
Transfer from property,plant and equipment (cost)	**84 140**	**84 140**
Transfer from property,plant and equipment (accumulated depreciation)	**(1 214)**	**(1 214)**
Impairment	**(6 426)**	**(6 426)**
Carrying value at 30 June 2022	**76 500**	**76 500**
Made up of:		
Cost	**84 140**	**84 140**
Accumulated depreciation and impairment	**(7 640)**	**(7 640)**

	Office Building 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 2021	–	–

Refer to Note 23.3 for details of investment property pledged as security.

18.3 Fair value of investment properties carried at cost

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

			2022		2021	
Property	**Class**	**Location**	**Fair value R'000**	**Carrying value R'000**	Fair value R'000	Carrying value R'000
GPI House, 33 Heerengracht	A-Grade office building	Foreshore, Cape Town	**76 500**	**76 500**	–	–

The building was transferred from property, plant and equipment once the premises was no longer considered as owner occupied. The transfer is as a result of the majority of the building being let out to external parties to the Group and no longer being predominantly used as owner occupied office space.

The fair value of investment property is classified as level 3 in the fair value hierarchy, the fair value is determined based on unobservable market data.

18. INVESTMENT PROPERTY (CONTINUED)

18.3 Fair value of investment properties carried at cost (continued)

The property and its value-forming attributes are benchmarked against the current market and fair consideration is then determined based on these 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 following inputs were used in the discounted cash flow valuation:

- Discount rate (pre-tax) 15.25%
- Exit capitalisation rate 10.50%
- Gross revenue forward curve 7.06%
- Gross expense forward curve 4.05%

The fair value is based on recent market valuations performed on a discounted cash flow valuation basis performed by an independent valuator.

19. PROPERTY, PLANT AND EQUIPMENT

19.1 Accounting policy

Property, plant and equipment is 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
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 improve-ments R'000	Motor vehicles R'000	Plant and equipment R'000	Premises soft furnishings R'000	Projects under develop-ment R'000	Land and buildings[1] R'000	Plant and equip-ment: Food Group R'000	Total R'000
2022											
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)
Carrying value at 1 July 2021		10 879	8 653	8 666	186	13 527	201 236	4 492	106 136	201 040	554 815
Additions		11 453	979	–	–	–	12 832	223	–	17 411	42 898
Transfers to investment property	18.2	–	–	–	–	–	–	–	(82 927)	–	(82 927)
Transfers to non current assets held for sale	21.2	–	–	–	–	–	–	–	(19 600)	–	(19 600)
Depreciation		(1 260)	(1 164)	–	(186)	(2 027)	(6 814)	–	–	(133)	(11 584)
Impairment		(55)	(19)	(7 422)	–	(4 418)	–	–	–	–	(11 914)
Assets disposed with sale of BKSA and GFMP and derecognition of Mac Brothers		(20 928)	(8 373)	(1 244)	–	(5 832)	(207 254)	(4 715)	(3 609)	(218 318)	(470 273)
Carrying value at 30 June 2022		89	76	–	–	1 250	–	–	–	–	1 415
Made up of:											
Cost		1 166	2 810	7 379	143	10 720	–	–	–	–	22 218
Accumulated depreciation and impairment		(1 077)	(2 734)	(7 379)	(143)	(9 470)	–	–	–	–	(20 803)
The depreciation reflected above is made up of:											
– Continuing operations	11.2										(1 116)
– Discontinued operations	14.3										(10 468)
											(11 584)
The impairment reflected above is made up of:											
– Continuing operations											(7 422)
– Discontinued operations											(4 492)
											(11 914)

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

The impairment shown under leasehold improvements was calculated as part of the fair value determination of the property that transferred to invested property during the year (refer to note 19.3)

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

19.2 Reconciliation of property, plant and equipment (continued)

	Notes	Computer equipment R'000	Furniture and fittings R'000	Leasehold improve-ments R'000	Motor vehicles R'000	Plant and equipment R'000	Premises soft furnishings R'000	Projects under develop-ment R'000	Land and buildings[1] R'000	Plant and equip-ment: 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
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		(3 111)	(3 562)	–	(715)	(6 929)	(9 386)	–	–	(28 378)	(52 081)
Impairment	19.3	(53)	(5)	–	–	(5)	(3 783)	–	–	(469)	(4 315)
Carrying value at 30 June 2021		10 879	8 653	8 666	186	13 527	201 236	4 492	106 136	201 040	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.*

Refer to Note 23.3 for details of property, plant and equipment pledged as security.

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

19.3 Impairment

Discontinuing operations:

The assets impaired in the current year relate to the discontinued operations of Mac Brothers. The assets impaired in the prior year all relate to the Food division, Burger King. The impairment relates to the assets of two stores that were closed during the 2021 year that could not be transferred to another store. The assets were fully impaired to Nil carrying value.

	2022 R'000	2021 R'000
Impairment per category:		
Computer Equipment	(55)	(53)
Plant and equipment	(4 418)	(5)
Furniture and fittings	(19)	(5)
Premises soft furnishings	–	(3 783)
Plant and equipment: Food group	–	(469)
	(4 492)	(4 315)

Continuing operations:

The assets impaired in the current year relate to the property transferred to investment property.

	2022 R'000	2021 R'000
Impairment per category:		
Leasehold improvements	(7 422)	–
Investment property	(6 426)	–
	(13 848)	–

20. INTANGIBLE ASSETS

20.1 Accounting policy

Intangible assets acquired separately are measured on initially at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangibles are amortised over the useful life on a straight line basis. Internally generated intangible assets excluding capitalised development costs, are not capitalised and the expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition of assets are included in profit or loss in the year that the asset is derecognised.

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

	Master franchise licence R000's	Franchise licences R000's	Computer software R000's	Total R000's
2022				
Cost	2 572	29 221	17 430	49 223
Accumulated amortisation and impairment	(1 421)	(13 282)	(13 817)	(28 520)
Carrying value at 1 July 2021	1 151	15 939	3 613	20 703
Additions	–	–	5 609	5 609
Amortisation	(43)	(1 048)	(763)	(1 854)
Disposal of BKSA	(1 108)	(14 891)	(8 447)	(24 446)
Carrying value at 30 June 2022	–	–	12	12
Made up of:				
Cost	–	–	2 296	2 296
Accumulated amortisation and impairment	–	–	(2 284)	(2 284)
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	(317)	(2 973)	(1 944)	(5 234)
Impairment	–	(485)	–	(485)
Carrying value at 30 June 2021	1 151	15 939	3 613	20 703
Made up of:				
Cost	2 572	29 221	17 430	49 223
Accumulated amortisation and impairment	(1 421)	(13 282)	(13 817)	(28 520)

At 30 June 2022, the Group's intangible assets are made up of computer software and no internally generated or indefinite useful life intangibles have been recognised.

21. NON-CURRENT ASSETS HELD FOR SALE

21.1 Accounting policy

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

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

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

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

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

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

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

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

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

Non-current assets	Notes	2022 R'000	2021 R'000
Land and buildings	21.2.1	**38 700**	19 100
Property, plant and equipment	21.2.2	**5 950**	5 950
		44 650	25 050

21.2.1 Reconciliation of land and buildings

	Notes	2022 R'000	2021 R'000
Opening balance[1]		**19 100**	38 009
Transfers from property, plant and equipment[2]	19.2	**19 600**	–
Disposal		**–**	(18 909)
Closing balance		**38 700**	19 100

21.2.2 Reconciliation of property, plant and equipment

	2022 R'000	2021 R'000
Opening balance	**5 950**	5 950
Closing balance[1]	**5 950**	5 950

(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. 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 2022. 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 2022. The building is carried at fair value as determined by an independent valuer.

(2) The meat production facility situated in Epping Industria was transferred from property, plant and equipment to non-current asset held-for-sale. The building was sold and transfer of the property took place on 11 August 2022.

22. FINANCIAL INSTRUMENTS – FINANCIAL ASSETS

22.1 Accounting policy

i) Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition and 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)

21.1 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 (which include current and future economic conditions as well as economic uncertainty arising from events such as a pandemic) 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.

22.2 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.

	2022 R'000	2021 R'000
22.2.1 Cash and cash equivalents	**186 912**	127 232
22.2.2 Bank overdraft	**–**	(102 339)

Cash and cash equivalents include Money Market call accounts with floating interest rates that fluctuated between 2.95% and 4.70% during the year (2021: between 3.25% and 6.25%). All cash and cash equivalents are on demand with no set maturities. At year end the Group had no overdraft facilities (2021: R112.0 million of which R102.3 million was utilised).

22. FINANCIAL INSTRUMENTS – FINANCIAL ASSETS (CONTINUED)

22.3 Trade and other receivables

Trade and other receivables and loans are measured at amortised cost, using the effective interest rate (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

	2022 R'000	2021 R'000
Trade receivables	**517**	103 757
Less: Provision for doubtful debts	**(64)**	(5 338)
	453	98 419
Deposits and other receivables*	**2 949**	4 358
Prepayments	**557**	5 188
VAT receivable	**–**	8 901
	3 959	116 866

* *Deposits and other receivables include deposits paid, employee tax incentive (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

	2022 R'000	2021 R'000
0 to 30 days	**269**	74 705
30 to 60 days	**248**	4 150
60 to 120 days	**–**	11 413
over 120 days	**–**	13 489
	517	103 757

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

22.3.3 Expected credit loss

	2022 R'000	2021 R'000
0 to 30 days	**–**	(9)
30 to 60 days	**–**	(26)
60 to 120 days	**(64)**	(2 141)
over 120 days	**–**	(3 162)
	(64)	(5 338)
Opening balance	**(5 338)**	(5 361)
Increase in expected credit loss raised	**(2 093)**	(742)
Impairment utilised (receivables written off as uncollectable)	**–**	765
Amount reversed for discontinued operations	**7 367**	
Closing balance	**(64)**	(5 338)

22. FINANCIAL INSTRUMENTS – FINANCIAL ASSETS (CONTINUED)

22.3 Trade and other receivables (continued)

Impairment of trade and other receivables

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

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

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

	>= 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

Investment	Effective Holding 2022	Effective Holding 2021	Description of business
Spur	**0.66%**	7.79%	Spur Corporation operates a franchise restaurant business with multiple brands in South Africa and internationally.

	Total 2022 R'000	Total 2021 R'000
Opening balance	**162 619**	143 527
Dividend	**(151 096)**	–
Realised fair value losses	**2 242**	–
Unrealised fair value gains/losses	**930**	19 092
	14 695	162 619

	2022 R'000	2021 R'000
Balance made up as follows:		
Current portion		–
Non-current portion	**14 695**	162 619
	14 695	162 619

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

The Groups share holding in Spur was distributed as a dividend in specie in the ratio of one Spur share for every 63 GPI shares held. This amounted to a dividend of 37 cents per share. The remaining Spur shares relates to the distribution to Group companies holding treasury shares.

22. FINANCIAL INSTRUMENTS – FINANCIAL ASSETS (CONTINUED)

22.4 Investments held at fair value (continued)

22.4.2 Investments held at fair value reserve

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

	Notes	Total 2022 R'000	Total 2021 R'000
Opening balance		**(113 028)**	(132 120)
Movement during the year:			
Realised fair value credit gains	22.4.1	**2 242**	–
Unrealised fair value gains	22.4.1	**930**	19 092
Realised fair value gains released to accumulated profit		**101 218**	–
Closing balance		**(8 638)**	(113 028)

23. FINANCIAL INSTRUMENTS – FINANCIAL LIABILITIES

23.1 Accounting policies

i) Initial recognition and measurement of financial liabilities

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

The Group's financial liabilities include trade and other payables, loans and preference shares.

ii) Subsequent measurement of financial liabilities

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

Loans and borrowings

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

iii) Derecognition of financial liabilities

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

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

23.2 Preference shares

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

	Notes	2022 R'000	2021 R'000
Standard Bank (SunWest and Sun Slots)	23.2.1	**–**	186 971
RMB (SunWest and Sun Slots)	23.2.2	**100 000**	–
		100 000	186 971
Balance below including interest accrual approximates fair value:			
Current portion		**–**	55 260
Non-current portion		**100 000**	131 711
		100 000	186 971

23. FINANCIAL INSTRUMENTS – FINANCIAL LIABILITIES (CONTINUED)

23.2 Preference shares (continued)

23.2.1 Preference shares – Standard Bank (SunWest and Sun Slots)

	2022 R'000	2021 R'000
Authorised		
203 356 authorised preference shares of R1 per share (2021: 203 356)		
Issued		
7 283 redeemable preference shares of R25 400 per share (2021: 7 283)		
Opening balance – 1 July	**186 971**	203 095
Amortisation of capitalised fee	**775**	517
Interest accrued	**5 316**	11 542
Interest paid	**(8 074)**	(12 181)
Redemption of preference shares	**(184 988)**	(16 002)
Closing balance – 30 June	**–**	186 971

10 000 authorised preference shares were issued at a value of R25 400 each during previous years with a final redemption date of 21 December 2022. Interest was paid semi-annually on 31 March and 30 September at a rate of 85% of the prime interest rate. The shares held in SunWest, were 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

The preference share agreement had the following financial covenants:

- A share cover ratio of at least 4.75 (2021: 4.75) must be maintained
- A Debt Service Cover ratio of at least 1.2 (2021: 1.2) must be maintained
- During December 2021 the shares were redeemed in full and all assets secured by the preference shares were released.

23.2.2 Preference shares – Rand Merchant Bank (SunWest and Sun Slots)

	RMB Preference shares	
	2022 R'000	2021 R'000
Authorised		
203 356 authorised preference shares of R1 per share (2021: 203 356)		
Issued		
10 000 redeemable preference shares of R10 000 per share (2021: nil)		
Opening balance – 1 July	**–**	–
Preference shares issued	**100 000**	
Interest accrued	**–**	–
Interest paid	**–**	–
Closing balance – 30 June	**100 000**	–

23. FINANCIAL INSTRUMENTS – FINANCIAL LIABILITIES (CONTINUED)

23.2 Preference shares (continued)

23.2.2 Preference shares – Rand Merchant Bank (SunWest) (continued)

10 000 authorised preference shares were issued at a value of R 10 000 each during the financial year with a final redemption date of 30 June 2025. The total subscription amount amounted to R100.0 million

Dividends will accrue daily, compounded monthly and serviced semi annually. The preference share dividend rate is at 90% of prime.

The Group has also provided the following security in respect of the preference shares:

- the Group's 15.1% stake in SunWest
- the Group's 30% stake in Sun Slots
- cession and pledge of the issuer bank accounts
- A subordination agreement relating to the subordination of any amount due to the shareholder of the issuer in favour of the Subscriber.

The shares do not have mandatory redemptions, the total issued preference share capital is redeemable on the 30 June 2025.

The preference share agreement has the following financial covenants:

- An Asset Cover Ratio of at least 4.50 times must be maintained. The value of the secured assets will be determined with reference to a 5.5x EV/EBITDA multiple. The cover at 30 June 2022 amounted to 11.06 times.

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

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.

	2022 R'000	2021 R'000
Sanlam Capital Markets – Term loan 1	**10 471**	17 804
Sanlam Capital Markets – Term loan 3	**25 397**	25 561
	35 868	43 365
Balance made up as follows:		
Current portion	**35 868**	33 061
Non-current portion	**–**	10 304
	35 868	43 365

23.3.1 Sanlam Capital Markets – Term loan 1

The SCM term loan 1 bears interest at the 3 month JIBAR rate plus 3.15% and interest is paid quarterly on 30 June, 30 September, 31 December and 31 March annually. The interest rate at 30 June 2022 is 7.52% (2021: 6.83%). 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. Due to the majority of the building being used or intended to be used to generate rental income, it is disclosed as investment property. The carrying value of the office building is R76.5 million (2021: 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 11.91% at 30 June 2022 (2021: 14.7%).

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

23. FINANCIAL INSTRUMENTS – FINANCIAL LIABILITIES (CONTINUED)

23.3 Interest-bearing borrowings (continued)

23.3.2 Sanlam Capital Markets – Term loan 3

The SCM term loan 3 bears interest at the 3 month JIBAR rate plus 3% which equalled 7.37% at 30 June 2022 (2021: 6.68%). 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 R25.4 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 which was 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 in the prior year and transfer took place in February 2021.The carrying value of Erf 33996 at 30 June 2022 is R19.6 million (2021: R19.6 million). The meat processing plant (Erf 33996) was sold during the 2023 financial year and transfer took place in August 2022.

The Group has provided the following security in respect of the loan:

- A cession in security of any lease agreements in respect of the two properties;
- A cession of all material cash flows payable by any tenants under any lease agreements relating to the two properties;
- A mortgage bond to the value of R30 million, registered over the two properties in favour of SCM;
- Cession of GPI Properties' bank account, and
- An unconditional demand guarantee in favour of SCM issued by the Group.

The loan has the following financial covenant:

- Group must maintain a debt to tangible net worth ratio of no greater than 40.0%. The ratio was 14.7% at 30 June 2021 (2021: 14.7%).
- 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 (2021: 2.30 times).

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

23.4 Trade and other payables

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

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

Future minimum rentals receivables under non-cancellable operating leases are as follows:	2022 R'000	2021 R'000
Reconciliation of trade and other payables		
Trade payables	**223**	91 386
Other payables and accruals	**5 485**	81 339
Annual leave accrual	**1 198**	9 886
Audit fee accrual	**3 507**	6 349
Deferred income	**–**	2 708
Payroll accruals	**307**	14 110
Sundry accruals	**473**	30 058
Other payables[1]	**–**	18 228
	5 708	172 725

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

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

24. LEASE LIABILITY AND RIGHT-OF-USE ASSETS

24.1 Lease liability

24.1.1 Accounting policy

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 ASSETS (CONTINUED)

24.1 Lease liability (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 ASSETS (CONTINUED)

24.1 Lease liability (continued)

24.1.2 Amounts recognised in the consolidated statement of financial position

	2022 R'000	2021 R'000
Lease liabilities – Non-current		
Property[1]	–	365 847
Plant, equipment and motor vehicles[2]	–	39
	–	365 886
Lease liabilities – Current		
Property[1]	–	33 145
Plant, equipment and motor vehicles[2]	–	299
	–	33 444
Lease liabilities – Total		
Property[1]	–	398 992
Plant, equipment and motor vehicles[2]	–	338
	–	399 330
Reconciliation of total lease liability:		
Opening balance	**399 330**	404 785
Disposal of subsidiary	**(382 940)**	–
New leases	**34 246**	40 618
Interest accrued	**15 744**	35 963
Lease payments	**(35 947)**	(78 395)
Principal payments	**(20 181)**	(39 100)
Interest payments	**(15 766)**	(39 295)
Other movements[3]	**(30 433)**	(1 215)
Rental concessions	–	(2 426)
Closing balance	–	399 330

[1] The Group's property leases were 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. During the year Burger King were disposed off and the Mac Brothers lease was cancelled by the liquidator.

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

[3] Other movements consist of remeasurements and terminations.

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

[5] 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)

24. LEASE LIABILITY AND ASSETS (CONTINUED)

24.1 Lease liability (continued)

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

	Note	2022 R'000	2021 R'000
Short-term lease expenses			
Property		–	(1 102)
Variable lease payments[1]			
Property		–	(6 164)
Finance costs			
Property		(15 744)	(35 784)
Plant and equipment		–	(179)
		(15 744)	(35 963)

[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.*

24.2 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 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

	Properties R000's	Plant and equipment: Motor vehicles R000's	Plant and equipment: Equipment R000's	Total R000's
Cost	501 233	6 291	43 321	550 845
Accumulated amortisation and impairment	(224 018)	(5 173)	(25 690)	(254 881)
Carrying value at 1 July 2021	277 215	1 118	17 631	295 964
Additions	2 857	–	–	2 857
Disposal of subsidiary	(264 917)	(1 057)	(16 667)	(282 641)
Remeasurement	–	–	–	–
Impairment	–	–	–	–
Depreciation	(15 155)	(61)	(964)	(16 180)
Carrying value at 30 June 2022	–	–	–	–

	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	33 372	–	–	33 372
Remeasurement	(3 849)	–	–	(3 849)
Depreciation	(47 974)	(949)	(2 828)	(51 751)
Carrying value at 30 June 2021	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] *Other movements consists of remeasurements*

25. FINANCIAL INSTRUMENTS – DISCLOSURE

25.1 Classification of financial instruments

The Group's principal financial assets are investments held at fair value through OCI, trade and other receivables, related party loans receivables and cash. The Group's principal financial liabilities are preference shares, interest-bearing borrowings, lease liabilities, trade and other payables. 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
2022					
Cash and cash equivalents	22.2.1	**186 912**	**–**	**–**	**186 912**
Related party loans	9	**6 032**	**–**	**–**	**6 032**
Trade and other receivables	22.3.1	**3 402**	**–**	**557**	**3 959**
Investments held at fair value	22.4.1		**14 695**		**14 695**
Total		**196 346**	**14 695**	**557**	**211 598**
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

[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
2022				
Trade and other payables	23.4	**(4 510)**	**(1 198)**	**(5 708)**
Overdraft	22.2.2	**–**	**–**	**–**
Dividends payable	30.3	**(21 267)**		**(21 267)**
Preference shares	23.2	**(100 000)**		**(100 000)**
Interest-bearing borrowings	23.3	**(35 868)**		**(35 868)**
Total		**(161 645)**	**(1 198)**	**(162 843)**
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)

[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
2022				
Investments held at fair value – Spur[1]	**14 695**	**–**	**–**	**14 695**
Total	**14 695**	**–**	**–**	**14 695**
2021				
Investments held at fair value – Spur[1]	162 619	–	–	162 619
Total	162 619	–	–	162 619

	2022 R'000	2021 R'000
Current asset	**–**	–
Non-current asset	**14 695**	162 619
	14 695	162 619

[1] The Groups Investment in the Spur Corporation was unbundled and distributed as a dividend in specie on 17 June 2022, which amounted to a dividend of 36 cents.

Investments held at fair value – Spur	Level 1 R'000	Level 3 R'000	Total R'000
2022			
Opening balance	**162 619**	**–**	**162 619**
Fair value adjustments	**3 172**	**–**	**3 172**
Disposal	**(151 096)**	**–**	**(151 096)**
Carrying value	**14 695**	**–**	**14 695**
2021			
Opening balance	143 527	–	143 527
Fair value adjustments	19 092	–	19 092
Closing balance	162 619	–	162 619

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 has no exposure to currency risk in the current year.

At the reporting date, the exposure to foreign currency was R nil (2021: R4.7 million). An increase or decrease of 10% in the exchange rates would have no impact on the profit or loss of the Group (2021: R0.5 million).

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
2022	**100**	**(510)**	**(100)**	**510**
2021	100	(2 054)	(100)	2 054

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 R14.7 million (2021: R162.6 million). An increase or decrease of 10% on the JSE market index would have an impact of approximately R0.08 million (2021: R12.6 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 that 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
2022						
Related party loans	9	**6 032**	**–**	**–**	**–**	**6 032**
Trade and other receivables	22.3.1	**269**	**184**	**–**	**–**	**453**
Total		**6 301**	**184**	**–**	**–**	**6 485**
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

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
2022						
Trade and other payables	**–**	**(4 510)**	**–**	**–**	**–**	**(4 510)**
Preference shares	**–**	**–**	**–**	**–**	**(100 000)**	**(100 000)**
Interest on preference shares	**–**	**–**	**–**	**–**	**–**	**–**
Interest-bearing borrowings	**–**	**–**	**(35 868)**			**(35 868)**
Interest on interest-bearing borrowings	**–**	**(248)**	**(634)**			**(882)**
Bank overdraft	**–**	**–**	**–**	**–**	**–**	**–**
Dividends payable	**(21 267)**					**(21 267)**
Total	**(21 267)**	**(4 758)**	**(36 502)**	**–**	**(100 000)**	**(162 527)**
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)

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 in the Meat Plant and cost of purchases is used in the manufacturing and retail businesses 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

	2022 R'000	2021 R'000
Catering equipment	**–**	31 570
Stock of food and packaging	**–**	20 049
Consumables	**305**	1 425
Spare parts	**–**	396
Work in progress	**–**	2 709
	305	56 149
Provision for impairment to net realisable value		
Stock of food and packaging	**–**	(2 215)
– Continuing operations	**–**	(2 215)
– Discontinued operations	**–**	–
	305	53 934

The amount of write downs of inventory recognised as expenses amounts to R0.5 million (2021 Rnil) which is recognised in operating costs. During the period, the provision for obsolete stock amounts to Rnil (2021: R2.2 million).Inventory is written off due to goods being slow moving.

27. PROVISIONS

27.1 Accounting policy

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

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

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

27. PROVISIONS (CONTINUED)

27.2 Reconciliation of provisions

	Dismantling provision[(1)] R'000	Long service leave[(2)] R'000	Employee bonuses[(3)] R'000	Total R'000
2022				
Opening balance	**9 992**	**588**	**12 996**	**23 576**
Provision raised during the year	**329**	**21**	**737**	**1 087**
Transferred to discontinued operations	**(9 637)**	**(489)**	**(11 552)**	**(21 678)**
Amount utilised	**(684)**	**–**	**(1 865)**	**(2 549)**
Closing balance	**–**	**120**	**316**	**436**
2021				
Opening balance	7 782	595	7 719	16 096
Provision raised during the year	2 644	423	16 262	19 329
Amount utilised	(434)	(430)	(10 985)	(11 849)
Closing balance	9 992	588	12 996	23 576

	2022 R'000	2021 R'000
Balance made up as follows:		
Current portion	**316**	12 996
Non-current portion	**120**	10 580
	436	23 576

(1) This provision related to the contractual obligation of BKSA 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. At the end of 30 June 2022, the provision is at nil as a result of the sale of BKSA.

(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 dependant on whether the specified KPI's were met for the employee and whether the employee is still in the Group's employment at the date that the bonus is rewarded.

28. STATED CAPITAL

28.1 Ordinary Share Capital

28.1.1 Accounting policy

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

	2022 R'000	2021 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
Closing balance (issued and fully paid)	**798 586**	798 586
	000s	000s
28.1.4 Reconciliation of number of shares in issue		
Opening balance	**470 023**	470 023
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.

	2022 R'000	2021 R'000
28.2.2 Reconciliation of treasury shares		
Opening balance	**(153 079)**	(153 962)
Treasury shares allocated to employees	**289**	883
Closing balance	**(152 790)**	(153 079)
28.2.3 Reconciliation of number of treasury shares		
Opening balance	**(40 305)**	(40 537)
Shares allocated to employees	**259**	232
Closing balance	**(40 046)**	(40 305)

At 30 June 2022, the Grand Parade Share Incentive Trust holds 1.23 million GPI shares (2021: 1.49 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 (2021: nil) and allocated 0.26 million GPI Shares (2021: 0.23) to employees under the GPI Employee Share Scheme. At 30 June 2022, the GPI Women's BBBEE Empowerment Trust holds 14.82 million GPI shares (2021: 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 2022, GPI Management Services holds 24 million GPI Shares (2021: 24 million GPI Shares) in treasury. During the year GPI Management Services repurchased no GPI Shares (2021: nil).

29. DIVIDENDS DECLARED AND PAID

A dividend of 88 cents per share was declared and paid on 4 December 2021. The investment the Group held in the Spur Corporation was distributed as a dividend in specie on 17 June 2022, which amounted to a dividend of 37 cents per share. No dividends were declared or paid in the prior year.

30. NOTES TO THE CASH FLOW STATEMENT

30.1 Cash outflow from operations

	Notes	2022 R'000	Restated* 2021 R'000
(Loss)/profit before taxation from continuing operations		(24 774)	12 319
Profit before taxation from continuing operations		**(24 774)**	12 319
Adjustments for:			
– Depreciation	11.2	1 116	1 133
– Amortisation	11.2	15	31
– Finance income		(4 297)	(2 927)
– Finance costs	13	11 663	18 252
– Dividends received	10.2	(10 729)	–
– Profit on disposal of investment property		–	(2 289)
– Profit on disposal of property, plant and equipment		20	–
– Share-based payments expense	6.2	374	748
– Impairment of plant and equipment	19.3	13 848	–
– Impairment of inventory	26.2	500	–
– Expected credit losses		50 820	–
– Profit from equity accounted investments	11.1	(107 905)	(73 253)
Operating cash flows before working capital changes		**(69 349)**	(45 986)
Decrease in trade and other receivables		38 041	20 821
Increase in trade and other payables		15 133	4 232
Net cash outflow from operations		**(16 175)**	(20 933)

30.2 Taxation paid

	Notes	2022 R'000	2021 R'000
Taxation – beginning of the year		(3 812)	(1 029)
Taxation – discontinued operations		2 186	(2 783)
Amount per statement of comprehensive income (Note 5)			
– current year	5.2	149	–
Taxation – closing balance		1 215	3 812
Taxation paid during the year		**(262)**	–
The closing tax balances comprises of the following:			
– Income tax receivable		1 329	4 002
– Income tax liabilities		(114)	(190)
		1 215	3 812

30.3 Dividends paid

	2022 R'000	2021 R'000
Opening balance	10 129	10 129
Dividends declared	544 212	–
Dividend in specie	(150 800)	–
Taxation owing	(12 362)	–
Closing balance	(21 267)	(10 129)
Dividends paid	369 912	–

* *The prior year comparatives have been restated to separately reflect the results of discontinued operations.*

30. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

30.4 Dividends received

	Notes	2022 R'000	2021 R'000
SunWest	15.2.1	52 850	–
Sun Slots	15.3.1	75 000	72 001
Spur		10 729	–
Worcester	15.3.1	3 805	–
		142 384	72 001

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
2022							
Preference shares (Standard Bank)	**186 971**	**–**	**(184 988)**	**5 316**	**(8 074)**	**775**	**–**
Preference shares (RMB)	**–**	**–**	**100 000**	**–**	**–**	**–**	**100 000**
Interest-bearing borrowings	**43 365**	**–**	**(7 500)**	**2 763**	**(2 763)**	**3**	**35 868**
Lease liabilities	**76 076**	**(76 076)**					**–**
	306 412	**(76 076)**	**(92 488)**	**8 079**	**(10 837)**	**778**	**135 868**
2021							
Preference shares (Standard Bank)	203 095	–	(16 002)	11 542	(12 279)	615	186 971
Interest-bearing borrowings	53 491	–	(10 993)	3 705	(2 838)	–	43 365
Lease liabilities	–	36 977	(36 159)	35 963	39 295	–	76 076
	256 586	36 977	(63 157)	51 213	24 178	615	306 412

31. CAPITAL COMMITMENTS

	2022 R'000	2021 R'000
Authorised but not contracted		
Property, plant and equipment	–	75 000

32. SUBSEQUENT EVENTS

During August 2022 the transfer of the Meat Plant property was finalised and the funds received. These funds were utilised to repay R20.0 million of the corresponding mortgage facility in August 2022.

On 4th October 2022 the Group entered into a back-to-back agreement to purchase and on-sell the Mac Brothers buildings. The Group will purchase two properties for a consideration of R66.5 million, located in Epping Cape Town and Sabenza Johannesburg and simultaneously sell them to an independent third party for a consideration R44 million.

The lease was cancelled by the liquidator, the sale and lease back arrangement was part of the negotiation to avoid a lengthy litigious process (refer to note 20 on page 102).

An ordinary dividend of 12 cents per share has been declared relating to the 2022 financial year and will be payable during December 2022.

Refer to note 35 for disclosure around contingent liabilities arising from the cancellation of the lease.

33. GOING CONCERN

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

Management performed various scenario analysis considering the likelihood of a further impact on the underlying businesses of Covid and also the uncertainty regarding the liquidation of its catering business. Based on this assessment and the financial resources of the Group together with anticipated cash flows, which were stress tested, management is satisfied and 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 proceedings which have had or may have a material effect on the financial position of the Group.

34. DEFERRED PROCEEDS

	Burger King South Africa R'000	Grand Foods Meat Plant R'000s	Total R'000s
Total proceeds	472 327	20 266	492 593
Cash received	(458 139)	(19 254)	(477 393)
Interest	(1 160)	(83)	(1 243)
Deferred proceeds	13 028	929	13 957

Sale of Burger King and Grand Foods Meat Plant

The sale of Burger King and Grand Foods Meat Plant was concluded on 3 November 2022. As per the sales agreement the purchase price was to be received in 3 tranches:

- Tranche 1 payment equals to 90% purchase price (received on 3 November 2021)
- Tranche 2 payment equals to 5% purchase price (received on 10 May 2022)
- Tranche 3 payment equals to 5% purchase price (due 03 November 2023)

The future receipts are discounted at a rate of 6.04% to value the deferred proceeds as at 30 June 2022. 5% of the shares in BKSA and GFMP owned by ECP are pledged as security to the Group until the final tranche 3 payment is made.

35. CONTINGENT LIABILITIES

The Company has indemnified the landlord of the Mac Brothers properties against any loss suffered/damages due to a cancellation of the lease agreement between Mac Brothers and the landlord. The full outstanding lease liability under the existing lease agreement amounts to R41.0 million (this is the full liability and not necessarily the damages as the landlord has an obligation to mitigate its losses) as previously disclosed under the guarantees. In order to institute a damages claim under the indemnity provision the claimant would have to institute legal action against the GPI. As at 30 June 2022, no legal proceedings have commenced and management have entered into negotiations with the landlord to find a solution in order to avoid a lengthy litigious process.

THE COMPANY ANNUAL FINANCIAL STATEMENTS AN NOTES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R'000	Restated* 2021 R'000
Revenue	2.2	**635 907**	23 633
Operating costs	3	**(851 206)**	(68 110)
Profit/(loss) from operations		**(215 299)**	(44 477)
Expected credit losses		**(12 296)**	(20 814)
Profit before interest and taxation		**(227 595)**	(65 291)
Finance income	4	**2 581**	477
Finance costs	5	**(2)**	(3)
Loss before taxation		**(225 016)**	(64 817)
Taxation	6	**(464)**	(265)
Loss for the year		**(225 480)**	(65 082)

* *The prior year comparatives have been restated to reflect the Statement of Profit or Loss and Other Comprehensive Income by function. Refer to note 1.4*

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets		**294 906**	1 095 186
Investments in subsidiaries	10.2	**262 960**	1 062 750
Investments in associates	11.2	**30 972**	30 972
Property, plant and equipment	12.2	**99**	110
Intangible assets	13.2	**12**	27
Deferred tax asset	6.3	**863**	1 327
Current assets		**69 275**	52 077
Related party receivables	9.1	**10 215**	12 715
Trade and other receivables	14.3.1	**18 141**	29 237
Cash and cash equivalents	14.2	**40 831**	10 037
Income tax receivable	19.2	**88**	88
Total assets		**364 181**	1 147 263
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity			
Stated capital	18.3	**798 586**	798 586
Accumulated (loss)/profit		**(496 858)**	319 673
IFRS 2 share-based payment reserve		**867**	867
Total shareholders' equity		**302 595**	1 119 126
Non-current liabilities		**120**	155
Provisions	17.2	**120**	155
Current liabilities		**61 466**	27 982
Provisions	17.2	**316**	2 239
Trade and other payables	15.2	**10 521**	15 614
Inter-company loans	23	**17 000**	–
Dividends payable	19.3	**21 267**	10 129
Dividend tax payable	19.3	**12 362**	–
Total equity and liabilities		**364 181**	1 147 263

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Stated capital R'000	Accumulated (loss)/profits R'000	IFRS 2 Share-based payment reserve R'000	Total equity R'000
Balance at 30 June 2020	798 586	383 920	954	1 183 460
Total comprehensive loss for the year	–	(65 082)	–	(65 082)
– Loss for the year	–	(65 082)	–	(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**
Total comprehensive loss for the year	**–**	**(225 480)**	**–**	**(225 480)**
– Loss for the year	**–**	**(225 480)**	**–**	**(225 480)**
– Other Comprehensive loss	**–**	**–**	**–**	**–**
Share-based payment expense	**–**	**–**	**–**	**–**
Dividends declared		**(591 051)**	**–**	**(591 051)**
Balance at 30 June 2022	**798 586**	**(496 858)**	**867**	**302 595**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 R'000	2021 R'000
Cash flows from operating activities			
Net cash utilised in operations	19.1	**(45 001)**	(21 474)
Finance income received	4	**2 581**	477
Net cash outflow from operating activities		**(42 420)**	(20 997)
Cash flows from investing activities			
Acquisition of property, plant and equipment	12.2	**(75)**	(49)
Inter-group loans received		**17 000**	–
Loans advanced	19.4	**(12 296)**	(16 690)
Inter-group loans repaid	19.5	**2 500**	3 500
Dividends received	19.6	**468 567**	20 000
Net cash inflow from investing activities		**475 696**	6 761
Cash flows from financing activities			
Finance costs	5	**–**	(3)
Dividends paid	19.3	**(402 482)**	–
Net cash outflow from financing activities		**(402 482)**	(3)
Net increase/(decrease) in cash and cash equivalents		**30 794**	(14 239)
Cash and cash equivalents at the beginning of the year		**10 037**	24 276
Total cash and cash equivalents at the end of the year		**40 831**	10 037

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 Restatement of prior year comparatives

During the current year the Statement of Profit or Loss and Other Comprehensive income was restated to bring it in line with a Statement of Profit or Loss and Other Comprehensive income by function as this was previously erroneously shown as a blend of function and nature. The changes to the prior year Statement of Profit/(loss) and other Comprehensive Income resulting from the restatement are shown below. IAS 1 Presentation of Financial Statements requires that items on the Statement of Profit or Loss and Other Comprehensive income be presented by either their function or by their nature.

	Previously stated 2021 R'000s	Function adjustment R'000s	Restated R'000s
Revenue	23 633	–	23 633
Operating costs	(47 319)	(20 791)	(68 110)
Loss from operations	(23 686)	(20 791)	(44 477)
Impairment of subsidiaries	(20 716)	20 716	–
Impairment of loans	(20 814)	–	(20 814)
Depreciation	(44)	44	–
Amortisation	(31)	31	–
(Loss)/profit before interest and taxation	(65 291)	–	(65 291)
Finance income	477	–	477
Finance costs	(3)	–	(3)
Loss before taxation	(64 817)	–	(64 817)
Taxation	(265)	–	(265)
(Loss)/profit for the period from continuing operations	(65 082)	–	(65 082)

The change to the presentation of the Statement of Profit or Loss and Other Comprehensive Income to a functional presentation had no impact on headline earnings per share or earnings per share.

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	2022 R'000	2021 R'000
Revenue from transactions with customers			
Management fee income		2 271	3 442
Other revenue			
Dividends received		633 636	20 000
– Grand Casino Investments		165 069	20 000
– Grand Foods	19.6	464 762	
– Worcester	19.6	3 805	–
Other income			191
		635 907	23 663
Total Revenue			
Revenue from contracts with customers		2 271	3 442
Other revenue		633 636	20 191
		635 907	23 633

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	2022 R'000	2021 R'000
Audit fees		(2 340)	(1 499)
– current year		(2 340)	(1 499)
3.1.2 Staff costs		(12 964)	(19 017)
Salaries and wages		(2 140)	(8 770)
Directors' remuneration	7	(9 535)	(8 652)
Share-based payments expense	7	(374)	(748)
Provident fund contributions		(915)	(847)

4. FINANCE INCOME

	2022 R'000	2021 R'000
Short-term cash deposits	2 581	477

5. FINANCE COSTS

	2022 R'000	2021 R'000
Interest on facilities	(2)	(3)

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:

	2022	2021
South African normal tax		
Deferred tax	(464)	(265)
	(464)	(265)
	%	%
Standard rate	28.00	28.00
Exempt income[1]	78.82	8.64
Non-deductible expenses[2]	(101.02)	(25.37)
Tax loss not recognised[3]	(5.60)	(10.86)
Effective tax rate	0.20	0.41

6. TAXATION (CONTINUED)

6.3 The deferred tax balance is made up as follows:

	2022 R'000	2021 R'000
Provisions and accruals	966	1 426
Prepayments	(103)	(99)
	863	1 327
Reconciliation of net deferred tax asset		
Opening balance	1 327	1 592
Amount for the period recognised in profit or loss	(464)	(265)
– Provisions and accruals	(460)	(469)
– Prepayments	(4)	204
Closing balance	863	1 327

(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 R121.05 million (2021: R90.2 million) have not been recognised. These losses do not expire.

7. DIRECTORS' EMOLUMENTS

7.1 Accounting policy

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

7.2 Directors' emoluments

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

8. SHARE-BASED PAYMENTS

8.1 Accounting policy

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

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

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

8.3 Share options per strike price held at 30 June

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

8.3.1 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 BALANCES

9.1 Related party receivables

			Notes	2022 R'000	2021 R'000
Interest-free loans	**Nature of relationship**				
– Grand Casino Investments[1]	Subsidiary	(Direct)		3 000	3 000
– GPI Properties[1]	Subsidiary	(Indirect)		4 925	4 925
– Mac Brother Catering Equipment[1]	Associate	(Indirect)		12 296	20 814
				20 221	28 739
Impairment:					
– Mac Brother Catering Equipment[1]	Associate	(Indirect)		(12 296)	(20 814)
				7 925	7 925
Related party receivable	**Nature of relationship**				
– Infinity Gaming Africa[1]	Associate	(Direct)		2 290	4 790
Total current assets				10 215	12 715

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

9.2 Trade receivables

			Notes	2022 R'000	2021 R'000
	Nature of relationship				
– Burger King	Subsidiary	(Indirect)		–	93
– GPI Investments 1	Subsidiary	(Direct)		30	–
– GPI Management Services	Subsidiary	(Direct)		30	1 325
– GPI Properties	Subsidiary	(Indirect)		13 639	9 858
– Grand Casino Investments	Subsidiary	(Direct)		649	1 161
– Grand Foods	Subsidiary	(Direct)		–	13
– Grand Foods Investments 3	Subsidiary	(Indirect)		–	168
– Grand Foods Management Services	Subsidiary	(Indirect)		6 737	6 533
– Grand Foods Meat Plant	Subsidiary	(Indirect)		–	3 863
– Grand Parade Share Incentive Trust	Subsidiary	(Direct)		30	–
– Mac Brothers Catering Equipment	Associate	(Indirect)		–	9 263
– Sebenza Manufacturing systems	Associate	(Indirect)		12	–
– Utish	Subsidiary	(Indirect)		31	–
				21 158	32 277
Expected credit loss				(6 563)	(6 563)
Grand Foods Management Services	Subsidiary	(Indirect)		(6 533)	(6 533)
GPI Investments 1	Subsidiary	(Direct)		(30)	(30)
			14.3.1	14 595	25 714

9.3 Trade payables

			2022 R'000	2021 R'000
	Nature of relationship			
– GPI Management Services	Subsidiary	(Direct)	(6 287)	(6 001)
– GPI Properties	Subsidiary	(Indirect)	(326)	(393)
– Grand Foods Management Services	Subsidiary	(Indirect)	(2)	(9)
			(6 615)	(6 403)

10. INVESTMENTS IN SUBSIDIARIES

10.1 Accounting policy

Investments in subsidiaries are measured at cost.

10.2 Investments in subsidiaries

	2022 R'000	2021 R'000
Grand Foods	**20 801**	751 620
Grand Capital	**71 531**	97 189
GPI Management Services	**79 483**	101 641
Grand Casino Investments	**31 294**	31 294
Rilapath	**55 260**	57 311
Grand Parade Share Incentive Trust	**4 591**	23 695
	262 960	1 062 750
During the year the following investments were impaired:		
Impairment	**(799 790)**	(20 716)
Grand Foods[1]	**(730 819)**	–
Grand Capital[3]	**(25 658)**	(20 121)
GPI Management Services[2]	**(22 158)**	–
Rilapath	**(2 051)**	–
Grand Parade Share Incentive Trust	**(19 104)**	–
GPI Investments 1[2]	**–**	(595)

[1] *The impairment raised on the investment in the Grand Foods group relates to various of Grand Foods' subsidiaries including BKSA, GFMP and Mac Brothers. In the current financial year the investments in BKSA and GFMP were disposed of. These investments were impaired to the residual value of the proceeds that was received for the sale thereof. The Mac Brothers business was placed in voluntary liquidation on 4th of April 2022 and the investment was written down to nil.*

[2] *The recoverable amount is the fair value less cost of disposal, classified as a level 3 in the fair value hierarchy. The underlying NAV of the investment approximated its fair value. 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 primarily due to the low valuation of office buildings.*

11. INVESTMENT IN ASSOCIATES

11.1 Accounting policy

Investments in associates are measured at cost.

11.2 Reconciliation of investment in associates

	Worcester Casino		Infinity Gaming Africa		Total	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Carrying amount	**30 972**	30 972	**–**	–	**30 972**	30 972
Carrying amount	**30 972**	30 972	**–**	–	**30 972**	30 972

12. PROPERTY, PLANT AND EQUIPMENT

12.1 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

12.2 Reconciliation of property, plant and equipment

2022	Computer equipment R'000	Furniture & fittings R'000	Total R'000
Cost	**219**	**20**	**239**
Accumulated depreciation	**(125)**	**(4)**	**(129)**
Carrying value at 1 July 2021	**94**	**16**	**110**
Additions	**75**	**–**	**75**
Disposals	**(30)**	**–**	**(30)**
Depreciation	**(52)**	**(4)**	**(56)**
Carrying value at 30 June 2022	**87**	**12**	**99**
Made up of:			
Cost	**216**	**20**	**236**
Accumulated depreciation	**(129)**	**(8)**	**(137)**
2021			
Cost	170	20	190
Accumulated depreciation	(84)	(1)	(85)
Carrying value at 1 July 2020	86	19	105
Additions	49	–	49
Depreciation	(41)	(3)	(44)
Carrying value at 30 June 2021	94	16	110
Made up of:			
Cost	219	20	239
Accumulated depreciation	(125)	(4)	(129)

13. INTANGIBLE ASSETS

13.1 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

13. INTANGIBLE ASSETS (CONTINUED)

13.2 Reconciliation of intangible assets

	Total R000s
2022	
Cost	**94**
Accumulated amortisation	**(67)**
Carrying value at 1 July 2021	**27**
Amortisation	**(15)**
Carrying value at 30 June 2022	**12**
Made up of:	
Cost	**94**
Accumulated amortisation	**(82)**
2021	
Cost	94
Accumulated amortisation	(36)
Carrying value at 1 July 2020	58
Disposal	–
Amortisation	(31)
Carrying value at 30 June 2021	27
Made up of:	
Cost	94
Accumulated amortisation	(67)

14. FINANCIAL INSTRUMENTS – FINANCIAL ASSETS

14.1 Accounting policy

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

14.2 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%).

	2022 R'000	2021 R'000
Cash and cash equivalents	**40 831**	10 037

14. FINANCIAL INSTRUMENTS – FINANCIAL ASSETS (CONTINUED)

14.3

14.3.1 Trade and other receivables

	2022 R'000	2021 R'000
Gross trade receivables	**21 354**	32 434
Less: expected credit loss	**(6 563)**	(6 563)
Net trade receivables	**14 791**	25 871
Prepayments	**427**	558
VAT	**2 923**	2 808
	18 141	29 237

14.3.2 Gross accounts receivable

	2022	2021
0 to 30 Days	**721**	687
30 to 60 days	**268**	900
60 to 120 days	**556**	–
over 120 days	**19 809**	30 847
	21 354	32 434

14.3.3 Expected credit loss

	2022	2021
0 to 30 Days	**–**	–
30 to 60 days	**–**	–
60 to 120 days	**–**	–
over 120 days	**(6 563)**	(6 563)
	(6 563)	(6 563)

14.3.4 Reconciliation of expected credit loss

	2022	2021
Opening balance	**(6 563)**	–
Increase in expected credit loss raised	**–**	(6 563)
Closing balance	**(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. Default refers to the company's debtors not being able to pay within the stipulated credit terms or the complete inability to repay the amount owed.

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 LIABILITIES

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 Trade and other payables

	2022 R'000	2021 R'000
Trade payables	**7 048**	9 286
Other payables and accruals	**3 473**	6 328
Audit fee accrual	**1 815**	1 599
Sundry accruals	**114**	3 555
Annual leave accrual	**1 198**	1 100
Payroll accruals	**346**	74
	10 521	15 614

16. FINANCIAL INSTRUMENTS – DISCLOSURE

16.1 Classification of financial instruments

The Company's principal financial assets are 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.

16.2 Financial assets

	Notes	Financial assets measured at amortised cost R'000	Non-Financial assets R'000	Total R'000
2022				
Cash and cash equivalents	14.2	**40 831**	**–**	**40 831**
Related party loans	9.1	**10 215**	**–**	**10 215**
Trade and other receivables	14.3.1	**14 791**	**3 350**	**18 141**
Total		**65 837**	**3 350**	**69 187**
2021				
Cash and cash equivalents	14.2	10 037	–	10 037
Related party loans	9.1	12 715	–	12 715
Trade and other receivables	14.3.1	25 871	3 366	29 237
Total		48 623	3 366	51 989

16.3 Financial liabilities

	Notes	Financial liabilities measured at amortised cost R'000	Non-financial liabilities R'000	Total R'000
2022				
Trade and other payables	15.2	**8 977**	**1 544**	**10 521**
Dividends payable	19.3	**21 267**	**–**	**21 267**
Dividend tax payable		**12 362**	**–**	**12 362**
Total		**42 606**	**1 544**	**44 150**
2021				
Trade and other payables	15.2	14 440	1 174	15 614
Dividends payable	19.3	10 129	–	10 129
Total		24 569	1 174	25 743

16. FINANCIAL INSTRUMENTS – DISCLOSURE (CONTINUED)

16.4 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 which 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
2022	**100**	**408**	**(100)**	**(408)**
2021	100	100	(100)	(100)

16.5 Credit risk

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
2022					
Related party loans	**10 215**	**–**	**–**	**–**	**10 215**
Trade and other receivables	**721**	**268**	**556**	**13 246**	**14 791**
Total	**10 936**	**268**	**556**	**13 246**	**25 006**
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

16. FINANCIAL INSTRUMENTS – DISCLOSURE (CONTINUED)

16.6 Liquidity risk

Refer to *Note 25.3.3* of the Consolidated Annual Financial Statements for an explanation on liquidity risk and how it is managed.

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

	On demand R'000	Less than 3 months R'000	3–12 months R'000	1–2 years R'000	> 2 years R'000	Total R'000
2022						
Trade and other payables	**–**	**8 977**	**–**	**–**	**–**	**8 977**
Dividends payable	**21 267**	**–**	**–**	**–**	**–**	**21 267**
Dividends tax payable	**12 362**	**–**	**–**	**–**	**–**	**12 362**
Total	**33 629**	**8 977**	**–**	**–**	**–**	**42 606**
2021						
Trade and other payables	–	14 440	–	–	–	14 440
Dividends payable	10 129	–	–	–	–	10 129
Total	10 129	14 440	–	–	–	24 569

17. PROVISIONS

17.1 Accounting policy

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

17.2 Reconciliation of provisions

	Long service leave[1] R'000	Employee bonuses[2] R'000	Total R'000
2022			
Opening balance	**155**	**2 239**	**2 394**
Provision raised/released during the year	**(35)**	**(58)**	**(93)**
Amount utilised	**–**	**(1 865)**	**(1 865)**
Closing balance	**120**	**316**	**436**
2021			
Opening balance	163	1 649	1 812
Provision raised during the year	(4)	3 949	3 945
Amount utilised	(4)	(3 359)	(3 363)
Closing balance	155	2 239	2 394

	2022 R'000	2021 R'000
Balance made up as follows:		
Non-current provisions	**120**	155
Current provisions	**316**	2 239
	436	2 394

[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 dependant on whether the specified KPI's were met for the employee and whether the employee is still in the Group's employment at the date that the bonus is rewarded.*

18. STATED CAPITAL

18.1 Accounting policy

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

18.2 Authorised share capital

	2022 R'000	2021 R'000
2 000 000 000 ordinary shares of no par value	**–**	–

18.3 Reconciliation of issued share capital

	2022	2021
Opening balance	**798 586**	798 586
Closing balance (issued and fully paid)	**798 586**	798 586

18.4 Number of shares in issue

	000s	000s
Opening balance	**470 023**	470 023

19. NOTES TO THE CASH FLOW STATEMENT

19.1 Cash generated from operations

	Notes	2022 R'000	2021 R'000
Loss before taxation		**(225 016)**	(64 817)
Adjustments for:			
– Depreciation	12.2	**56**	44
– Amortisation	13.2	**15**	31
– Finance income	4	**(2 581)**	(477)
– Finance costs	5	**2**	3
– Dividends received	2.2	**(633 636)**	(20 000)
– Share-based payment expense		**–**	748
– Impairment of subsidiaries	10.2	**799 790**	20 716
– Other non cash movement		**(7)**	–
– Impairment of loans		**12 296**	20 814
Operating cash flows before working capital changes		**(49 081)**	(42 939)
Decrease in trade and other receivables		**11 096**	16 563
(Decrease)/Increase in trade and other payables		**(7 016)**	4 902
Net cash utilised in operations		**(45 001)**	(21 474)

19.2 Taxation paid

	2022	2021
Taxation	**(88)**	(88)
Current tax per statement of comprehensive income		
Taxation – 30 June	**88**	88
	–	–
The closing tax balances comprises of the following:		
– Income tax refunds	**88**	88
	88	88

19. NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

19.3 Dividends paid

	Notes	2022 R'000	2021 R'000
Opening balance		**(10 129)**	(10 129)
Dividends declared		**(591 051)**	–
Dividend in specie		**165 069**	–
Taxation owing		**12 362**	–
Closing balance		**21 267**	10 129
		(402 482)	–

19.4 Loans advanced

	2022 R'000	2021 R'000
– Mac Brothers	**(12 296)**	(16 690)
	(12 296)	(16 690)

19.5 Inter-group loans repaid

	2022 R'000	2021 R'000
– GPI Properties	**–**	3 500
– Infinity Gaming Africa	**2 500**	–
	2 500	3 500

19.6 Dividends received

	2022 R'000	2021 R'000
– Grand Casino Investments	**–**	20 000
– Grand Foods	**464 762**	–
– Worcester	**3 805**	–
	468 567	20 000

20. CONTINGENT LIABILITIES

The Company has indemnified the landlord of the Mac Brothers properties against any loss suffered/damages due to a cancellation of the lease agreement between Mac Brothers and the landlord. The full outstanding lease liability under the existing lease agreement amounts to R41.0 million (this is the full liability and not necessarily the damages as the landlord has an obligation to mitigate its losses) as previously disclosed under the guarantees. In order to institute a damages claim under the indemnity provision the claimant would have to institute legal action against the GPI. As at 30 June 2022, no legal proceedings have commenced and management have entered into negotiations with the landlord to find a solution in order to avoid a lengthy litigious process.

21. GUARANTEES

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

Lease of premises by Mac Brothers with a remaining lease liability of R41.0 million for the remaining lease term. The lease was cancelled by the liquidator in June 2022 and the company no longer has any exposure under the lease agreement. The company could, however, be liable for damages under the indemnity provided (explanation provided under Contingent liabilities).

22. SUBSEQUENT EVENTS

Refer to Note 32 of the Consolidated Annual Financial Statements.

23. INTER-COMPANY LOANS

Interest-free loan

	2022	2021
– Grand Parade Investments Management Services[1]	**(17 000)**	–
	(17 000)	–

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

APPENDIX 1

Principal Subsidiary Companies at 30 June 2022:

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

	Ordinary share capital and premium		Effective percentage holding	
	2022 R	2021 R	2022 R	2021 R
Burger King South Africa (Pty) Ltd	**–**	180 000 000	**–**	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**	33 531 498	**100.00**	100.00
Grand Foods (Pty) Ltd	**1 254 800 382**	1 254 800 382	**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	**–**	100.00
Grand Parade Share Incentive Trust	**1 000**	1 000	**100.00**	100.00
Utish Investments (Pty) Ltd	**820 933 283**	820 933 283	**100.00**	100.00

APPENDIX 2

Investments, associates and joint ventures

	30 June 2022			30 June 2021		
	Shares held	Effective Interest	Voting Interest	Shares held	Effective Interest	Voting Interest
FOOD						
Spur	**715 097**	**0.66%**	**0.66%**	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%**	4 738 755	15.10%	15.10%
Sun Slots	**300**	**30.00%**	**30.00%**	300	30.00%	30.00%
MANUFACTURING						
Impala Lily Property Investments (Pty) Ltd	**10**	**100%**	**–**	10	100%	100%
Sabenza (Pty) Ltd	**10**	**100%**	**–**	10	100%	100%
Mac Brothers Catering Equipment (Pty) Ltd	**102 141**	**100%**	**–**	102 141	100%	100%

[1] *There was a loss of control due to a liquidator appointed for these companies*

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 2022

Director Ordinary Shares	Direct Beneficial 000s	Indirect Beneficial 000s	Total shares Beneficial 000s	Total shares Beneficial %
A Abercrombie[1]	**5**	**7 000**	**7 005**	**1.49**
M Bowman	**13**	**–**	**13**	**–**
M Tajbhai	**164**	**–**	**164**	**0.03**
J October	**16**	**–**	**16**	**–**
	198	**7 000**	**7 198**	**1.52**

As at 30 June 2021

Director Ordinary Shares	Direct Beneficial 000s	Indirect Beneficial 000s	Total shares Beneficial 000s	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

[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	1 807	24.50%	497 216	0.11%
1 001 – 10,000	3 933	53.32%	18 835 871	4.01%
10 001 – 100 000	1 424	19.31%	38 057 563	8.10%
100 001 – 1 000 000	151	2.05%	46 012 823	9.79%
Over 1 000 000	61	0.83%	366 619 268	78.00%
Total	**7 376**	**100.00%**	**470 022 741**	**100.00%**

Distribution of Shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance Companies	6	0.08%	143 992	0.03%
Close Corporations	23	0.31%	2 859 546	0.61%
Collective Investment Schemes	21	0.28%	33 238 173	7.07%
Custodians	10	0.14%	2 675 691	0.57%
Foundations & Charitable Funds	4	0.05%	773 854	0.16%
Hedge Funds	6	0.08%	70 008 951	14.89%
Insurance Companies	3	0.04%	394 896	0.08%
Investment Partnerships	13	0.18%	2 765 114	0.59%
Managed Funds	8	0.11%	36 816 138	7.83%
Private Companies	75	1.02%	132 945 781	28.28%
Public Entities	2	0.03%	969 640	0.21%
Retail Shareholders	7 094	96.18%	89 656 306	19.07%
Retirement Benefit Funds	37	0.50%	62 541 724	13.31%
Share Schemes	2	0.03%	1 271 077	0.27%
Stockbrokers & Nominees	6	0.08%	5 468 121	1.16%
Trust	65	0.88%	27 493 736	5.85%
Unclaimed Scrip	1	0.01%	1	0.00%
	7 376	**100.00%**	**470 022 741**	**100.00%**

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	**7**	**0.09%**	**23 221 577**	**4.94%**
Directors and Associates (Direct Holding)	4	0.05%	198 081	0.04%
Directors and Associates (Indirect Holding)	1	0.01%	7 000 000	1.49%
GPI Woman's BBBEE Empowerment Trust	1	0.01%	14 814 815	3.15%
Collective Investment Schemes	1	0.01%	1 208 681	0.26%
Public shareholders	**7 369**	**99.91%**	**446 801 164**	**95.06%**
Total	**7 376**	**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	103 048 504	21.92%
Arakot	55 413 156	11.79%
Kagiso Asset Mgt	44 065 878	9.38%
GPI Mgt Services	24 000 000	5.11%
Rozendal Partners	15 975 288	3.40%
Total	**242 502 826**	**51.59%**

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	41 938 575	8.92%
Arakot	55 413 156	11.79%
Midnigt Storm Investments Pty Ltd	24 248 649	5.16%
GPI Mgt Services Pty Ltd	24 000 000	5.11%
Eskom Pension and Provident Fund	14 887 616	3.17%
Rozendal Flexible Prescient QI Hedge Fund	15 975 288	3.40%
GPI Woman's BBBEE Empowerment Trust	14 814 815	3.15%
Total	**191 278 099**	**40.70%**