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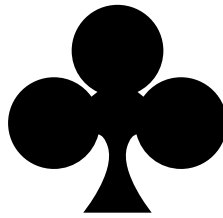
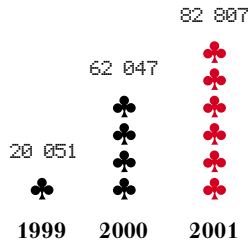
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# FINANCIAL HIGHLIGHTS

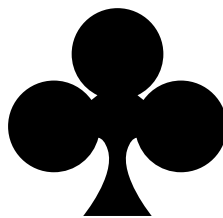
Attributable profit  
(R' 000)



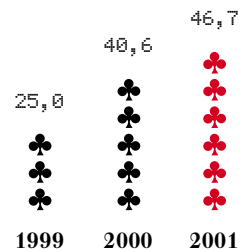
INCREASE IN ATTRIBUTABLE PROFIT OF 33.5%  
 NAV PER SHARE AT 320 CENTS  
 PROPOSED SHARE REPURCHASE AT R3,00

# FINANCIAL HIGHLIGHTS

INCREASE IN ATTRIBUTABLE PROFIT OF 33.5%  
 NAV PER SHARE AT 320 CENTS  
 PROPOSED SHARE REPURCHASE AT R3,00



Earnings per share  
(CENTS)



FINANCIAL HIGHLIGHTS





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## GROUP OBJECTIVES



*Like many of man's great achievements, our company – Gold Reef Casino Resorts – was born out of a vision. It is growing, and will continue to grow from a constantly expanding and changing vision, but certain core values will remain constant. Those values apply to each of our principal stakeholders and they are:*



We are in the business of providing good value family fun and entertainment to all who seek to visit us



We will strive at all times to enhance the quality of their experience through exceptional service and product in all spheres of our activities



We see our staff as integral to our vision. We expect from them dedication to the highest principles of quality, service and moral integrity



We offer them just reward, the best training, the opportunity to be part of a winning team, advancement corresponding to their merits and freedom to reach the highest levels regardless of sex, colour, race or creed



Our shareholders are fundamental to our existence. We shall strive to regularly achieve soundly-based earnings growth in our business, enhancing shareholder value



Gold Reef Casino Resorts is a corporate citizen of our land. We shall at all times be guided by what we perceive to be best for our company and for all our stakeholders



We shall constantly strive to be the best at what we do. To accomplish this, we shall aim to employ the best people and utilise the best technology

GROUP OBJECTIVES





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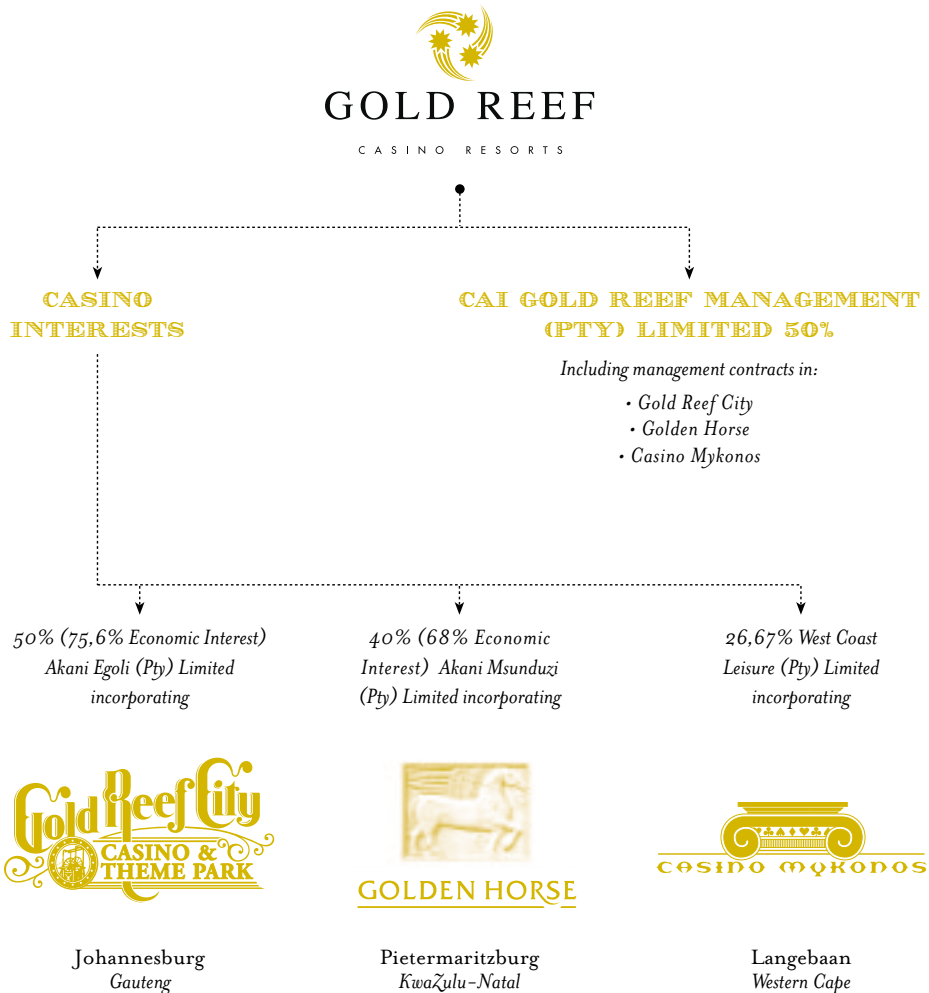
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**GROUP STRUCTURE**



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M Krok - CHAIRMAN

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**CHAIRMAN'S REPORT**

M KROK - CHAIRMAN

**T**he year 2001 was a period of considerable turmoil on the global stage. This had a sharp and significant impact on the economies of almost every country in the world. South Africa inevitably felt the shockwaves. The country's currency experienced an unprecedented decline against the major world currencies in the latter half of the year.

The casino industry did not go unscathed. The weakening of the Rand dramatically increased the cost of gaming equipment, most of which is imported. The cataclysmic political events and ensuing economic downturn reduced public confidence and further limited disposable income on a global front.

Against this background, I am pleased to report that Gold Reef Casino Resorts (GRCR) experienced another year of steady growth in most key areas. The group has largely completed its major development programmes and has not been seriously

increasing maturity and stability. This augurs well for the future.

**STRENGTHENING OF RELATIONSHIP WITH CASINOS AUSTRIA**

Subsequent to the year end, linked transactions were finalised with the Casinos Austria group which increased that company's equity stake in GRCR to approximately 17% with effect from 1 January 2002. The transactions were based on a share price of R3,00 and totalled approximately R107 million. These transactions

GOLD REEF CASINO RESORTS EXPERIENCED ANOTHER YEAR OF STEADY GROWTH

**CHAIRMAN'S REPORT**

GOLD REEF CASINO RESORTS EXPERIENCED ANOTHER YEAR OF STEADY GROWTH

affected by the spiralling costs of imported equipment. The emphasis during the year has been on building on our existing platform. In common with most of the South African gaming industry, the group is still very young and this presents us with the opportunity to review our progress and, where necessary, refine our operations.

Our results confirm that our group's involvement in the South African gaming industry has enabled us to deliver realistically sustainable growth to our shareholders. After a three year period, we see the affairs of the industry are being conducted with

are subject to the fulfilment of certain suspensive conditions. GRCR will achieve additional benefit from the transactions, increasing and consolidating its interests in Gold Reef City, Golden Horse and Casino Mykonos as well as in the management contracts of these casinos.

Casinos Austria, which administers casinos on five continents and on cruise liners, has been GRCR's operating partner since the group's inception as a gaming company in 1998. Casinos Austria enjoys a reputation as one of the world's leading gaming operators and accordingly has many opportunities and

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M KROK - CHAIRMAN

**CHAIRMAN'S REPORT**

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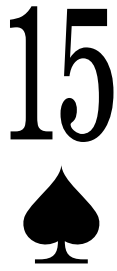
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# CHAIRMAN'S REPORT

M KROK - CHAIRMAN

resources to invest. Its increased commitment to our group is a most encouraging endorsement of our relationship and our prospects.

## PROPOSED SHARE BUY BACK

The board has resolved to recommend to shareholders that a wholly owned subsidiary of GRCR offers to purchase 8% of the shares held by GRCR shareholders at R3,00 per share. This is the price at which shares will be issued to Casinos Austria, pursuant to the transactions referred to above.

The offer by GRCR to buy back shares from shareholders will not be made to Casinos Austria in respect of the 35.6 million shares to be issued to it, pursuant to those transactions. The shares bought back will not be cancelled nor will their listing on the JSE Securities Exchange South Africa be terminated. The shares will be retained by the wholly owned subsidiary. The share buy back will be financed out of existing cash resources and cashflow. Shareholder approval for the proposed buy back

gambling. GRCR is equally aware and concerned and the group is an active participant in the National Responsible Gambling Programme which conducts well-researched educational and social programmes.

The group is particularly conscious of its corporate responsibilities in a South Africa in which poverty, disease and crime remain unacceptably high. GRCR's donation programmes will continue to be involved in helping to alleviate these problems.

## INTERNET GAMING

The group's proposed programme to invest in internet gaming has been placed on hold pending implementation of the necessary statutory authorisation in South Africa and other countries under consideration.

## LIMITED PAYOUT MACHINES (LPM'S)

With the exception of Mpumalanga province in which GRCR currently has no presence, little headway has been made by the

THE EMPHASIS DURING THE YEAR HAS BEEN ON BUILDING ON OUR EXISTING PLATFORM  
THE EMPHASIS DURING THE YEAR HAS BEEN ON BUILDING ON OUR EXISTING PLATFORM

will be sought at a general meeting. If all shareholders accept the offer in full, GRCR will buy back a total of 14 235 346 shares at a cost of R42 706 038.

## THE SOUTH AFRICAN APARTHEID MUSEUM

The Freedom Park, renamed the South African Apartheid Museum, opened on 30 November 2001 and is attracting great interest, from both local and international media, historical evaluation groups and museum followers.

The board has established this project as a Section 21 non-profit organisation with responsibility vested in a board of trustees. This should assist in the raising of money to enable the project to be self-funding.

## COMMUNITY INVOLVEMENT

Understandably, concern is frequently expressed in government and other circles over the sociological problems that can occur in impoverished communities exposed to the temptations of

relevant authorities in the establishment of the necessary structures to introduce a legal LPM industry. Until such time as the position becomes clearer, the group will not become involved in this sector.

## FUTURE DEVELOPMENTS

The group's bid for a licence to operate a casino at Welkom in the Free State is still pending, awaiting the reconstitution of the local gaming board. The application for a licence at George was unsuccessful but the group is involved in negotiations with the successful bidder. Any investment in either of these regions will not be material, as the focus is on obtaining contracts to manage these casinos.

## APPRECIATION

Our commendable results are largely due to our management, staff, customers and suppliers. I offer my thanks and appreciation to them and to my colleagues on the board for their dedication, support and advice.

M KROK - CHAIRMAN

# CHAIRMAN'S REPORT



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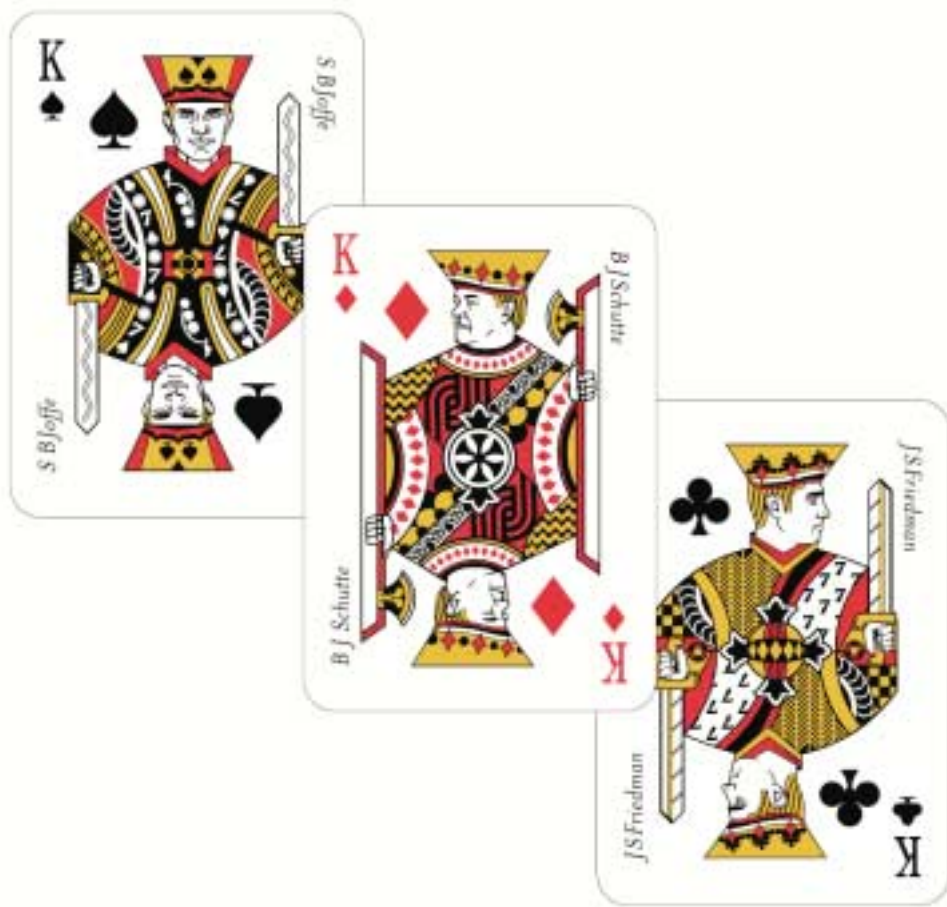




DIRECTORATE

EXECUTIVE DIRECTORS

- S B JOFFE (31) Chief Executive Officer BCom (Hons Taxation), H Dip (Company Law), CA(SA)
- B J SCHUTTE (55) Development Director & Managing Director of Gold Reef City Theme Park
- J S FRIEDMAN (29) Financial Director CA(SA)



- S B JOFFE (31) Chief Executive Officer BCom (Hons Taxation), H Dip (Company Law), CA(SA)
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## DIRECTORATE

### NON-EXECUTIVE DIRECTORS

**M KROK** (45) Chairman, BProc, LLB **A J AARON** (70) BCom, LLB  
**R J KHOZA** (52) BA (Hons), MA (Lancaster), PMD (Harvard), IMPD (Lausanne) **M Z KROK** (45)

### ALTERNATE DIRECTORS

**A KROK** (72) Dipl Pharmacy, Doctor of Humane Letters Honoris Causa  
**S KROK** (72) Doctor of Humane Letters Honoris Causa



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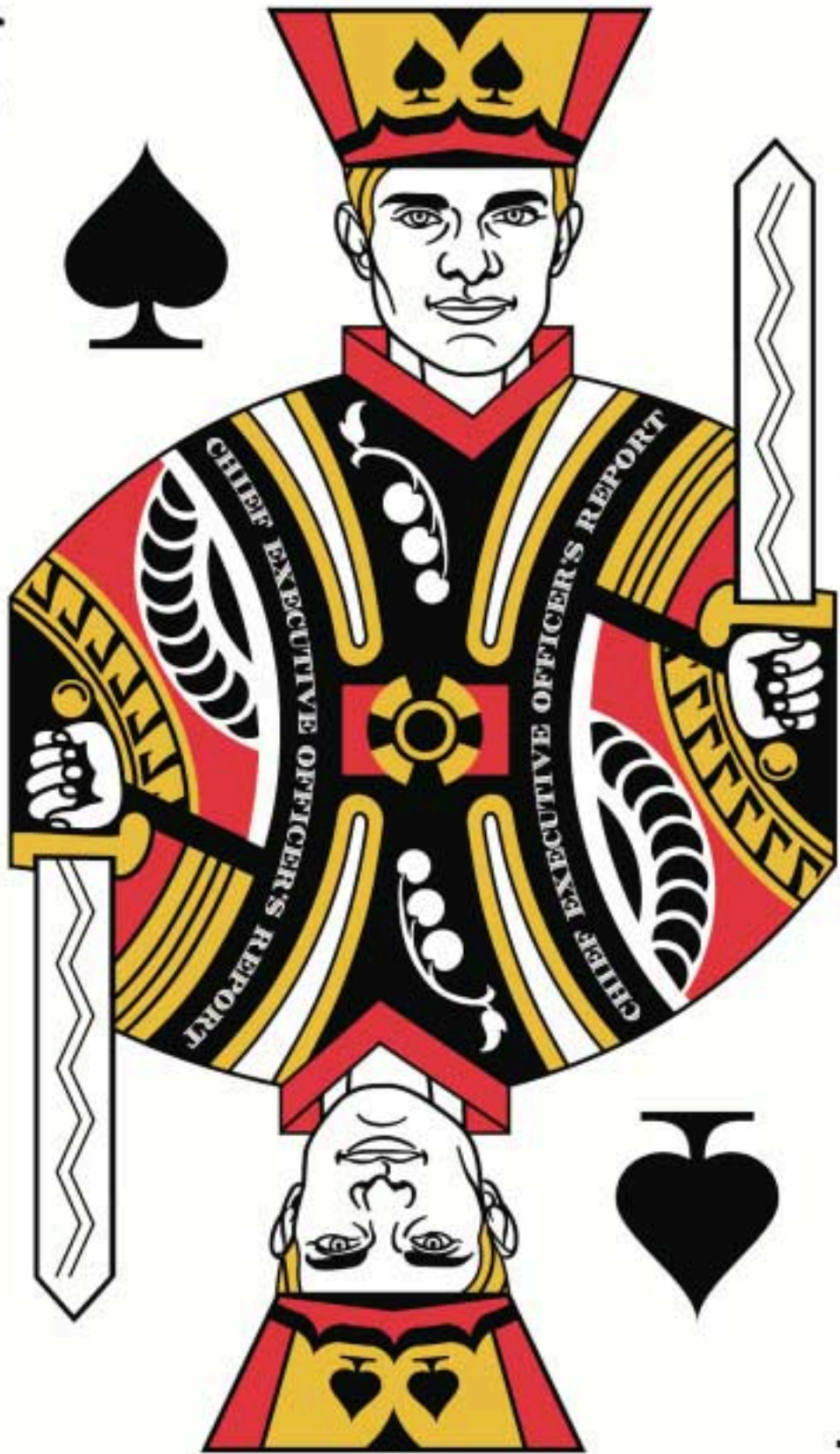
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# CHIEF EXECUTIVE OFFICER'S REPORT

S B JOFFE - CHIEF EXECUTIVE OFFICER



The year ending 31 December 2001 saw the first full year of trading by our flagship, Gold Reef City, as well as Casino Mykonos on the Cape West Coast. Golden Horse Casino in Pietermaritzburg opened in September 2001, and began contributing to the group.

The year began positively with a number of reductions in interest rates in the early part of 2001. This had the impact of increasing disposable income. The sharp decline in the Rand's exchange rate with the US dollar and other major currencies in the latter half of the year resulted in the Reserve Bank increasing interest rates and indications are that this trend may continue.

Despite increased interest rates, a maturing gaming market in Gauteng and the impact of the Wednesday lottery, the results achieved for the year are most satisfactory.

course of which the seasonal influence on performance was emphasised. A focus on reducing costs, followed by a significant growth in trading for the December holiday period, has left management with an understanding of the trends and the ability to achieve profitability.

## GOLDEN HORSE

At Pietermaritzburg, the Golden Horse Casino opened its doors on 9 September 2001. By the end of the year, most of the development had been completed.

THE RESULTS ACHIEVED FOR THE YEAR ARE MOST SATISFACTORY

# CHIEF EXECUTIVE OFFICER'S REPORT

THE RESULTS ACHIEVED FOR THE YEAR ARE MOST SATISFACTORY

## GOLD REEF CITY

During the year, the development programme at Gold Reef City was completed. Gold Reef City Theme Park continued to trade well and major developments, including the Shaft of Terror, the Big Wheel and the South African Apartheid Museum, were opened during the year.

## CASINO MYKONOS

Casino Mykonos completed its first full year of trading, in the

## RESULTS

Gold Reef City, in which GRRC holds a 50% direct investment and a 75,6% economic interest, reported further growth, notwithstanding that smoking legislation introduced during the year had an adverse affect on revenues. Separate smoking facilities only became operational in December and the impact was immediately observed. Equity accounted profits grew to R37,595 million after a tax deduction of R13,998 million. This represents a considerable improvement on last year where

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S B JOFFE - CHIEF EXECUTIVE OFFICER

# CHIEF EXECUTIVE OFFICER'S REPORT



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# CHIEF EXECUTIVE OFFICER'S REPORT

S B JOFFE - CHIEF EXECUTIVE OFFICER

## EMPHASIS WILL BE ON INCREASING THE GROUP'S MARKET SHARE

our R26,177 million share of the profits only bore a taxation charge of R2,056 million.

Despite the disappointing performance of Casino Mykonos reflected in the income statement, the company generated approximately R3 million in free cash flow, after servicing management fees and we look forward to an even better, profitable 2002.

Trading at Golden Horse started slowly, but a strong December performance was followed by encouraging results in the new year. In accordance with accounting guidelines, non-recurring, pre-opening expenses of R7,438 million have been brought to account, resulting in a net charge to GRCC's income statement of R3,840 million. The company is budgeting to make a profit in the current financial year.

companies rose by 24,5% to R35,792 million with Akani Egoli, the parent company of the Gold Reef City operation, and CAIGR accounting for the growth.

Attributable profit grew by 33,5% to R82,807 million, translating into headline earnings per share of 46,7 cents - a growth of 15,6% after an increase in the weighted average number of shares in issue of approximately 16%.

### THE YEAR AHEAD

The linked transactions with Casinos Austria, referred to in the Chairman's Statement, which significantly increase that company's direct investment in GRCC, are expected to produce meaningful benefits in the longer term, together with strong, immediate cashflows.

IN THE CURRENT YEAR, EMPHASIS WILL BE ON CONSOLIDATION, REPAYMENT OF DEBT AND INCREASING THE GROUP'S MARKET SHARE IN THE VARIOUS REGIONS IN WHICH IT OPERATES

# CHIEF EXECUTIVE OFFICER'S REPORT

IN THE CURRENT YEAR, EMPHASIS WILL BE ON CONSOLIDATION, REPAYMENT OF DEBT AND INCREASING THE GROUP'S MARKET SHARE IN THE VARIOUS REGIONS IN WHICH IT OPERATES

The opening of a new casino in Durban is not expected to have a significant impact as Golden Horse does not operate in the same target market. Most of the business stemming from the Durban area is evident on Scottsville race days.

GRCC has continued to benefit from its investment in CAI Gold Reef Management (CAIGR), the joint venture with Casinos Austria International Holding GmbH (Casinos Austria), which manages the casino operations. Bid costs of R2,928 million diluted what would have otherwise reflected better growth as these costs were not offset against CAIGR's comparative profit in 2000.

Group net profit before taxation showed a 25,2% improvement to R64,092 million. After tax, profit was up by 41,2% to R47,015 million. The group's share of profits from its associate

In the current year, emphasis will be on consolidation, repayment of debt and increasing the group's market share in the various regions in which it operates. At this early stage it would be imprudent to predict earnings for the year. However, the group has budgeted for growth, notwithstanding the Gaming Board's decision to award a sixth casino licence in Gauteng.

### APPRECIATION

In general, business conditions over the year have remained difficult. The performance of the group under these circumstances has been achieved by the joint efforts of management and staff working in close co-operation. My thanks to all for their unstinting loyalty and effort which has allowed so much to be achieved in so short a time.

EMPHASIS WILL BE ON INCREASING THE GROUP'S MARKET SHARE

S B JOFFE - CHIEF EXECUTIVE OFFICER

# CHIEF EXECUTIVE OFFICER'S REPORT



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SENIOR MANAGEMENT

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R J SEABROOK (30) Company Secretary & Group Financial Manager, CA(SA) D J APPLETON (71) General Manager - Gold Reef City Theme Park C A NEUBERGER (36) Casinos Austria Regional Manager - South Africa, MBA (Vienna) B BIYELA (31) Deputy General Manager - Gold Reef City Casino



R J SEABROOK (30) Company Secretary & Group Financial Manager, CA(SA) D J APPLETON (71) General Manager - Gold Reef City Theme Park C A NEUBERGER (36) Casinos Austria Regional Manager - South Africa, MBA (Vienna) B BIYELA (31) Deputy General Manager - Gold Reef City Casino

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EMPLOYMENT EQUITY REPORT



Gold Reef Casino Resorts, together with its partners in the operating companies in which it is a major investor and participant, is committed to the development, training and practical advancement of all its employees. Furthermore, the group is committed to the empowerment of the previously disadvantaged within the local communities insofar as it is within its capability to achieve this.

EMPLOYMENT EQUITY OBJECTIVES

Specifically, the group seeks to:

- Ensure the elimination of any discriminatory barrier or practice that inhibits an employee from enjoying the fundamental opportunities, rights, benefits and privileges accorded to any other employee within the group

FACTORS IMPACTING ON ACHIEVEMENT OF EQUITY OBJECTIVES

No major barriers to the achievement of the group's employment equity objectives have been encountered. An inhibiting factor to achieving the desired levels remains to be a shortage of available personnel fulfilling the required criteria within certain categories, both on a national and, more specifically, on a regional basis.

A BUSINESS IMPERATIVE

PROMOTE A CULTURE WHERE EMPLOYMENT EQUITY IS

EMPLOYMENT EQUITY REPORT

PROMOTE A CULTURE WHERE EMPLOYMENT EQUITY IS

A BUSINESS IMPERATIVE

- Achieve an employment status that fairly represents the demographics of the country as well as the region in which the company is located
- Promote a culture where employment equity is a business imperative that addresses any shortage of certain skilled personnel and projected management requirements of the group
- Ensure compliance with all the provisions and requirements of the Employment Equity Act

Gold Reef City Casino management has experienced problems finding adequately skilled personnel to assume senior and middle management positions, particularly from within the previously disadvantaged sector (PDI). A similar problem has been encountered at Casino Mykonos where, because of its location in an area of limited development, availability of such personnel is low, as is the ability to attract people from areas perceived as more congenial.

Gold Reef Casino Resorts, together with its partners in the operating companies in which it is a major investor and participant, is committed to the development, training and practical advancement of all its employees. Furthermore, the group is committed to the empowerment of the previously disadvantaged within the local communities insofar as it is within its capability to achieve this.



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## EMPLOYMENT EQUITY REPORT

ACHIEVE AN EMPLOYMENT STATUS THAT FAIRLY REPRESENTS THE DEMOGRAPHICS OF THE COUNTRY AS WELL AS THE REGION IN WHICH THE COMPANY IS LOCATED

All of the group's units have identified positions to be filled by the disabled in line with the group's Employment Equity Programme. Currently there are two disabled people employed at Gold Reef City Casino and one at Golden Horse Casino.

### MEASURES TO FACILITATE THE ACHIEVEMENT OF EQUITY OBJECTIVES

At Gold Reef City approximately R2 million has been budgeted for human resources development in the current financial year.

Casino Mykonos has successfully implemented their training programme. Candidates that have been identified are currently being trained with the view to have them graduate to management level by the end of 2002.

Golden Horse Casino only opened its doors in September 2001. An attempt by management has been made to avoid the problems previously experienced in the other units. They have implemented training programmes by which PDI's attend special training courses designed to accelerate their advancement to more senior positions.

THE STUDY ASSISTANCE PROGRAMME THAT WAS INTRODUCED AT THE BEGINNING OF 2001 ALREADY HAS A NUMBER OF EMPLOYEES BENEFITING FROM IT

## EMPLOYMENT EQUITY REPORT

THE STUDY ASSISTANCE PROGRAMME THAT WAS INTRODUCED AT THE BEGINNING OF 2001 ALREADY HAS A NUMBER OF EMPLOYEES BENEFITING FROM IT

A comprehensive training programme has been introduced for junior, middle and senior management by the Human Resources Development Panel pursuant to which managers will attend the Gauteng Gambling College to improve their relevant skills over a period of three years. Three PDI's were promoted to managerial positions during 2001.

At Gold Reef City Theme Park an equity plan has been designed and implemented enabling them to keep close scrutiny on the progress being made in aligning themselves with the equity objectives of the group.

The study assistance programme that was introduced at the beginning of 2001 already has a number of employees benefiting from it.

The group has an ongoing programme allowing senior casino management to attend international conferences and to be exposed to Casinos Austria's other international locations.

Employees continue to participate in a group share incentive scheme, encouraging commitment and motivation.

ACHIEVE AN EMPLOYMENT STATUS THAT FAIRLY REPRESENTS THE DEMOGRAPHICS OF THE COUNTRY AS WELL AS THE REGION IN WHICH THE COMPANY IS LOCATED

## EMPLOYMENT EQUITY REPORT



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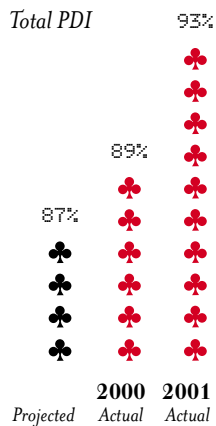
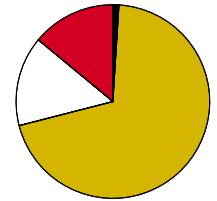


## EMPLOYMENT EQUITY REPORT

Total employees	Projected	Actual 2000	Actual 2001
Asian	2%	1%	1%
Black	67%	73%	70%
Coloured	11%	9%	15%
White	20%	17%	14%
Female	36%	38%	40%
Total PDI	87%	89%	93%
Permanent	100%	99%	100%
Temporary	-	1%	-
<b>Broken down as follows:</b>			
<b>Senior management</b>			
Asian	-	5%	4%
Black	19%	8%	10%
Coloured	14%	5%	10%
White	67%	82%	76%
Female	33%	21%	34%
<b>Middle and junior management</b>			
Asian	3%	1%	-
Black	35%	34%	35%
Coloured	11%	11%	16%
White	51%	54%	49%
Female	35%	40%	40%
<b>Supervisory</b>			
Asian	1%	2%	1%
Black	50%	49%	70%
Coloured	17%	19%	15%
White	32%	30%	14%
Female	38%	32%	39%
<b>General staff</b>			
Asian	2%	1%	1%
Black	76%	85%	77%
Coloured	10%	7%	16%
White	12%	7%	6%
Female	36%	39%	41%

Total employees

- Asian 1%
- Black 70%
- Coloured 15%
- White 14%



**CORPORATE GOVERNANCE**



Gold Reef Casino Resorts Limited endorses the King Codes of Corporate Governance and operates in broad compliance with its recommendations. The group has adopted a code of ethics which incorporates its operating, financial and behavioural policies in a set of integrated values, including the ethical standards required of employees of the group in their interaction with one another and with all stakeholders.

**FINANCIAL STATEMENTS**

The annual financial statements set out in this report have been prepared by management in accordance with South African Statements of Generally Accepted Accounting Practice. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates. The directors of the

**BOARD OF DIRECTORS**

The board of directors is unitary and is constituted with an equitable ratio of executive and non-executive directors who meet at least quarterly to evaluate performance, assess risk and review the strategic direction of the group. Board appointments are based on a required mix of skills and experience to ensure the ongoing success of the group. Non-executive directors

AND ENCOURAGES COMMUNICATION THROUGHOUT THE GROUP

THE GROUP'S CULTURE VALUES EMPLOYEE PARTICIPATION IN THE DECISION-MAKING PROCESS,

**CORPORATE GOVERNANCE**

THE GROUP'S CULTURE VALUES EMPLOYEE PARTICIPATION IN THE DECISION-MAKING PROCESS,

AND ENCOURAGES COMMUNICATION THROUGHOUT THE GROUP

company are responsible for the preparation of the annual financial statements and related financial information that fairly presents the state of affairs and the results of the company and of the group. The external auditors are responsible for independently auditing and reporting on these financial statements in conformity with generally accepted auditing standards.

provide objectivity and independence to board deliberations and internal decision-making processes. The chairman of the board is elected for a period of one year, being eligible for re-election, and is independent of the executive directors. The board is supported by various internal committees as well as having access to external consultants in executing its responsibilities. Remuneration of the board is reviewed and

Gold Reef Casino Resorts Limited endorses the King Codes of Corporate Governance and operates in broad compliance with its recommendations. The group has adopted a code of ethics which incorporates its operating, financial and behavioural policies in a set of integrated values, including the ethical standards required of employees of the group in their interaction with one another and with all stakeholders.



**CORPORATE GOVERNANCE**



**CORPORATE GOVERNANCE**

VARIOUS PROCESSES ARE IN OPERATION WHICH PROMOTE INTERACTIVE DIALOGUE

approved by an independent committee which advises the chairman of the board.

**MANAGEMENT**

Operational management is appointed by the board based on the skill and experience necessary to perform the function envisaged. Various processes are in operation which promote interactive dialogue, decision-making and independent review between group management and the executive directors.

**EMPLOYEE PARTICIPATION & SKILLS**

The group continues to support the aims and objectives of affirmative action. It supports the social and economic empowerment of previously disadvantaged individuals and communities. It also provides additional opportunities for employees at all levels to influence the success of the group.

Skills enhancement is achieved through the development and presentation of internal and external training courses and support of employees wishing to further their skills at recognised external institutions. The group’s culture values employee participation in the decision-making process, and encourages communication throughout the group. Through the staff share scheme employees are encouraged to participate in the ownership of the group.

**AUDIT COMMITTEE**

The audit committee, which is chaired by a non-executive director, A J Aaron, meets periodically with the group’s external and internal auditors and management to review accounting, auditing and financial reporting matters to ensure that an effective control environment in the group is maintained. The committee also monitors proposed changes in accounting policy, reviews the internal audit function and discusses the accounting implications of major transactions. Audit committees are also in place for Akani Egoli, Akani Msunduzi and West Coast Leisure and their reports are available to Gold Reef Casino Resorts’ audit committee on a regular basis.

**INTERNAL AUDITING**

The internal audit function is performed in all the operating companies, including Akani Egoli, Akani Msunduzi and West Coast Leisure and is designed to serve management and the board of directors through independent evaluations and examinations of the casinos’ activities and resultant business risks. The internal audit department is designed to respond to management’s needs while maintaining an appropriate degree of independence to render impartial and unbiased judgements in performing its services. The scope of the internal audit function includes compliance auditing of specific areas stipulated by the Gambling Board rules as well as assessing the adequacy of internal controls, fraud prevention, risk management and safeguarding of assets.

**INTERNAL CONTROLS**

The board of directors is responsible for the group’s systems of internal control. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements and to safeguard and maintain accountability of its assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. The controls throughout the group companies concentrate on critical risk areas. These areas are identified by operational management and are monitored by the directors of the group companies. All controls relating to the critical risk areas are closely monitored and subject to internal audit. Nothing has come to the attention of the directors to indicate that a material breakdown in the controls within the group has occurred during the year.

**GOING CONCERN**

The annual financial statements have been prepared on the going-concern basis since the directors have every reason to believe that the company and the group have adequate resources in place to continue in operation for the foreseeable future.

VARIOUS PROCESSES ARE IN OPERATION WHICH PROMOTE INTERACTIVE DIALOGUE



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF GOLD REEF CASINO RESORTS LIMITED

We have audited the annual financial statements of Gold Reef Casino Resorts Limited set out on pages 39 to 59 for the year ended 31 December 2001. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining on a test basis, evidence supporting the amounts and disclosures in the financial statements,
• assessing the accounting principles used and significant estimates made by management, and
• evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and group at 31 December 2001 and the results of their operations, changes in equity and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Handwritten signature in gold ink.

PricewaterhouseCoopers Inc
Registered Accountants and Auditors
Chartered Accountants (SA)
Sunninghill
10 May 2002

DIRECTORS' APPROVAL

The financial statements set out on pages 39 to 59 were approved by the directors on 10 May 2002 and are signed on their behalf.

Handwritten signature of S B Joffe.

S B Joffe
Chief Executive Officer

Handwritten signature of J S Friedman.

J S Friedman
Financial Director

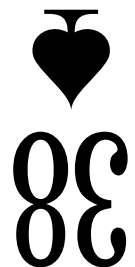
DECLARATION BY THE COMPANY SECRETARY

I declare that, to the best of my knowledge, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

Handwritten signature of R J Seabrook.

R J Seabrook
Johannesburg
10 May 2002

THE COMPANY SECRETARY
DIRECTORS' APPROVAL & DECLARATION BY







## DIRECTORS' REPORT

 The directors present their annual report, which forms part of the audited financial statements of the group for the year ended 31 December 2001.

### *Nature of business*

Gold Reef Casino Resorts Limited (GRCR) is a gaming and entertainment company. Its interests incorporate Akani Egoli (Pty) Limited, which operates Gold Reef City Casino and Theme Park, Akani Msunduzi (Pty) Limited, which operates the Golden Horse Casino and West Coast Leisure (Pty) Limited, which operates Casino Mykonos.

Gold Reef Casino Resorts also owns 50% of CAI Gold Reef Management (Pty) Limited, a joint venture with Casinos Austria to provide management to the group's own projects as well as independent operations in sub-Saharan Africa.

### *Financial results*

The group's flagship, Gold Reef City, in which GRCR holds a 50% direct investment and a 75,6% economic interest, reported further growth, notwithstanding that smoking legislation introduced during the year had an adverse affect on revenues. Separate smoking facilities only became operational in December. Equity accounted profits grew to R37,595 million after deducting taxation of R13,998 million (Taxation in 2000: R2,056 million).

Trading at Golden Horse started slowly but a strong December performance was followed by encouraging results in the new year. In accordance with accounting guidelines, non-recurring, pre-opening expenses of R7,438 million have been brought to account, resulting in a net charge to GRCR's income statement of R3,840 million. The company is budgeting to make a profit in the current financial year. The opening of a new casino in Durban is not expected to have a significant impact as Golden Horse does not attract many patrons from the Durban area.

Casino Mykonos completed its first full year of trading, emphasising the seasonal influence on performance. A focus on reducing costs, followed by a significant growth in trading for the December holiday period has left management with a good understanding of the trends and the ability to achieve profitability.

Despite the accounting losses, both Golden Horse and Casino Mykonos generated positive cashflows.

GRCR has continued to benefit from its investment in CAI Gold Reef Management (CAIGR), the joint venture with Casinos Austria International Holding GmbH (Casinos Austria), which manages all of the casino operations. Bid costs of R2,928 million (2000: nil) diluted what would have otherwise reflected better growth.

Group net profit before taxation showed a 25,2% improvement to R64,092 million. After tax profit was up by 41,2% to R47,015 million. The group's share of profits from its associate companies rose by 24,5% to R35,792 million with Akani Egoli, the parent company of the Gold Reef City operation, and CAIGR accounting for the growth.

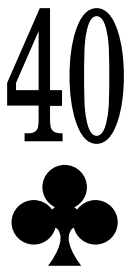
Attributable profit grew by 33,5% to R82,807 million, translating into headline earnings per share of 46,7 cents – a growth of 15,6% after an increase in the weighted average number of shares in issue of approximately 16%.

### *Review of operations*

The emphasis in the year ended 31 December 2001 for Gold Reef Casino Resorts has been on building on its existing platform. In common with most of the South African gaming industry, the group is still very young and this phase presents us with the opportunity to review our progress and, where necessary, to refine our operations.

The latter half of the year witnessed a weakening in most world economies. This, combined with certain events, adversely affected the South African gaming sector. The weaker Rand has dramatically increased the cost of gaming equipment but fortunately, GRCR had completed its major development programs and has not been seriously affected.

Nevertheless, the softening in global economies has reduced public confidence and further limited disposable income. In spite of this, growth was achieved in all important areas, including profitability.



## DIRECTORS' REPORT

During the year the development program at Gold Reef City was, to all intents and purposes, completed.

Gold Reef City Theme Park continued to trade well and major developments, including the Shaft of Terror and the Big Wheel, were completed and opened during the year.

The Freedom Park, renamed the South African Apartheid Museum, opened on 30 November 2001 and is attracting great interest, particularly from both local and international media.

At Pietermaritzburg, Golden Horse opened its doors on 9 September 2001. By year end, most of the development had been completed.

The group's bid for a licence to operate a casino at Welkom in the Free State is still pending and awaits the reconstitution of the local gaming board. The application for a licence at George was unsuccessful but the group is involved in negotiations with the successful bidder. Any investment in either of these regions will not be material with the focus being on obtaining management contracts.

### *Statement of responsibility*

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

The directors are also responsible for the company's system of internal financial control. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe

that the company has adequate resources in place to continue in operation for the foreseeable future.

### *Financial results and dividends*

The financial results of the company and group are set out in the attached financial statements.

No dividends have been declared during the year and none is recommended (2000: nil).

### *Share capital*

No share capital was issued during the year under review.

### *Directors and secretary*

The directors of the company for the year were:

M Krok\* (*Chairman*)

A J Aaron\*

J S Friedman (*Appointed 5 September 2001*)

S B Joffe

R J Khoza\*

A Krok\*\*

M Z Krok\*

S Krok\*\*

B J Schutte

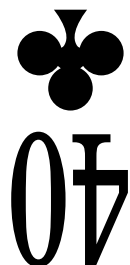
*\* Non-executive*

*\*\* Alternate*

The secretary of the company is R J Seabrook whose business and postal addresses are:

<i>Business:</i> Gold Reef City	<i>Postal:</i> Private Bag X1890
Gate 4	Gold Reef City
Northern Parkway	2159
Ormonde	
2091	

DIRECTORS' REPORT







## DIRECTORS' REPORT

### Directors' shareholding

	BENEFICIAL		NON-BENEFICIAL	
	Direct R'000	Indirect R'000	Direct R'000	Indirect R'000
A J Aaron	-	-	-	57 682 582
J S Friedman	-	-	-	46 000
S B Joffe	897 436	-	-	115 300
R J Khoza	27 500	27 500	-	-
M Krok	2 330	14 647 150*	-	43 035 432*
		356 138		
M Z Krok	55 900	8 152 377	-	43 969 291
B J Schutte	-	15 811 966	-	-

\* Included in shareholding held non-beneficially by Mr A J Aaron.

### Interests of directors and officers in contracts

Information relating to the directors' and officers' interests in contracts is set out in note 22 to the financial statements.

### Investment in subsidiaries

Information relating to the company's financial interest in its subsidiaries is set out in note 9 to the financial statements.

### Proposed share repurchase

The board has resolved to recommend to shareholders that a wholly owned subsidiary of GRCR makes an offer to all GRCR shareholders to purchase up to 8% of their shareholdings at R3,00 per share. The offer will not be made to Casinos Austria in respect of the 35,6 million shares to be issued to it, pursuant to the transaction detailed in note 23 to the financial statements. If all shareholders accept the offer in full GRCR will repurchase a total of 14 235 346 shares at a cost of R42 706 038. The share repurchase will be financed out of existing cash resources and cashflow.

Shareholder approval for the proposed repurchase will be sought at a general meeting. A circular will be posted and should be consulted for the details and financial effects of this share repurchase.

### Material events after year end

Subsequent to the financial year-end, the group concluded linked transactions with Casinos Austria, significantly increasing that company's direct investment in GRCR. This arrangement is expected to produce meaningful benefits in the longer term, along with strong, immediate cashflows. Information relating to the transaction is set out in note 23 to the financial statements. Shareholder approval for these transactions will be sought at the above mentioned general meeting.

### Auditors

PricewaterhouseCoopers Inc will continue in office in accordance with section 270(2) of the Companies Act.

DIRECTORS' REPORT





## INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	GROUP		COMPANY	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
Net operating profit	2	64 092	51 186	64 098	51 294
Taxation	5	17 077	17 881	17 077	17 875
Net profit after taxation		47 015	33 305	47 021	33 419
Share of results in associates		35 792	28 742	35 792	27 992
<i>Akani Egoli - (Gold Reef City)</i>		37 595	26 177	37 595	26 177
<i>Akani Msunduzi - (Golden Horse)</i>		(3 840)	-	(3 840)	-
<i>West Coast Leisure - (Casino Mykonos)</i>		(955)	-	(955)	(750)
<i>CAI Gold Reef Management</i>		2 992	2 565	2 992	2 565
Profit attributable to shareholders		82 807	62 047	82 813	61 411
Number of shares in issue (000)		177 262	177 262		
Weighted average number of shares in issue (000)		177 262	152 854		
<i>Earnings per share (cents)</i>	6	46.7	40.6		
<i>Headline earnings per share (cents)</i>	6	46.7	40.4		
<i>Diluted earnings per share (cents)</i>	6	46.5	40.6		









## CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### CASH FLOW FROM OPERATING ACTIVITIES

Net operating profit  
 Non-cash items and other adjustments  
 Cash flow from trading activities  
 (Increase)/decrease in working capital  
 Cash flow from operating activities  
 Net interest received  
 Taxation paid  
 Net cash generated by operating activities

### CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment  
 Investment in associates  
 Other investments  
 Net cash utilised in investing activities

### CASH FLOW FROM FINANCING ACTIVITIES

Ordinary shares issued  
 Share premium raised  
 (Advances)/repayment in loans to associates  
 Loans advanced to share incentive trust  
 Net repayment made on non-interest bearing borrowings  
 Net repayment made on amount owing to subsidiaries  
 Net cash (utilised in)/generated by financing activities  
 Net (decrease)/increase in cash and cash equivalents  
 Cash and cash equivalents at the beginning of the year  
 Cash and cash equivalents at the end of the year

Note	GROUP		COMPANY	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
21.1	64 092	51 186	64 098	51 294
21.1	(56 339)	(52 789)	(56 308)	(52 373)
	7 753	(1 603)	7 790	(1 079)
21.1	(5 093)	291	(5 089)	280
	2 660	(1 312)	2 701	(799)
	56 903	55 178	56 899	55 034
21.2	(30 949)	(15 323)	(30 949)	(13 029)
	28 614	38 543	28 651	41 206
	(177)	-	(177)	(8)
	(2 377)	(20 000)	(2 377)	(20 000)
	(2)	-	(2)	-
	(2 556)	(20 000)	(2 556)	(20 000)
	-	909	-	909
	-	98 997	-	98 997
	(56 863)	43 752	(56 863)	43 752
	-	(7 406)	-	(7 406)
	-	(92 500)	-	(92 500)
	-	-	-	(204)
	(56 863)	43 752	(56 863)	43 548
	(30 805)	62 295	(30 768)	64 746
	62 024	(271)	61 908	(2 838)
	31 219	62 024	31 140	61 908

FOR THE YEAR ENDED 31 DECEMBER 2001

## CASH FLOW STATEMENTS







## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2001

**SHARE CAPITAL**

Ordinary shares

- at the beginning of the year
- ordinary shares issued
- at the end of the year

**SHARE PREMIUM**

- at the beginning of the year
- share premium raised
- at the end of the year

**Total share capital at the end of the year****NON-DISTRIBUTABLE RESERVES**

At the beginning of the year

NDR released

At the end of the year

**RETAINED EARNINGS**

At the beginning of the year

Net income for the year

Prior year adjustment

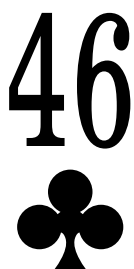
At the end of the year

Note	GROUP		COMPANY	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
20				
	3 545	2 636	3 545	2 636
	–	909	–	909
	3 545	3 545	3 545	3 545
20				
	357 340	258 343	357 340	258 343
	–	98 997	–	98 997
	357 340	357 340	357 340	357 340
	360 885	360 885	360 885	360 885
	15 885	17 650	–	–
	(1 765)	(1 765)	–	–
	14 120	15 885	–	–
	110 287	48 240	109 605	48 194
	82 807	62 047	82 813	61 411
	(750)	–	–	–
	192 344	110 287	192 418	109 605

FOR THE YEAR ENDED 31 DECEMBER 2001

## STATEMENTS OF CHANGES IN EQUITY

Gold Reef Casino Resorts Annual Report 2007



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

## 1. ACCOUNTING POLICIES

### 1.1 Basis of preparation

The group annual financial statements have been prepared using the historical cost concept, except where disclosed in the accounting policies below, and in accordance with Statements of Generally Accepted Accounting Practice and the Companies Act, 1973. The principal accounting policies of the group set out below are consistent in all material aspects with those adopted in the previous year.

In 2001 the group adopted AC 133 : Financial instruments: recognition and measurement. Further information is disclosed in the accounting policies and in the notes to the group annual financial statements.

### 1.2 Group accounting

#### 1.2.1 Subsidiary undertakings

Subsidiary undertakings, which are those entities in which the group has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

#### 1.2.2 Associate undertakings

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the group generally has between 20% and 50% of the voting rights, or over which the group has significant influence, but which it does not control. The group's investment in associated undertakings includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the group has incurred obligations or guaranteed obligations in respect of the associated undertaking.

### 1.3 Property, plant and equipment

All property, plant and equipment is included at cost. Depreciation is recorded by a charge to income computed on

a straight-line basis so as to write off the assets over their expected useful lives. The expected useful lives are as follows:

Furniture, fittings and office equipment	5 years
Computer equipment and software	3 years

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in net operating profit.

### 1.4 Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired undertaking at the date of acquisition. Goodwill on acquisitions of associated undertakings is included in investments in associated undertakings. Goodwill is amortised using the straight-line method over its estimated useful life. Goodwill is generally amortised over 10 years.

### 1.5 Investments

At 1 January 2001 the group adopted AC 133 and classified its investments into the following categories : trading, held-to-maturity and available-for-sale. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets; during the period the group did not hold any investments in trading and held-to-maturity investments. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value, whilst held-to-maturity investments are

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTES TO THE FINANCIAL STATEMENTS







## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments and of available-for-sale investments are included in the income statement in the period in which they arise.

Prior to the adoption of AC 133 the group had recorded its marketable securities at fair value.

### 1.6 Trade receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

### 1.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks, net of bank overdrafts.

### 1.8 Deferred taxation

Deferred taxation is provided, using the liability method, for all temporary differences arising between tax bases of assets and liabilities and their carrying value for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 1.9 Employee benefits

#### *Pension obligations*

The group operates a defined contribution plan. The group's contribution to the defined contribution provident plan is charged to the income statement in the period to which the contribution relates.

### 1.10 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable

that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave to the employees up to the balance sheet date. This provision has been included in payables in the balance sheet.

### 1.11 Revenue recognition

Revenues earned by the group are recognised on the following basis:

- Interest income - as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.

### 1.12 Casino licence application costs

Casino licence application costs are capitalised and amortised over the period that future economic benefits are expected to flow to the enterprise. Casino licence application costs are recognised as an expense to the extent that such expenditure is not expected to have future benefits.

### 1.13 Segmental reporting

No segmental information has been provided as the group operates in one segment only.

### 1.14 Financial instruments

The group adopted AC 133 - Financial Instruments: Recognition and Measurement, at 1 January 2001. The financial effect of adopting AC 133 is displayed in note 18.

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTES TO THE FINANCIAL STATEMENTS





## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 2. NET OPERATING PROFIT

The following items have been charged/credited in arriving at net operating profit:

Depreciation on property, plant and equipment

- owned

Amortisation of intangible assets

- goodwill on associates

NDR released

Auditors' remuneration

- audit fees: current year
- other services

### 3. STAFF COSTS

Wages and salaries

Pension costs - defined contribution plan

Average weekly number of persons employed by the group during the year:

- Full time (individuals)
- Part time (individuals)

### 4. FINANCE COSTS

Interest income

- bank
- other investments

Interest expense

- bank loans and overdrafts

Net finance income

### 5. TAXATION

Current tax

Deferred tax

The tax on the company's and group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

Standard rate

Adjusted for:

Exempt income

Non-deductible expenses

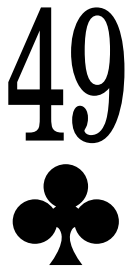
GROUP		COMPANY	
2001 R '000	2000 R '000	2001 R '000	2000 R '000
91	54	91	54
1 738	1 500	-	-
(1 765)	(1 765)	-	-
124	78	88	44
77	163	80	156
201	241	168	200
2 294	2 074	2 294	2 074
151	134	151	134
2 445	2 208	2 445	2 208
8	6	8	6
-	1	-	1
6 239	5 553	6 235	5 553
54 952	55 652	54 952	55 508
61 191	61 205	61 187	61 061
4 288	6 027	4 288	6 027
56 903	55 178	56 899	55 034
17 188	17 881	17 188	17 875
(111)	-	(111)	-
17 077	17 881	17 077	17 875
30%	30%	30%	30%
(5.3%)	(1.5%)	(5.3%)	0.0%
2.1%	6.4%	2.1%	4.8%
26.8%	34.9%	26.8%	34.8%

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTES TO THE FINANCIAL STATEMENTS







**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2001

**6. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year.

**Basic earnings per share**

Profit attributable to shareholders (R'000)  
 Weighted average number of ordinary shares in issue (000)  
 Total number of ordinary shares in issue (000)  
 Basic earnings per share (cents)

**Diluted earnings per share**

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The company has only 1 category of dilutive potential ordinary shares:

Shares to be issued to the promoters of Golden Horse Casino, equal to 680 000 ordinary Gold Reef Casino Resorts Limited shares at R3,00 per share.

Profit attributable to shareholders (R'000)  
 Weighted average number of ordinary shares in issue (000)  
 Adjusted for:  
 Shares to be issued to Promoters

Diluted earnings per share (cents)

**Headline earnings per share**

Profit attributable to shareholders  
 Amortisation of goodwill  
 NDR realised

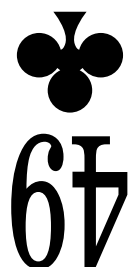
Headline earnings per share (cents)

GROUP	
2001 R'000	2000 R'000
82 807	62 047
177 262	152 854
177 262	177 262
46.7	40.6
82 807	62 047
177 262	152 854
680	-
177 942	152 854
46.5	40.6

Profit before tax R'000	Taxation R'000	Headline 2001 R'000	Headline 2000 R'000
99 884	(17 077)	82 807	62 047
1 738	-	1 738	1 500
(1 765)	-	(1 765)	(1 765)
99 857	(17 077)	82 780	61 782
		46.7	40.4

**7. DIVIDENDS PER SHARE**

No dividends were declared during the year.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 8. PROPERTY, PLANT AND EQUIPMENT

Net opening book value as at 1 January 2000  
 Additions  
 Disposals  
 Depreciation  
 Net closing book value as at 31 December 2000  
 Additions  
 Disposals  
 Depreciation  
 Net closing book value as at 31 December 2001

#### At 31 December 2000

Cost  
 Accumulated depreciation  
 Net book value

#### At 31 December 2001

Cost  
 Accumulated depreciation  
 Net book value

	Furniture, Fittings and Office Equipment	Computer Equipment and Software	Total
Net opening book value as at 1 January 2000	117	39	156
Additions	-	7	7
Disposals	-	(7)	(7)
Depreciation	(32)	(22)	(54)
Net closing book value as at 31 December 2000	85	17	102
Additions	-	177	177
Disposals	-	-	-
Depreciation	(30)	(61)	(91)
Net closing book value as at 31 December 2001	55	133	188
<b>At 31 December 2000</b>			
Cost	158	39	197
Accumulated depreciation	(73)	(22)	(95)
Net book value	85	17	102
<b>At 31 December 2001</b>			
Cost	158	216	374
Accumulated depreciation	(103)	(83)	(186)
Net book value	55	133	188

### 9. PRINCIPAL SUBSIDIARY UNDERTAKINGS

Shares at cost  
 Indebtedness to subsidiaries  
 Total  
 Aggregate attributable after tax losses of subsidiaries

COMPANY	
2001 R' 000	2000 R' 000
1	1
(17 294)	(17 294)
(17 293)	(17 293)
33	378

Name	Country of incorporation	Listed/Unlisted	% Holdings
Cullinan Hotel and Leisure Group	South Africa	Unlisted	100%
Supermarket Leaseback	South Africa	Unlisted	100%



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 10. INVESTMENT IN ASSOCIATES

Investment in associates  
Share of results in associates  
At the end of the year  
Loans to associates

	GROUP		COMPANY	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
Investment in associates	90 446	61 815	93 684	63 315
Share of results in associates	35 792	28 742	35 792	27 992
At the end of the year	126 238	90 557	129 476	91 307
Loans to associates	411 958	355 095	411 958	355 095
	538 196	445 652	541 434	446 402
Investments in associated undertakings at 31 December 2001 included goodwill of R14 138 450, net of accumulated amortisation of R3 237 550 (2000: R13 499 550, net of accumulated amortisation of R1 499 950)				
<b>Reconciliation</b>				
Balance at the beginning of the year	445 652	442 162	446 402	442 162
Adjustment to opening balance	(750)	-	-	-
Investment in associates	2 377	20 000	2 377	20 000
Share of results in associates	35 792	28 742	35 792	27 992
Loans raised/(repaid) during the year	56 863	(43 752)	56 863	(43 752)
Goodwill written off	(1 738)	(1 500)	-	-
Closing carrying value	538 196	445 652	541 434	446 402
<i>Closing carrying value is broken down as follows:</i>				
Akani Egoli	409 100	396 369	409 100	396 369
Akani Msunduzi	99 702	19 554	99 940	19 554
West Coast Leisure	6 837	8 514	6 837	7 764
CAI Gold Reef Management	22 557	21 215	25 557	22 715
Closing carrying value	538 196	445 652	541 434	446 402
<i>The loans to associates are made up as follows:</i>				
Akani Egoli <sup>(1)</sup>	302 013	326 877	302 013	326 877
Akani Msunduzi <sup>(2)</sup>	101 403	19 554	101 403	19 554
West Coast Leisure <sup>(3)</sup>	8 542	8 514	8 542	8 514
CAI Gold Reef Management <sup>(4)</sup>	-	150	-	150
	411 958	355 095	411 958	355 095

- (1) The loan to Akani Egoli bears interest at prime for the first R294 000 000, thereafter at prime plus 2%  
(2) The loan to Akani Msunduzi bears interest at prime for the first R88 000 000, thereafter at prime plus 2%  
(3) The loan to West Coast Leisure is interest free  
(4) The loan to CAI Gold Reef Management is interest free

The directors value the shares in associates at their carrying value in the financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTES TO THE FINANCIAL STATEMENTS



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 10. INVESTMENT IN ASSOCIATES (CONTINUED)

The following information relates to the company's interest in its associates:

Name	Number of shares held	Proportion owned	Economic interest	Nature of business
Akani Egoli (Pty) Limited	50 000	50.00%	75.60%	Gaming and entertainment
Akani Msunduzi (Pty) Limited	40	40.00%	68.00%	Gaming and entertainment
West Coast Leisure (Pty) Limited	26 667	26.67%	26.67%	Gaming and entertainment
CAI Gold Reef Management (Pty) Limited	50	50.00%	50.00%	Management of casino interests

*Note: No value has been placed on the casino licences currently held by Akani Egoli (Pty) Ltd, Akani Msunduzi (Pty) Ltd and West Coast Leisure (Pty) Ltd.  
All companies are incorporated in the Republic of South Africa.*

The trading results of the associate companies whose results are equity accounted in the financial statements are as follows:

Revenue	545 249	412 548
Earnings before interest, taxation, depreciation and amortisation	218 968	173 064
Total associate companies' retained income for the year	46 485	39 755

	GROUP	
	2001 R '000	2000 R '000
Property, plant and equipment	1 035 073	811 513
Intangible assets	26 359	11 777
Deferred taxation	5 261	-
Cash	32 173	15 862
Total assets	1 098 866	839 152
Long term liabilities	(397 550)	(325 950)
Shareholders' loans	(503 465)	(405 507)
Net current liabilities*	(84 678)	(43 726)
Deferred taxation	(7 994)	(5 307)
Total shareholders' funds	105 179	58 662

The aggregate balance sheets of associates are summarised as follows:

Property, plant and equipment	1 035 073	811 513
Intangible assets	26 359	11 777
Deferred taxation	5 261	-
Cash	32 173	15 862
Total assets	1 098 866	839 152
Long term liabilities	(397 550)	(325 950)
Shareholders' loans	(503 465)	(405 507)
Net current liabilities*	(84 678)	(43 726)
Deferred taxation	(7 994)	(5 307)
Total shareholders' funds	105 179	58 662

\* Net current liabilities excludes cash and includes the current portion of long term liabilities



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2001

**11. AVAILABLE-FOR-SALE INVESTMENTS**

At the beginning of the year  
Disposals  
Additions  
Fair value adjustments  
At the end of the year

GROUP		COMPANY	
2001 R'000	2000 R'000	2001 R'000	2000 R'000
500	3 100	500	3 100
-	-	-	-
2	-	2	-
(500)	(2 600)	(500)	(2 600)
2	500	2	500

Available-for-sale investments are fair valued annually at the close of business on 31 December 2001.

For investments traded in active markets, fair value is determined by reference to the JSE Securities Exchange SA quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments.

Available-for-sale investments are classified as non-current assets unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital. All investments held at 31 December 2001 were non-current.

The following represents the group's breakdown of available-for-sale investments:

Name	Number of shares held	Market value/ Directors' valuation	Nature of business
Afribrand Limited *	14 442 888	-	Food Distribution
Sekunjalo Health Care Limited	500 000	-	Healthcare
Akani Leisure Investments (Pty) Ltd **	13 600	136	Investment Holding
Akani Egoli Management (Pty) Ltd	372	372	Management of Gold Reef City Casino
Akani Leisure Msunduzi Investments (Pty) Ltd **	800	800	Investment Holding
Akani Msunduzi Management (Pty) Ltd	359	359	Management of Golden Horse Casino

\* During 2001 Afribrand Limited was placed in liquidation and its shares suspended on the JSE Securities Exchange SA. The carrying value of this investment had been written down to nil in prior years.

\*\* The shareholding in these companies comprises preference shares only.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 12. LOAN TO SHARE INCENTIVE TRUST

Loan to Share Scheme

During the prior year, the Gold Reef Share Scheme was established. 5 925 000 shares were issued to the scheme for R7 406 250.

The weighted average interest rate on the loan to the share incentive trust was:

### 13. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principle tax rate of 30% (2000: 30%)

At the beginning of the year  
Income statement credit

At the end of the year

The deferred tax asset has arisen due to a timing difference on the provision for leave pay.  
No other timing differences exist.

### 14. RECEIVABLES AND PREPAYMENTS

Trade receivables  
Other receivables

The company and the group have no significant concentration of credit risk.

### 15. CASH AND CASH EQUIVALENTS

Cash at bank  
Cash on hand

For the purpose of the cash flow statement the year end cash and cash equivalents comprise the following:

Bank Balances  
Cash on hand  
Bank overdrafts

	GROUP		COMPANY	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
	7 406	7 406	7 406	7 406
	0%	0%	0%	0%
	-	-	-	-
	111	-	111	-
	111	-	111	-
	1 039	2 461	1 020	2 379
	101	-	35	-
	1 140	2 461	1 055	2 379
	45 800	97 461	45 721	97 386
	1	1	1	1
	45 801	97 462	45 722	97 387
	45 800	97 461	45 721	97 386
	1	1	1	1
	(14 582)	(35 438)	(14 582)	(35 479)
	31 219	62 024	31 140	61 908

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTES TO THE FINANCIAL STATEMENTS

Gold Reef Casino Resorts Annual Report 2001

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2001

**16. PROVISIONS***Group and Company*

At 31 December 2000  
Utilised during the year  
Unused amounts reversed

At 31 December 2001

Provision for debt restructuring	Total
6 818	6 818
(250)	(250)
(6 568)	(6 568)
-	-

**Restructuring**

In the prior year a decision was taken by the board to restructure the group's debt. A merchant bank was approached to assist management with the restructuring. During 2001 the board resolved not to continue with the restructuring as the proposed structure was regarded as too tax aggressive.

**17. PAYABLES**

Trade payables  
Accrued expenses  
Interest rate swaps (Note 18)  
Other payables

GROUP		COMPANY	
2001 R'000	2000 R'000	2001 R'000	2000 R'000
215	2 553	218	2 555
770	3 581	770	3 581
3 557	-	3 557	-
2 257	261	2 081	85
6 799	6 395	6 626	6 221

**18. FINANCIAL INSTRUMENTS**

The Group adopted AC 133 at 1 January 2001. In accordance with AC 133, the comparative financial statements for the year ended 31 December 2000 are not restated.

**Objectives and significant terms and conditions**

In order to manage the risks arising from fluctuations in interest rates, the company and the group make use of the following derivative financial instruments:

**Interest rate swaps**

The company has entered into an interest rate swap contract that entitles it to receive interest at a variable rate on a notional principal amount and obliges it to pay interest at a fixed rate on the same amount. The interest rate swap allows the group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if they borrowed at fixed rates directly.

Under the interest rate swap, the company agrees with the other party to exchange, at specific intervals (quarterly), the difference between the fixed rate interest amount and the floating rate interest amount, calculated by reference to the agreed notional principal amount. At 31 December 2001, the fixed interest rate was 10.7% and the floating rate was 9.395%.

FOR THE YEAR ENDED 31 DECEMBER 2001

**NOTES TO THE FINANCIAL STATEMENTS**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 18. FINANCIAL INSTRUMENTS (CONTINUED)

The following terms and notional principal amount of the outstanding interest rate swap contract at 31 December 2001 was:

Less than 1 year

#### Net fair values

The net fair value of the company's derivative financial instrument at the balance sheet date was:

Unfavourable interest rate swap contract

The fair value of the interest rate swap has been calculated (using rates quoted by the group's bankers) to terminate the contract at the balance sheet date.

#### Credit risk

The company and group did not have any significant concentration of credit risk. Derivative instruments are entered into and cash is placed with substantial financial institutions. The credit exposure of derivatives are represented by the net fair value of the contracts, as disclosed above.

#### Fair values

The carrying amounts of the following financial liabilities approximate their fair value:

Cash, investments, trade receivables and payables, other receivables and payables, loans to associates and short term borrowings. Information on the fair values of interest rate swaps have been included above.

#### Available-for-sale investments: amounts reported in the income statement

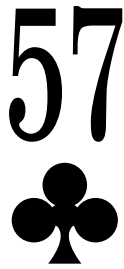
Fair value losses

GROUP		COMPANY	
2001 R'000	2000 R'000	2001 R'000	2000 R'000
400 000	-	400 000	-
3 557	-	3 557	-
500	2 600	500	2 600

### 19. CONTINGENCIES

The company has bound itself as surety for its associates Akani Egoli (Pty) Ltd, Akani Msunduzi (Pty) Ltd and West Coast Leisure (Pty) Ltd to their bankers for 100%, 40% and 26,67% of their exposure respectively. The contingent liability under these sureties amounted to R351 932 000 (2000: R323 723 000).





## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 20. SHARE CAPITAL

At 1 January 2000

Issue of shares

- Issue for the purchase of Gold Reef City Theme Park
- Issue to the share incentive trust

At 31 December 2000

Issue of shares

- No shares were issued during 2001

At 31 December 2001

The total authorised number of ordinary shares is 590 000 000 (2000: 590 000 000) with a par value of 2 cents per share (2000: 2 cents per share). All issued shares are fully paid up.

Number of shares	Ordinary shares	Share Premium	Total
(000)	R'000	R'000	R'000
131 807	2 636	258 343	260 979
39 530	791	91 709	92 500
5 925	118	7 288	7 406
177 262	3 545	357 340	360 885
-	-	-	-
177 262	3 545	357 340	360 885

### 21. CASH FLOW INFORMATION

#### 21.1 Net operating profit

Adjusted for:

Non-cash items

- Net interest received
- Depreciation
- Fixed assets scrapped at book value
- Goodwill written off
- NDR realised
- Other non-cash flow items

(Increase)/decrease in working capital

- Decrease/(increase) in receivables
- (Decrease)/increase in payables and provisions

GROUP		COMPANY	
2001	2000	2001	2000
R'000	R'000	R'000	R'000
64 092	51 186	64 098	51 294
(56 339)	(52 789)	(56 308)	(52 373)
(56 903)	(55 178)	(56 899)	(55 034)
91	54	91	54
-	-	-	7
1 738	1 500	-	-
(1 765)	(1 765)	-	-
500	2 600	500	2 600
(5 093)	291	(5 089)	280
1 321	(423)	1 324	(351)
(6 414)	714	(6 413)	631
2 660	(1 312)	2 701	(799)
(17 875)	(15 317)	(17 875)	(13 029)
(17 188)	(17 881)	(17 188)	(17 875)
4 114	17 875	4 114	17 875
(30 949)	(15 323)	(30 949)	(13 029)

#### 21.2 Taxation paid

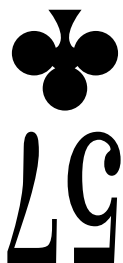
Tax liability at the beginning of the year

Current taxation

Tax liability at the end of the year

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTES TO THE FINANCIAL STATEMENTS





## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 22. RELATED PARTY TRANSACTIONS

The following transactions were carried out with the following related parties:

#### 22.1 Purchase of goods

Empire Amusement Parks

Empire Amusement Parks is owned by the Krok and Schutte families in equal proportions. BJ Schutte, S Krok, A Krok, M Krok and MZ Krok are all directors of Gold Reef Casino Resorts Limited.

A management fee is paid to Empire Amusement Parks for services rendered in the performance of the management of Gold Reef City Theme Park (Pty) Ltd. This transaction was carried out on commercial terms and conditions and was approved by the board.

#### 22.2 Loans from related parties

##### *Loan from Cullinan Hotel and Leisure Group*

Balance at the beginning of the year

Repayment of loan during the year

Balance at the end of the year

After acquisition, Cullinan Hotel and Leisure Group advanced a loan to Gold Reef Casino Resorts. The loan was written off against the investment once Cullinan Hotel and Leisure Group had disposed of a large portion of its asset base.

#### 22.3 Directors' remuneration

A listing of members of the board of directors is shown on page 40 of the annual report.

##### *Executive Directors*

Salaries

Provident fund contributions

Performance bonuses

Other services

##### *Non-executive directors*

Fees

Other services

GROUP	
2001 R'000	2000 R'000
765	-
17 294	17 498
-	(204)
17 294	17 294
894	600
63	76
628	345
80	-
1 665	1 021
122	84
140	-
262	84
1 927	1 105

No directors have service contracts with a notice period in excess of one year.

No directors have service contracts containing predetermined compensation for termination of service exceeding one year's salary and benefits.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

**22. RELATED PARTY TRANSACTIONS (CONTINUED)****22.4 Loans to associated undertakings**

Refer to Note 10 for the detail of the loans to associated undertakings.

**22.5 Share options granted to directors**

No share options were granted to the directors of the company during the year, except for those issued out of the Gold Reef Share Scheme.

In the prior year, 5 925 000 shares were issued to the Gold Reef Share Scheme.

**22.6 Commitments and contingencies**

The company has bound itself as surety for its associates Akani Egoli (Pty) Ltd, Akani Msunduzi (Pty) Ltd and West Coast Leisure (Pty) Ltd to their bankers for 100%, 40% and 26,67% of their exposure respectively. The contingent liability under these sureties amounted to R351 932 000 (2000: R323 723 000).

**23. POST BALANCE SHEET EVENT**

On 7 March 2002, the group announced its intention to introduce Casinos Austria as a significant, strategic shareholder in Gold Reef Casino Resorts Limited, with effect from 1 January 2002, through a combination of the acquisition of Casinos Austria's South African assets and a specific issue of ordinary shares for cash.

**Details of the transaction:**

Casinos Austria will subscribe for 35 600 000 GRRCR ordinary shares at R3,00 per share.

The subscription consideration payable by Casinos Austria will be discharged through a cash payment of R6 000 000 and the transfer of Casinos Austria's South African assets to GRRCR, as set out below:

- 11,9% of the issued preference share capital of Akani Leisure Investments (Pty) Limited (ALI), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an economic interest of 4,16% in

Akani Egoli (Pty) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI, for R23 503 291;

- 10% of the issued ordinary share capital of Akani Msunduzi (Pty) Limited (AM), (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM for R8 906 662;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Pty) Limited (ALM), a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent to an economic interest of 28% in AM) and all claims which Casinos Austria may have against ALM for R11 735 595;
- 26,66% of the issued ordinary share capital of West Coast Leisure (Pty) Limited (WCL) (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL for R8 153 124;
- 50% of the issued ordinary share capital of CAI Gold Reef Management (Pty) Limited (CAI Gold Reef), and all claims which Casinos Austria may have against CAI Gold Reef, including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse Casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract) for R48 501 326;
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Pty) Limited for R1,00; and
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Msunduzi Management (Pty) Limited for R1,00.

A detailed circular, including the proposed, resultant group structure and financial effects as well as all conditions precedent will be posted to all shareholders.



**SUBSIDIARIES, ASSOCIATES AND  
OTHER INVESTMENTS**

	Effective Holding		Investment In Shares		Net Indebtedness	
	2001 %	2000 %	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>Subsidiaries</b>						
Cullinan Hotel and Leisure Group*	100	100	1	1	(17 294)	(17 294)
Supermarket Leaseback (Pty) Limited*	100	100	♣	♣	-	-
Dolphin Leather Craft (Pty) Limited**	-	51	-	♣	-	-
			1	1	(17 294)	(17 294)

♣ Amounts less than R1 000

\* Dormant or non-trading

\*\* Liquidated during the year. Dolphin Leather Craft's carrying value had been written down to R1,00 in a prior period.

Detailed information in respect of subsidiaries as required in terms of paragraph 62 of the 4th schedule of the Companies Act, 1973 (as amended) is set out only in respect of those subsidiaries, the financial position or results of which are material for a proper appreciation of the affairs of the group. It is considered that to disclose the information in respect of the remaining subsidiaries would entail expense out of proportion to the benefit of the members. However, detailed information in respect of all shareholdings is available at the registered office.

	Effective Holding		Investment In Shares		Net Indebtedness	
	2001 %	2000 %	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>Associates</b>						
Akani Egoli (Pty) Limited	50.00	50.00	107 087	69 492	302 013	326 877
Akani Msunduzi (Pty) Limited	40.00	38.00	(1 701)	-	101 403	19 554
West Coast Leisure (Pty) Limited	26.67	26.67	(1 705)	-	8 542	8 514
CAI Gold Reef Management (Pty) Limited	50.00	50.00	22 557	21 065	-	150
			126 238	90 557	411 958	355 095

**OTHER INVESTMENTS  
SUBSIDIARIES, ASSOCIATES AND**

**SUBSIDIARIES, ASSOCIATES AND  
OTHER INVESTMENTS**

	Effective Holding		Group Carrying Amount		Company Cost	
	2001 %	2000 %	2001 R' 000	2000 R' 000	2001 R' 000	2000 R' 000
<b>Investments</b>						
Afribrand Limited*	-	3.2	-	-	17 538	17 538
Sekunjalo Health Care Limited	0.5	0.5	-	500	500	500
Akani Leisure Investments (Pty) Limited**	73.1	73.1	♣	♣	♣	♣
Akani Egoli Management (Pty) Limited	35.0	35.0	♣	♣	♣	♣
Akani Leisure Msunduzi Investments (Pty) Limited**	80.0	-	♣	-	♣	-
Akani Msunduzi Management (Pty) Limited*	36.0	-	♣	-	♣	-
			2	500	18 040	18 038

♣ Amounts less than R1 000

\* During 2001 Afribrand Limited was placed in liquidation and its shares suspended on the JSE Securities Exchange SA. The carrying value of this investment had been written down to nil in prior years.

\*\* The shareholding in these companies comprises preference shares only.

**SUBSIDIARIES, ASSOCIATES AND  
OTHER INVESTMENTS**



## ANALYSIS OF SHAREHOLDERS

AT 31 DECEMBER 2001

Portfolio size	Number of shareholders	Number of shares	Percentage of ordinary share capital
1 - 1 000	362	95 371	0.05%
1 001 - 10 000	176	586 749	0.33%
10 001 - 100 000	24	900 134	0.51%
100 001 - and over	14	175 679 576	99.11%
<b>Total</b>	<b>576</b>	<b>177 261 830</b>	<b>100.00%</b>
<b>Classifications</b>			
Individuals	528	8 253 791	4.66%
Public companies	3	29 050	0.02%
Private companies	10	100 058 160	56.44%
Nominee companies or trusts	10	598 200	0.34%
CSD Dematerialised Control Account	1	66 122 669	37.30%
Other (less than 1%)	24	2 199 960	1.24%
	<b>576</b>	<b>177 261 830</b>	<b>100.00%</b>
An analysis of directors' shareholdings appears on page 41.			
The following are the only shareholders holding 1% or more of the ordinary shares in Gold Reef Casino Resorts at 31 December 2001:			
Twintech Holdings (Pty) Limited		52 609 282	29.68%
Consolidated Rand Parts (Pty) Limited		47 048 368	26.54%
PLJ Financial Services Limited		15 860 013	8.95%
SE Nominees (Pty) Limited		10 653 780	6.01%
SCMB Custody Account		10 317 433	5.82%
NIB Securities (Pty) Limited		7 899 651	4.46%
Gold Reef Share Scheme		5 925 000	3.34%
ABSA Nominees (Pty) Limited		3 620 453	2.04%
Hampton Securities (Pty) Limited		2 856 783	1.61%
Old Mutual Main Account		2 759 068	1.56%
Ferbros Nominees (Pty) Limited		2 617 979	1.48%
First National Nominees (Pty) Limited		1 965 100	1.11%

A list of all the shareholders is available to the public at the registered office of the company.

## ANALYSIS OF STOCK EXCHANGE PERFORMANCE

Number of shares traded (000)	12 517
Shares traded as a percentage of listed shares in issue at 31 December 2001 (%)	7.06
Highest price traded (cents)	280
Lowest price traded (cents)	155
Closing market price at 31 December 2001 (cents)	240

AT 31 DECEMBER 2001

## ANALYSIS OF SHAREHOLDERS







## NOTICE OF ANNUAL GENERAL MEETING & SHAREHOLDERS' DIARY

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Gold Reef Casino Resorts Limited will be held at the offices of Gold Reef City on Thursday, 20 June 2002 at 09:00 for the purpose of considering and, if deemed fit, of adopting, with or without modification, the following resolutions:

#### *As ordinary resolutions*

- To receive and adopt the annual financial statements of the company and the group for the year ended 31 December 2001.
- To appoint directors in place of A J Aaron, J S Friedman and R J Khoza who retire at the annual general meeting in accordance with the company's articles of association but, being eligible, offer themselves for re-election.
- To re-appoint the auditors, PricewaterhouseCoopers Inc.
- To resolve that the entire authorised but unissued share capital of the company be placed under the control of the directors of the company until the forthcoming annual general meeting, with the authority to allot and issue all or part thereof in their discretion, subject to sections 221 and 222 of the Companies Act, 1973, as amended and the listing requirements of the JSE Securities Exchange South Africa (JSE).
- To resolve that, pursuant to the articles of association of the company, the directors of the company be and are hereby authorised until the forthcoming annual general meeting of the company (whereupon this authority shall lapse, unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of this meeting), to allot and issue ordinary shares for cash subject to the listing requirements of the JSE and the Companies Act, 61 of 1973, on the following basis:
  - a) the allotment and issue of ordinary shares for cash shall be made only to persons qualifying as public shareholders as defined in the listing requirements of the JSE and not to related parties;
  - b) the number of ordinary shares issued for cash shall not in the aggregate in any one financial year of the company exceed 15% of the company's issued ordinary shares. The number of ordinary shares which may be issued for

cash shall be based on the number of ordinary shares in issue at the date of the application, less any ordinary shares issued by the company during the current financial year, provided that any ordinary shares to be issued for cash pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were shares in issue at the date of application;

- c) the maximum discount at which ordinary shares may be issued for cash is 10% of the weighted average traded price on the JSE of those ordinary shares over 30 days prior to the date that the price of the issue is determined by the directors of the company ; and
- d) after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per share of the company.

#### *As special resolutions*

- To resolve that the company approves, as a general approval contemplated in section 85 (2) and 85(3) of the Companies Act, 61 of 1973, as amended (the Companies Act), the acquisition by the company of shares issued by the company, on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of the Companies Act and the listing requirements of the JSE, which general approval shall endure until the forthcoming annual general meeting of the company (whereupon this approval shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of registration of this special resolution), subject to the following limitations:
  - a) the repurchase of securities is implemented on the open market of the JSE;
  - b) the general repurchase is limited to a maximum of 20% of the company's issued share capital in any one financial year; and
  - c) the repurchase is not made at a price greater than 10%

## SHAREHOLDERS' DIARY & NOTICE OF ANNUAL GENERAL MEETING



**NOTICE OF ANNUAL GENERAL MEETING & SHAREHOLDERS' DIARY**

above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was agreed.

The reason for and effect of this special resolution is to authorise the company, by way of general approval, to acquire its own issued shares on terms and conditions and in amounts to be determined by the directors of the company, subject to certain statutory provisions and the listing requirements of the JSE.

- To resolve that the company approves, as a general approval, the acquisition by a subsidiary of the company of shares issued by the company on such terms and conditions and in such amounts as the directors of the company and directors of the subsidiary may decide, but subject always to the provisions of the Companies Act and the listing requirements of the JSE, which general approval shall endure until the forthcoming annual general meeting of the company (whereupon this approval shall lapse, unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of registration of this special resolution), subject to the following limitations:
  - a) the repurchase of securities is implemented on the open market of the JSE;
  - b) the general repurchase is limited to a maximum of 10% of the company's issued share capital at the time the authority is granted; and
  - c) the repurchase is not made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was agreed.

The reason for and effect of this special resolution is to authorise the subsidiaries of the company, by way of general approval, to acquire issued shares in the company on terms and conditions and in amounts to be determined by the directors of the company, subject to certain statutory provisions and the listing requirements of the JSE.

The directors of Gold Reef Casino Resorts Limited have no specific intention to acquire any of the company's securities under the general approval, a position which will continually be re-examined having regard to prevailing circumstances.

The directors of Gold Reef Casino Resorts Limited are of the opinion, after considering the effects of the maximum repurchase of 20% of Gold Reef Casino Resorts Limited's issued share capital, that:

- Gold Reef Casino Resorts Limited would be able, in the ordinary course of business, to repay its debts;
- the consolidated assets of Gold Reef Casino Resorts Limited, fairly valued in accordance with Generally Accepted Accounting Practice, would be in excess of Gold Reef Casino Resorts Limited's consolidated liabilities;
- Gold Reef Casino Resorts Limited's ordinary share capital and reserves would be adequate; and
- Gold Reef Casino Resorts Limited's working capital would be adequate,

for a period of 12 months after the date of this notice.

To transact such other business as may be transacted at an annual general meeting.

A member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and, on a poll, to vote in his stead. The proxy need not be a member of the company.

Proxy forms must be lodged at the company's transfer secretaries' offices not less than 48 hours before the time of the meeting.

By order of the board

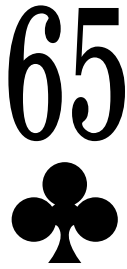


R J Seabrook  
Johannesburg  
10 May 2002

**SHAREHOLDERS' DIARY**

Year-end	31 December 2001
Annual general meeting	20 June 2002
<i>Reports published</i>	
• Interim for six months to June	September 2002
• Preliminary announcement of annual results	March 2002
• Annual financial statements	May 2002

**NOTICE OF ANNUAL GENERAL MEETING & SHAREHOLDERS' DIARY**



**FORM OF PROXY**

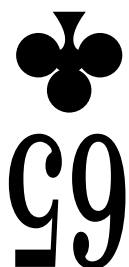
Form of proxy for annual general meeting on Thursday, 20 June 2002 at 09:00.

**Gold Reef Casino Resorts Limited**

Registration number 1989/002108/06

I/We	of			
being a holder/s of	ordinary shares of 2 cents each,			
do hereby appoint	of			
or failing him/her	of			
or failing them, the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the company to be held on Thursday, 20 June 2002 at 09:00 and at any adjournment thereof.				
Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.				
		<b>For</b>	<b>Against</b>	<b>Abstain</b>
<i>As ordinary resolutions</i>				
• To receive and adopt the annual financial statements of the company and the group for the year ended 31 December 2001.				
• To appoint directors in place of A J Aaron, J S Friedman and R J Khoza who retire at the annual general meeting in accordance with the company's articles of association but, being eligible, offer themselves for re-election.				
• To re-appoint the auditors, PricewaterhouseCoopers Inc.				
• To resolve that the entire authorised but unissued share capital of the company be placed under the control of the directors of the company until the forthcoming annual general meeting, with the authority to allot and issue all or part thereof in their discretion, subject to sections 221 and 222 of the Companies Act, 1973, as amended and the listing requirements of the JSE Securities Exchange South Africa (JSE).				
• To resolve that, pursuant to the articles of association of the company, the directors of the company be and are hereby authorised until the forthcoming annual general meeting of the company (whereupon this authority shall lapse, unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of this meeting), to allot and issue ordinary shares for cash subject to the listing requirements of the JSE and the Companies Act, 61 of 1973, on the following basis:				
a) the allotment and issue of ordinary shares for cash shall be made only to persons qualifying as public shareholders as defined in the listing requirements of the JSE and not to related parties;				
b) the number of ordinary shares issued for cash shall not in the aggregate in any one financial year of the company exceed 15% of the company's issued ordinary shares. The number of ordinary shares which may be issued for cash shall be based on the number of ordinary shares in issue at the date of the application, less any ordinary shares issued by the company during the current financial year, provided that any ordinary shares to be issued for cash pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were shares in issue at the date of application;				
c) the maximum discount at which ordinary shares may be issued for cash is 10% of the weighted average traded price on the JSE of those ordinary shares over 30 days prior to the date that the price of the issue is determined by the directors of the company ; and				
d) after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per share of the company.				

**FORM OF PROXY**







## FORM OF PROXY

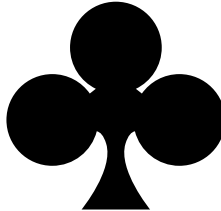
	For	Against	Abstain
<i>As special resolutions</i>			
<ul style="list-style-type: none"> <li>To resolve that the company approves, as a general approval contemplated in section 85 (2) and 85(3) of the Companies Act, 61 of 1973, as amended (the Companies Act), the acquisition by the company of shares issued by the company, on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of the Companies Act and the listing requirements of the JSE, which general approval shall endure until the forthcoming annual general meeting of the company (whereupon this approval shall lapse unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of registration of this special resolution), subject to the following limitations:               <ul style="list-style-type: none"> <li>a) the repurchase of securities is implemented on the open market of the JSE;</li> <li>b) the general repurchase is limited to a maximum of 20% of the company's issued share capital in any one financial year; and</li> <li>c) the repurchase is not made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was agreed.</li> </ul> </li> </ul> <p>The reason for and effect of this special resolution is to authorise the company, by way of general approval, to acquire its own issued shares on terms and conditions and in amounts to be determined by the directors of the company, subject to certain statutory provisions and the listing requirements of the JSE.</p>			
<ul style="list-style-type: none"> <li>To resolve that the company approves, as a general approval, the acquisition by a subsidiary of the company of shares issued by the company on such terms and conditions and in such amounts as the directors of the company and directors of the subsidiary may decide, but subject always to the provisions of the Companies Act and the listing requirements of the JSE, which general approval shall endure until the forthcoming annual general meeting of the company (whereupon this approval shall lapse, unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months of the date of registration of this special resolution), subject to the following limitations:               <ul style="list-style-type: none"> <li>a) the repurchase of securities is implemented on the open market of the JSE;</li> <li>b) the general repurchase is limited to a maximum of 10% of the company's issued share capital at the time the authority is granted; and</li> <li>c) the repurchase is not made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was agreed.</li> </ul> </li> </ul> <p>The reason for and effect of this special resolution is to authorise the subsidiaries of the company, by way of general approval, to acquire issued shares in the company on terms and conditions and in amounts to be determined by the directors of the company, subject to certain statutory provisions and the listing requirements of the JSE.</p>			
To transact such other business as may be transacted at an annual general meeting.			
Signature	Date		

A member entitled to attend, speak and vote is entitled to appoint a proxy/ies to attend, speak and, on a poll, vote in his/her stead, and such proxy need not also be a member of the company.

CORPORATE INFORMATION

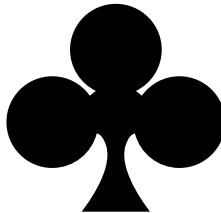
*Company secretary and registered office*

R J Seabrook  
Gold Reef City  
Gate 4  
Northern Parkway  
Ormonde 2091  
*(Private Bag X1890, Gold Reef City 2159)*



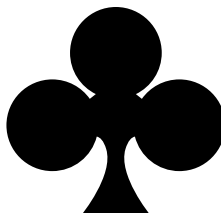
*Investment bank*

Nedcor Investment Bank Limited  
1 Newtown Avenue  
Killarney  
Johannesburg 2193  
*(PO Box 582, Johannesburg 2000)*



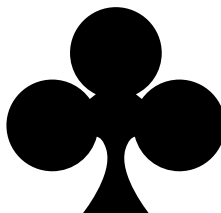
*Attorneys*

Werksmans Inc.  
155 5<sup>th</sup> Street  
Sandown  
Sandton 2196  
*(Private Bag 10015, Sandton 2146)*



*Corporate advisors*

Edward Nathan & Friedland Inc.  
4<sup>th</sup> Floor  
The Forum  
2 Maude Street  
Sandown 2196  
*(PO Box 783347, Sandton 2146)*



*Auditors*

PricewaterhouseCoopers Inc.  
Registered accountants and auditors  
Chartered Accountants (SA)  
2 Eglin Road  
Sunninghill  
*(Private Bag X36, Sunninghill 2157)*

*Transfer secretaries*

Computershare Services Limited  
10<sup>th</sup> Floor  
11 Diagonal Street  
Johannesburg 2001  
*(PO Box 1053, Johannesburg 2000)*

*Commercial bankers*

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100 Main Street  
Johannesburg  
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*(PO Box 1144, Johannesburg 2000)*

*Sponsor*

Nedcor Investment Bank Limited  
1 Newtown Avenue  
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Johannesburg 2193  
*(PO Box 582, Johannesburg 2000)*

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