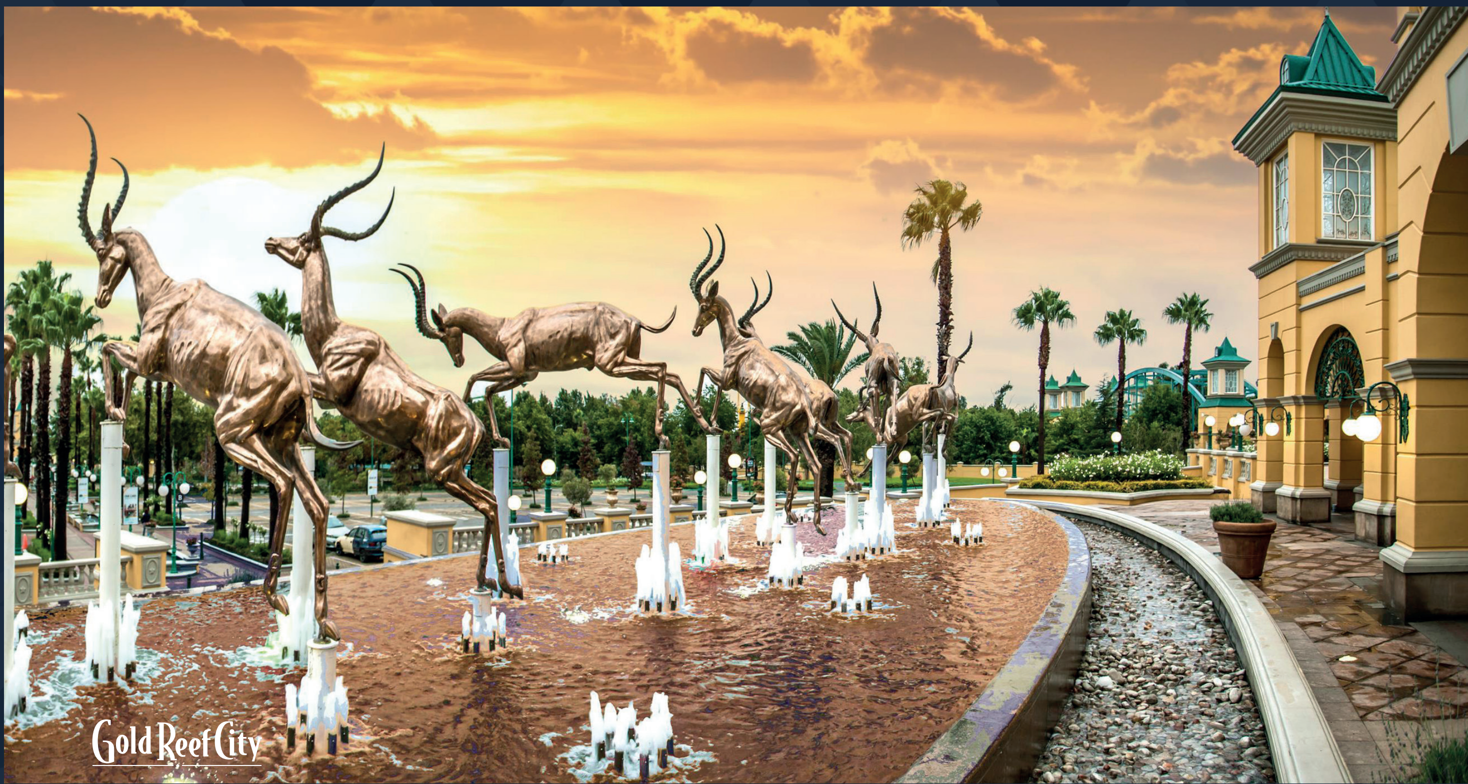
COMPANY ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



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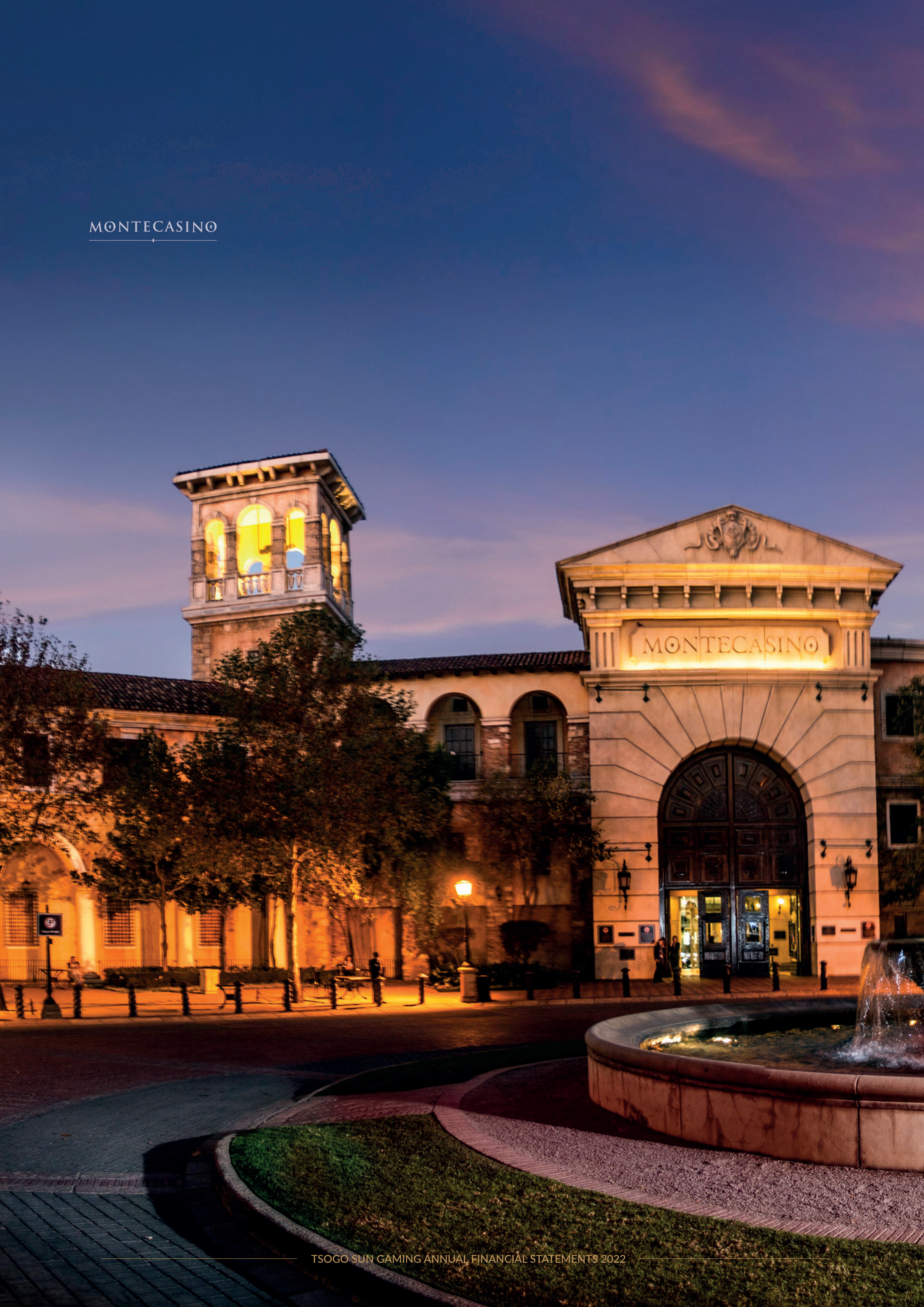
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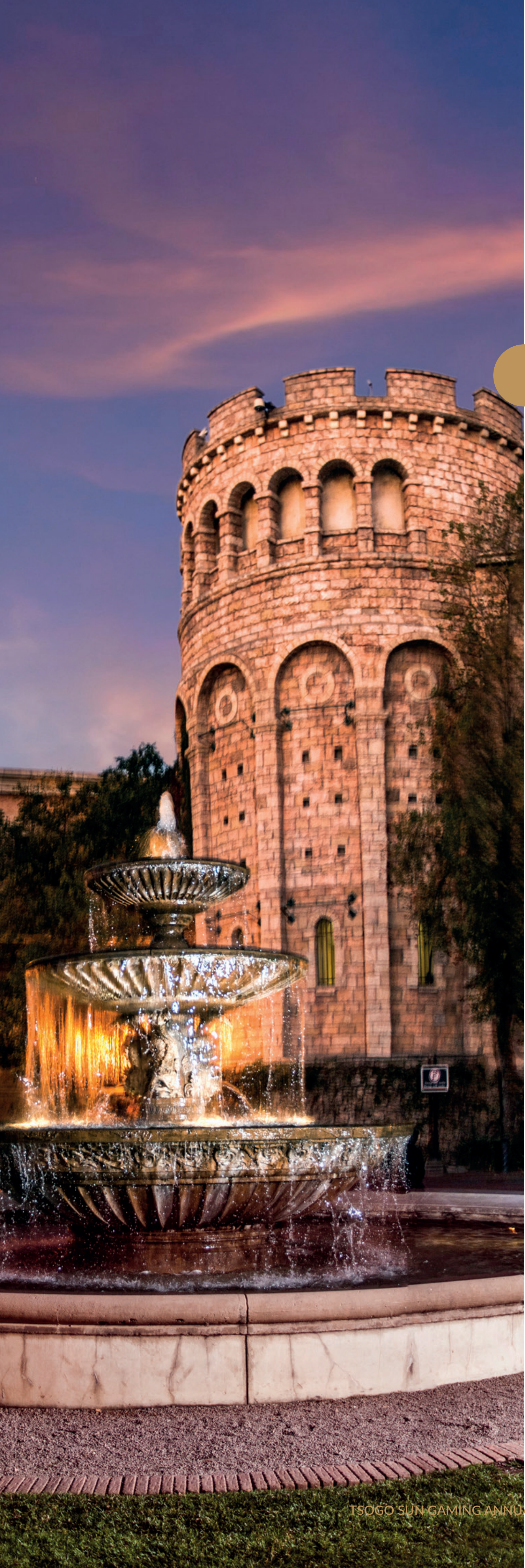

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for the year ended 31 March 2022

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Statement of responsibility by the board of directors

for the year ended 31 March 2022

The company's directors are required by the Companies Act of South Africa, 71 of 2008, as amended, to maintain adequate accounting records and to prepare financial statements for each financial year that fairly present the state of affairs of the company at the end of the financial year and of the results of operations and cash flows for the year. In preparing the accompanying financial statements, the Listings Requirements of the Johannesburg Stock Exchange, together with International Financial Reporting Standards ("IFRS") have been followed, suitable accounting policies have been used, applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes to accounting policies are approved by the board of directors and the effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure.

The board recognises and acknowledges its responsibility for the company's systems of internal financial control. The company's policy on business conduct, which covers ethical behaviour, compliance with legislation and sound accounting practice, underpins its internal financial control process. The control systems include written accounting and control policies and procedures, clearly defined lines of accountability and delegation of authority, and comprehensive financial reporting and analysis against approved budgets. The responsibility for operating these systems is delegated by the directors who confirm that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable, but not absolute, assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded. The directors are also responsible for the controls over, and the security of the company's website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to the company's shareholders and to the Companies and Intellectual Property Commission.

The directors considered the going concern status of the company taking into account the current financial position and their best estimate of the cash flow forecasts. The cash flow and liquidity projections for the company have been prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors consider the going concern method to be appropriate for the presentation of the financial statements. Refer to note 3(b) *Critical accounting estimates and judgements – Going concern* in the notes to the financial statements.

The company's independent auditors, PricewaterhouseCoopers Inc., have audited the financial statements and their unqualified report appears on pages 07 to 09. PricewaterhouseCoopers Inc. was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

Directors' approval of the financial statements

for the year ended 31 March 2022

The preparation of the financial statements set out on pages 01 to 38 has been supervised by the Chief Financial Officer, G Lunga CA(SA). These financial statements were approved by the board of directors on 29 July 2022 and are signed on its behalf by:

CG du Toit
Chief Executive Officer

G Lunga
Chief Financial Officer

Chief Executive Officer and Chief Financial Officer responsibility statement

for the year ended 31 March 2022

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

- the annual financial statements, set out on pages 01 to 38, fairly present in all material respects the financial position, financial performance and cash flows of Tsogo Sun Gaming Limited in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to Tsogo Sun Gaming Limited have been provided to effectively prepare the financial statements of Tsogo Sun Gaming Limited;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

CG du Toit
Chief Executive Officer

G Lunga
Chief Financial Officer

29 July 2022

Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act of South Africa, 71 of 2008, as amended ("the Act"), we confirm that for the year ended 31 March 2022, Tsogo Sun Gaming Limited has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Act and that all such returns and notices are true, correct and up to date.

Tsogo Sun Casino Management Company Proprietary Limited
Company Secretary

29 July 2022

Report of the audit and risk committee

for the year ended 31 March 2022

COMMITTEE MANDATE AND TERMS OF REFERENCE

In terms of the Companies Act of South Africa, 71 of 2008, as amended ("the Act"), the committee reports that it has adopted formal terms of reference, and that it has discharged all of its responsibilities for the year in compliance with the terms of reference.

STATUTORY DUTIES

The committee is satisfied that in respect of the financial year it has performed all the functions required by law to be performed by an audit and risk committee, including as set out in section 94 of the Act and in terms of the committee's terms of reference and as set out in the corporate governance report. In this connection, and with specific regard to the preparation of the annual financial statements, the committee has:

- Evaluated the independence and effectiveness of the external auditors, PricewaterhouseCoopers Inc., and is satisfied that the external auditors are independent of the company having given due consideration to the parameters enumerated under section 92 of the Act. The committee evaluated and is satisfied that both the audit firm and the individual auditor are suitable for appointment, as contemplated in terms of paragraph 22.15(h) of the Listings Requirements of the Johannesburg Stock Exchange ("JSE"). The committee accordingly nominates PricewaterhouseCoopers Inc. as independent auditors to continue in office until the next annual general meeting. Mr S Murugen is the individual registered auditor and member of the aforementioned firm who undertakes the audit. PricewaterhouseCoopers Inc. has been the auditors of the company for 53 years, with the rotation of the designated audit partner during 2019;
- Ensured and satisfied itself that the appointments of the external auditors, the designated auditor and IFRS adviser are in compliance with the Act, the Auditing Profession Act, 2005 and the Listings Requirements of the JSE;
- Evaluated and is satisfied with the quality of the external audit and reports issued by the external auditors;
- Considered and pre-approved all audit and non-audit services provided by the external auditors, ensuring that the independence of the external auditors is not compromised;
- Reviewed and assessed the company's risk identification, measurement and control systems and their implementation;
- Reviewed and approved the company accounting policies;
- Considered all significant transactions and accounting matters that occurred during the year and evaluated whether the accounting treatment is in terms of IFRS;
- Considered the impact of auditing, regulatory and accounting developments during the year, particularly the implications of new, revised or amended accounting pronouncements as issued by the IASB which were effective for the company from 1 April 2022;
- Evaluated and is satisfied with the implementation of the combined assurance framework and plan;
- Considered and evaluated the company's assessment of the CEO and CFO responsibility statement as required by the Listings Requirements of the JSE;
- The audit and risk committee was kept updated on how the company was monitoring the debt covenants;
- Evaluated and is satisfied with the effectiveness of the outsourced internal audit function;
- Considered the reappointment of the outsourced internal audit service provider and is satisfied with their independence and ability to effectively complete the internal audit plan; and
- Reviewed the written assessment of internal audit on the design, implementation and effectiveness of the internal financial controls, in addition to the findings noted by the external auditors during the course of their annual audit in support of their annual audit opinion. Based on these results, the committee is of the opinion that the internal financial controls provide reasonable assurance that financial records may be relied upon for the preparation of reliable annual financial statements.

COMPETENCE OF THE CHIEF FINANCIAL OFFICER

The committee has also considered and satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer, Mr G Lunga, and the finance function.

RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the annual financial statements of Tsogo Sun Gaming Limited for the year ended 31 March 2022 and based on the information provided to the committee, the committee recommends the adoption of the annual financial statements by the board.

F Mall
Chairperson: Audit and risk committee

29 July 2022

Directors' report

for the year ended 31 March 2022

1 NATURE OF BUSINESS

The company is a South African incorporated public company listed on the Johannesburg Stock Exchange ("JSE") engaged principally in the gaming, entertainment and hospitality industry operating in South Africa, with registration number 1989/002108/06. There have been no material changes in the nature of the company's business from the prior year.

2 STATE OF AFFAIRS AND PROFIT FOR THE YEAR

The financial results of the company for the year are set out in the financial statements and accompanying notes thereto. The company profit after tax for the year under review from operations amounted to R2 168 million (2021: R3 536 million). The directors have noted their consideration to the going concern status of the company, taking into account the current financial position and their best estimate of the cash flow forecasts, in the directors' approval to the accompanying financial statements for the year ended 31 March 2022. Refer also to note 3(b) *Critical accounting estimates and judgements – Going concern* in the financial statements. Consolidated financial statements have been prepared and are publicly available on the company's website, www.tsogosungaming.com, and at the registered office of the company.

3 SOLVENCY AND LIQUIDITY TEST

The payments of future dividends will depend on the directors' ongoing assessment of the company's earnings, financial position, cash needs, future earnings prospects and other future factors.

Before declaring dividends, the directors apply the solvency and liquidity test and assess whether the company would satisfy the solvency and liquidity test immediately after payment of said dividend.

4 DIVIDENDS

The board has decided to postpone its decision of the possible declaration of a dividend in respect of the year ended 31 March 2022, until the board meeting to be held in August 2022.

5 DIRECTORATE

The directorate during the year under review was as follows:

Executive

CG du Toit (CEO)	
G Lunga (CFO)	Appointed as CFO and to the board of directors 1 October 2021
A Hoyer (CFO)	Resigned 30 September 2021

Non-executive

JA Copelyn[(1)] (Chairperson)
Y Shaik[(1) (3)]

Independent non-executive

BA Mabuza[(1) (2) (3)] (Lead Independent)
MJA Golding
F Mall[(2)]
VE Mphande[(1) (3)]
RD Watson[(1) (2) (3)]

[(1)] *HR and remuneration committee*
[(2)] *Audit and risk committee*
[(3)] *Social and ethics committee*

6 DIRECTORS' EMOLUMENTS

Refer to note 27 in the financial statements for details of the directors' emoluments.

7 COMPANY SECRETARY

The Company Secretary is Tsogo Sun Casino Management Company Proprietary Limited, the business and postal addresses are as follows:

Business address	**Postal address**
Palazzo Towers East	Private Bag X200
Montecasino Boulevard, Fourways, 2191	Bryanston, 2021

The board has considered the competence, qualifications and experience of the employees of the Company Secretary, Tsogo Sun Casino Management Company Proprietary Limited, who perform the company secretarial services on its behalf, and are satisfied that such employees are suitably competent, qualified, experienced and independent, and have adequately and effectively performed the roles and duties of a company secretary. None of the employees of the Company Secretary are directors of the company.

8 AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act of South Africa, 71 of 2008, as amended ("the Act"), until the forthcoming annual general meeting ("AGM").

9 CONTROLLING SHAREHOLDER AND SHAREHOLDER ANALYSIS

The company's ultimate controlling shareholder is Hosken Consolidated Investments Limited ("HCI") (a company listed on the JSE) which, at the balance sheet date, directly and indirectly owned 49.7% (2021: 49.7%) of the company's issued share capital (excluding treasury shares). Refer to note 27 *Related parties* and the shareholder analysis in the financial statements for further detail.

10 SHARE CAPITAL

There was no change to the company's share capital during the year under review. Refer to note 19 *Ordinary share capital and premium* in the financial statements for further detail.

The company's authorised but unissued ordinary share capital was placed under the control of the directors until the forthcoming AGM. The board has the authority to allot and issue any shares required to be issued for the purpose of carrying out the terms in accordance with the provisions of any share-based incentive scheme established by the company subject to section 38 of the Act and the Listings Requirements of the JSE, during the period of two years commencing on the date of the adoption of the special resolution, dated 1 December 2021. The board of directors has also been given, in terms of the Listings Requirements of the JSE, the authority to acquire ordinary shares issued by the company and shall be valid until the company's next AGM, or 15 months from the date of the passing of this special resolution, whichever period is the shorter. The board of directors has been authorised to determine the preferential rights attaching to the future issue of preference shares (subject to the approval of the JSE).

11 SUBSIDIARIES

Refer to note 12 in the financial statements for details of subsidiaries.

12 EVENTS AFTER THE REPORTING PERIOD

Refer to note 31 in the financial statements for events occurring after the balance sheet date. The directors are not aware of any other matter or circumstance arising since the end of the financial year and up to the date of these financial statements, not otherwise dealt with within the financial statements, that would affect the operations or results of the company significantly.

13 APPOINTMENT OF DEBT OFFICER

In terms of the Debt Listings Requirements of the JSE, Egbert Loubser, the Company Treasurer, was appointed as the company's debt officer with effect from 1 November 2020. The board has considered, and is satisfied with, the competence, qualifications and experience of the Debt Officer.

Independent auditor's report

To the Shareholders of Tsogo Sun Gaming Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Tsogo Sun Gaming Limited (the Company) as at 31 March 2022, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Tsogo Sun Gaming Limited's separate financial statements set out on pages 10 to 37 comprise:

- the separate balance sheet as at 31 March 2022;
- the separate income statement for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. This matter was addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	***How our audit addressed the key audit matter***
Impairment considerations as they relate to investments in subsidiaries *Investments in subsidiaries represent a substantial portion of the total assets of the Company. The Company recognised a reversal of previously recognised impairment losses of R2.1 billion in relation to its investments in subsidiaries for the year ended 31 March 2022.* *The gaming, entertainment and hospitality industry has continued to be negatively impacted by the COVID-19 pandemic in the current financial year. The industry continued to trade under regulatory restrictions imposed through government lockdown levels.* *The Company's subsidiaries continued to trade under capacity limitations during the last quarter of the financial year, however, managed to achieve improved results when compared to the prior year.* *In determining the recoverable amounts of the respective Investments in subsidiaries, management based their recoverable amount calculation on the higher of the 'value in use' and 'fair value less cost of disposal' calculated for each investment. Management applied a risk-adjusted discount rate to determine the discounted cash flow analysis for each of the investments, being the individual subsidiaries.* *Significant judgement and estimation were applied by management when performing these calculations to determine whether any impairment or impairment reversal thereof is required. The key assumptions and unobservable inputs applied in the valuation models for the subsidiaries are disclosed in note 12 to the separate financial statements.* *Impairment considerations as they relate to investment in subsidiaries was considered to be a matter of most significance to the current year audit due to the following:* • *the significant judgement and estimation applied by management in their assumptions; and* • *the magnitude of the impairment reversal recognised as well as the magnitude of the carrying values of investments in subsidiaries in relation to the separate financial statements.* *These matters are disclosed in the following notes to the separate financial statements:* • *Note 12: Investment in subsidiaries; and* • *Note 3: Critical accounting estimates and judgements (d), Estimated impairment of investments in subsidiaries.*	*Our audit addressed this key audit matter as follows:* *Management's cash flow forecasts used in their impairment models were agreed to the latest director approved five-year strategic plan. No material exceptions were noted.* *For those subsidiaries that contribute more than 5% to Tsogo Sun Gaming Limited group revenue, we assessed the reasonableness of the budgeting process adopted in deriving the five-year strategic plan, by comparing the current year actual results to the 2022 financial year figures included in the prior year forecast to consider whether the forecasts included assumptions that, with hindsight, had been optimistic. We found management's cash flow forecasts to be within an acceptable range consistent with the historical actual results and obtained corroboration from management where the budgeted numbers significantly differed from actuals.* *We assessed the reasonableness of the impacts of COVID-19 that were incorporated by management into their cash flow forecasts by evaluating management's net gaming win forecasts against the actual historic net gaming win for each subsidiary. We considered management's determined net gaming win forecasts to be reasonable based on these procedures.* *We assessed the reasonableness of the cash outflows used in the discounted cash flow analysis through discussions with management to understand the basis for the assumptions used in respect of cash outflows and corroborated their explanations against historic performance as well as other strategic initiatives implemented by management. We assessed the cash outflows to be reasonable.* *We utilised our valuation expertise to independently calculate a discount rate taking into account independently obtained data such as the cost of debt, risk free rates in the market, market risk premiums adjusted for specific risks relating to the relevant subsidiaries, debt/equity ratios as well as the beta of comparable companies. This was compared to the discount rates used by management. We further applied these independently sourced and calculated inputs to management's forecasts and compared the recoverable amount of each subsidiary to the results of our independent calculations. We found management's valuation to be within an acceptable range of our independent calculations.* *Making use of our valuations expertise, the reasonableness of the terminal growth rate was assessed by comparing the terminal growth rates to long-term growth rates obtained from independent sources. The growth rates used by management were accepted as comparable.* *We tested the mathematical accuracy of the discounted cash flow model and made use of our valuations expertise to assess the discounted cash flow model's compliance with market practice and the applicable requirements of IAS 36. We did not note any aspect which required further consideration.* *We assessed the reasonableness of the discount rates, long-term growth rates and forecasted cash flows by performing a sensitivity analysis to determine the impact that a change in discount rates, long-term growth rates and forecast cash flows would have on the discounted cash flow analysis and the resultant recoverable amount. We compared the results of our sensitivity analysis to management's impairment results in order to identify those subsidiaries considered sensitive to a change in assumptions for disclosure purposes. We did not note any aspect requiring further consideration.*

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled *"Company Annual Financial Statements for the year ended 31 March 2022 Tsogo Sun Gaming"*; the document titled *"Consolidated Annual Financial Statements for the year ended 31 March 2022 Tsogo Sun Gaming"* and the document titled *"Tsogo Sun Gaming Integrated Annual Report 2022"*, which includes the Directors' Report, the Report of the audit and risk committee and the Declaration by the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

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

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

Auditor's responsibilities for the audit of the separate financial statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Tsogo Sun Gaming Limited for 53 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Murugen
Registered Auditor
Johannesburg, South Africa

29 July 2022

Income statement

for the year ended 31 March

	Notes	2022 R'000	2021 R'000
Revenue	4	**10 880**	7 950
Remeasurement of loss allowance on loans to subsidiaries	5	**12 569**	215 033
Impairment reversal of non-current assets	6	**2 102 720**	2 779 527
Other operating credits, net of expenses	7	**44 937**	536 896
Operating profit		**2 171 106**	3 539 406
Finance income	8	**331 981**	331 315
Finance costs	9	**(330 871)**	(333 114)
Profit before income tax		**2 172 216**	3 537 607
Income tax expense	10	**(3 893)**	(1 325)
Profit for the year		**2 168 323**	3 536 282
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)	11	**207.2**	337.9

The statement of comprehensive income has not been presented as there were no movements in the current and prior years of other comprehensive income.

The accounting policies and notes on pages 14 to 37 form an integral part of these financial statements.

Balance sheet

as at 31 March

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	12	**18 041 692**	15 934 538
Non-current receivables	13	**4 730**	5 593
Deferred income tax asset	14	**1 952**	3 038
		18 048 374	15 943 169
Current assets			
Loans to subsidiaries	15	**5 524 080**	6 023 043
Trade and other receivables	16	**–**	2
Current income tax receivable		**–**	403
Cash and cash equivalents	17	**4 212**	4 142
		5 528 292	6 027 590
Assets classified as held for sale	18	**–**	1 850
Total current assets		**5 528 292**	6 029 440
Total assets		**23 576 666**	21 972 609
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium	19	**17 452 853**	17 452 853
Accumulated loss		**(6 455 932)**	(8 624 255)
Total equity		**10 996 921**	8 828 598
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	20	**4 550 000**	5 800 000
Current liabilities			
Interest-bearing borrowings	20	**991 470**	253 292
Financial guarantees	21	**87 255**	126 413
Trade and other payables	22	**1 011**	1 023
Loans from subsidiaries	23	**6 948 517**	6 961 816
Current tax payable		**25**	–
Dividends payable		**1 467**	1 467
		8 029 745	7 344 011
Total liabilities		**12 579 745**	13 144 011
Total equity and liabilities		**23 576 666**	21 972 609

The accounting policies and notes on pages 14 to 37 form an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 March

	Ordinary share capital and premium R'000	Accumulated loss R'000	Total equity R'000
Balance at 1 April 2020	17 452 853	(12 160 537)	5 292 316
Profit for the year	–	3 536 282	3 536 282
Balance at 31 March 2021	17 452 853	(8 624 255)	8 828 598
Profit for the year	**–**	**2 168 323**	**2 168 323**
Balance at 31 March 2022	**17 452 853**	**(6 455 932)**	**10 996 921**

The accounting policies and notes on pages 14 to 37 form an integral part of these financial statements.

Cash flow statement

for the year ended 31 March

	Notes	2022 R'000	2021 R'000
Cash flows from operating activities			
Cash generated from operations	24	**10 685**	6 268
Finance income		**553 778**	123 870
Finance costs		**(552 444)**	(126 064)
Income tax paid	25	**(2 379)**	(90)
Net cash generated from operating activities		**9 640**	3 984
Cash flows from investment activities			
Proceeds from disposal of assets classified as held for sale		**4 179**	–
Net cash generated from investing activities		**4 179**	–
Cash flows generated from financing activities			
Borrowings repaid	26	**(290 000)**	–
Decrease in amount due by treasury subsidiary	26	**290 000**	–
Increase in amount due by treasury subsidiary	26	**(13 500)**	(3 801)
Net cash utilised in financing activities		**(13 500)**	(3 801)
Net increase in cash and cash equivalents		**319**	183
Cash and cash equivalents at beginning of the year, net of bank overdrafts		**506**	323
Cash and cash equivalents at end of the year, net of bank overdrafts	17	**825**	506

The accounting policies and notes on pages 14 to 37 form an integral part of these financial statements.

Notes to the financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ('IASB') and Interpretations as issued by the IFRS Interpretations Committee, and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE and the requirements of the South African Companies Act of South Africa, 71 of 2008, as amended ("the Act"), and have been prepared under the historical cost convention.

(b) New and amended standards adopted by the company

The company adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the company from 1 April 2021, the significant pronouncements being the Interest Rate Benchmark Reform amendments. No pronouncement had any material impact on the company.

Interest Rate Benchmark Reform

Interest Rate Benchmark Reform resulted in amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* issued by the IASB, and are effective for periods commencing on or after 1 January 2021. As at 31 March 2022, there were no changes to any of the interest rate benchmarks that the company is exposed to. The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates with alternative risk-free rates to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank has indicated their intention to move away from Johannesburg Interbank Agreed Rates ("JIBAR") and to create an alternative reference rate for South Africa. This reform is at various stages globally, a suitable alternative for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the company. The company will continue to assess the impact of interest rate benchmark reform as the revised benchmark rates are published.

(c) Investment in subsidiaries

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

Control exists where the company has the ability to direct or dominate decision-making in an entity, regardless of whether this power is actually exercised.

The company records its investment in subsidiaries at cost less any impairment charges. At each balance sheet date the company reviews the carrying amounts of its investment in subsidiaries to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value-in-use. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. Where there is an impairment recovery, the original impairment is reversed to the maximum of the amount impaired. Impairment reversals and impairment losses are recognised immediately in profit or loss.

(d) Investments and other financial assets

(i) Classification

The company classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Financial assets are recognised when the company becomes a party to the contractual provisions of the respective instrument. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the company has transferred substantially all risks and rewards of ownership.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(d) Investments and other financial assets *continued*

(iii) Measurement

At initial recognition, the company measures its financial assets at their fair values.

Debt instruments are subsequently measured at amortised cost and are financial assets held to collect contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised immediately in profit or loss.

(iv) Impairment

The company assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The company applies the simplified approach to measuring ECL which uses lifetime expected losses to be recognised from initial recognition of its trade receivables.

The balance of the company's financial assets measured at amortised cost comprise loan receivables and cash and cash equivalents to which the general model is applied.

(e) Offsetting financial instruments

Where a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously, which are in determinable monetary amounts, the relevant financial assets and liabilities are offset. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the respective company or counterparty.

(f) Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within interest bearing borrowings in current liabilities on the balance sheet.

(g) Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Such disposals are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continued use. These disposal assets and liabilities are available for immediate disposal in their present condition, subject only to actions to complete the sale or distribution which must have been initiated and should be expected to be completed within one year from the date of classification as held for sale. No depreciation or amortisation is recognised on assets classified as held for sale.

(h) Impairment and impairment reversals of non-financial assets

At each balance sheet date the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the CGU to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount. Where there is an impairment reversal, the original impairment is reversed to the maximum amount impaired. An impairment loss is recognised immediately in profit or loss.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are shown in equity as a deduction, net of tax, from the proceeds and are included in the share premium account.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the company's equity holders until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received is included in equity attributable to the company's equity holders. Company shares part of the Gold Reef Share Scheme and the executive facility (both of which have historically been discontinued) are accounted for as treasury shares.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(j) Borrowings and finance costs

Borrowings are recognised initially at fair value and are subsequently stated at amortised cost and include accrued interest and, when applicable, prepaid facility transaction costs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Finance costs include all borrowing costs incurred on borrowing instruments together with related costs of debt facilities management. Such costs include facility commitment fees which are expensed in borrowing costs as incurred and facility raising fees which are amortised through borrowing costs over the life of the related facilities. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Recognition and measurement

The initial recognition of intergroup guarantees are accounted for as a distribution in equity as the economic substance is more akin to a distribution as a result of the parent/subsidiary relationship between the guarantor and the debt holder. The subsequent measurement gain or loss is recognised in profit or loss.

Financial guarantee contracts issued by the company are initially measured at fair value and are subsequently measured at the higher of:

- The ECL in accordance with IFRS 9; or
- The amount initially recognised less, where appropriate, the cumulative amount of income/amortisation recognised in accordance with IFRS 15 *Revenue from Contracts with Customers*.

The ECL's are a probability weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs.

The fair value of the financial guarantee liability on initial recognition is determined using valuation techniques that requires management to make certain assumptions about the model inputs; which include the probability of default ("PD"), exposure at default ("EAD") and loss given default rates ("LGD").

No upfront fee or premium was paid in exchange for the financial guarantee at initiation. As such, a discounted cash flow technique was applied to determine the fair value on initial recognition of the financial guarantee which included estimated probabilities of default/survival to ensure that the inherent credit risk, and value derived from movement in the reference entity's credit spreads, is adequately reflected in the instrument's overall valuation.

The cost (expected credit loss) of the guarantees is valued on a probability weighted discounted cash flow basis using PDs and LGD. Historical through-the-cycle ("TTC") corporate default rates for companies with a B rating from S&P's Annual Global Corporate Default and Rating Transition Study were used to estimate probabilities of default. A TTC recovery rate of 60% was assumed (i.e. an LGD of 40%) based on past industry recovery experience and collateral analysis. The TTC PDs and LGD were considered for forward-looking factors.

As no premium is received in return for the financial guarantees in this instance, the value of the financial guarantee is therefore based solely on the estimation of PDs of the reference entity. The present values of the expected credit-adjusted cash flows were determined by discounting each projected cash flow at valuation date.

Using reasonable and supportable evidence, the likelihood of which guarantor will be called upon in a default scenario by the debt holder was incorporated into the valuation of the financial guarantee liability for the company.

(l) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(m) Income

Income comprises revenue from contracts with customers and other income:

(i) Revenue from contracts with customers

The company is an investment holding company in its subsidiary companies, providing royalty services to certain of its subsidiaries. Revenue from contracts with customers is recognised in accordance with the substance of the relevant agreements. Royalties are recognised over time as the customer receives and consumes the economic benefits. No element of financing is deemed present as the sales are made by negotiated credit terms of 30 days. The company has concluded that it is generally the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The company does not have significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers as the revenues mentioned above are all based on stand-alone selling prices and pre-determined settlement dates. There are no other promises in the contracts that are separable performance obligations to which a portion of the transaction price needs to be allocated.

(ii) Dividends received

Dividends on investments in subsidiaries are recognised in profit or loss as part of other income when the company's right to receive payments is established.

(n) Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

The current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The company's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that future taxable profit will be available against which the temporary differences (including carried forward tax losses) can be utilised.

Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

(o) Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's board of directors.

(p) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in SA Rand which is the company's presentation and functional currency.

2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

(a) Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are effective in future accounting periods of the company. The company has concluded on the impact of these new standards, interpretations and amendments that will be applied from the annual period beginning 1 April 2022, none of which is expected to have a material effect on the results of operations or financial position of the company. The company is concluding on the impact of the new standards, interpretations and amendments that will be applied from the annual period beginning on or after 1 April 2023. The most significant of these, which the company has decided not to early adopt, are shown below:

IAS 1 (Amendment) *Presentation of Financial Statements*
The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

IAS 1 amended must be applied for financial years commencing on or after 1 January 2023.

Narrow scope amendments to IAS 1, Practice Statement 2 *Making Materiality Judgements* and IAS 8 *Accounting Policies, Changes in Estimates and Errors*
The amendments aim to improve accounting policy disclosures by giving guidance to entities in deciding which accounting policies to disclose in their financial statements and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

The narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 must be applied for financial years commencing on or after 1 January 2023.

IAS 12 (Amendment) *Income Taxes*
The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

IAS 12 amended must be applied for financial years commencing on or after 1 January 2023.

IAS 37 (Amendment) *Provisions, Contingent Liabilities and Contingent Assets*
The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of "costs to fulfil a contract". Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

IAS 37 amended must be applied for financial years commencing on or after 1 January 2022.

(b) The following annual improvement from the 2018 – 2020 reporting cycle, which is applicable to the company, has been published that is mandatory for the company's accounting periods beginning 1 April 2022, which the company has not early adopted and is not expected to have a material effect on the results of operations or financial position of the company:

- IFRS 9 *Financial Instruments* has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates, which by definition, will seldom equal the actual results. Judgement also needs to be exercised in applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Principles of critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(b) Going concern

Despite over two years of various restrictions and closures affecting the business, the company was within its original net leverage covenants for the 12 months ended 31 March 2022. The company experienced a strong recovery in the second half of the year under review, following the lockdown imposed from 28 June 2021 to 25 July 2021. The net debt to adjusted EBITDA ratio for the year, as measured for covenant purposes, amounted to 2.89 times, the required covenant being less than 3.0 times. The additional conditions that arose as a result of the covenant reset fell away from 1 April 2022, including reporting to the lenders on a monthly basis, the requirement of a business plan if a material part of the business is locked down for 30 days cumulatively, the limitations around permitted acquisitions and no further quarterly margin ratchet. At the date of this report, the directors are not aware of any circumstances whereby the company should not be able to achieve the original covenant requirements for September 2022.

The cash flow and liquidity projections for the company were prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses. Based on the forecast performed, the directors are of the opinion that the company and its subsidiaries have sufficient access to liquidity and facilities to fund operations for the ensuing 12 months. The company's balance sheet is linked to the ability of its subsidiaries to discharge their liabilities as they become due and payable in the normal course of business, and the directors evaluate its subsidiaries and the company's going concern jointly. Although current liabilities exceed current assets at 31 March 2022, the company's forecasts reflect that it will generate sufficient cash flows during the period to meet all trading liability obligations.

The company reduced its net interest bearing debt and guarantees significantly from the R6.0 billion at 31 March 2021 to R5.5 billion at 31 March 2022 under difficult, restrictive trading conditions. The company's focus remains on reducing its medium to long-term debt levels, thereby reducing risk and funding costs.

Also, subsequent to the reporting dates as from 23 June 2022, the National State of Disaster, together with all remaining COVID-19 restrictions, were lifted. This further puts the company in a stronger position as there are no longer limitations on people in a gathering and no social distancing measures that need to be adhered to.

After taking the above factors into account, the directors consider the going concern method to be appropriate for the presentation of these financial statements.

(c) Financial guarantees

The valuation of the guarantees includes assumptions on credit default rates, credit risks, credit ratings and ECLs. The ECL model includes estimates relating to the probability of a default by the borrower and the resultant loss to the guarantor for each underlying borrower.

The capital on the loans and notes is repayable at the end of the loan or note term. Management has assessed whether the day-one fair value of the guarantees should be amortised and concluded that amortisation on a straight-line basis is appropriate.

Refer to note 21 for methodology and assumptions used in measuring the expected credit loss for financial guarantees.

(d) Estimated impairment of investments in subsidiaries

At each balance sheet date, the company reviews the carrying amounts of its investments in subsidiaries to determine whether there is any indication that these investments have suffered an impairment loss – refer to notes 1(c) *Investment in subsidiaries* and 1(h) *Impairment and impairment reversals of non-financial assets.* These calculations require the use of estimates of the recoverable amount of the asset as noted in note 12 of the financial statements. Significant judgement is required when evaluating the inputs into the value-in-use calculation and therefore this is seen as critical to the estimation uncertainty.

Notes to the financial statements *continued*

4 DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022 R'000	2021 R'000
The company derives revenue over time. Disaggregation of revenue from contracts with customers for the year under review is as follows:		
Royalty fees from subsidiary	**10 880**	7 950
	10 880	7 950

5 REMEASUREMENT OF LOSS ALLOWANCE ON LOANS TO SUBSIDIARIES

	2022 R'000	2021 R'000
Reversal of loss allowance on loans to subsidiaries	**12 569**	215 033
	12 569	215 033

6 IMPAIRMENT REVERSAL OF NON-CURRENT ASSETS

	2022 R'000	2021 R'000
Impairment reversals of investment in subsidiaries (note 12):		
Akani Egoli Proprietary Limited	**87 939**	773 964
Akani Msunduzi Proprietary Limited	**–**	89 683
Goldfields Casino and Entertainment Centre Proprietary Limited	**12 002**	2 992
Silverstar Casino Proprietary Limited	**70 644**	33 651
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**1 932 135**	1 879 237
	2 102 720	2 779 527

7 OTHER OPERATING CREDITS, NET OF EXPENSES

	2022 R'000	2021 R'000
Gain on derecognition of financial guarantee liability (note 21)	**488**	58 859
Gain on remeasurement of financial guarantee liability (note 21)	**43 104**	479 327
Gain on disposal of assets classified as held for sale (note 18)	**2 329**	–
Other operating expenses	**(984)**	(1 290)
	44 937	536 896

8 FINANCE INCOME

	2022 R'000	2021 R'000
Interest income on treasury loan to subsidiary company	**331 619**	331 254
Interest received from banks	**335**	61
Interest received from South African Revenue Service	**27**	–
	331 981	331 315

9 FINANCE COSTS

	2022 R'000	2021 R'000
Finance costs in respect of interest-bearing debt	**326 994**	325 841
Interest costs on treasury loan from subsidiary company	**3 877**	7 273
	330 871	333 114

10 INCOME TAX EXPENSE

	2022 R'000	2021 R'000
Current tax – current year charge	**2 807**	190
Current tax – under provision prior year	**–**	180
Deferred tax – current year charge	**1 014**	1 176
Deferred tax – over provision prior year	**–**	(221)
Deferred tax – change in corporate tax rate[1]	**72**	–
	3 893	1 325

[1] *On 23 February 2022, the Minister of Finance announced a 1% decrease in the corporate tax rate for all companies with a tax year ending on or after 31 March 2023. The new tax rate of 27% was substantively enacted by 31 March 2022 and has therefore been applied to the deferred tax balances which are expected to reverse after 1 April 2022*

	2022 R'000	2022 %	2021 R'000	2021 %
Income tax rate reconciliation				
Profit before tax	**2 172 216**		3 537 607	
Income tax thereon at 28% (2021: 28%)	**608 220**	**28.0**	990 530	28.0
Exempt income/credits:				
Gain on derecognition of financial guarantee liability	**(137)**	**–**	(16 481)	(0.5)
Gain on remeasurement of financial guarantee liability	**(12 069)**	**(0.6)**	(134 212)	(3.8)
Reversal of impairment of assets	**(588 762)**	**(27.1)**	(778 268)	(22.0)
Remeasurement of loss allowance	**(3 519)**	**(0.2)**	(60 209)	(1.7)
Disallowed expenditure	**–**	**–**	6	–
Other:				
Tax rate differentials on capital gains	**88**	**–**	–	–
Deferred tax – change in corporate tax rate	**72**	**–**	–	–
Over provision prior year (net)	**–**	**–**	(41)	–
	3 893	**0.1**	1 325	0.0

11 RECONCILIATION OF EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	2022 R'000	2021 R'000
Profit attributable to equity holders of the company	**2 168 323**	3 536 282
Add: headline adjustments		
Impairment reversals of investment in subsidiaries	**(2 102 720)**	(2 779 527)
Gain on disposal of assets classified as held for sale	**(2 329)**	–
Headline earnings	**63 274**	756 755
Number and weighted average number of shares in issue ('000)	**1 046 538**	1 046 538
Basic and diluted earnings per share (cents)	**207.2**	337.9
Basic and diluted headline earnings per share (cents)	**6.0**	72.3

12 INVESTMENT IN SUBSIDIARIES

The following information relates to the company's interests in its principal subsidiaries, both directly and indirectly held. All these subsidiary companies have share capital consisting solely of ordinary shares that are held directly and indirectly by the company, and the proportion of ownership interests held equals the voting rights held by the company.

	Issued share capital		Effective holding		Carrying value	
Subsidiary	**2022 R'000**	2021 R'000	**2022 %**	2021 %	**2022 R'000**	2021 R'000
Direct shareholding:						
Akani Egoli Management Proprietary Limited	**1**	1	**100**	100	**1**	1
Akani Egoli Proprietary Limited	**1**	1	**100**	100	**984 994**	897 055
Akani Msunduzi Proprietary Limited	*****	*	**100**	100	**135 947**	135 947
Akani Msunduzi Management Proprietary Limited	**1**	1	**100**	100	**1**	1
Garden Route Casino Proprietary Limited	**1**	1	**100**	100	**221 357**	221 357
Gold Reef Management Proprietary Limited	*****	*	**100**	100	**98 373**	98 373
Goldfields Casino and Entertainment Centre Proprietary Limited	**1**	1	**100**	100	**72 744**	60 743
Silverstar Casino Proprietary Limited	**1**	1	**100**	100	**125 462**	54 818
Tsogo Sun Alternative Gaming Investments Proprietary Limited	**4 754 851**	4 754 851	**100**	100	**3 735 318**	3 735 318
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**30**	30	**100**	100	**12 604 780**	10 668 210
West Coast Leisure Proprietary Limited	**1**	1	**100**	100	**62 715**	62 715
Indirect shareholding:						
Galaxy Gaming and Entertainment Proprietary Limited	*****	*	**100**	100	**–**	–
Tsogo Sun Gaming Investments Proprietary Limited	*****	*	**100**	100	**–**	–
Tsogo Sun Proprietary Limited	*****	*	**100**	100	**–**	–
Vukani Gaming Corporation Proprietary Limited	*****	*	**100**	100	**–**	–
					18 041 692	15 934 538
Cost					**23 229 156**	23 224 722
Accumulated impairment					**(5 187 464)**	(7 290 184)
Carrying value					**18 041 692**	15 934 538

* *Amount less than R1 000*

In addition to the abovementioned subsidiaries, the company has interests in other indirectly held subsidiaries. All subsidiaries shown above are incorporated, and have their place of business, in South Africa. A register detailing such information in respect of all subsidiaries of the company is available for inspection at the registered office of the company, which may be inspected by members or their duly authorised agents.

Impairment test for investment in subsidiaries

The COVID-19 pandemic continued to negatively affect the South African economy and the gaming, entertainment and hospitality industry. The company's casino precincts' abilities to trade during the year under review were adversely impacted by the closure of their businesses from 28 June 2021 to 25 July 2021. The country moved to adjusted alert level 2 lockdown on 13 September 2021 and to level 1 on 1 October 2021, resulting in the businesses gaining an extra hour of peak time trading with each adjustment. The gaming businesses were still required to close at midnight until 30 December 2021 when the curfew was lifted. The company's subsidiaries continued to trade under capacity limitations during the last quarter of the financial year. The businesses, however, still managed to achieve strong recoveries in income and earnings before interest, tax, depreciation and amortisation ("EBITDA") compared to the prior year, but still trading below pre-COVID-19 levels. These factors are taken into account in the impairment testing of the company's investments in its subsidiaries.

12 INVESTMENT IN SUBSIDIARIES *continued*

Significant estimate: key assumptions used for value-in-use calculations

The recoverable amount of the investments is determined based on the higher of the fair value less cost of disposal and value-in-use. These calculations use management approved cash flow projections based on five-year forecasts. The expected capital cost spend in the precincts is based on the historical experience of maintaining each property, taking into account current spend, limited to essential maintenance in order to preserve cash. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate.

In light of the COVID-19 impact, the key assumptions used for value-in-use calculations were reviewed by management at the year end and estimated as follows:

- Trading assumptions – management forecast income, operating expenses and EBITDA margins are based on past and current performance and its expectations of market developments, taking into account the COVID-19 pandemic and the regulatory restrictions. The COVID-19 vaccine takeup has not been as high as anticipated, however it is expected that the COVID-19 pandemic will not be as severe as experienced in the third wave. A potential for a milder fifth wave has been considered in the forecast cash flows. Management has continued to focus on cost reductions and operational efficiencies during the year under review, resulting in a significantly reduced cost base compared to pre-COVID-19 levels. As the casino precincts gradually return to a normal state after continuous restrictions affecting the business over an extended period, certain expenses, some of which are beyond their control (such as utility costs), will continue to increase, offsetting some of the savings initiatives achieved. Taking the aforementioned into account, the forecast models assume a strong recovery in trading during the 2023 financial year off a low base, mainly due to the lifting of trading restrictions and cost savings initiatives which result in improved EBITDA margins compared to pre-COVID-19 levels. As a result of this, forecast EBITDA has higher growth rates for 2023, levelling off to normal levels with effect from 2024;
- Risk adjusted discount rate – the discount rate is calculated by using a weighted average cost of capital ("WACC") of the respective CGUs. WACC is calculated using a bond risk-free rate and an equity premium adjusted for specific risks relating to the relevant businesses (share beta and small stock premium). The pre-tax discount rates have reduced marginally in comparison with the prior year due to a lower risk-free rate and the businesses' lower cost of debt. The company believes the discount rate will return to more normal levels over the medium term; and
- Long-term growth rate – cash flows beyond the first five-year period are extrapolated using estimated long-term growth rates in order to calculate the terminal recoverable amount. The growth rate estimations consider risks associated with the gaming, entertainment and hospitality industry in which the casino precincts operate and are consistent with forecast information specific to the gaming, entertainment and hospitality industries in which each casino precinct operates. The company considers the long-term growth rate unchanged at 4.7% compared to 31 March 2021 due to the negative effects of COVID-19, offset by the gradual lifting of trading restrictions, the reopening of the economy and the effects of the government's vaccination programme.

The significant unobservable inputs used in the company's value-in-use calculations as at 31 March 2021 are shown below:

- Expected net gaming win for the respective precincts increases on average by 29% for the 2023 financial year, then levels out to normal trading growths of 3% over the following years (2021: Expected net gaming win for the respective precincts increased on average by 7% for the 2023 financial year and then levelled out to normal trading growths of 3% over the following years);
- Expected operating expenditure costs increase on average by 21% for the 2023 financial year, then levels out to normal trading growths of 4% (2021: Expected operating expenditure costs increased on average by 9% for the 2023 financial year and then levelled out to normal trading growths of 4%);
- Long-term growth rate of 4.7% – unchanged; and
- Discount rates (pre-tax) as shown in the table below.

The following key assumptions have been used for the analysis of the respective subsidiaries that have impairment reversals:

	2022		2021	
	EBITDA margin (average) %	**Discount rate pre-tax %**	EBITDA margin (average) %	Discount rate pre-tax %
Akani Egoli Proprietary Limited	**33.4**	**18.5**	33.8	18.7
Akani Msunduzi Proprietary Limited	**36.4**	**19.7**	39.9	20.2
Goldfields Casino and Entertainment Centre Proprietary Limited	**29.3**	**21.0**	26.4	20.9
Silverstar Casino Proprietary Limited	**35.4**	**19.5**	33.5	19.7
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**38.3**	**18.6**	38.0	19.1

12 INVESTMENT IN SUBSIDIARIES *continued*

Significant estimate – impairment reversal and impairment charge

Taking into account the revised assumptions, no further impairments to the company's investments in its subsidiaries were deemed necessary since the previous reporting date. This was mainly due to the five year forecast cash flows reflecting a marginal improvement compared to those expected at 31 March 2021, together with the decrease in the respective discount rates. The impairment reversals for the respective investments in subsidiaries are as follows:

	2022 R'000	2021 R'000
Akani Egoli Proprietary Limited	**87 939**	773 964
Akani Msunduzi Proprietary Limited	**–**	89 683
Goldfields Casino and Entertainment Centre Proprietary Limited	**12 002**	2 992
Silverstar Casino Proprietary Limited	**70 644**	33 651
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**1 932 135**	1 879 237
	2 102 720	2 779 527

Significant estimate: impact of possible changes in key assumptions

The company's impairment reviews are sensitive to changes in the key assumptions described above. Based on the company's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the company's investments in subsidiaries, as these subsidiaries have significant headroom available between the calculated values-in-use and the carrying amounts, other than the below subsidiaries. Refer also to note 3(d) *Critical accounting estimates and judgements – Estimated impairment of investment in subsidiaries.*

The following reasonable possible change in a key assumption, on which the company has based its determination of the subsidiaries' recoverable amounts, would cause reductions in the impairment reversals on the company's investments in subsidiaries:

	2022			2021		
	1pp decrease in trading assumptions[(1)] R'000	**1pp decrease in growth rate assumptions[(1)] R'000**	**1pp increase in discount rate assumptions[(1)] R'000**	1pp decrease in trading assumptions[(1)] R'000	1pp decrease in growth rate assumptions[(1)] R'000	1pp increase in discount rate assumptions[(1)] R'000
Tsogo Sun Hotels Gaming and Entertainment Proprietary Limited	**127 823**	**720 145**	**1 002 369**	123 593	652 094	913 624
Akani Egoli Proprietary Limited	**–**	**–**	**–**	–	28 464	–
Silverstar Casino Proprietary Limited	**16 318**	**75 746**	**106 909**	14 019	54 819	33 651
Goldfields Casino and Entertainment Centre Proprietary Limited	**1 830**	**6 872**	**10 052**	1 600	6 320	9 372

[(1)] *Refer to assumptions above*

Investments in subsidiaries pledged as security

Investments in subsidiaries are pledged as security for the company borrowings and borrowings of the company's subsidiary, Tsogo Sun Proprietary Limited.

13 NON-CURRENT RECEIVABLES

	2022 R'000	2021 R'000
Financial instruments		
Financial assets measured at amortised cost		
Loan to share scheme	**4 730**	5 593
	4 730	5 593

Non-current receivables do not contain significant credit risk and there are no significant receivables past due not impaired. The company does not consider the non-current receivables significant and therefore no further disclosure is provided in this regard.

Non-current receivables pledged as security

Non-current receivables are pledged as security for the company borrowings and borrowings of the company's subsidiary, Tsogo Sun Proprietary Limited.

14 DEFERRED INCOME TAX

The movement in deferred tax assets during the year is as follows:

	Debt finance costs R'000	Total R'000
Balance at 1 April 2020	3 993	3 993
Income statement charge	(1 176)	(1 176)
Income statement – prior year over provision	221	221
Balance at 31 March 2021	3 038	3 038
Income statement charge	**(1 014)**	**(1 014)**
Change in corporate tax rate	**(72)**	**(72)**
Balance at 31 March 2022	**1 952**	**1 952**

15 LOANS TO SUBSIDIARIES

	2022 R'000	2021 R'000
Financial instruments		
Financial assets measured at amortised cost		
Gold Reef Management Proprietary Limited	**1 245**	1 193
Tsogo Sun Proprietary Limited	**5 486 835**	5 986 120
West Coast Leisure Proprietary Limited	**36 000**	35 730
	5 524 080	6 023 043

The loans shown above with the exception of Tsogo Sun Proprietary Limited are unsecured, earn no interest and are repayable on demand. The amount due by Tsogo Sun Proprietary Limited is an unsecured treasury loan, bearing interest at market related rates similar to the rates the company borrows at (refer to note 29 *Financial risk management* for detail in respect of interest rates) and is repayable on demand.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables shown above.

15 LOANS TO SUBSIDIARIES *continued*

Exposure to credit risk

Debt investments

Loan receivables are subject to the impairment provisions of IFRS 9, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for subsidiary loan receivables is calculated based on 12 month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either 12 month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. Alternatively, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

The company deposits excess funds with its subsidiary company that provides treasury services to group companies.

Credit loss allowances

	2022 R'000	2021 R'000
Reconciliation of loss allowances		
Opening loss allowance as at 1 April	**49 337**	264 370
Decrease in allowance recognised in profit and loss during the year	**(12 569)**	(215 033)
Closing loss allowance as at 31 March	**36 768**	49 337

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans to subsidiary companies:

	Basis of loss allowance	Gross carrying amount at default R'000	Loss allowance R'000	Carrying amount (net of loss allowance) R'000
2022				
Gold Reef Management Proprietary Limited		**1 245**	**–**	**1 245**
Tsogo Sun Proprietary Limited	**Lifetime ECL**	**5 523 603**	**(36 768)**	**5 486 835**
West Coast Leisure Proprietary Limited		**36 000**	**–**	**36 000**
		5 560 848	**(36 768)**	**5 524 080**

	Basis of loss allowance	Gross carrying amount at default R'000	Loss allowance R'000	Carrying amount (net of loss allowance) R'000
2021				
Gold Reef Management Proprietary Limited		1 193	–	1 193
Tsogo Sun Proprietary Limited	Lifetime ECL	6 035 187	(49 067)	5 986 120
West Coast Leisure Proprietary Limited	12 month ECL	36 000	(270)	35 730
		6 072 380	(49 337)	6 023 043

Loans to group companies pledged as security

Total loans to subsidiary companies are pledged as security for the company borrowings and borrowings of the company's subsidiary, Tsogo Sun Proprietary Limited.

16 TRADE AND OTHER RECEIVABLES

	2022 R'000	2021 R'000
Financial instruments		
Other receivables	–	2
	–	2

The carrying value less the respective credit loss allowance of trade receivables is assumed to approximate their fair values due to the short-term nature of trade receivables.

Trade and other receivables pledged as security

Trade and other receivables are pledged as security for the company borrowings and borrowings of the company's subsidiary, Tsogo Sun Proprietary Limited.

17 CASH AND CASH EQUIVALENTS

	2022 R'000	2021 R'000
Current accounts	**4 212**	4 142
Less: bank overdrafts	**(3 387)**	(3 636)
Net cash and cash equivalents per cash flow statement	**825**	506

Due to the short-term nature of these assets and historical experience, cash and cash equivalents are regarded as having a low probability of default and therefore the related expected credit loss is deemed not significant.

Cash and cash equivalents pledged as security

Cash and cash equivalents are pledged as security for the company borrowings and borrowings of the company's subsidiary, Tsogo Sun Proprietary Limited.

18 ASSETS CLASSIFIED AS HELD FOR SALE

	2022 R'000	2021 R'000
Property	–	1 850
	–	1 850

During the prior year, the directors undertook to dispose of the non-core property owned by the company by way of sale. During the year under review, the property was sold for proceeds of R4.2 million, realising a profit on sale of R2.3 million.

19 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Treasury shares	Net number of shares	Ordinary share capital R'000	Share premium R'000	Treasury shares R'000	Total R'000
Share capital and premium	1 050 188 300	(3 650 485)	1 046 537 815	21 071	17 525 849	(94 067)	17 452 853

There has been no change in the number of shares when compared to the 2021 and 2020 financial years. The total authorised number of ordinary shares is 1 200 000 000 (2021: 1 200 000 000) with a par value of 2 cents per share (2021: 2 cents per share). The company also has 20 000 000 authorised unissued preference shares of no par value. All issued shares, other than those related to the Gold Reef Share Scheme and the IFRS 2 Share-based Payment – equity-settled (refer to note below), are fully paid up.

The company's authorised but unissued ordinary share capital was placed under the control of the directors until the forthcoming AGM. The board of directors has the authority to allot and issue any shares required to be issued for the purpose of carrying out the terms in accordance with the provisions of any share-based incentive scheme established by the company subject to section 38 of the Act and the Listings Requirements of the JSE, during the period of two years commencing on the date of the adoption of the special resolution, dated 1 December 2021. The board of directors has also been given, in terms of the Listings Requirements of the JSE, the authority to acquire ordinary shares issued by the company and shall be valid until the company's next AGM, or 15 months from the date of the passing of the special resolution, whichever period is the shorter. The board of directors has been authorised to determine the preferential rights attaching to the future issue of preference shares (subject to the approval of the JSE).

19 SHARE CAPITAL AND PREMIUM *continued*

Executive facility (historical discontinued facility)

The scheme has been discontinued with no new allocations/facilities in future.

Following his early retirement, J Booysen has until his normal retirement date on 30 September 2022 to dispose of his 1 825 243 shares and repay the loan. The shares were pledged on 14 March 2019 to the company as security until the loan is repaid.

Following their resignations, GD Tyrrell and RB Huddy have until 28 February 2025 and 31 July 2025 respectively to dispose of their 776 699 and 1 048 543 shares respectively and repay the portion of the loans equal to the proceeds on the shares sold. The balance on the loans, if any, will be written off. The shares were pledged to the company on 29 November 2019 as security until the loan is repaid and the dividends have been ceded to the company.

20 INTEREST-BEARING BORROWINGS

	2022 R'000	2021 R'000
Borrowings are made up as follows:		
Financial liabilities measured at amortised cost		
Corporate bonds (Domestic Medium-term Note Programme)	**5 538 083**	6 049 656
Bank overdrafts	**3 387**	3 636
	5 541 470	6 053 292
Analysed as:		
Non-current liabilities	**4 550 000**	5 800 000
Current liabilities	**991 470**	253 292
	5 541 470	6 053 292

The bonds have tenors of up to six years with the majority of the maturities in the three to five-year period. Refer to notes 29 and 30 for further details on borrowings.

Securities

The following represents the carrying amounts of assets of the company, together with its subsidiaries, that are pledged as security in respect of the borrowings of the company and bank borrowings in its treasury subsidiary, Tsogo Sun Proprietary Limited:

	2022 R'000	2021 R'000
Property, plant and equipment	**5 376 036**	5 493 405
Investment properties	**182 000**	190 000
Other claims and receivables	**171 185**	196 133
Pledge of cash in bank accounts	**567 579**	199 860
Investment in subsidiaries and associates	**24 594 589**	21 939 858
Intergroup loan receivables	**28 150 449**	29 548 297
Assets classified as held for sale	**2 077**	–
	59 043 915	57 567 553

Mortgage bonds are registered over six properties of certain subsidiaries.

Committed facilities

The banking facilities at year end amounted to R20 million (2021: R20 million) and the amount utilised is Rnil (2021: Rnil).

Fair values and interest rates

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments and is within level 3 of the fair value hierarchy. The fair values of long and medium-term borrowings are based on cash flows discounted using commensurate variable rates chargeable by lenders of the above loans ranging between 5.66% and 6.06% (2021: 6.725% and 7.775%). All borrowings bear interest at floating rates (refer to note 29.1(a)(ii)).

	2022	2021
Weighted average effective interest rates	**0.02%**	0.03%

20 INTEREST-BEARING BORROWINGS *continued*

The carrying amounts and fair values of borrowings are as follows:

	Carrying amount		Fair value	
	2022 R'000	2021 R'000	**2022 R'000**	2021 R'000
Corporate bonds (Domestic Medium-term Note Programme)	**5 538 083**	6 049 656	**5 536 055**	6 039 317
Bank overdrafts	**3 387**	3 636	**3 387**	3 636
	5 541 470	6 053 292	**5 539 442**	6 042 953

21 FINANCIAL GUARANTEES

	2022 R'000	2021 R'000
Opening balance at 1 April	**126 413**	664 110
Gain on derecognition of financial guarantee liability	**(488)**	(58 859)
Recognition of financial guarantee liability	**4 434**	489
Gain on remeasurement of financial guarantee liability	**(43 104)**	(479 327)
At 31 March	**87 255**	126 413

The company has recognised a financial guarantee liability due to the fact that the company (together with other subsidiaries) provided guarantees for debt securities issued by Tsogo Sun Proprietary Limited (subsidiary). The company's maximum exposure to credit risk amounts to the total outstanding balances on the company's and Tsogo Sun Proprietary Limited's debt securities of R9.7 billion (2021: R11.2 billion).

Expected credit loss model for financial guarantees

The allowance account for credit losses is determined with reference to the following:

- Stage 1: 12 month ECLs for those financial guarantees where there has not been a significant increase in credit risk since initial recognition;
- Stage 2: lifetime ECLs for those financial guarantees where there has been a significant increase in credit risk on a collective basis; and
- Stage 3: lifetime ECLs for all credit impaired financial guarantees.

A significant increase in credit risk considers the impact of forward-looking economic information that is readily available. The secured term loans were negotiated and issued in November 2019 just before the onset of COVID-19. At the previous valuation date, it was assessed that a significant increase in credit risk applied to all loans and a lifetime ECL was used. Although company and industry outlook has improved considerably since last valuation, there is still a significant increase in risk since inception therefore a lifetime ECL is still applicable in respect of these facilities, with the exception of the new RCF facility negotiated during the year under review, where a 12-month ECL has been applied as the risk has been priced in by the financial institutions. Management has applied the below mentioned assumptions, judgements and estimates in developing the ECL model.

Guarantee exposure/EAD

The loan amounts (outstanding balances) plus any accrued interest at default were used as the EAD for the loans. For facilities that were not fully drawn down at year-end, an estimation of the potential level of utilisation, over the period of the facility/guarantee date, was used. It is assumed that the nominal amount remains drawn until redemption of the note and full repayment of the facility at the contractual maturity date unless earlier settlement is anticipated. The respective quoted ZAR swap curves were obtained from an independent source at the inception date of the guarantees and at the reporting date for the purposes of the ECL calculations.

Credit spreads

Historical through-the-cycle ("TTC") corporate default rates for companies with a B rating from Standard and Poor ("S&P") Annual Global Corporate Default and Rating Transition Study were used to estimate PDs. The ratings issued by GCR Ratings ("GRC") were used as a base and adjusted to an international scale rating as used in the S&P study. A TTC recovery rate of 60% was assumed (i.e. a LGD of 40%) based on past industry recovery experience and collateral analysis. The TTC PDs and LGD were not adjusted for forward-looking factors.

Regression analysis between global corporates default rates and macroeconomic variables was performed. An analysis of proxy credit default swap spreads and management forecasts were also done. The outcome of these analyses was that no forward-looking adjustments were required for macro factors and the ongoing impact of COVID-19. Regression analysis between global corporate default rates and macroeconomic variables was performed. An analysis of proxy corporate default swaps ("CDS") spreads and management forecasts was also done to determine what forward-looking adjustment would be required.

LGD/Recovery rate

A LGD of 40% (equivalent to a recovery rate of 60%) was assumed in the valuation model. This was determined based on factors including the value and liquidity of the underlying assets of the entities, GCR modelled recoveries in default scenarios, and the historical recovery rates of defaulted companies in the gaming, entertainment and hospitality industry.

22 TRADE AND OTHER PAYABLES

	2022 R'000	2021 R'000
Financial instruments		
Other payables	**867**	868
Non-financial instruments		
VAT payable	**144**	155
	1 011	1 023

The carrying amounts of the company's trade and other payables are assumed to approximate their fair values due to the short-term nature of trade and other payables.

23 LOANS FROM SUBSIDIARIES

	2022 R'000	2021 R'000
TSHG&E	**6 902 508**	6 902 508
Tsogo Sun Proprietary Limited	**46 009**	59 296
Silverstar Casino Proprietary Limited	**–**	2
Tsogo Sun Casinos Proprietary Limited	**–**	10
	6 948 517	6 961 816

The loans are unsecured, earn no interest and are repayable on demand with the exception of the loan from Tsogo Sun Proprietary Limited which is unsecured, is repayable on demand and bears interest at market related rates similar to the rates the company borrows at (refer to notes 20 and 29 for detail in respect of interest rates).

24 CASH GENERATED FROM OPERATIONS

	2022 R'000	2021 R'000
Profit before tax from operations	**2 172 216**	3 537 607
Adjusted for:		
Finance income	**(331 981)**	(331 315)
Finance costs	**330 871**	333 114
Impairment reversals of investments in subsidiaries	**(2 102 720)**	(2 779 527)
Gain on derecognition of financial guarantee liability	**(488)**	(58 859)
Gain on remeasurement of financial guarantee liability	**(43 104)**	(479 327)
Remeasurement of the loss allowance on loans to subsidiaries	**(12 569)**	(215 033)
Gain on disposal of assets classified as held for sale	**(2 329)**	–
Cash generated from operations before working capital moves	**9 896**	6 660
Working capital movements		
Decrease/(increase) in trade and other receivables	**865**	(134)
(Decrease)/increase in payables and provisions	**(12)**	51
Increase in amounts due by subsidiaries	**(64)**	(309)
	10 685	6 268

25 INCOME TAX PAID

	2022 R'000	2021 R'000
Tax asset at 1 April	**403**	683
Current tax provided	**(2 807)**	(370)
Tax asset/(liability) at 31 March	**25**	(403)
	(2 379)	(90)

26 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in interest bearing borrowings

Changes arising from interest bearing borrowings for the year under review excluding bank overdrafts from short-term borrowings of R3.4 million (2021: R3.6 million) are as follows:

	Non-current R'000	Current R'000	Total R'000
As at 31 March 2021	**5 800 000**	**249 656**	**6 049 656**
Borrowings repaid	**–**	**(290 000)**	**(290 000)**
Borrowings reclassification to short-term	**(1 250 000)**	**1 250 000**	**–**
Interest paid[(1)]	**–**	**(548 567)**	**(548 567)**
Interest accrued	**–**	**326 994**	**326 994**
At 31 March 2022	**4 550 000**	**988 083**	**5 538 083**
As at 31 March 2020	5 800 000	42 606	5 842 606
Interest raised and capitalised[(2)]	–	102 257	102 257
Interest raised for the year[(2)]	–	223 584	223 584
Interest paid during the year[(2)]	–	(118 791)	(118 791)
At 31 March 2021	5 800 000	249 656	6 049 656

(1) Includes interest capitalised pursuant to the agreement reached with the lenders during the prior financial year of R224 million
(2) Disaggregated interest capitalised, raised and paid

Changes in amount due by treasury subsidiary

	Current R'000	Total R'000
At 1 April 2021	**(5 926 824)**	**(5 926 824)**
Treasury loan repaid	**290 000**	**290 000**
Treasury loan advanced	**(13 500)**	**(13 500)**
Movement in loss allowance on loan to subsidiary	**(12 299)**	**(12 299)**
Interest received	**549 540**	**549 540**
Interest accrued	**(327 743)**	**(327 743)**
At 31 March 2022	**(5 440 826)**	**(5 440 826)**
At 1 April 2020	(5 500 912)	(5 500 912)
Treasury loan repaid	(3 801)	(3 801)
Movement in loss allowance on loan to subsidiary	(214 666)	(214 666)
Interest received	118 396	118 396
Interest accrued	(325 841)	(325 841)
At 31 March 2021	(5 926 824)	(5 926 824)

27 RELATED PARTIES

The company's ultimate controlling shareholder is HCI (a company listed on the JSE) which, at the balance sheet date, directly and indirectly owned 49.7% (2021: 49.7%) of the company's issued share capital. HCI directly owned 10.0% (2021: 10.0%) and is the majority shareholder of TIHC Investments (RF) Proprietary Limited ("TIHC") which directly owned 39.7% (2021: 39.7%). These percentage shareholdings exclude treasury shares.

	2022 R'000	2021 R'000
Transactions with related parties		
Royalties received from subsidiary		
Akani-Egoli Proprietary Limited	**10 880**	7 950
Interest from/(to) subsidiary		
Tsogo Sun Proprietary Limited	**331 619**	331 254
Tsogo Sun Proprietary Limited	**(3 877)**	(7 273)
Amounts owing to/by related parties		
Loan accounts due by subsidiaries (note 15)	**5 524 080**	6 023 043
Loan accounts due to subsidiaries (note 23)	**(6 948 517)**	(6 961 816)

27 RELATED PARTIES *continued*

Key management compensation

Directors of the company and prescribed officers of the company are considered to be the company's key management personnel. All remuneration and fees are paid by subsidiary companies. Remuneration and fees paid to key management during the year by subsidiaries are as follows:

Non-executive directors

	Directors' fees for the year ended 31 March	
	2022 R'000	2021 R'000
JA Copelyn	**693**	809
MSI Gani[(1)]	**–**	259
MJA Golding	**201**	235
BA Mabuza	**411**	480
F Mall[(2)]	**303**	162
VE Mphande	**237**	253
Y Shaik	**309**	360
R Watson	**297**	318
	2 451	2 876

[(1)] *Resigned as non-executive director 18 September 2020*
[(2)] *Appointed as non-executive director 18 September 2020*

Executive directors

	Year ended 31 March 2022			
	Basic remuneration R'000	**Benefits R'000**	**Short-term incentives R'000**	**Total paid R'000**
CG du Toit	**6 437**	**136**	**542**	**7 115**
G Lunga[(1)]	**1 442**	**77**	**250**	**1 769**
A Hoyer[(2)]	**1 615**	**56**	**–**	**1 671**
Total remuneration	**9 494**	**269**	**792**	**10 555**

	Year ended 31 March 2021		
	Basic remuneration R'000	Benefits R'000	Total paid R'000
CG du Toit	6 430	143	6 573
A Hoyer[(2)]	1 314	61	1 375
RB Huddy[(3)]	2 004	63	2 067
Total remuneration	9 748	267	10 015

[(1)] *Appointed as CFO and as executive director to the board of directors 1 October 2021, previously Financial Director – Casino Gaming*
[(2)] *Appointed CFO and as an executive director 1 August 2020, resigned 30 September 2021*
[(3)] *Resigned as CFO and as an executive director 31 July 2020*

27 RELATED PARTIES *continued*

Key management compensation *continued*

Other key management and prescribed officers

	Year ended 31 March 2022 Basic remuneration R'000	Benefits R'000	Short-term incentives R'000	Total paid R'000
G Lunga[(1)]	**1 390**	**77**	**–**	**1 467**
B Mogiba[(2)]	**2 578**	**401**	**248**	**3 227**
S van Vuuren[(3)]	**1 372**	**–**	**117**	**1 489**
C Wannell[(4)]	**1 689**	**90**	**150**	**1 929**
Total remuneration	**7 029**	**568**	**515**	**8 112**

	Year ended 31 March 2021 Basic remuneration R'000	Benefits R'000	Total paid R'000
G Lunga	2 760	150	2 910
B Mogiba	3 046	164	3 210
C Wannell	1 664	86	1 750
Total remuneration	7 470	400	7 870

(1) *Appointed as CFO and as executive director to the board of directors 1 October 2021, previously Financial Director – Casino Gaming*
(2) *CEO – Vukani*
(3) *Appointed as Director of Human Resources and prescribed officer on 1 April 2021*
(4) *Legal Manager and representative of the Company Secretary*

28 CONTINGENCIES AND GUARANTEES

The company has no further contingencies nor guarantees not already recognised on the balance sheet (refer to note 21 *Financial Guarantees*).

29 FINANCIAL RISK MANAGEMENT

29.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management process

The board of directors ("the board") of the company recognises that the management of business risk is crucial to the company's continued growth and success and this can only be achieved if all three elements of risk – namely threat, uncertainty and opportunity – are recognised and managed in an integrated fashion. The audit and risk committee is mandated by the board of the company to establish, coordinate and drive the risk management process. It has overseen the establishment of a comprehensive risk management system to identify and manage significant risks in the business. Internal financial and other controls ensure a focus on critical risk areas, are closely monitored and are subject to management oversight and internal audit reviews.

The systems of internal control are designed to manage rather than eliminate risk, and provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, the compliance with statutory laws and regulations and to safeguard and maintain accountability of the company's assets. The board and management acknowledge that an integrated approach to the total process of assurance improves the assurance coverage and quality, in addition to being more cost-effective.

In addition to the risk management processes embedded within the company, management identifies, quantifies and evaluates the company's risks annually, utilising risk assessments. The severity of risks is measured in qualitative (e.g. zero tolerance for regulatory risks) as well as quantitative terms, guided by the board's risk tolerance and risk appetite measures. The scope of the risk assessment includes risks that impact shareholder value or that may lead to a significant loss, or loss of opportunity. Appropriate risk responses to each individual risk are designed, implemented and monitored.

29 FINANCIAL RISK MANAGEMENT *continued*

29.1 Financial risk factors *continued*

***Risk management process** continued*

The risk profiles, with the risk responses, are reviewed by the audit and risk committee at least three times a year. This methodology ensures that identified risks and opportunities are prioritised according to the potential impact on the company and cost-effective responses are designed and implemented to counter the effects of risks and take advantage of opportunities.

Financial risk management is carried out by a central treasury department ("Group Treasury") under policies approved by the board. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the company. The board provides principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments and investing excess liquidity. Credit risk is managed at an entity level for trade receivables.

(a) Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk

(i) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates

The company is not exposed to significant foreign exchange risk and therefore no further information has been presented.

(ii) Interest rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates

The company's primary interest rate risk arises from loans from long-term borrowings (excluding bank overdrafts). Borrowings at variable rates expose the company to cash flow interest rate risk. Borrowings at fixed rates expose the company to fair value interest rate risk. The company's policy is to borrow in floating rates, having due regard that floating rates are generally lower than fixed rates in the medium term.

At 31 March the interest rate profile of the company's interest-bearing financial instruments, excluding the effect of bank overdrafts is shown below. There were no fixed rate instruments.

	2022 R'000	2021 R'000
Financial assets	**5 486 835**	5 986 120
Financial liabilities	**(5 584 092)**	(6 108 952)
	(97 257)	(122 832)

Cash flow sensitivity analysis for variable rate instruments:
A change of 100 basis points in interest rates would have increased/decreased pre-tax profit or loss by R1.0 million (2021: R1.2 million). This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2021.

(iii) Other price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market

The company has no pricing risk.

29 FINANCIAL RISK MANAGEMENT *continued*

29.1 Financial risk factors *continued*

(b) *Credit risk*

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation

Credit risk arises from cash and cash equivalents, deposits with financial institutions, as well as credit exposures in respect of loans to group companies, the company's customer base and other receivables.

For financial institutions, only audit and risk committee approved parties are accepted (on behalf of the board). The company has policies that limit the amount of credit exposure to any financial institution. The company limits its exposure to financial institutions by setting credit limits based on their credit ratings and generally only with reputable financial institutions with strong credit ratings. The utilisation of credit limits is regularly monitored. The credit quality ratings of financial institutions that the company deposits funds with is at least Ba2.

Refer to note 15 for further credit risk analysis in respect of loans to subsidiaries.

Refer to note 16 for further credit risk analysis in respect of trade and other receivables.

(c) *Liquidity risk*

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the company's liquidity headroom on the basis of expected cash flow and the resultant borrowing position compared to available credit facilities. This process is performed during each financial year for five years into the future in terms of the company's long-term planning process.

The company sources its funding from a syndicate of large South African banks and institutions thereby reducing liquidity concentration risk. The facilities comprise a mix of short, medium and long-term tenure, with utilised facilities in the table below. Bank overdrafts are not considered to be long-term debt but rather working capital arrangements as part of cash management as set up with the financial institutions, and are therefore excluded:

	2022 facility			2021 facility		
	Total R'000	**Available R'000**	**Utilisation R'000**	Total R'000	Available R'000	Utilisation R'000
Demand facilities (overdrafts)	**20 000**	**20 000**	**–**	20 000	20 000	–
Term facilities maturing 30 November 2022	**960 000**	**–**	**960 000**	1 250 000	–	1 250 000
Term facilities maturing 30 November 2023	**1 900 000**	**–**	**1 900 000**	1 900 000	–	1 900 000
Term facilities maturing 30 November 2024	**2 050 000**	**–**	**2 050 000**	2 050 000	–	2 050 000
Term facilities maturing 30 November 2025	**600 000**	**–**	**600 000**	600 000	–	600 000
	5 530 000	**20 000**	**5 510 000**	5 820 000	20 000	5 800 000
Accrued interest included in short-term borrowings			**28 083**			249 656
			5 538 083			6 049 656

29 FINANCIAL RISK MANAGEMENT *continued*

29.1 Financial risk factors *continued*

(c) Liquidity risk continued

The table below analyses the company's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, inclusive of capital and interest:

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000
At 31 March 2022			
Corporate bonds	**1 249 895**	**2 124 170**	**2 787 163**
Loans from subsidiaries	**6 948 517**	**–**	**–**
Bank overdrafts	**3 387**	**–**	**–**
Trade and other payables	**2 334**	**–**	**–**
Financial guarantees	**87 255**	**–**	**–**
	8 291 388	**2 124 170**	**2 787 163**

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000
At 31 March 2021			
Corporate bonds	317 223	1 524 388	4 875 186
Loans from subsidiaries	6 961 816	–	–
Bank overdrafts	3 636	–	–
Trade and other payables	2 335	–	–
Financial guarantees	126 413	–	–
	7 411 423	1 524 388	4 875 186

29.2 Financial assets by category

The table below reconciles the company's accounting categorisation of financial assets and financial liabilities (based on initial recognition) to the classes of assets and liabilities as shown on the balance sheet:

	Amortised cost R'000	Financial guarantee R'000	Not categorised as a financial instrument R'000	Total R'000	Non-current R'000	Current R'000
2022						
Financial assets						
Loans to subsidiaries	**5 524 080**	**–**	**–**	**5 524 080**	**–**	**5 524 080**
Non-current receivables	**4 730**	**–**	**–**	**4 730**	**4 730**	**–**
Cash and cash equivalents	**4 212**	**–**	**–**	**4 212**	**–**	**4 212**
Financial liabilities						
Loans from subsidiaries	**6 948 517**	**–**	**–**	**6 948 517**	**–**	**6 948 517**
Corporate bonds	**5 538 083**	**–**	**–**	**5 538 083**	**4 550 000**	**988 083**
Financial guarantees	**–**	**87 255**	**–**	**87 255**	**–**	**87 255**
Trade and other payables	**2 334**	**–**	**144**	**2 478**	**–**	**2 478**
Bank overdrafts	**3 387**	**–**	**–**	**3 387**	**–**	**3 387**

29 FINANCIAL RISK MANAGEMENT *continued*

29.2 Financial assets by category *continued*

	Amortised cost R'000	Financial guarantee[1] R'000	Not categorised as a financial instrument R'000	Total R'000	Non-current R'000	Current R'000
2021						
Loans to subsidiaries	6 023 043	–	–	6 023 043	–	6 023 043
Non-current receivables	5 593	–	–	5 593	5 593	–
Trade and other receivables	2	–	–	2	–	2
Cash and cash equivalents	4 142	–	–	4 142	–	4 142
Loans from subsidiaries	6 961 816	–	–	6 961 816	–	6 961 816
Corporate bonds	6 049 656	–	–	6 049 656	5 800 000	249 656
Financial guarantees	–	126 413	–	126 413	–	126 413
Trade and other payables	2 335	–	155	2 490	–	2 490
Bank overdrafts	3 636	–	–	3 636	–	3 636

[1] *Refer to note 21*

30 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure.

The company defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises permanent paid-up capital, share premium and revenue reserves as disclosed in the balance sheet. Debt funding comprises loans from corporate bonds, treasury loans from subsidiaries and net debt represents gross debt net of all cash reserves.

The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The board monitors the cost of capital, which the company defines as the weighted average cost of capital, taking into account the company's internally calculated cost of equity (shareholder funding) and long-term cost of debt assumptions. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The board seeks to maintain a balance of the higher returns that might be possible with optimal levels of net interest-bearing debt and unutilised headroom and the advantages and security afforded by a sound equity position. The company's debt capacity and optimal gearing levels are determined by the cash flow profile of the company. The company's current utilisation of debt facilities is shown in notes 20 *Interest-bearing borrowings* and 29 *Financial risk management.*

The covenants are monitored and reported to the board on a quarterly basis. Apart from the external debt borrowing covenants, the company is not subject to externally imposed capital requirements.

31 EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matters or circumstances arising since the end of the reporting period, not otherwise dealt with within these financial statements that would affect the operations or results of the company significantly, other than as mentioned below.

Subject to certain conditions precedent, Tsogo Sun Gaming and its subsidiaries concluded a separation agreement with regards to the termination of the management of 15 of its hotels by THL for a cost of R399 million, and the disposal of its remaining two hotels to the Hospitality Property Fund (a subsidiary of THL) for a total consideration of R142 million (carrying value R57 million). In terms of the separation agreement, the respective management and licence agreements may be cancelled on a month's notice and these hotels will accordingly be incorporated into the company's subsidiaries' own management and operational structures. These transactions are considered related party transactions with the company's ultimate controlling shareholder being HCI, and HCI also being a major shareholder of THL. The agreements, which were concluded in May 2022, are considered non-adjusting events in terms of IAS 10 *Events after the Reporting Period*.

32 RUSSIA/UKRAINE CONFLICT

The ongoing Russia/Ukraine conflict causes volatility in commodity prices (in particular, the cost of fuel) and impacts on the global supply chain. Although the company does not have direct exposure to either country, these negative influences on global economies may impact disposable income in South Africa.

Analysis of shareholding

as at 31 March 2022

	Number of shareholders	%	Number of shares	%
Portfolio size				
Range				
1 – 1 000	13 994	83.40	1 433 300	0.14
1 001 – 5 000	1 443	8.60	3 542 436	0.34
5 001 – 10 000	362	2.16	2 793 963	0.27
10 001 – 50 000	453	2.70	11 130 025	1.06
50 001 – 100 000	127	0.76	9 076 445	0.86
100 001 – and more	400	2.38	1 022 212 131	97.33
	16 779	100.00	1 050 188 300	100.00
Shareholder spread				
Public	16 774	99.96	506 578 884	48.25
Individuals	15 862	94.52	15 286 093	1.46
Banks and insurance companies	52	0.31	27 213 733	2.59
Pension funds and medical aid societies	206	1.23	62 962 657	6.00
Collective investment schemes and mutual funds	110	0.66	195 787 008	18.64
Other corporate bodies	544	3.24	205 329 393	19.56
Non-public	5	0.04	543 609 416	51.75
Directors[(1)]	2	0.01	23 059 454	2.19
Gold Reef Share Scheme[(2)]	1	0.01	435 558	0.04
Controlling entity of controlling shareholder	1	0.01	104 932 377	9.99
Controlling shareholder (10% of issued share capital or more)	1	0.01	415 182 027	39.53
	16 779	100.00	1 050 188 300	100.00
Major shareholders owning 1% or more of total number of shares in issue:				
TIHC Investments (RF) Proprietary Limited			415 182 027	39.53
Hosken Consolidated Investments Limited			104 932 377	9.99
Allan Gray Balanced Fund			54 193 540	5.16
SBSA ITF MANDG SA Equity Fund			43 651 682	4.16
Steyn Capital SNN Retail Hedge Fund			33 777 995	3.22
Alexander Forbes Investments			32 535 766	3.10
Standard Chartered Bank as trustee			31 288 513	2.98
Aylett Equity Prescient Fund			21 554 637	2.05
SBSA ITF PSG Flexible Fund			18 947 126	1.80
Geomer Investments Proprietary Limited			15 872 978	1.51
JPMC-Vanguard BBH Lending Account			11 828 542	1.13

(1) *At 31 March 2022 6 946 560 shares were indirectly held (2021: 6 946 560 shares indirectly held) by JA Copelyn, Non-executive Director and Chairperson and 16 112 894 shares indirectly held (2021: 16 112 894 shares indirectly held) by MJA Golding, Non-executive Director. There has been no other change to directors' shareholdings between the balance sheet date and the date of these financial statements*

(2) *Treasury shares*

	Number of shares
There are 4 086 043 treasury shares made up as follows:	
Treasury shares per above:	
• Held by the Gold Reef Share Scheme	435 558[(1)]
• Treasury shares allocated as part of the executive facility – refer to note 19 in the financial statements	3 650 485
	4 086 043

(1) *In accordance with the Listings Requirements of the JSE, the votes on these shares will not be taken into account for the purposes of adoption of the resolutions proposed at the company's annual general meeting*

Glossary

AGM	Annual general meeting
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash-generating unit
EAD	Exposure at default
EBITDA	Earnings before interest, tax, depreciation and amortisation and exceptional items
EBITDA margin	This is calculated by expressing EBITDA as a percentage of revenue
ECL	Expected credit loss
HCI	Hosken Consolidated Investments Limited
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
JIBAR	Johannesburg Interbank Agreed Rate
JSE	JSE Limited, or as the context dictates, the trading platform operated by the JSE Limited
LGD	Loss given default
PD	Probability of default
pp	Percentage points
Net debt	Gross debt (including borrowings and overdrafts) net of gross cash and cash equivalents
S&P	Standard and Poor
SA	South Africa
the Act	The Companies Act of South Africa, 71 of 2008, as amended
the board	The board of directors of Tsogo Sun Gaming Limited
THL	Tsogo Sun Hotels Limited
TIHC	TIHC Investments (RF) Proprietary Limited
Tsogo Sun or the company	Tsogo Sun Gaming Limited
TTC	Through-the-cycle
VAT	Value Added Tax
WACC	Weighted average cost of capital

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