2024

Company Annual Financial Statements
for the year ended 31 March 2024

TSOGO SUN
CASINOS . HOTELS

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Contents

FINANCIAL STATEMENTS

Statement of responsibility by the board of directors

for the year ended 31 March 2024

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 Johannesburg Stock Exchange ("JSE") Listings Requirements, together with IFRS Accounting 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 board of directors and the effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure.

The board of directors 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, 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(a) *Critical accounting estimates and judgements – Going concern* in the notes to the financial statements.

The company's independent auditor, Deloitte & Touche, has audited the financial statements and the auditor's unmodified report appears on pages 07 to 08. Deloitte & Touche 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 auditor during the audit are valid and appropriate.

Directors' approval of the financial statements

for the year ended 31 March 2024

The preparation of the financial statements set out on pages 01 to 41 has been supervised by the Chief Financial Officer, G Lunga CA(SA). These financial statements were approved by the board of directors on 31 July 2024 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's responsibility statement

for the year ended 31 March 2024

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

- The annual financial statements, set out on pages 01 to 41, fairly present in all material respects the financial position, financial performance and cash flows of Tsogo Sun 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 Limited have been provided to effectively prepare the financial statements of Tsogo Sun 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

31 July 2024

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 2024, Tsogo Sun 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

31 July 2024

Report of the audit and risk committee

for the year ended 31 March 2024

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 auditor, Deloitte & Touche, and is satisfied that the external auditor was 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 the audit firm and the individual auditor was suitable for appointment as contemplated in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements. Ms C Emslie was the individual registered auditor and member of the aforementioned firm who undertook the audit. Deloitte & Touche has been the auditor of the company for one year, this being the first year;
- Ensured and satisfied itself that the appointments of the external auditor, the designated auditor and IFRS adviser are in compliance with the Act, the Auditing Profession Act, 2005 and the JSE Listings Requirements;
- Reviewed the scope of the external audit, the effectiveness of the audit process, risk areas of operations covered in the scope, planned levels of materiality, resourcing and the terms of the external auditor's engagement letter;
- Monitored and assessed the limited non-audit services provided by the external auditor and the service fees charged for the provision thereof, ensuring that the independence of the external auditor was not compromised;
- Reviewed the information provided by the audit firm and individual auditor in their assessment of the suitability of the reappointment of the auditor;
- Reviewed and assessed the group's internal control policies and procedures in place for the identification, assessment and reporting of risks, as well as the group's process of risk management;
- Evaluated that the company has established appropriate financial reporting procedures and that these are operating;
- Reviewed and approved the company accounting policies;
- Considered all significant transactions and accounting matters that occurred during the year and satisfied itself that the accounting treatments were 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 International Accounting Standards Board ("IASB") which were effective for the company from 1 April 2023;
- Evaluated and is satisfied with the implementation of the combined assurance framework and plan;
- Considered and evaluated the group's assessment of the Chief Executive Officer and Chief Financial Officer's responsibility statement as required by the JSE Listings Requirements;
- The audit and risk committee reviewed compliance within debt covenants;
- Reviewed the scope of the internal audit being performed, and evaluated the effectiveness, as well as the fees and terms of engagement, 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 auditor during the course of the annual audit in support of the 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

The committee has evaluated the consolidated financial statements of Tsogo Sun Limited for the year ended 31 March 2024 and based on the information provided to the committee, the committee recommends the adoption of the consolidated financial statements by the board of directors.

F Mall
Chairperson: Audit and risk committee

31 July 2024

Directors' report

for the year ended 31 March 2024

1 **NATURE OF BUSINESS**

The company is a South African incorporated public company listed on the JSE. It is an investment holding company, 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 R941 million (2023: R2 934 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 2024. Refer also to note 3(a) *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.tsogosun.com, and at the registered office of the company.

3 **SOLVENCY AND LIQUIDITY TEST**

The payment of dividends depends 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**

Subsequent to year end, on 23 May 2024, the board of directors declared a final gross cash dividend from distributable reserves in respect of the year ended 31 March 2024 of 40 cents per share. The dividend was declared in South African currency and was paid to shareholders on 29 July 2024. An interim dividend of 30 cents per share was paid on 18 December 2023 in respect of the 31 March 2024 year end.

5 **DIRECTORATE**

The directorate during the year under review was as follows:

Executive

CG du Toit (Chief Executive Officer)
G Lunga (Chief Financial Officer)

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 to 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 X190
Montecasino Boulevard, Fourways, 2191	Bryanston, 2021

The board of directors 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 who perform secretarial duties are directors of the company.

8 CONTROLLING SHAREHOLDER AND SHAREHOLDER ANALYSIS

The company's ultimate controlling shareholder is Hosken Consolidated Investments Limited (a company listed on the JSE) which, at the reporting date, directly and indirectly owned 50.1% (2023: 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 details.

9 SHARE CAPITAL

During the year under review, the company embarked on a share buy-back programme, repurchased shares in accordance with an odd-lot offer and acquired shares held in the Gold Reef Share Scheme trust. All shares were cancelled. Refer to note 18 *Share capital and premium* in the company financial statements for further details.

The directors of the company have, as a general authority until the forthcoming annual general meeting ("AGM"), been authorised to allot and issue the authorised but unissued ordinary shares as they in their discretion deem fit (subject to the company's Memorandum of Incorporation ("MoI"), the Companies Act and the JSE Listings Requirements). This authority does not extend to the issue of shares for cash (whether by way of a general issue of shares for cash or a specific issue for cash) where the JSE Listings Requirements or the Companies Act require an additional approval to be granted. The board of directors has also been given a general authority to acquire ordinary shares issued by the company subject to the MoI, Companies Act and JSE Listings Requirements which is 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).

10 SUBSIDIARIES

Refer to note 13 in the financial statements for details of subsidiaries.

11 EVENTS AFTER THE REPORTING DATE

Refer to note 31 in the financial statements for events occurring after the reporting 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.

12 APPOINTMENT OF DEBT OFFICER

In terms of the JSE Debt Listings Requirements, Egbert Loubser, the Group Risk Manager, was appointed as the company's debt officer with effect from 1 November 2020. The board of directors 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 Limited

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Tsogo Sun Limited (the company) set out on pages 09 to 40, which comprise the separate statement of financial position as at 31 March 2024, and the separate statement of profit or loss, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Tsogo Sun Limited as at 31 March 2024, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. 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' (IESBSA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were 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 these matters.

No key audit matters were noted for the audit of the separate financial statements of Tsogo Sun Limited.

Other Matter

The separate financial statements of the company for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 31 July 2023.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Tsogo Sun Limited Company Financial Statements for the year ended 31 March 2024" and the document titled "Tsogo Sun Limited Integrated Report 2024", which includes the Directors' Report, the Report of the Audit and Risk Committee and the Company Secretary's Certificate as required by the Companies Act of South Africa, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports 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 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 on the other information obtained prior to the date of this auditor's report, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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 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 Deloitte has been the auditor of Tsogo Sun Limited for 1 year.

Signed by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Cathryn Emslie
Partner

31 July 2024

5 Magwa Crescent
Waterfall City
Midrand South Africa

Statement of profit or loss

for the year ended 31 March

	Notes	2024 R000	2023 R000
Dividend revenue	4	**908 000**	514 500
Other revenue	5	**12 806**	13 583
Remeasurement of loss allowance on loans to subsidiaries	6	**(23 066)**	9 408
Impairment reversal of non-current assets, net of impairments	7	**20 049**	2 352 936
Other operating credits, net of expenses	8	**22 624**	44 869
Operating profit		**940 413**	2 935 296
Finance income	9	**566 443**	374 858
Finance costs	10	**(561 832)**	(372 088)
Profit before income tax		**945 024**	2 938 066
Income tax expense	11	**(4 251)**	(3 907)
Profit for the year		**940 773**	2 934 159

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

The accounting policies and notes on pages 13 to 40 form an integral part of these financial statements.

Statement of financial position

as at 31 March

	Notes	2024 R000	2023 R000
ASSETS			
Non-current assets			
Investment in subsidiaries	13	**20 414 677**	20 394 628
Loans to subsidiaries	14	**5 619 617**	5 235 236
Other non-current receivables	15	**–**	3 399
Deferred income tax asset	16	**181**	1 162
		26 034 475	25 634 425
Current assets			
Loans to subsidiaries	14	**55 815**	42 924
Current income tax receivable		**29**	446
Cash and cash equivalents	17	**2 550**	2 721
		58 394	46 091
Total assets		**26 092 869**	25 680 516
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium	18	**17 357 735**	17 452 853
Accumulated loss		**(4 003 074)**	(4 036 090)
Total equity		**13 354 661**	13 416 763
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	19	**5 670 000**	5 270 000
		5 670 000	5 270 000
Current liabilities			
Interest-bearing borrowings	19	**49 484**	40 997
Financial guarantees	20	**17 053**	41 406
Trade and other payables	21	**9 147**	67
Loans from subsidiaries	22	**6 990 973**	6 909 665
Dividends payable		**1 551**	1 618
		7 068 208	6 993 753
Total liabilities		**12 738 208**	12 263 753
Total equity and liabilities		**26 092 869**	25 680 516

The accounting policies and notes on pages 13 to 40 form an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 March

	Notes	Ordinary share capital and premium R000	Accumulated loss R000	Total equity R000
Balance at 1 April 2022		17 452 853	(6 455 932)	10 996 921
Profit for the year		–	2 934 159	2 934 159
Ordinary dividends declared		–	(514 317)	(514 317)
Balance at 31 March 2023		17 452 853	(4 036 090)	13 416 763
Profit for the year		**–**	**940 773**	**940 773**
Changes in share capital and share premium	18	**(95 118)**	**–**	**(95 118)**
Ordinary dividends declared	12	**–**	**(907 757)**	**(907 757)**
Balance at 31 March 2024		**17 357 735**	**(4 003 074)**	**13 354 661**

The accounting policies and notes on pages 13 to 40 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 March

	Notes	2024 R000	2023 R000
Cash flows from operating activities			
Cash generated from/(utilised in) operations	23	**94 372**	(30 160)
Finance income		**558 332**	356 370
Finance costs		**(553 355)**	(357 060)
Income tax paid	24	**(2 853)**	(3 588)
Dividends received		**908 000**	514 500
Dividends paid	25	**(907 824)**	(514 166)
Net cash generated from/(utilised in) operating activities		**96 672**	(34 104)
Cash flows from investment activities			
Decrease in amount due by subsidiary		**–**	36 000
Decrease in amount due by treasury subsidiary		**598 275**	960 000
Increase in amount due by treasury subsidiary		**(1 000 000)**	(720 000)
Net cash (utilised in)/generated from investment activities		**(401 725)**	276 000
Cash flows generated from financing activities			
Borrowings raised	26	**1 000 000**	1 620 000
Borrowings repaid	26	**(600 000)**	(1 860 000)
Shares repurchased	18	**(95 118)**	–
Net cash generated by/(utilised for) financing activities		**304 882**	(240 000)
Net (decrease)/increase in cash and cash equivalents		**(171)**	1 896
Cash and cash equivalents at beginning of the year		**2 721**	825
Cash and cash equivalents at end of the year	17	**2 550**	2 721

The accounting policies and notes on pages 13 to 40 form an integral part of these financial statements.

Notes to the financial statements

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material 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 IFRS as issued by the 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 JSE Listings Requirements 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, as modified by the revaluation to fair value of certain financial instruments as described in the accounting policies below.

(b) New and amended standards adopted by the company

The company adopted the amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* – Disclosure of accounting policies from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 1 *Summary of material accounting policies* (2023: Summary of significant accounting policies) in certain instances in line with the amendments.

(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 reporting 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.

(iii) Measurement

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

Debt instruments are subsequently measured at amortised cost and comprise 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.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

(d) Investments and other financial assets *continued*

(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'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 statement of cash flows, 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.

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

At each reporting 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 cash-generating unit ("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.

(h) 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 executive facility (which has historically been discontinued) are accounted for as treasury shares.

(i) Borrowings and finance costs

Borrowings are recognised initially at fair value and are subsequently stated at amortised cost and include accrued interest.

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. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

(j) 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 capital contribution (additional investment in subsidiary) due to 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 ECLs 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 PD/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 (ECL) of the guarantees are valued on a probability-weighted discounted cash flow basis using PD and LGD. Historical through-the-cycle ("TTC") corporate default rates for companies with a BB- rating from S&P's Annual Global Corporate Default and Rating Transition Study were used to estimate PD. An average TTC recovery rate of 80% (2023: 67%) was assumed (i.e. a LGD of 20% (2023: 33%)) 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 the 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.

Refer to note 20 *Financial guarantees* for methodology and assumptions used in measuring the ECL for financial guarantees.

(k) 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.

(l) Revenue

Revenue comprises revenue from contracts with customers and dividend revenue.

(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) Dividend revenue

Dividend revenue from investment in subsidiaries is recognised in profit or loss when the company's right to receive payments is established.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

(m) Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss 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 reporting 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 the reporting date. Deferred tax is measured on a non-discounted basis.

(n) 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.

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

Certain new standards 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 and amendments that will be effective from the annual period beginning 1 April 2024, none of which are expected to have a material effect on the company. The most material of these, which the company has decided not to early adopt, is shown below.

IFRS 7 *Financial Instruments: Disclosures* (Amendments)

Contractual terms that could change the timing or amount of contractual cash flows

The amendments to IFRS 7 require disclosures to enable users of financial statements to understand the effect of contractual terms that could change the amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs (such as the time value of money or credit risk) by class of financial asset (measured at amortised cost or fair value through other comprehensive income) and financial liability (measured at amortised cost).

IFRS 9 *Financial Instruments* (Amendments to the Classification and Measurement of Financial Instruments)

Derecognition of a financial liability settled through electronic transfer

The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

Classification of financial assets

Contractual terms that are consistent with a basic lending arrangement

The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets with non-recourse features

The amendments enhance the description of the term "non-recourse". Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

2 NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE *continued*

IFRS 9 *Financial Instruments* (Amendments to the Classification and Measurement of Financial Instruments) *continued*

Classification of financial assets continued

Contractually linked instruments

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

The company is to conclude on the impact of the amendments that will be applied from the annual period beginning 1 April 2026. Amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

IFRS 18 *Presentation and Disclosure in Financial Statements*

This standard supersedes IAS 1 *Presentation of Financial Statements* and sets out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The main changes in the new standard compared with the previous requirements in IAS 1 comprise:

- The introduction of categories and defined subtotals in the statement of profit or loss that aim at additional relevant information and provide a structure for the statement of profit or loss that is more comparable between entities;
- The introduction of requirements to improve aggregation and disaggregation that aim at additional relevant information and ensure that material information is not obscured; and
- The introduction of disclosures on Management-defined Performance Measures in the notes to the financial statements that aim at transparency and discipline in the use of such measures and disclosures in a single location.

The company is to conclude on the impact of the amendments that will be applied from the annual period beginning 1 April 2027. Amendments must be applied retrospectively in accordance with the normal requirements in IAS 8.

IAS 1 *Presentation of Financial Statements* (Amendments)

Classification of liabilities as current or non-current

The amendment made to IAS 1 in 2020 clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Non-current liabilities with covenants

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability arising from loan arrangements as non-current and the right to defer settlement of that liability is subject to compliance with covenants within 12 months after the reporting period. The purpose of the disclosure is to enable users to understand that the liability could become repayable within 12 months after the reporting period. The disclosures include:

- The carrying amount of the liability;
- Information about the covenants; and
- Facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The company is concluding on the impact of the amendments that will be applied from the annual period beginning 1 April 2024. Amendments must be applied retrospectively in accordance with the normal requirements in IAS 8.

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. The company makes estimates and assumptions concerning the future. 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.

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.

(a) Going concern

The net debt to adjusted EBITDA ratio for the 31 March 2024 year end, as measured for covenant purposes, amounted to a 1.99 times multiple. The required ratio in terms of the debt covenant is less than a 3.0 times multiple. At the date of this report, the directors are not aware of any circumstances whereby the company should not be able to achieve the covenant requirements for March 2025.

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 the company and its subsidiaries' going concern jointly. The lower debt levels of the company and its subsidiaries were achieved notwithstanding cash outflows of R1.45 billion relating to:

- Capex payments for generators and solar of approximately R130 million;
- Emerald Resort and Casino upgrade investment of R76 million;
- Share buy-backs of R88 million at an average share price of approximately R12.44;
- Ordinary dividend payments of R908 million; and
- Various other transactions concluded during the year with a net cash outflow totalling approximately R248 million. The company and its subsidiaries still managed to reduce net interest-bearing debt and guarantees by approximately R375 million, from R8.0 billion at 31 March 2023 to R7.762 billion at 31 March 2024.

The cash flow and liquidity projections for the company and its subsidiaries 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. Although the company's current liabilities exceed current assets at 31 March 2024, taking the abovementioned into account, the company's forecasts reflect that it will generate sufficient cash flows during the period to meet all trading liability obligations. Furthermore, the board of directors of Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited has no intention to call for a settlement of the loan due by the company to its subsidiary, Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited as per note 22 *Loans from subsidiaries*.

The company's focus remains on reducing its medium to long-term debt levels, thereby reducing risk and funding costs.

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

(b) Estimated impairment of investment in subsidiaries

At each reporting date, the company reviews the carrying amounts of its investment in subsidiaries to determine whether there is any indication that these investments have suffered an impairment loss. These calculations require the use of estimates of the recoverable amount of the assets as noted in note 13 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.

(c) ECL on intergroup loans

The company annually estimates ECLs on loans to group companies in terms of IFRS 9 taking to account the credit risk and expected future cash flows of the counterparties. The company measures the loss allowance at an amount equal to 12-month ECLs or lifetime ECLs if the credit risk of the loan has increased significantly since initial recognition.

Refer to note 14 for further details in respect of exposure to ECLs on loans to subsidiary companies.

(d) 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 PD 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 20 for methodology and assumptions used in measuring the ECL for financial guarantees.

4 DIVIDEND REVENUE

	2024 R000	2023 R000
Dividends received from subsidiaries (note 27)	**908 000**	514 500
	908 000	514 500

5 DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 R000	2023 R000
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 (note 27)	**12 806**	13 583
	12 806	13 583

6 REMEASUREMENT OF LOSS ALLOWANCE ON LOANS TO SUBSIDIARIES

	2024 R000	2023 R000
Reversal of loss allowance on loans to subsidiaries (note 14)	**(23 066)**	9 408
	(23 066)	9 408

7 IMPAIRMENT REVERSAL OF NON-CURRENT ASSETS

	2024 R000	2023 R000
Impairment reversals of investment in subsidiaries (note 13)	**20 049**	2 352 936
	20 049	2 352 936

8 OTHER OPERATING CREDITS, NET OF EXPENSES

	2024 R000	2023 R000
Gain on derecognition of financial guarantee liability (note 20)	**17 741**	27 654
Gain on remeasurement of financial guarantee liability (note 20)	**6 612**	18 195
Other operating expenses	**(1 729)**	(980)
	22 624	44 869

9 FINANCE INCOME

	2024 R000	2023 R000
Interest received on treasury loan to subsidiary company (note 27)	**565 197**	374 379
Interest income on treasury deposit from subsidiary company (note 27)	**578**	–
Interest received from bank	**499**	479
Interest received from South African Revenue Service	**27**	–
Interest received – other	**142**	–
	566 443	374 858

10 FINANCE COSTS

	2024 R000	2023 R000
Interest expense in respect of interest-bearing debt	**561 440**	369 974
Interest expense on treasury loan from subsidiary company (note 27)	**392**	2 114
	561 832	372 088

11 INCOME TAX EXPENSE

	2024 R000	2023 R000
Current tax – current year charge	**3 506**	3 123
Current tax – overprovision prior year	**(236)**	(6)
Deferred tax – current year charge	**729**	785
Deferred tax – underprovision prior year	**252**	5
	4 251	3 907

	2024 R000	2024 %	2023 R000	2023 %
Income tax rate reconciliation				
Profit before tax	**945 024**		2 938 066	
Income tax thereon at 27% (2023: 27%)	**255 156**	**27.0**	793 278	27.0
Exempt income/credits:				
Dividends received from subsidiaries	**(245 161)**	**(25.9)**	(138 915)	(4.7)
Gain on derecognition of financial guarantee liability	**(4 790)**	**(0.5)**	(7 466)	(0.3)
Gain on remeasurement of financial guarantee liability	**(1 785)**	**(0.2)**	(4 913)	(0.2)
Reversal of impairment of assets	**(5 413)**	**(0.6)**	(635 293)	(21.6)
Remeasurement of loss allowance	**6 228**	**0.7**	(2 540)	(0.1)
(Credits)/debits not (taxable)/deductible for tax purposes:				
Sundry non-taxable credits	**–**	**–**	(282)	(0.1)
Other:				
Tax rate differentials	**–**	**–**	39	0.1
Under/(over) provisions prior year (net)	**16**	**–**	(1)	–
	4 251	**0.5**	3 907	0.1

12 DIVIDENDS DECLARED

	2024 R000	2023 R000
Ordinary		
Final dividend	**594 978**	199 429
Interim dividend	**312 779**	314 888
	907 757	514 317

Dividends declared and paid during the year under review are shown below.		
Ordinary		
Final dividend		
Declared on	**25 May 2023**	18 August 2022
Paid on	**17 July 2023**	10 October 2022
Cents per share	**57.00**	19.00
Interim dividend		
Declared on	**27 November 2023**	24 November 2022
Paid on	**18 December 2023**	28 December 2022
Cents per share	**30.00**	30.00

13 INVESTMENT IN SUBSIDIARIES

The following are the company's principal subsidiaries in which it has interests, both directly and indirectly. All these subsidiary companies have share capital consisting of ordinary shares that are held directly by the company, and the proportion of ownership interests held equals the voting rights held by the company, which is 100%.

	Carrying value	
Subsidiary	**2024 R000**	2023 R000
Direct shareholding:		
Akani Egoli Management Proprietary Limited	**1**	1
Akani-Egoli Proprietary Limited	**984 994**	984 994
Akani Msunduzi Proprietary Limited	**135 947**	135 947
Akani Msunduzi Management Proprietary Limited	**1**	1
Garden Route Casino Proprietary Limited	**221 357**	221 357
Gold Reef Management Proprietary Limited	**98 373**	98 373
Goldfields Casino and Entertainment Centre Proprietary Limited	**63 885**	56 062
Silverstar Casino Proprietary Limited	**373 518**	227 747
Tsogo Sun Alternative Gaming Investments Proprietary Limited	**3 735 318**	3 735 318
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**14 738 568**	14 872 113
West Coast Leisure Proprietary Limited	**62 715**	62 715
	20 414 677	20 394 628
Cost	**23 229 156**	23 229 156
Accumulated impairment	**(2 814 479)**	(2 834 528)
Carrying value	**20 414 677**	20 394 628

In addition to the abovementioned subsidiaries, the company has interests in 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

As a result of slow growth of the South African economy, high levels of unemployment, ongoing load shedding, high fuel and food prices, increased interest rates and online betting on casino styled games growing to significant levels, income remained under pressure for the year under review. The ongoing war between Russia and Ukraine continues to, and the recent conflict in the Middle East is beginning to, aggravate global supply chains, bringing with them substantial uncertainty and instability. The company and the company's subsidiaries do not have direct exposure to the respective countries, however, these negative influences on the global economy also impacts disposable income in South Africa. These factors are taken into account in the impairment testing of the company's investment in its subsidiaries.

Significant estimate: key assumptions used for value in use calculations

The recoverable amount of investment in subsidiaries 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 company subsidiaries is based on the historical experience of maintaining each property, taking into account current spend. The approved capex programme is monitored closely by management, thereby ensuring only necessary spend. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate. 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 adjusted EBITDA (adjusted EBITDA is defined by the company as earnings before interest, tax, depreciation and amortisation ("EBITDA") and excludes the effects of items which are regarded as unusual and are infrequent and are considered to distort the numbers if they were not adjusted, and headline adjustments in terms of Circular 1/2023 *Headline Earnings*) margins based on past and current performance, its expectations of disposable income in South Africa and the global uncertainty and instability mentioned above. Focus remains on maintaining previously implemented cost reductions and operational efficiencies. Certain expenses, some of which are beyond the control of the company's subsidiaries (such as administered property costs and high diesel costs incurred due to load shedding), continued to increase. The aforementioned, together with the key assumptions mentioned below, are reflected in the company's forecast cash flows assuming normal growths in the future.

Adjusted EBITDA during the budget period is estimated based on income, including gaming win, food and beverage, hotel rooms revenue and other income, and operating costs achieved in the period immediately preceding the commencement of the annual budget exercise of the company's subsidiaries. The forecast period thereafter has increased income by an average of 4% per annum and operating costs by 5% per annum (31 March 2023: expected income, including gaming win, food and beverage, hotel rooms revenue and other income forecast growths of 5% for 2025 and then 4% for the following years, and expected operating expenditure costs forecast increase on average by 6% for the 2025 financial year and then 5% for the following years).

13 INVESTMENT IN SUBSIDIARIES *continued*

Significant estimate: key assumptions used for value in use calculations *continued*

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 company's subsidiaries operate. The company considers a long-term growth rate of 5.0% appropriate, unchanged from the prior year end, as the trading conditions are expected to improve somewhat in the medium to longer term.

Risk-adjusted discount rate

The discount rate is calculated by using a weighted average cost of capital ("WACC") of the respective company's subsidiaries. WACC is calculated using a risk-free rate referenced to the 10 year point on the SA Government Bond curve and an equity premium adjusted for specific risks relating to the relevant subsidiaries (share beta and small stock premium). The pre-tax discount rates have increased in comparison with the prior year due to higher risk-free and weighted average cost of debt rates as a result of increased interest rates by the South African Reserve Bank ("SARB") during the year under review. These were offset by a lower share beta of 1.08 (31 March 2023: 1.20) mainly due to the decrease in overall levels of debt. The COVID-19 pandemic triggered a reduction in interest rates that has reversed since late 2021 in response to rising inflation, hence there have been a number of increases in rates by the SARB. The company believes the discount rate will return to more normal levels over the medium term. The following key assumptions have been used for the analysis of the respective subsidiaries that have impairments and impairment reversals:

	Discount rate pre-tax	
	2024 %	2023 %
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**19.8**	18.7
Silverstar Casino Proprietary Limited	**20.4**	19.6
Goldfields Casino and Entertainment Centre Proprietary Limited	**22.1**	21.2

Significant estimate – impairment reversal and impairment charge

Taking into account the revised assumptions, no impairment reversals/(impairments) in respect of the company's investments in its subsidiaries were deemed necessary since the previous reporting date, other than as shown below:

	2024 R000	2023 R000
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**(133 545)**	2 267 333
Silverstar Casino Proprietary Limited	**145 771**	102 285
Goldfields Casino and Entertainment Centre Proprietary Limited	**7 823**	(16 682)
	20 049	2 352 936

The impairment in Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited is mainly due to its three casino precincts, Montecasino, The Ridge and Emnotweni, which it owns indirectly, which values in use have decreased over the prior year due to the factors mentioned in the key assumptions used for the value in use calculations. The recoverable amount of Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited is estimated as R14.7 billion (2023: R14.9 billion). The following key assumptions have been used for the analysis of these three precincts:

	Discount rate pre-tax	
	2024 %	2023 %
Montecasino	**19.7**	18.5
The Ridge	**21.0**	19.9
Emnotweni	**20.9**	20.0

13 INVESTMENT IN SUBSIDIARIES *continued*

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(b) *Critical accounting estimates and judgements – Estimated impairment of investment in subsidiaries*.

The following reflects the total impairment and impairment reversals that would be recognised if a reasonable possible change in a key assumption, on which the company has based its determination of the subsidiaries' recoverable amounts, would cause the carrying value of the company's investments in its subsidiaries to exceed the recoverable amounts:

	2024			2023		
	1pp decrease in trading assumptions[(1)] R000	**1pp decrease in growth rate assumptions[(1)] R000**	**1pp increase in discount rate assumptions[(1)] R000**	1pp decrease in trading assumptions[(1)] R000	1pp decrease in growth rate assumptions[(1)] R000	1pp increase in discount rate assumptions[(1)] R000
Total impairment reversal/(impairment) would be:						
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**(278 674)**	**(894 425)**	**(1 026 360)**	2 108 726	1 328 168	975 917
Silverstar Casino Proprietary Limited	**131 824**	**80 283**	**51 621**	86 580	27 744	(1 897)
Goldfields Casino and Entertainment Centre Proprietary Limited	**6 281**	**2 644**	**120**	(18 273)	(22 522)	(25 121)

[(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 Treasury Proprietary Limited.

14 LOANS TO SUBSIDIARIES

	2024 R000	2023 R000
Financial instruments		
Financial assets measured at amortised cost		
Treasury loan		
Tsogo Sun Treasury Proprietary Limited		
Non-current portion	**5 619 617**	5 235 236
Gross	**5 670 000**	5 262 381
Less: loss allowance	**(50 383)**	(27 145)
Current portion	**49 773**	41 511
Gross	**49 773**	41 726
Less: loss allowance	**–**	(215)
	5 669 390	5 276 747

The loan to Tsogo Sun Treasury Proprietary Limited is an unsecured treasury loan, bearing interest by applying three month JIBAR with an additional margin and is receivable quarterly. Refer to notes 19 and 29 for detail in respect of interest rates.

	2024 R000	2023 R000
The maturity analysis is as follows:		
Loan tranche maturing 30 November 2024	**–**	2 044 106
Loan tranche maturing 30 November 2025	**–**	598 275
Loan tranche maturing 28 February 2026	**1 620 000**	1 620 000
Loan tranche maturing 28 February 2027	**1 000 000**	1 000 000
Loan tranche maturing 28 August 2027	**900 000**	–
Loan tranche maturing 31 May 2027	**550 000**	–
Loan tranche maturing 31 May 2028	**1 000 000**	–
Loan tranche maturing 31 August 2028	**200 000**	–
Loan tranche maturing 31 August 2028	**400 000**	–
Capital loan tranches due	**5 670 000**	5 262 381
Interest receivable	**49 773**	41 726
Loss allowance	**(50 383)**	(27 360)
	5 669 390	5 276 747
Treasury deposit		
Tsogo Sun Treasury Proprietary Limited		
Current	**4 871**	–
Gross	**4 914**	–
Less: loss allowance	**(43)**	–

The loan to Tsogo Sun Treasury Proprietary Limited is an unsecured treasury deposit, repayable on demand and bears interest at market-related rates similar to the rates the company borrows at (refer to notes 19 and 29 for detail in respect of interest rates).

	2024 R000	2023 R000
Current accounts		
Entertainment Holdings Proprietary Limited	**20**	–
Gold Reef Management Proprietary Limited	**1 151**	1 413
	1 171	1 413
Total loans to subsidiaries	**5 675 432**	5 278 160

The current accounts are unsecured loans to subsidiaries, repayable on demand and are interest free.

	2024 R000	2023 R000
Summarised as follows:		
Non-current	**5 619 617**	5 235 236
Current	**55 815**	42 924
Total loans to subsidiaries	**5 675 432**	5 278 160

14 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. ECLs are measured annually by independent appointed actuaries and consultants who hold recognised and relevant professional qualifications. 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 ECLs. The loss allowance is updated to either 12-month or lifetime ECLs 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.

During the year under review, the loss allowance for subsidiary loan receivables is based on 12-month expected losses as the credit risk has not increased significantly since initial recognition. For the prior year, all loans to subsidiary companies were based on lifetime ECL.

Credit loss allowance

Movements in the allowance for ECL on the loan to subsidiary are as follows:

	2024 R000	2023 R000
Opening loss allowance as at 1 April	**27 360**	36 768
Increase/(decrease) in allowance recognised in profit or loss during the year	**23 066**	(9 408)
Closing loss allowance as at 31 March	**50 426**	27 360

The following tables set out the carrying amount, loss allowance and measurement basis of ECLs for the loan to subsidiary company:

	Basis of loss allowance	Gross carrying amount at default R000	Loss allowance R000	Carrying amount (net of loss allowance) R000
2024				
Tsogo Sun Treasury Proprietary Limited	**12-month ECL**	**5 724 687**	**(50 426)**	**5 674 261**
		5 724 687	**(50 426)**	**5 674 261**
2023				
Tsogo Sun Treasury Proprietary Limited	Lifetime ECL	5 304 107	(27 360)	5 276 747
		5 304 107	(27 360)	5 276 747

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

14 LOANS TO SUBSIDIARIES *continued*

ECL methodology

Methodology considerations

The calculation of ECL for repayable on demand loans assumes that the loan is demanded at the reporting date. If the borrower has sufficient highly liquid assets ("HLA") to meet the loan repayment on demand, one could argue that the ECL is close to zero. If the borrowing company has insufficient liquid assets, the ECL assessment should consider likely amounts and timing of recoveries. The recoveries could come from repayments over time or a fire sale of assets.

The PD model was used to estimate the loans to subsidiaries ECL (the same model used for the guarantees refer to note 20). The valuation approach uses a holistic view of the group, underlining the importance of operational continuity of the borrowers. It considers the strategic importance of the borrowing entity, as well as the importance of the borrower's support to related entities in the group.

PD

The entities were allocated to categories based on their strategical importance within the group. The PD for each group was based on an assumed S&P credit rating. The table below shows the groups, their assumed rating and one-year PD.

Entity	Strategic category	S&P rating	PD
Holding Company	0	BB-	0.9%
Core Subsidiary	1	B+	1.9%
Strategically important subsidiaries	2	B	2.7%
Non-strategic subsidiaries	3	B/B-	4.0%

LGD

The LGD was based on a financial strength measure of the borrowing entity. The ratio used is total liability over fair value. Each entity is placed into a LGD bucket based on this ratio.

Strength	Ratio band	LGD
Strong	< 25%	40%
Medium strong	25% – 50%	50%
Medium	50% – 100%	65%
Weak	> 100%	70%

Exposure period ("EP")

Where a borrowing entity has sufficient cash (HLA) to cover the loan, an EP of 10 days was used. For other loans, future cash flows relative to the outstanding amount was used. The EP was based on the ratio of outstanding balance over the 2025 financial year's estimated cash flow, with a minimum of three months and a maximum of three years.

Intercompany ECL formula

Each entity's intercompany ECL was calculated as: *ECL = 0bal x PD x LGD x EP*

Based on the above, the assumptions used for the loan was as follows:	2024	2023
PD	**0.9%**	0.9%
LGD	**40.0%**	40.0%
EP (2024: 12 months and 2023: life time)	**2.2**	1.40

Loans to subsidiary company pledged as security

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

15 NON-CURRENT RECEIVABLES

	2024 R000	2023 R000
Financial instruments		
Financial assets measured at amortised cost	–	3 399
Loan to share scheme	–	3 399

The company does not consider the non-current receivables significant and therefore no further disclosure is provided in this regard.

16 DEFERRED INCOME TAX

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

	Debt finance costs R000	Total R000
Balance at 1 April 2022	1 952	1 952
Profit or loss expense	(790)	(790)
Balance at 31 March 2023	1 162	1 162
Profit or loss expense	**(981)**	**(981)**
Balance at 31 March 2024	**181**	**181**

17 CASH AND CASH EQUIVALENTS

	2024 R000	2023 R000
Cash and cash equivalents measured at amortised cost		
Current accounts	**2 423**	2 721
Call deposit accounts	**127**	–
Net cash and cash equivalents per the statement of cash flows	**2 550**	2 721

Due to the short-term nature of these assets and historical experience, cash and cash equivalents are regarded as having a low PD and therefore the related ECL 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 Treasury Proprietary Limited.

18 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Treasury shares	Net number of shares	Ordinary share capital R000	Share premium R000	Treasury shares R000	Total R000
At 1 April 2022 and 1 April 2023	**1 050 188 300**	**(3 650 485)**	**1 046 537 815**	**21 071**	**17 525 849**	**(94 067)**	**17 452 853**
Share buy-back	**(6 869 583)**	**–**	**(6 869 583)**	**(137)**	**(85 688)**	**–**	**(85 825)**
Odd-lot offer	**(138 044)**	**–**	**(138 044)**	**(3)**	**(1 793)**	**–**	**(1 796)**
Repurchase and cancellation of share trust shares	**(583 857)**	**–**	**(583 857)**	**(12)**	**(7 552)**	**67**	**(7 497)**
At 31 March 2024	**1 042 596 816**	**(3 650 485)**	**1 038 946 331**	**20 919**	**17 430 816**	**(94 000)**	**17 357 735**

The total authorised number of ordinary shares is 1 200 000 000 (2023: 1 200 000 000) with a par value of 2 cents per share (2023: 2 cents per share). The company also has 20 000 000 authorised unissued preference shares of no par value. All issued shares are fully paid up. The shares related to the IFRS 2 *Share-based Payment – equity-settled* (refer below) are still to be settled by the participants.

During the year under review, the company embarked on a share buy-back programme, repurchased shares in accordance with an odd-lot offer and acquired the remaining shares held in the Gold Reef Share Scheme trust. These shares were cancelled.

The directors of the company have, as a general authority until the forthcoming AGM, been authorised to allot and issue the authorised but unissued ordinary shares as they in their discretion deem fit (subject to the company's MoI, the Companies Act and the JSE Listings Requirements). This authority does not extend to the issue of shares for cash (whether by way of a general issue of shares for cash or a specific issue for cash) where the JSE Listings Requirements or the Companies Act require an additional approval to be granted. The board of directors has also been given a general authority to acquire ordinary shares issued by the company subject to the MoI, Companies Act and JSE Listings Requirements which is 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).

Executive facility (historical discontinued facility) (treasury shares)

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

Following his early retirement in 2019, J Booysen has until 30 September 2025 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 in 2020, 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 shares were pledged to the company on 29 November 2019 as security until the loans are repaid. The balance on the loans, if any, will be written off. Dividends have been ceded to the company.

19 INTEREST-BEARING BORROWINGS

	2024 R000	2023 R000
Financial liabilities measured at amortised cost		
Corporate bonds (Domestic Medium-term Note Programme)	**5 719 484**	5 310 997
	5 719 484	5 310 997
Non-current liabilities	**5 670 000**	5 270 000
Current liabilities	**49 484**	40 997
	5 719 484	5 310 997

During May and August 2023, certain of the debt was refinanced. The facilities consist of a Domestic Medium-term Note Programme. The bonds have tenors of up to four years. Refer to notes 29 and 30 for further details on borrowings and covenants.

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 Treasury Proprietary Limited:

	2024 R000	2023 R000
Property, plant and equipment	**5 118 414**	5 179 292
Investment properties	**247 000**	177 000
Other claims and receivables	**113 624**	126 341
Pledge of cash in bank accounts	**355 779**	315 781
Investment in subsidiaries and associates	**26 665 034**	27 254 818
Intergroup loan receivables	**27 069 058**	26 649 701
	59 568 909	59 702 933

Mortgage bonds are registered over six immovable properties of certain subsidiaries.

Committed facilities

The banking facilities at year end amounted to R20 million (2023: R20 million) and the amount utilised is Rnil (2023: 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 9.72% and 10.07% (2023: 8.75% and 9.15%). All borrowings bear interest at floating rates (refer to note 29.1(a)(ii)).

	2024	2023
Weighted average effective interest rates net income	**0.07%**	0.02%

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

	Carrying amount		Fair value	
	2024 R000	2023 R000	2024 R000	2023 R000
Corporate bonds (Domestic Medium-term Note Programme)	**5 719 484**	5 310 997	**5 565 371**	5 305 522
	5 719 484	5 310 997	**5 565 371**	5 305 522

20 FINANCIAL GUARANTEES

	2024 R000	2023 R000
Opening balance at 1 April	**41 406**	87 255
Gain on derecognition of financial guarantee liability	**(17 741)**	(27 654)
Gain on remeasurement of financial guarantee liability	**(6 612)**	(18 195)
At 31 March	**17 053**	41 406

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 Treasury Proprietary Limited (subsidiary). The company's maximum exposure to credit risk amounts to the total outstanding balances on the company's and Tsogo Sun Treasury Proprietary Limited's debt securities of R8.0 billion (2023: R8.3 billion). The measurement of financial guarantees is carried out annually by independent appointed actuaries and consultants who hold recognised and relevant professional qualifications.

ECL 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. During the prior year these loans were assigned to stage 2 as they were seen to have incurred significant increase in credit risk since inception. During the current year, GCR Ratings credit ratings and key financial data have performed better than or at pre-COVID-19 levels and all loans have therefore been treated as stage 1. 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

The TTC PDs used in the ECL calculations were sourced from S&P's Annual Global Corporate Default and Rating Transition Study. The ratings issued by GCR Ratings were used as a base and adjusted to an international scale rating as used in the S&P study. 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 to determine what forward-looking adjustment would be required. A BB- credit rating (2023: B- credit rating) was used in the valuation.

LGD/recovery rate

A LGD of 20% (2023: 33%) (equivalent to a recovery rate of 80% (2023: 67%)) 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 Ratings modelled recoveries in default scenarios, and the historical recovery rates of defaulted companies in the gaming, entertainment and hospitality industry.

The valuation of the financial guarantee liability takes into account which guarantors will be called on in the event of default by the borrowers (the company and its subsidiary, Tsogo Sun Treasury Proprietary Limited).

21 TRADE AND OTHER PAYABLES

	2024 R000	2023 R000
Financial instruments		
Other payables	**281**	–
Amount due to share scheme	**8 724**	–
Non-financial instruments		
Value added tax payable	**142**	67
	9 147	67

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.

22 LOANS FROM SUBSIDIARIES

	2024 R000	2023 R000
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**6 902 508**	6 902 508
Tsogo Sun Casinos Proprietary Limited	**87 621**	–
Tsogo Sun Casinos Management Company Proprietary Limited	**844**	106
Tsogo Sun Treasury Proprietary Limited	**–**	7 051
	6 990 973	6 909 665

The loans are unsecured, earn no interest and are repayable on demand with the exception of the loan from Tsogo Sun Treasury 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 19 and 29 for detail in respect of interest rates).

23 CASH GENERATED FROM OPERATIONS

	2024 R000	2023 R000
Profit before tax from operations	**945 024**	2 938 066
Adjusted for:		
Dividends received	**(908 000)**	(514 500)
Finance income	**(566 443)**	(374 858)
Finance costs	**561 832**	372 088
Impairment reversals of investments in subsidiaries	**(20 049)**	(2 352 936)
Gain on derecognition of financial guarantee liability	**(17 741)**	(27 654)
Gain on remeasurement of financial guarantee liability	**(6 612)**	(18 195)
Remeasurement of the loss allowance on loans to subsidiaries	**23 066**	(9 408)
Cash generated from operations before working capital moves	**11 077**	12 603
Working capital movements		
Increase in trade and other receivables	**3 399**	1 331
Increase/(decrease) in trade and other payables	**9 080**	(944)
Increase in amounts due by subsidiaries	**(10 492)**	(43 150)
Increase in amounts due to subsidiaries	**81 308**	–
Cash generated from operations	**94 372**	(30 160)

24 INCOME TAX PAID

	2024 R000	2023 R000
Tax asset/(liability) at 1 April	**446**	(25)
Current tax provided	**(3 270)**	(3 117)
Tax asset at 31 March	**(29)**	(446)
	(2 853)	(3 588)

25 DIVIDENDS PAID

	2024 R000	2023 R000
Unclaimed dividends at 1 April	**(1 618)**	(1 467)
Dividends declared	**(907 757)**	(514 317)
Unclaimed dividends at 31 March	**1 551**	1 618
	(907 824)	(514 166)

26 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in interest-bearing borrowings

Changes arising from interest-bearing borrowings for the year under review are as follows:

	Non-current R000	Current R000	Total R000
At 1 April 2023	**5 270 000**	**40 997**	**5 310 997**
Cash flow movements			
Borrowings raised[1]	**1 000 000**	**–**	**1 000 000**
Borrowings repaid[1]	**(600 000)**	**–**	**(600 000)**
Interest paid during the year		**(552 953)**	**(552 953)**
Non-cash movements			
Borrowing facilities raised[2]	**2 050 000**		**2 050 000**
Borrowing facilities repaid[2]	**(2 050 000)**		**(2 050 000)**
Borrowings reclassification to current			**–**
Interest raised for the year		**561 440**	**561 440**
At 31 March 2024	**5 670 000**	**49 484**	**5 719 484**
At 1 April 2022	4 550 000	988 083	5 538 083
Cash flow movements			
Borrowings raised	1 620 000	–	1 620 000
Borrowings repaid	–	(1 860 000)	(1 860 000)
Interest paid during the year	–	(357 060)	(357 060)
Non-cash movements			
Borrowing facilities raised/(settled)	1 000 000	(1 000 000)	–
Borrowings reclassification to current	(1 900 000)	1 900 000	–
Interest raised for the year	–	369 974	369 974
At 31 March 2023	5 270 000	40 997	5 310 997

(1) *The company raised R1 billion and repaid R600 million in cash as part of the refinancing programme and debt reduction during the year*

(2) *At the time of the May 2023 debt refinancing, R1.55 billion and R0.5 billion was settled respectively, free of value (offset between the same lender), therefore, there was no cash flow through the company's bank accounts at the time the company received the new borrowing facilities of R1 billion, this concluded the settlement of three medium-term notes which were due to mature on 30 November 2024*

27 RELATED PARTIES

The company's ultimate controlling shareholder is Hosken Consolidated Investments Limited ("HCI") (a company listed on the JSE) which, at the reporting date, directly and indirectly owned 50.1% (2023: 49.7%) of the company's issued share capital. HCI directly owned 10.1% (2023: 10.0%) and is the majority shareholder of TIHC Investments (RF) Proprietary Limited ("TIHC") which directly owned 40.0% (2023: 39.7%). These percentage shareholdings exclude treasury shares.

The company's transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Royalties received are made based on contractual terms.

	2024 R000	2023 R000
Transactions with related parties		
Dividends received from subsidiaries		
Akani-Egoli Proprietary Limited	**90 000**	–
Akani Msunduzi Proprietary Limited	**81 000**	–
Akani Msunduzi Management Proprietary Limited	**13 500**	–
Garden Route Casino Proprietary Limited	**69 000**	
Gold Reef Management Proprietary Limited	**55 500**	–
Tsogo Sun Alternative Gaming Investments Proprietary Limited	**200 000**	–
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**259 000**	–
Vukani Gaming Corporation Proprietary Limited	**–**	514 500
West Coast Leisure Proprietary Limited	**140 000**	–
	908 000	514 500
Royalties received from subsidiary		
Akani-Egoli Proprietary Limited	**12 806**	13 583
Interest from/(to) subsidiary		
Tsogo Sun Treasury Proprietary Limited	**565 775**	374 379
Tsogo Sun Treasury Proprietary Limited	**(392)**	(2 114)
Amounts owing to/by related parties		
Non-current		
Loan due by subsidiary (note 14)	**5 619 617**	5 235 236
Current		
Loans due by subsidiaries (note 14)	**55 815**	42 924
Loans from subsidiaries (note 22)	**(6 990 973)**	(6 909 665)

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	
	2024 R000	2023 R000
JA Copelyn	**1 218**	1 203
MJA Golding	**354**	349
BA Mabuza	**723**	714
F Mall	**534**	526
VE Mphande	**418**	411
Y Shaik	**544**	536
RD Watson	**525**	516
	4 313	4 255

At 31 March 2024, non-executive directors indirectly held a total of 23 059 454 shares (2023: 23 059 454 indirectly held shares) being 6 946 560 shares indirectly held (2023: 6 946 560 shares indirectly held) by JA Copelyn, a non-executive director and Chairperson, and 16 112 894 shares indirectly held (2023: 16 112 894 shares indirectly held) by MJA Golding, a non-executive director.

27 RELATED PARTIES *continued*

Key management compensation *continued*

Executive directors

	Year ended 31 March 2024 Basic remuneration R000	Benefits R000	Short-term incentives R000	Long-term incentives R000	Total paid R000
CG du Toit	**8 575**	**539**	**5 525**	**17 640**	**32 279**
G Lunga	**2 817**	**525**	**1 200**	**8 820**	**13 362**
Total remuneration	**11 392**	**1 064**	**6 725**	**26 460**	**45 641**

	Year ended 31 March 2023 Basic remuneration R000	Benefits R000	Short-term incentives R000	Total paid R000
CG du Toit	6 322	518	5 525	12 365
G Lunga	2 682	477	1 000	4 159
Total remuneration	9 004	995	6 525	16 524

Other key management and prescribed officers

	Year ended 31 March 2024 Basic remuneration R000	Benefits R000	Short-term incentives R000	Long-term incentives R000	Total paid R000
B Mogiba (Chief Executive Officer – Vukani)	**3 000**	**464**	**1 950**	**7 938**	**13 352**
S van Vuuren (Director of Human Resources)	**1 702**	**100**	**600**	**2 646**	**5 048**
C Wannell (Legal Manager and representative of the Company Secretary)	**1 711**	**319**	**600**	**2 646**	**5 276**
Total remuneration	**6 413**	**883**	**3 150**	**13 230**	**23 676**

	Year ended 31 March 2023 Basic remuneration R000	Benefits R000	Short-term incentives R000	Total paid R000
B Mogiba (Chief Executive Officer – Vukani)	3 014	438	1 300	4 752
S van Vuuren (Director of Human Resources)	1 530	30	450	2 010
C Wannell (Legal Manager and representative of the Company Secretary)	1 626	268	500	2 394
Total remuneration	6 170	736	2 250	9 156

28 CONTINGENCIES AND GUARANTEES

The company has no further contingencies nor guarantees not already recognised in the statement of financial position (refer to note 20 *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 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 directors 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 of directors 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 risk tolerance and risk appetite measures of the board of directors. 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.

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 of directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the company. The board of directors 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.

29 FINANCIAL RISK MANAGEMENT *continued*

29.1 Financial risk factors *continued*

(a) Market risk continued

(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 borrowing. 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, including the effect of bank overdrafts is shown below. There were no fixed rate instruments.

	2024 R000	2023 R000
Financial assets	**5 676 811**	5 279 468
Financial liabilities	**(5 719 484)**	(5 318 048)
	(42 673)	(38 580)

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 R0.2 million (2023: R0.4 million). This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2023.

The Financial Stability Board ("FSB") 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 ("IBORs") with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the company.

(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.

(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, financial guarantees, 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 of directors). 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 20 *Financial guarantees* for the maximum exposure to credit risk in respect of financial guarantees.

Refer to note 14 for further credit risk analysis in respect of loans to subsidiaries. The company has no credit risk in respect of trade and other receivables.

29 FINANCIAL RISK MANAGEMENT *continued*

29.1 Financial risk factors *continued*

(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. Although current liabilities exceed current assets at 31 March 2024, the company's forecasts reflect that it will generate sufficient cash flows during the period to meet all trading liability obligations. Refer to note 3(a) *Critical accounting estimates and judgements – Going concern* for details.

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:

	2024 facility			2023 facility		
	Total R000	**Available R000**	**Utilisation R000**	Total R000	Available R000	Utilisation R000
Demand facilities	**20 000**	**20 000**	**–**	20 000	20 000	–
Term facilities maturing 30 November 2024	**–**	**–**	**–**	2 050 000	–	2 050 000
Term facilities maturing 30 November 2025	**–**		**–**	600 000	–	600 000
Term facilities maturing 28 February 2026	**1 620 000**	**–**	**1 620 000**	–	–	–
Term facilities maturing 30 November 2026	**–**		**–**	1 620 000	–	1 620 000
Term facilities maturing 28 February 2027	**1 000 000**	**–**	**1 000 000**	–	–	–
Term facilities maturing 30 November 2027	**–**	**–**	**–**	1 000 000	–	1 000 000
Term facilities maturing 31 May 2027	**1 000 000**	**–**	**1 000 000**	–	–	–
Term facilities maturing 31 August 2027	**900 000**	**–**	**900 000**	–	–	–
Term facilities maturing 31 May 2028	**550 000**	**–**	**550 000**	–	–	–
Term facilities maturing 31 August 2028	**200 000**	**–**	**200 000**	–	–	–
Term facilities maturing 31 August 2029	**400 000**	**–**	**400 000**	–	–	–
	5 690 000	**20 000**	**5 670 000**	5 290 000	20 000	5 270 000
Accrued interest included in short-term borrowings			**49 484**			40 997
			5 719 484			5 310 997

The company completed a refinancing programme of its debt in May 2023 and August 2023, whereby the debt in existence was treated as an extinguishment and the new debt recognised due to the revised terms.

29 FINANCIAL RISK MANAGEMENT *continued*

29.1 Financial risk factors *continued*

(c) Liquidity risk continued

The tables below analyse the company's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the reporting 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 R000	Between 1 and 2 years R000	Between 2 and 3 years R000	Between 3 and 4 years R000	Over 4 years R000
At 31 March 2024					
Corporate bonds	**551 799**	**2 158 069**	**1 386 718**	**2 066 760**	**1 219 262**
Financial guarantees[1]	**2 263 259**	**–**	**–**	**–**	**–**
Loans from subsidiaries	**6 990 973**	**–**	**–**	**–**	**–**
Trade and other payables	**10 556**	**–**	**–**	**–**	**–**
	9 816 587	**2 158 069**	**1 386 718**	**2 066 760**	**1 219 262**

	Less than 1 year R000	Between 1 and 2 years R000	Between 2 and 3 years R000	Between 3 and 4 years R000	Over 4 years R000
At 31 March 2023					
Corporate bonds	468 253	2 473 038	2 490 373	1 087 740	–
Financial guarantees[1]	2 973 196	–	–	–	–
Loans from subsidiaries	6 909 665	–	–	–	–
Trade and other payables	1 618	–	–	–	–
	10 352 732	2 473 038	2 490 373	1 087 740	–

[1] *Includes the maximum exposure relating to financial guarantees*

29 FINANCIAL RISK MANAGEMENT *continued*

29.2 Financial instruments 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 in the statement of financial position:

	Amortised cost R000	Financial guarantee[1] R000	Not categorised as a financial instrument R000	Total R000	Non-current R000	Current R000
At 31 March 2024						
Financial assets						
Loans to subsidiaries	**5 675 432**	**–**	**–**	**5 675 432**	**5 619 617**	**55 815**
Cash and cash equivalents	**2 550**	**–**	**–**	**2 550**	**–**	**2 550**
Financial liabilities						
Corporate bonds	**5 719 484**	**–**	**–**	**5 719 484**	**5 670 000**	**49 484**
Financial guarantees	**–**	**17 053**	**–**	**17 053**	**–**	**17 053**
Loans from subsidiaries	**6 990 973**	**–**	**–**	**6 990 973**	**–**	**6 990 973**
Trade and other payables	**10 556**	**–**	**142**	**10 698**	**–**	**10 698**

	Amortised cost R000	Financial guarantee[1] R000	Not categorised as a financial instrument R000	Total R000	Non-current R000	Current R000
At 31 March 2023						
Financial assets						
Loans to subsidiaries	5 278 160	–	–	5 278 160	5 235 236	42 924
Non-current receivables	3 399	–	–	3 399	3 399	–
Cash and cash equivalents	2 721	–	–	2 721	–	2 721
Financial liabilities						
Corporate bonds	5 310 997	–	–	5 310 997	5 270 000	40 997
Financial guarantees	–	41 406	–	41 406	–	41 406
Loans from subsidiaries	6 909 665	–	–	6 909 665	–	6 909 665
Trade and other payables	1 618	–	67	1 685	–	1 685

[1] *Refer to note 20*

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 statement of financial position. Debt funding comprises loans from corporate bonds, treasury loans from subsidiaries and net debt represents gross debt net of all cash reserves.

The policy of the board of directors 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 of directors monitors the cost of capital, which the company defines as the WACC, 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, issue new shares or acquire own shares.

The board of directors 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 19 *Interest-bearing borrowings* and 29 *Financial risk management*.

The covenants are monitored and reported to the board of directors 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.

Dividend declaration

Subsequent to the company's reporting date, on 23 May 2024, the board of directors declared a final gross cash dividend of 40.0 cents per share in respect of the year ended 31 March 2024 from distributable reserves. The aggregate amount of the dividend paid on 29 July 2024, not recognised as a liability at the reporting date, is R417 million.

Analysis of shareholding

as at 31 March 2024

	Number of shareholders	%	Number of shares	%
Portfolio size				
Range				
1 – 1 000	4 435	66.25	970 025	0.09
1 001 – 5 000	1 124	16.79	2 751 395	0.26
5 001 – 10 000	275	4.11	2 101 097	0.20
10 001 – 50 000	390	5.83	9 196 002	0.88
50 001 – 100 000	116	1.73	8 216 536	0.79
100 001 – and more	354	5.29	1 019 361 761	97.78
	6 694	100.00	1 042 596 816	100.00
Shareholder spread				
Public	6 690	99.95	499 422 958	47.90
Individuals	5 744	85.82	9 340 118	0.90
Banks and insurance companies	55	0.82	28 542 696	2.74
Pension funds and medical aid societies	259	3.87	53 290 803	5.11
Collective investment schemes and mutual funds	137	2.05	258 827 615	24.82
Other corporate bodies	495	7.39	149 421 726	14.33
Non-public	4	0.05	543 173 858	52.10
Directors[1]	2	0.03	23 059 454	2.21
Controlling entity of controlling shareholder	1	0.01	104 932 377	10.07
Controlling shareholder (10% of issued share capital or more)	1	0.01	415 182 027	39.82
	6 694	100.00	1 042 596 816	100.00
Major shareholders owning 1% or more of total number of shares in issue:				
TIHC Investments (RF) Proprietary Limited			415 182 027	39.82
Hosken Consolidated Investments Limited			104 932 377	10.07
Allan Gray Balanced Fund			58 390 402	5.60
SBSA ITF Mandg SA Equity Fund			49 670 747	4.76
SBSA ITF PGR CAP High Growth H4 QHF			34 138 657	3.27
Investec Bank Limited Steyncapital SAE			29 270 797	2.81
Alexander Forbes Investments			27 645 606	2.65
Aylett Equity Prescient Fund			18 685 982	1.79
Geomer Investments Proprietary Limited			15 872 978	1.52
Citiclient Nominees NO 8 NY GW			11 210 t7	1.08

[1] *At 31 March 2024, 6 946 560 shares were indirectly held (2023: 6 946 560 shares indirectly held) by JA Copelyn, Non-executive Director and Chairperson and 16 112 894 shares indirectly held (2023: 16 112 894 shares indirectly held) by MJA Golding, Non-executive Director. There has been no change to directors' shareholdings between the reporting date and the date of these financial statements*

Treasury shares made up as follows:	Number of shares
Treasury shares allocated as part of the executive facility – refer to note 18 of the company financial statements	3 650 485

The 3 650 485 shares comprising the subject matter of the executive facility have been classified as treasury shares for the purposes of IFRS 2 *Share-based Payments*, but are not treasury shares as defined in the JSE Listings Requirements and as such, the votes of such shares will be taken into account for purposes of resolutions proposed pursuant to the JSE Listings Requirements.

Glossary

Adjusted EBITDA	Adjusted EBITDA is defined by the company as earnings before interest, tax, depreciation and amortisation ("EBITDA") and excludes the effects of items which are regarded as unusual and are infrequent and are considered to distort the numbers if they were not adjusted, and headline adjustments in terms of Circular 1/2023 *Headline Earnings*
AGM	Annual general meeting
CGU	Cash-generating unit
EAD	Exposure at default
ECL	Expected credit loss
EP	Exposure period
HCI	Hosken Consolidated Investments Limited
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	IFRS Accounting 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 point
Net debt	Gross debt 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 Limited
Tsogo Sun or the company	Tsogo Sun Limited
TTC	Through-the-cycle
WACC	Weighted average cost of capital