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TSOGO SUN
CASINOS . HOTELS

2025

Company Annual Financial Statements for the year ended 31 March 2025

Contents

FINANCIAL STATEMENTS

Statement of responsibility by the board of directors

for the year ended 31 March 2025

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") Limited 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 the board of directors and the effects thereof are fully explained in the financial statements. The financial statements incorporate full and responsible disclosure.

The board 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 2025

The preparation of the financial statements has been supervised by the Chief Executive Officer and Financial Director, CG du Toit CA(SA). These financial statements were approved by the board of directors on 31 July 2025 and are signed on its behalf by:

CG du Toit
Chief Executive Officer and Financial Director

Chief Executive Officer and Financial Director’s responsibility statement

for the year ended 31 March 2025

The director, whose name is stated below, hereby confirms that:

- the annual financial statements, set out on pages 01 to 40, 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 my 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 has 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 my role and function as executive director with primary responsibility for implementation and execution of controls;
- where I am not satisfied, I 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
- I am not aware of any fraud involving directors.

CG du Toit
Chief Executive Officer and Financial Director
31 July 2025

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 2025, 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 2025

Report of the audit and risk committee

for the year ended 31 March 2025

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 were suitable for appointment as contemplated in terms of paragraph 3.84(g)(ii) of the JSE Limited Listings Requirements. Mr MLE Tshabalala 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 two years;
- Ensured and satisfied itself that the appointments of the external auditor, the designated auditor and IFRS Accounting Standards ("IFRS") adviser are in compliance with the Act, the Auditing Profession Act, 2005 and the JSE Limited 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 company's internal control policies and procedures in place for the identification, assessment and reporting of risks, as well as the company'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 2024;
- Evaluated and is satisfied with the implementation of the combined assurance framework and plan;
- Considered and evaluated the company's assessment of the Chief Executive Officer and Financial Director's responsibility statement as required by the JSE Limited Listings Requirements;
- Reviewed compliance with 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 financial statements.

COMPETENCE OF THE FINANCIAL DIRECTOR

The committee has also considered and satisfied itself of the appropriateness of the expertise and experience of the Financial Director, Mr CG du Toit, and the finance function.

RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS

The committee has evaluated the financial statements of Tsogo Sun Limited for the year ended 31 March 2025 and, based on the information provided to the committee, the committee recommends the adoption of the financial statements by the board of directors.

F Mall
Chairperson: Audit and risk committee
31 July 2025

Directors' report

for the year ended 31 March 2025

1 NATURE OF BUSINESS

The company is a South African incorporated public company listed on the Johannesburg Stock Exchange ("JSE") (with registration number 1989/002108/06). It is an investment holding company, with its investments being principally in the gaming, entertainment and hospitality industry operating in South Africa. 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 R506 million (2024: R941 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 2025. 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 payments of dividends depend on the directors' ongoing assessment of the company's earnings, financial position, cash needs, future earnings prospects and other future factors.

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

4 DIVIDENDS

Subsequent to the year end, on 28 May 2025, the board of directors declared a final gross cash dividend of 30 cents per share from distributable reserves in respect of the year ended 31 March 2025. The dividend was declared in South African currency and was paid to shareholders on 28 July 2025.

An interim dividend of 30 cents per share was paid on 23 December 2024 in respect of the 31 March 2025 year end.

5 DIRECTORATE

The directorate during the year under review was as follows:

Executive

CG du Toit (Chief Executive Officer and Financial Director), appointed Financial Director with effect from 2 June 2025
G Lunga (Chief Financial Officer), resigned with effect from 2 June 2025

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 of the Company Secretary 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 is 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, indirectly owned 50% (2024: 50%) of the company's issued share capital. Refer to note 27 *Related parties* and the shareholder analysis in the financial statements for further details.

9 SHARE CAPITAL

The directors of the company have, as a general authority until the forthcoming annual general meeting ("AGM"), been authorised to allot and issue 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 Limited 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 Limited 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 Limited Listings Requirements which is valid until the company's next AGM, or 15 months from the date of the passing of the special resolution authorising same, 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 14 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 and Specialist Securities Listings Requirements, Egbert Loubser, 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 39, which comprise the separate statement of financial position as at 31 March 2025; and the separate statement of profit or loss and other comprehensive income; 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 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 2025, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the separate financial statements as a whole as follows:

	Financial statements – Company Materiality
Overall materiality	R25.5 million (2024: R32 million)
How we determined it	This represents 5% of profit before tax.
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. The decrease in materiality is attributable to the decrease in the benchmark applied in determining materiality.
We determined that profit before tax remained the key benchmark and is generally accepted for listed entities.	

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 Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Tsogo Sun Limited Integrated Report 2025" and in the document titled "Tsogo Sun Limited Separate Financial Statements for the year ended 31 March 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's 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, 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 the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and 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.

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

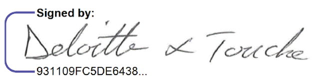
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

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

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Tsogo Sun Limited for 2 years.



Deloitte & Touche
Registered Auditor
Per: MLE Tshabalala
Partner
31 July 2025

5 Magwa Crescent
Waterfall City
Midrand
2090
South Africa

Statement of profit or loss

for the year ended 31 March

	Notes	2025 R'000	2024 R'000
Dividend revenue	4	**729 900**	908 000
Other revenue	5	**11 834**	12 806
Other income	6	**8 302**	–
Remeasurement of loss allowance on loans to subsidiaries	7	**6 502**	(23 066)
Net (impairment)/reversal of non-current assets	8	**(268 866)**	20 049
Other operating credits, net of expenses	9	**16 120**	22 624
Operating profit		**503 792**	940 413
Finance income	10	**538 713**	566 443
Finance costs	11	**(532 068)**	(561 832)
Profit before income tax		**510 437**	945 024
Income tax expense	12	**(4 701)**	(4 251)
Profit for the year		**505 736**	940 773

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 39 form an integral part of these financial statements.

Statement of financial position

as at 31 March

	Notes	2025 R'000	2024 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	14	**20 145 811**	20 414 677
Loans to subsidiaries	15	**4 006 553**	5 619 617
Deferred income tax asset	16	**–**	181
		24 152 364	26 034 475
Current assets			
Loans to subsidiaries	15	**994 444**	55 815
Current income tax receivable		**180**	29
Cash and cash equivalents	17	**7 408**	2 550
		1 002 032	58 394
Total assets		**25 154 396**	26 092 869
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium	18	**17 397 524**	17 357 735
Accumulated loss		**(4 230 840)**	(4 003 074)
Total equity		**13 166 684**	13 354 661
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	19	**4 050 000**	5 670 000
		4 050 000	5 670 000
Current liabilities			
Interest-bearing borrowings	19	**938 765**	49 484
Financial guarantees	20	**3 390**	17 053
Trade and other payables	21	**336**	9 147
Loans from subsidiaries	22	**6 993 564**	6 990 973
Dividends payable		**1 657**	1 551
		7 937 712	7 068 208
Total liabilities		**11 987 712**	12 738 208
Total equity and liabilities		**25 154 396**	26 092 869

The accounting policies and notes on pages 13 to 39 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 R'000	Accumulated loss R'000	Total equity R'000
Balance at 1 April 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	13	–	(907 757)	(907 757)
Balance at 31 March 2024		17 357 735	(4 003 074)	13 354 661
Profit for the year		**–**	**505 736**	**505 736**
Changes in share capital and share premium	18	**39 789**	**–**	**39 789**
Recognition of financial guarantee liability	20	**–**	**(3 684)**	**(3 684)**
Ordinary dividends declared	13	**–**	**(729 818)**	**(729 818)**
Balance at 31 March 2025		**17 397 524**	**(4 230 840)**	**13 166 684**

The accounting policies and notes on pages 13 to 39 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 March

	Notes	2025 R'000	2024 R'000
Cash flows from operating activities			
Cash generated from operations	23	**19 005**	94 372
Finance income		**549 474**	558 332
Finance costs		**(542 787)**	(553 355)
Income tax paid	24	**(4 671)**	(2 853)
Dividends received		**729 900**	908 000
Dividends paid	25	**(729 712)**	(907 824)
Net cash generated from operating activities		**21 209**	96 672
Cash flows from investment activities			
Decrease in amount due by treasury subsidiary		**720 000**	598 275
Increase in amount due by treasury subsidiary		**(49 886)**	(1 000 000)
Net cash generated from/(utilised in) investment activities		**670 114**	(401 725)
Cash flows generated from financing activities			
Borrowings raised	26	**–**	1 000 000
Borrowings repaid	26	**(720 000)**	(600 000)
Treasury shares settled		**33 535**	–
Shares repurchased		**–**	(95 118)
Net cash (utilised for)/generated by financing activities		**(686 465)**	304 882
Net increase/(decrease) in cash and cash equivalents		**4 858**	(171)
Cash and cash equivalents at beginning of the year		**2 550**	2 721
Cash and cash equivalents at end of the year	17	**7 408**	2 550

The accounting policies and notes on pages 13 to 39 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 Accounting Standards ("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 Limited Listings Requirements and the requirements of the South African Companies Act of South Africa, 71 of 2008, as amended. They 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) Amended material standards adopted by the company

The company adopted the amendments to IAS 1 *Presentation of Financial Statements* from 1 April 2024. These amendments did not result in any material impact on the company.

IAS 1 *Presentation of Financial Statements* (Amendments)

Classification of liabilities as current or non-current
Narrow-scope amendments made to IAS 1 clarify how to classify debt and other liabilities as current or non-current.

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:

- 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.

(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.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

(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.

(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) Fair value measurement

Financial instruments carried at fair value, by valuation method, are defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- Level 3 – inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value of financial instruments that are not traded in an active market (for example, financial guarantees) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(f) 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.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and, where applicable, bank overdrafts.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

(h) 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.

(i) Share capital

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

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

(j) 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 statement of financial position 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. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Financial guarantees

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

Recognition and measurement

The initial recognition of intergroup guarantees is 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 require 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").

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES *continued*

(k) Financial guarantees *continued*

Recognition and measurement continued

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

The cost (expected credit loss) of the guarantees is valued on a probability-weighted discounted cash flow basis using PD and LGD. Historical through-the-cycle ("TTC") corporate default rates for companies with a BB- rating from Standard and Poor's ("S&P") *Annual Global Corporate Default and Rating Transition Study* were used to estimate PD. An average TTC recovery rate of 80% (2024: 80%) was assumed (i.e. a LGD of 20% (2024: 20%)) based on past industry recovery experience and collateral analysis. The TTC PDs and LGDs were considered for forward-looking factors.

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

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

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

(l) Trade and other payables

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

(m) 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*

(n) 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.

(o) Dividend distributions

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

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. There are no issued new standards and amendments to existing standards that affect the company for the annual period beginning on 1 April 2025. The company is to conclude on the impact of the new standards and amendments that will be effective from the annual period beginning 1 April 2026 and 1 April 2027, none of which are expected to have a material financial effect on the results of operations or financial position of the company. The most material of these, which the company has decided not to early adopt, is shown below.

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.

IFRS 18 must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* from the company's annual period beginning 1 April 2027.

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 covenants are measured as a group (the company, together with its subsidiaries). The net debt to adjusted EBITDA ratio, as measured for covenant purposes at 31 March 2025, amounted to a 2.09 times multiple. The group's debt covenant ratio requirement 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 2026. Lower debt levels of the company and its subsidiary were achieved notwithstanding cash outflows of R730 million for ordinary dividend payments and interest payments of R687 million for the year (excluding IFRS 16 lease interest). The medium-term debt leverage target remains lower than a 1.8 times multiple.

The company's statement of financial position 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's and its subsidiaries' going concern jointly.

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 2025, 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*.

After taking the above factors into account, the directors consider the going concern method to be appropriate for the presentation of these 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 14 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) Expected credit loss on intergroup loans

The company annually estimates expected credit losses 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 expected credit losses or lifetime expected credit losses if the credit risk of the loan has increased significantly since initial recognition.

Refer to note 15 for further details in respect of exposure to expected credit losses on loans to subsidiary companies.

(d) Financial guarantees

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

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

Refer to note 20 for methodology and assumptions used in measuring the expected credit loss for financial guarantees.

4 DIVIDEND REVENUE

	2025 R'000	2024 R'000
Dividends received from subsidiaries (note 27)	**729 900**	908 000
	729 900	908 000

5 OTHER REVENUE

	2025 R'000	2024 R'000
The company derives revenue over time. Disaggregation of revenue from contracts with customers for the year under review comprises:		
Royalty fees from subsidiary (note 27)	**11 834**	12 806
	11 834	12 806

6 OTHER INCOME

	2025 R'000	2024 R'000
Other income comprises a distribution *in specie*:		
The Gold Reef Share Scheme	**8 302**	–
	8 302	–

During the year under review, in terms of the share trust deed, the share trust wound up and declared a distribution of remaining reserves to Tsogo Sun Limited.

7 REMEASUREMENT OF LOSS ALLOWANCE ON LOANS TO SUBSIDIARIES

	2025 R'000	2024 R'000
Decrease/(increase) in remeasurement of loss allowance on loans to subsidiaries (note 15)	**6 502**	(23 066)
	6 502	(23 066)

8 NET (IMPAIRMENT)/REVERSAL OF NON-CURRENT ASSETS

	2025 R'000	2024 R'000
Net (impairment)/reversal of investment in subsidiaries (note 14)	**(268 866)**	20 049
	(268 866)	20 049

9 OTHER OPERATING CREDITS, NET OF EXPENSES

	2025 R'000	2024 R'000
Gain on derecognition of financial guarantee liability (note 20)	**16 782**	17 741
Gain on remeasurement of financial guarantee liability (note 20)	**565**	6 612
Other operating expenses	**(1 227)**	(1 729)
	16 120	22 624

10 FINANCE INCOME

	2025 R'000	2024 R'000
Interest received on treasury loan to subsidiary company (note 27)	**535 251**	565 197
Interest income on treasury deposit from subsidiary company (note 27)	**3 439**	578
Interest received from bank	**23**	499
Interest received from South African Revenue Service	**–**	27
Interest received – other	**–**	142
	538 713	566 443

11 FINANCE COSTS

	2025 R'000	2024 R'000
Interest expense in respect of interest-bearing debt	**532 068**	561 440
Interest expense on treasury loan from subsidiary company	**–**	392
	532 068	561 832

12 INCOME TAX EXPENSE

	2025 R'000	2024 R'000
Current tax – current year charge	**4 675**	3 506
Current tax – overprovision prior year	**(155)**	(236)
Deferred tax – current year charge	**–**	729
Deferred tax – underprovision prior year	**181**	252
	4 701	4 251

	2025		2024	
	R'000	%	R'000	%
Income tax rate reconciliation				
Profit before tax	**510 437**		945 024	
Income tax thereon at 27% (2024: 27%)	**137 818**	**27.0**	255 156	27.0
Exempt income/credits:				
Dividends received from subsidiary company	**(197 073)**	**(38.6)**	(245 161)	(25.9)
Gain on derecognition of financial guarantee liability	**(4 531)**	**(0.9)**	(4 790)	(0.5)
Gain on remeasurement of financial guarantee liability	**(153)**	**–**	(1 785)	(0.2)
Net impairment/(reversal) of non-current assets	**72 594**	**14.2**	(5 413)	(0.6)
Remeasurement of loss allowance on loans to subsidiaries	**(1 756)**	**(0.3)**	6 228	0.7
Sundry non-taxable credits	**(2 242)**	**(0.5)**	–	–
(Credits)/debits not (taxable)/deductible for tax purposes				
Sundry disallowed expenditure	**18**	**–**	–	–
Other				
Underprovision prior year (net)	**26**	**–**	16	–
	4 701	**0.9**	4 251	0.5

13 DIVIDENDS DECLARED

	2025 R'000	2024 R'000
Ordinary		
Final dividend	**417 039**	594 978
Interim dividend	**312 779**	312 779
	729 818	907 757
Dividends declared and paid during the year under review are as follows:		
Ordinary		
Final dividend		
Declared on	**23 May 2024**	25 May 2023
Paid on	**29 July 2024**	17 July 2023
Cents per share	**40.00**	57.00
Interim dividend		
Declared on	**27 November 2024**	27 November 2023
Paid on	**23 December 2024**	18 December 2023
Cents per share	**30.00**	30.00

14 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	**2025 R'000**	2024 R'000
Direct shareholding:		
Akani Egoli Management Proprietary Limited	**1**	1
Akani-Egoli Proprietary Limited	**984 994**	984 994
Akani Msunduzi Proprietary Limited	**135 948**	135 947
Akani Msunduzi Management Proprietary Limited	**1**	1
Garden Route Casino Proprietary Limited	**221 368**	221 357
Gold Reef Management Proprietary Limited	**98 373**	98 373
Goldfields Casino and Entertainment Centre Proprietary Limited	**10 491**	63 885
Silverstar Casino Proprietary Limited	**449 154**	373 518
Tsogo Sun Alternative Gaming Investments Proprietary Limited	**3 735 318**	3 735 318
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**14 447 448**	14 738 568
West Coast Leisure Proprietary Limited	**62 715**	62 715
	20 145 811	20 414 677
Cost	**23 229 156**	23 229 156
Accumulated impairment	**(3 083 345)**	(2 814 479)
Carrying value	**20 145 811**	20 414 677

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

Consumer discretionary spend remained under pressure as a result of the continued slow growth of the South African economy, high levels of unemployment, high energy and food prices and high interest rates. This, together with online betting on casino-styled games growing to significant levels, contributed to the subsidiaries' income remaining under pressure for the year under review. These factors are taken into account in the impairment testing of the investment in subsidiaries.

Significant estimate – key assumptions used for value in use calculations

The recoverable amount of the investment in subsidiaries is determined based on the higher of the fair value less costs 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 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 margins based on past and current performance and its expectations of disposable income in South Africa as mentioned above. Focus remains on maintaining previously implemented cost reductions and operational efficiencies. The aforementioned, together with the key assumptions mentioned below, are reflected in the company's forecast cash flows assuming normal growth in the future. (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*.)

Adjusted EBITDA during the budget period is estimated based on income, including gaming win, food and beverage revenue, hotel rooms revenue and other income, and operating costs recognised in the period immediately preceding the commencement of the company's subsidiaries' annual budget exercise. This budget has been adjusted, where necessary, to take into account current trading conditions. The forecast period thereafter has increased income by an average of 4% per annum and operating costs by 5% per annum (31 March 2024: increased income by an average of 4% per annum and operating costs by 5% per annum).

14 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 estimation considers risks associated with the gaming, entertainment and hospitality industry in which the subsidiaries operate. The company considers a long-term growth rate of 4.5% appropriate, a reduction from 5.0% for the prior year. The reduction in the rate is mainly due to signs of inflation being brought under control.

Risk-adjusted discount rate

The discount rate is calculated using a weighted average cost of capital ("WACC") of the respective CGUs. 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 respective CGUs, (share beta and small stock premium). The pre-tax discount rates have decreased in comparison with the prior financial year due to a lower risk-free rate and a decreased weighted average cost of debt, both as a result of decreasing interest rates. The company believes the discount rate will return to more normal levels over the medium term, with the SARB announcing its first interest rate cut in September 2024 since late 2020, and further rate cuts in November 2024 and January 2025. Additionally, there is more confidence reflecting in the South African economy largely due to the formation of the Government of National Unity after the May 2024 elections.

Significant estimate – impairments and reversal of impairments

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

	2025 R'000	2024 R'000
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**(291 120)**	(133 545)
Goldfields Casino and Entertainment Centre Proprietary Limited	**(53 394)**	7 823
Silverstar Casino Proprietary Limited	**75 636**	145 771
Other investments	**12**	–
	(268 866)	20 049

The impairment in Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited is mainly due to declines in values of its indirect interest holdings in Montecasino, The Ridge, Emnotweni, Hemingways, Blackrock and The Caledon precincts because of the subdued trading conditions as noted above. This impairment was offset by the Suncoast precinct having lower treasury debt levels. The recoverable amount of Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited is estimated as R14.4 billion (2024: R14.7 billion).

The Goldfields Casino and Entertainment Centre Proprietary Limited impairment was trade-related, mainly due to the continued decline in trading, which is indicative of the area in which the casino is located, together with reducing margins. The estimated recoverable amount of this CGU is R57 million.

The reversal of impairment in Silverstar Casino Proprietary Limited was due to lower debt levels when compared to the prior year.

The following pre-tax discount rates have been used for the value in use calculations of these three subsidiaries:

	Discount rate pre-tax	
	2025 %	2024 %
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**18.3**	19.8
Silverstar Casino Proprietary Limited	**19.2**	20.4
Goldfields Casino and Entertainment Centre Proprietary Limited	**20.3**	22.1

14 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:

	2025			2024		
	1pp decrease in trading assumptions[1] R'000	**1pp decrease in growth rate assumptions[1] R'000**	**1pp increase in discount rate assumptions[1] R'000**	1pp decrease in trading assumptions[1] R'000	1pp decrease in growth rate assumptions[1] R'000	1pp increase in discount rate assumptions[1] R'000
Total (impairment)/reversal would be:						
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**(435 910)**	**(1 054 935)**	**(1 344 917)**	(278 674)	(894 425)	(1 206 360)
Tsogo Sun Alternative Gaming Investments Proprietary Limited	**–**	**(139 765)**	**(219 930)**	–	–	–
Silverstar Casino Proprietary Limited	**60 737**	**4 689**	**(24 342)**	131 824	80 283	51 621
Goldfields Casino and Entertainment Centre Proprietary Limited	**(54 324)**	**(56 117)**	**(57 406)**	6 281	2 644	120

[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.

15 LOANS TO SUBSIDIARIES

	2025 R'000	2024 R'000
Financial instruments		
Financial assets measured at amortised cost		
Treasury loan		
Tsogo Sun Treasury Proprietary Limited		
Non-current portion	**4 006 553**	5 619 617
Gross	**4 050 000**	5 670 000
Less: loss allowance	**(43 447)**	(50 383)
Current portion	**939 012**	49 773
	4 945 565	5 669 390

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. The maturity analysis is shown in the table below:

	2025 R'000	2024 R'000
Loan tranche maturing 28 February 2026	**900 000**	1 620 000
Loan tranche maturing 28 February 2027	**1 000 000**	1 000 000
Loan tranche maturing 31 May 2027	**1 000 000**	1 000 000
Loan tranche maturing 31 August 2027	**900 000**	900 000
Loan tranche maturing 31 May 2028	**550 000**	550 000
Loan tranche maturing 31 August 2028	**200 000**	200 000
Loan tranche maturing 31 August 2029	**400 000**	400 000
Capital loan tranches due	**4 950 000**	5 670 000
Interest receivable	**39 012**	49 773
Loss allowance	**(43 447)**	(50 383)
	4 945 565	5 669 390
Treasury deposit		
Tsogo Sun Treasury Proprietary Limited		
Gross	**54 800**	4 914
Less: loss allowance	**(477)**	(43)
Current	**54 323**	4 871

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).

	2025 R'000	2024 R'000
Current accounts		
Entertainment Holdings Proprietary Limited	**–**	20
Gold Reef Management Proprietary Limited	**1 109**	1 151
	1 109	1 171

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

	2025 R'000	2024 R'000
Total loans to subsidiaries	**5 000 997**	5 675 432
Summarised as follows:		
Non-current	**4 006 553**	5 619 617
Current	**994 444**	55 815
Total loans to subsidiaries	**5 000 997**	5 675 432

15 LOANS TO SUBSIDIARIES *continued*

Exposure to credit risk

Debt investments

Loan receivables are subject to the impairment provisions of IFRS 9, which require a loss allowance to be recognised for all exposures to credit risk. Expected credit losses 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 expected credit losses. The loss allowance is updated to either 12-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. Alternatively, if a loan is in arrears for 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 and prior year, 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.

Credit loss allowance

Movements in the allowance for expected credit losses on the loans to subsidiary are as follows:

	2025 R'000	2024 R'000
Opening loss allowance as at 1 April	**50 426**	27 360
(Decrease)/increase in allowance recognised in profit or loss during the year	**(6 502)**	23 066
Closing loss allowance as at 31 March	**43 924**	50 426

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

	Gross carrying amount at default R'000	Loss allowance R'000	Carrying amount (net of loss allowance) R'000
2025			
Tsogo Sun Treasury Proprietary Limited	**5 043 812**	**(43 924)**	**4 999 888**
	5 043 812	**(43 924)**	**4 999 888**
2024			
Tsogo Sun Treasury Proprietary Limited	5 724 687	(50 426)	5 674 261
	5 724 687	(50 426)	5 674 261

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

15 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 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.

Probability of Default (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 categories, their assumed rating and one-year PD.

Entity	Strategic category	S&P rating	PD
Holding company	0	BB-	0.9%
Core subsidiaries	1	B+	1.8%
Strategically important subsidiaries	2	B	2.7%
Non-strategic subsidiaries	3	B/B-	3.9%

Loss Given Default (LGD)

The LGD represents the portion of the loan that is ultimately not recoverable by the lender. Recoveries were estimated using two approaches:

- Wind-up basis: estimating recoveries from a fire sale value of the borrower's assets; and
- Continued operating basis: estimating recoveries from stressed operational cash flows in default scenario.

Exposure Period ("EP")

For stage 1 loans (loans with no indication of non-performance), a one-year exposure period was used. For other loans, future expected cash flows relative to the outstanding amount were used. The EP is the ratio of the borrower's outstanding balance over the borrower's estimated 2026 financial year's cash flow, with a minimum of one year and a maximum of 10 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 were as follows:	**2025**	2024
PD	**0.9%**	0.9%
LGD	**100%**	40%
EP (2025 and 2024: 12 months)	**1.00**	2.20

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.

16 DEFERRED INCOME TAX ASSET

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

	Debt finance costs R'000	Total R'000
Balance at 1 April 2023	1 162	1 162
Profit or loss expense	(981)	(981)
Balance at 31 March 2024	181	181
Profit or loss expense	**(181)**	**(181)**
Balance at 31 March 2025	**–**	**–**

17 CASH AND CASH EQUIVALENTS

	2025 R'000	2024 R'000
Cash and cash equivalents measured at amortised cost		
Current accounts	**7 271**	2 423
Call deposit accounts	**137**	127
Cash and cash equivalents per the statement of cash flows	**7 408**	2 550

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

Cash and cash equivalents pledged as security

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

18 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Treasury shares	Net number of shares	Ordinary share capital R'000	Share premium R'000	Treasury shares R'000	Total R'000
At 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
Treasury shares settled	**–**	**776 699**	**776 699**	**–**	**–**	**39 789**	**39 789**
At 31 March 2025	**1 042 596 816**	**(2 873 786)**	**1 039 723 030**	**20 919**	**17 430 816**	**(54 211)**	**17 397 524**

The total number of authorised ordinary shares is 1 200 000 000 (2024: 1 200 000 000) with a par value of 2 cents per share (2024: 2 cents per share). The company also has 20 000 000 authorised unissued preference shares of no par value. All issued shares, other than the IFRS 2 *Share-based Payment – Equity-settled* (refer to note below), are fully paid up.

The directors of the company have, as a general authority until the forthcoming AGM, been authorised to allot and issue 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 Limited 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 Limited 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 Limited Listings Requirements which is valid until the company's next AGM, or 15 months from the date of the passing of the special resolution authorising same, 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 permitted in future. The scheme has no participants left who are employed by any company within the group, and only two participants (2024: three) remain. The 2.9 million ordinary shares held by the two remaining participants are classified as treasury shares in terms of IFRS 2 *Share-based payments*. During the year under review, 776 699 shares were sold by the third participant and the respective loan settled by the reporting date. The remaining shares are pledged to the company (with effect from 14 March 2019) as security until the loans in respect of the facilities relating thereto are repaid. Dividends on these remaining shares have been ceded to the company.

19 INTEREST-BEARING BORROWINGS

	2025 R'000	2024 R'000
Financial liabilities measured at amortised cost		
Corporate bonds (Domestic Medium-term Note Programme)	**4 988 765**	5 719 484
	4 988 765	5 719 484
Non-current liabilities	**4 050 000**	5 670 000
Current liabilities	**938 765**	49 484
	4 988 765	5 719 484

In February 2025, capital to the value of R720 million relating to the note from the Domestic Medium-term Note Programme was repaid. 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:

	2025 R'000	2024 R'000
Property, plant and equipment	**5 107 289**	5 118 414
Investment properties	**242 000**	247 000
Other claims and receivables	**116 001**	113 624
Pledge of cash in bank accounts	**223 186**	355 779
Investment in subsidiaries and associates	**26 163 146**	26 665 034
Intergroup loan receivables	**25 470 215**	27 069 058
	57 321 837	59 568 909

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

Committed facilities

The banking facilities at year end amounted to R20 million (2024: R20 million) and the amount utilised is Rnil (2024: 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 8.66% and 9.07% (2024: 9.72% and 10.07%). All borrowings bear interest at floating rates (refer to note 29.1(a)(ii)).

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

	Carrying amount		Fair value	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Corporate bonds (Domestic Medium-term Note Programme)	**4 988 765**	5 719 484	**4 995 088**	5 565 371

20 FINANCIAL GUARANTEES

	2025 R'000	2024 R'000
At 1 April	**17 053**	41 406
Gain on derecognition of financial guarantee liability	**(16 782)**	(17 741)
Gain on remeasurement of financial guarantee liability	**(565)**	(6 612)
Recognition of financial guarantee liability	**3 684**	–
At 31 March	**3 390**	17 053

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 R7.3 billion (2024: R8.0 billion). The measurement of financial guarantees is carried out annually by independent appointed actuaries and consultants who hold recognised and relevant professional qualifications.

Expected credit loss (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 current and prior years, GCR credit ratings and key financial data performed better than pre-COVID levels and the 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/Exposure at Default (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 was also done to determine what forward-looking adjustment would be required. A BB- credit rating (2024: BB- credit rating) was used in the valuation.

Loss Given Default (LGD)/recovery rate

A LGD of 20% for notes and 30% for loans (2024: 20% and 30% respectively) (equivalent to a recovery rate of 80% and 70% respectively (2024: 80% and 70%)) was assumed in the valuation model. This was determined based on factors including the value and liquidity of the underlying assets of the entities, GCR modelled recoveries in default scenarios, and the historical recovery rates of defaulted companies in the gaming, entertainment and hospitality industry.

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

	2025 R'000	2024 R'000
Financial instruments		
Other payables	**200**	281
Amount due to share scheme	**–**	8 724
Non-financial instruments		
Value added tax payable	**136**	142
	336	9 147

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

	2025 R'000	2024 R'000
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**6 902 508**	6 902 508
Tsogo Sun Casinos Proprietary Limited	**87 659**	87 621
Tsogo Sun Casinos Management Company Proprietary Limited	**3 397**	844
	6 993 564	6 990 973

The loans are unsecured, earn no interest and are repayable on demand.

23 CASH GENERATED FROM OPERATIONS

	2025 R'000	2024 R'000
Profit before tax from operations	**510 437**	945 024
Adjusted for:		
Dividends received	**(729 900)**	(908 000)
Dividend received *in specie*	**(8 302)**	–
Finance income	**(538 713)**	(566 443)
Finance costs	**532 068**	561 832
Net impairment/(reversal) of non-current assets	**268 866**	(20 049)
Gain on derecognition of financial guarantee liability	**(16 782)**	(17 741)
Gain on remeasurement of financial guarantee liability	**(565)**	(6 612)
Remeasurement of the loss allowance on loans to subsidiaries	**(6 502)**	23 066
Cash generated from operations before working capital moves	**10 607**	11 077
Working capital movements		
Decrease in trade and other receivables	**–**	3 399
(Decrease)/increase in trade and other payables	**(509)**	9 080
Decrease/(increase) in amounts due by subsidiaries	**62**	(10 492)
Increase in amounts due to subsidiaries	**8 845**	81 308
Cash generated from operations	**19 005**	94 372

24 INCOME TAX PAID

	2025 R'000	2024 R'000
Tax asset at 1 April	**29**	446
Current tax provided	**(4 520)**	(3 270)
Tax asset at 31 March	**(180)**	(29)
	(4 671)	(2 853)

25 DIVIDENDS PAID

	2025 R'000	2024 R'000
Unclaimed dividends at 1 April	**(1 551)**	(1 618)
Dividends declared	**(729 818)**	(907 757)
Unclaimed dividends at 31 March	**1 657**	1 551
	(729 712)	(907 824)

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 R'000	Current R'000	Total R'000
At 1 April 2024	**5 670 000**	**49 484**	**5 719 484**
Cash flow movements			
Borrowings repaid[1]	**(720 000)**	**–**	**(720 000)**
Interest paid during the year	**–**	**(542 787)**	**(542 787)**
Non-cash movements			
Borrowings reclassification to current	**(900 000)**	**900 000**	**–**
Interest raised for the year	**–**	**532 068**	**532 068**
At 31 March 2025	**4 050 000**	**938 765**	**4 988 765**
At 1 April 2023	5 270 000	40 997	5 310 997
Cash flow movements			
Borrowings raised[2]	1 000 000	–	1 000 000
Borrowings repaid[2]	(600 000)	–	(600 000)
Interest paid during the year	–	(552 953)	(552 953)
Non-cash movements			
Borrowing facilities raised[3]	2 050 000	–	2 050 000
Borrowing facilities repaid[3]	(2 050 000)	–	(2 050 000)
Interest raised for the year	–	561 440	561 440
At 31 March 2024	5 670 000	49 484	5 719 484

(1) *The company repaid R720 million in cash as part of its debt reduction*
(2) *The company raised R1 billion and repaid R600 million in cash as part of the refinancing programme and debt reduction*
(3) *At the time of the May 2023 debt refinancing, R1.55 billion and R0.5 billion were 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 indirectly holds 50% of the company's issued share capital. At 31 March 2025, 520 114 404 shares were beneficially held by HCI indirectly through TIH Prefco (RF) Proprietary Limited ("TIHC Prefco"), and 1 853 491 shares were beneficially held by HCI indirectly through Tsogo Investment Holding Company Proprietary Limited. At the prior year end, HCI directly and indirectly held 50% of the company's issued share capital. HCI held 104 932 377 shares directly, and 415 182 027 shares were beneficially held by HCI indirectly through TIHC Investments (RF) Proprietary Limited ("TIHC") and 1 853 491 shares were beneficially held by HCI indirectly through Tsogo Investment Holding Company Proprietary Limited.

The company's transactions 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.

	2025 R'000	2024 R'000
Transactions with related parties		
Dividends received from subsidiaries		
Akani-Egoli Proprietary Limited	**52 500**	90 000
Akani Msunduzi Proprietary Limited	**59 000**	81 000
Akani Msunduzi Management Proprietary Limited	**–**	13 500
Garden Route Casino Proprietary Limited	**62 000**	69 000
Gold Reef Management Proprietary Limited	**42 000**	55 500
Tsogo Sun Alternative Gaming Investments Proprietary Limited	**331 000**	200 000
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	**135 900**	259 000
West Coast Leisure Proprietary Limited	**47 500**	140 000
	729 900	908 000
Royalties received from subsidiary		
Akani-Egoli Proprietary Limited	**11 834**	12 806
Interest from/(to) subsidiary		
Tsogo Sun Treasury Proprietary Limited	**538 690**	565 775
Tsogo Sun Treasury Proprietary Limited	**–**	(392)
Dividends paid to HCI group		
Dividends paid to HCI	**48 069**	91 291
Dividends paid to TIH Prefco	**149 938**	–
Dividends paid to TIHC	**166 073**	361 756
	364 080	453 047
Amounts owing to/by related parties		
Non-current		
Loan due by subsidiary (note 15)	**4 006 553**	5 619 617
Current		
Loans due by subsidiaries (note 15)	**994 444**	55 815
Loans from subsidiaries (note 22)	**(6 993 564)**	(6 990 973)

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	
	2025 R'000	2024 R'000
JA Copelyn	**1 327**	1 218
MJA Golding	**385**	353
BA Mabuza	**787**	723
F Mall	**582**	534
VE Mphande	**456**	417
Y Shaik	**593**	544
RD Watson	**574**	524
	4 704	4 313

At 31 March 2025, non-executive directors indirectly held a total of 23 059 454 shares (2024: 23 059 454 indirectly held shares) being 6 946 560 shares indirectly held (2024: 6 946 560 shares indirectly held) by JA Copelyn, a non-executive director and Chairperson, and 16 112 894 shares indirectly held (2024: 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 2025				
	Basic remuneration R'000	**Benefits R'000**	**Short-term incentives R'000**	**Long-term incentives R'000**	**Total paid R'000**
CG du Toit	**9 216**	**567**	**6 750**	**23 938**	**40 471**
G Lunga[(1)]	**3 017**	**543**	**1 000**	**348**	**4 908**
Total remuneration	**12 233**	**1 110**	**7 750**	**24 286**	**45 379**

	Year ended 31 March 2024				
	Basic remuneration R'000	Benefits R'000	Short-term incentives R'000	Long-term incentives R'000	Total paid R'000
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

(1) *Resigned with effect from 2 June 2025*

Other key management and prescribed officers

	Year ended 31 March 2025				
	Basic remuneration R'000	**Benefits R'000**	**Short-term incentives R'000**	**Long-term incentives R'000**	**Total paid R'000**
B Mogiba[(1)]	**3 171**	**490**	**1 220**	**940**	**5 821**
S van Vuuren[(2)]	**2 078**	**575**	**1 000**	**348**	**4 001**
C Wannell[(3)]	**1 880**	**283**	**600**	**348**	**3 111**
Total remuneration	**7 129**	**1 348**	**2 820**	**1 636**	**12 933**

	Year ended 31 March 2024				
	Basic remuneration R'000	Benefits R'000	Short-term incentives R'000	Long-term incentives R'000	Total paid R'000
B Mogiba[(1)]	3 000	464	1 950	7 938	13 352
S van Vuuren[(2)]	1 702	100	600	2 646	5 048
C Wannell[(3)]	1 711	319	600	2 646	5 276
Total remuneration	6 413	883	3 150	13 230	23 676

(1) *CEO – VSlots*
(2) *Director of Human Resources (including daily operations) – Group*
(3) *Legal Manager and representative of the Company Secretary – Group*

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 borrowings. 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 is shown below. There were no fixed-rate instruments.

	2025 R'000	2024 R'000
Financial assets	**5 007 296**	5 676 811
Financial liabilities	**(4 988 765)**	(5 719 484)
	18 531	(42 673)

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 R0.6 million (2024: R0.2 million). This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2024.

Following the global markets, South Africa is transitioning from JIBAR to the South African Overnight Index Average rate ("ZARONIA"). The end of 2026 is marked as the potential cessation of the Johannesburg Interbank Average Rate ("JIBAR"), which will be replaced by ZARONIA. The Market Practitioners Group ("MPG") published an update on the transition from JIBAR to ZARONIA. The JIBAR cessation announcement will likely come in 2025 followed by the formal cessation date at the end of 2026. The MPG's transition plan is divided into "three pillars": the adoption of the new benchmark in derivatives markets for new contracts, cash markets for new contracts, and the transition of legacy JIBAR positions.

The MPG has recommended that market participants take an active approach in this impending transition of loan and other contracts away from JIBAR legacy positions and cautions that these should be addressed earlier rather than later. An early active approach reduces the risks and exposure of a disorderly transition and mitigates the risk of a failure of that contract. The inclusion of appropriate fallback provisions will assist the parties to that contract in reaching an agreed position with which to continue the contract and will provide business certainty.

(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 are at least Ba2. Refer to note 20 *Financial guarantees* for the maximum exposure to credit risk in respect of financial guarantees.

Refer to note 15 for further credit risk analysis in respect of loans to subsidiaries. The company has no significant 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 2025, 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 as shown in the table below.

	2025 facility			2024 facility		
	Total R'000	**Available R'000**	**Utilisation R'000**	Total R'000	Available R'000	Utilisation R'000
Demand facilities	**20 000**	**20 000**	**–**	20 000	20 000	–
Term facilities maturing 28 February 2026	**900 000**	**–**	**900 000**	1 620 000	–	1 620 000
Term facilities maturing 28 February 2027	**1 000 000**	**–**	**1 000 000**	1 000 000	–	1 000 000
Term facilities maturing 31 May 2027	**1 000 000**	**–**	**1 000 000**	1 000 000	–	1 000 000
Term facilities maturing 31 August 2027	**900 000**	**–**	**900 000**	900 000	–	900 000
Term facilities maturing 31 May 2028	**550 000**	**–**	**550 000**	550 000	–	550 000
Term facilities maturing 31 August 2028	**200 000**	**–**	**200 000**	200 000	–	200 000
Term facilities maturing 31 August 2029	**400 000**	**–**	**400 000**	400 000	–	400 000
	4 970 000	**20 000**	**4 950 000**	5 690 000	20 000	5 670 000
Accrued interest included in short-term borrowings			**38 765**			49 484
Total borrowings (note 19)			**4 988 765**			5 719 484

The table below analyses 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 one year R'000	**Between one and two years R'000**	**Between two and three years R'000**	**Between three and four years R'000**	**Over four years R'000**
At 31 March 2025					
Corporate bonds	**1 335 833**	**1 354 918**	**2 053 073**	**802 448**	**415 289**
Financial guarantees[1]	**2 277 557**	**–**	**–**	**–**	**–**
Loans from subsidiaries	**6 993 564**	**–**	**–**	**–**	**–**
Trade and other payables	**1 857**	**–**	**–**	**–**	**–**
	10 608 811	**1 354 918**	**2 053 073**	**802 448**	**415 289**
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

[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 R'000	Financial guarantee[1] R'000	Not categorised as a financial instrument R'000	Total R'000	Non-current R'000	Current R'000
At 31 March 2025						
Financial assets						
Loans to subsidiaries	**5 000 997**	**–**	**–**	**5 000 997**	**4 006 553**	**994 444**
Cash and cash equivalents	**7 408**	**–**	**–**	**7 408**	**–**	**7 408**
Financial liabilities						
Corporate bonds	**4 988 765**	**–**	**–**	**4 988 765**	**4 050 000**	**938 765**
Financial guarantees	**–**	**3 390**	**–**	**3 390**	**–**	**3 390**
Loans from subsidiaries	**6 993 564**	**–**	**–**	**6 993 564**	**–**	**6 993 564**
Trade and other payables	**1 857**	**–**	**136**	**1 993**	**–**	**1 993**
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

[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 measured as a group (the company, together with its subsidiaries) and are monitored and reported to the board of directors on a quarterly basis. No debt covenants in respect of external borrowings were breached during the year under review. Apart from the external debt borrowing covenants, the company is not subject to externally imposed capital requirements. Refer to note 3(a) *Going concern* for further details on debt covenants.

31 EVENTS AFTER THE REPORTING DATE

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 28 May 2025, the board of directors declared a final gross cash dividend of 30.0 cents per share in respect of the year ended 31 March 2025 from distributable reserves. The aggregate amount of the dividend paid on 28 July 2025, not recognised as a liability at the reporting date, is R313 million.

Analysis of shareholding

as at 31 March 2025

	Number of shareholders	%	Number of shares	%
Portfolio size				
Range				
1 – 1 000	4 794	69.03	915 157	0.09
1 001 – 5 000	1 017	14.64	2 502 080	0.24
5 001 – 10 000	300	4.32	2 332 357	0.22
10 001 – 50 000	359	5.17	9 020 296	0.87
50 001 – 100 000	97	1.40	6 796 615	0.65
100 001 – and more	378	5.44	1 021 030 311	97.93
	6 945	100.00	1 042 596 816	100.00
Shareholder spread				
Public	6 941	99.94	497 569 467	47.73
Individuals	6 036	86.91	6 947 032	0.67
Banks and insurance companies	32	0.46	33 934 156	3.25
Pension funds and medical aid societies	227	3.27	79 680 360	7.64
Collective investment schemes and mutual funds	176	2.53	240 715 759	23.10
Other corporate bodies	470	6.77	136 292 160	13.07
Non-public	4	0.06	545 027 349	52.27
Directors[(1)]	2	0.03	23 059 454	2.21
Controlling shareholder[(2)]	2	0.03	521 967 895	50.06
	6 945	100.00	1 042 596 816	100.00

	Number of shares	%
Major shareholders owning 1% or more of total number of shares in issue		
Hosken Consolidated Investments Limited[(2)]	521 967 895	50.06
Allan Gray Balanced Fund	59 778 020	5.73
SBSA ITF Mandg SA Equity Fund	50 458 646	4.84
Alexander Forbes Investments Limited	34 717 275	3.33
Ninety One Value Fund	27 893 890	2.68
Citiclient Nominees No 8 NY GW	19 577 919	1.88
Aylett Equity Prescient Fund	18 177 155	1.74
Geomer Investments Proprietary Limited	15 872 978	1.52
Standard Bank Group Retirement Fund	15 816 436	1.52
Old Mutual Life Assurance	14 746 306	1.41

[(1)] *At 31 March 2025, 6 946 560 shares were indirectly held (2024: 6 946 560 shares indirectly held) by JA Copelyn, non-executive director and Chairperson and 16 112 894 shares indirectly held (2024: 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 consolidated financial statements*

[(2)] *At 31 March 2025, 520 114 404 shares (49.89%) were beneficially held by Hosken Consolidated Investments Limited ("HCI") indirectly through TIH Prefco (RF) Proprietary Limited and 1 853 491 shares (0.17%) were beneficially held by HCI indirectly through Tsogo Investment Holding Company Proprietary Limited*

	Number of shares
Treasury shares	
Treasury shares allocated as part of the executive facility – refer to note 18 to the financial statements	2 873 786[(1)]

[(1)] *The 2 873 786 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 Limited Listings Requirements, and as such, the votes of such shares will be taken into account for purposes of any resolutions proposed which are subject to the JSE Limited 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
EBITDA margin	This is calculated by expressing adjusted EBITDA as a percentage of revenue
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

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