

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 March 2020



Continuing operations

Income **R11.7 billion** **↑ 1%**

Ebitdar **R4.0 billion** **↓ 1%**

Adjusted earnings **R1.4 billion** **↓ 14%**

Adjusted HEPS **134.5 cents** **↓ 14%**

Final dividend per share **Nil**

Debt:Ebitda **2.96x**

Funding covenants waived for the September 2020 measurement period

Interest until F'21 year end rolled up and payable in 3 years

TSOGO SUN
GAMING

Tsogo Sun Gaming Limited
(Previously "Tsogo Sun Holdings Limited")
(Incorporated in the Republic of South Africa)
(Registration number 1989/002108/06)
Share code: TSG ISIN: ZAE000273116
("Tsogo Sun" or "the company" or "the group")
www.tsogosun.com/gaming

Commentary

REVIEW OF CONTINUING OPERATIONS

The group unbundled its entire holding in Tsogo Sun Hotels Limited to its shareholders on 14 June 2019 by way of a distribution *in specie*. The effective disposal date when the board approved the distribution was on 23 May 2019, and, in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the group has accounted for the hotels division as held for distribution to owners. The commentary that follows thus relates to the gaming business remaining in the group.

The spread of the Covid-19 virus and government's subsequent regulatory restrictions negatively impacted the business. Trading until Sunday, 15 March 2020 was solid and the group was on track to show growth on the prior year. The negative impact became directly evident following the President's speech and deteriorated significantly with sites operating with limited capacity due to increasing regulatory restrictions. As a result of the lockdown measures announced on 23 March 2020 all sites were closed to the public by Wednesday, 25 March 2020 to allow for the properties to be secured.

Total income for the year of R11.7 billion ended only 1% above the prior year mainly as a result of the impact of the regulatory restrictions implemented in response to the Covid-19 pandemic during March 2020 which reduced the annual income growth by approximately 3%.

Operating expenses, including gaming levies and VAT and employee costs, but excluding exceptional items and long-term incentives, increased by only 2% on the prior period mainly due to the focus on reducing casino and head office overheads and the reduced trading during March 2020.

Exceptional losses of R2.0 billion for the year relate mainly to impairments of intangibles of R1.9 billion which is a result of the adjusting post-balance sheet event of the extended lockdown of the business and the risk-based strategy implemented by government without certainty for our sector.

Earnings before interest, income tax, depreciation, amortisation, long-term incentives and exceptional items ("Ebitdar") at R4.0 billion was 1% down on the prior year as a result of the negative impact in the last two weeks of March of Covid-19. Refer to reconciliation of operating profit to Ebitdar on page 31 of the reviewed condensed consolidated financial statements.

Adjusted headline earnings

The profit from discontinued operations of R564 million arises mainly from the realisation of reserves of R506 million on the distribution of the hotels business, and includes trading for the discontinued hotels business of R58 million profit after tax for the period 1 April 2019 to 23 May 2019.

Continuing operations headline earnings for the year at R1.3 billion ended 32% below the prior year after the additional interest (additional debt taken on in 2019) and depreciation cost (mainly due to the Suncoast development). Post adjustment for a transfer from the cash flow hedge reserve on refinancing the group's debt of R136 million, continuing operations adjusted headline earnings for the year at R1.4 billion ended 14% below the prior year with a similar reduction in adjusted HEPS to 134.5 cents per share.

Net debt

Interest-bearing debt net of cash at 31 March 2020 totalled R11.2 billion, which is R0.2 billion above the 31 March 2019 balance of R11.0 billion. The group was on track to reduce the debt Ebitda ratio to 2.75 times from the prior year 2.87 before the restrictive trading announcement and the lockdown was imposed, but ended the year on 2.96 times as a result of the negative impact at the end of March 2020.

The group has refinanced its debt through a combination of new term loans from banking institutions and a Domestic Medium-Term Note programme. The facilities range from committed overnight facilities to tenors of up to seven years with the majority of the maturities in the three to five-year period.

Net debt was hedged to approximately 80% at the end of 2019 as a result of the expected ratings downgrade, resulting in the lost opportunity of reduced interest cost with the recent reductions in the repo rate. However R1.5 billion of these hedges are maturing 30 June 2020, reducing the hedged position to 62% which should realise some interest cost improvement for the group.

Casinos

Total income for the casino business decreased 1% on the prior year to R8.9 billion. Net casino gaming win reduced by 2% on the prior year as a result of the regulatory restrictions and lockdown in March. The results of casinos were impacted the most in the group with the restrictive trading and lockdown, as a result of the significant fixed cost of the casino complexes.

Since July 2019 the operating structure at head office was improved to a more focused approach, cost saving initiatives implemented and marketing processes restructured. The business is currently continuing with the processes which commenced ten months ago to further improve the cost base for long-term benefit. We are confident that the casino business will particularly have a much better cost structure and be more efficient post the pandemic, which should assist in recovering profitability faster.

The Covid-19 crisis also negatively impacted the Sandton Convention Centre ("SCC") and hotels revenue.

Bingo

Galaxy Bingo remains a market leader in its sector, growing total income for the year by 9% to R933 million (including the negative impact of restrictive trading and lockdown at the end of March) and Ebitdar by 21% to R287 million.

As at 31 March 2020, the Bingo business operated and managed 21 bingo sites. The bingo division continued to invest its excess cash nationally on new sites, expansions and improvements of its business concept which will increase its contribution to the group in the long term.

LPMs

Total income for the year for VSLOTS was R1.7 billion, an increase of 6% on the prior period. The income was significantly negatively impacted in the last two weeks of March as a result of Covid-19. Due to the closure of the hospitality industry across South Africa, the business increased its provision for bad debts at year end, which relates to loans to site owners.

The group is positive that the LPM industry should recover once the lockdown of bars and restaurants is lifted.

IFRS 16 Leases, depreciation and finance costs

Operating expenses includes a R14 million benefit as a result of the adoption of IFRS 16.

Property rentals at R25 million are 81% below the prior year due to a R108 million effect which is mainly as a result of the adoption of IFRS 16.

Amortisation and depreciation at R881 million is 19% up on the prior year due mainly to the capital spend at Suncoast Casino during the prior year and an additional cost of R60 million due to the adoption of IFRS 16.

Net finance costs of R1.2 billion are 53% above the prior year due to the increase in debt resulting from the transfer during the prior year of a portion of debt from the hotel division to the gaming division, the Suncoast development, a transfer from the cash flow hedge reserve on refinancing the group's debt of R136 million and an additional cost of R44 million due to the adoption of IFRS 16.

Capital expenditure

Capital expansions and refurbishments of approximately R1.2 billion for the year included already committed projects on hotels of R200 million. Capital expenditure for the next financial year will be reduced only to critical items to preserve cash. As indicated in the interim results presentation, the capex processes of the group has been changed which will ensure lower cost and a more revenue-growth approach going forward.

Prospects

The hospitality and tourism industries have been impacted the most as a result of the Covid-19 pandemic. The group is currently faced with the uncertainty of when its various divisions (casinos, bingo and LPMs) will be able to commence trade and when so, under which restrictions. However the business has developed a robust strategy of enhanced hygiene and social distancing which will enable it to operate successfully with its loyal customer base, when provided the opportunity to do so. The lockdown of the industry is having an adverse impact on our employees, shareholders, lenders, suppliers, tenants, landlords and the fiscus. It is accordingly critical for the business to open for trade, even with restrictions, as a matter of urgency.

The focus during the lockdown has been primarily to eliminate variable operating costs as quickly as possible, reduce fixed costs and cancel non-essential and uncommitted capital expenditure in order to reduce the cash burn during the period the businesses is prevented from trading. We are confident that some of the measures that have been, and still to be, implemented will provide a long-term reduction in our cost base, without limiting future performance.

The group has lost approximately R2.0 billion in revenues during the lockdown in April and May which has resulted in an increase in net debt post-year end to approximately R12.0 billion, including the settlement of creditors. Once trading recommences the group intends to prioritise surplus cash to reduce the debt level. The lenders have agreed to the waiving of financial covenants for the September 2020 measurement period and deferring interest payments for three quarters of R0.7 billion to provide the group with additional liquidity. This interest will be payable by May 2023 except where the term of the loan is shorter. The waiver of financial covenants for the March 2021 measurement period will require further engagement with the lenders once there is more certainty during February 2021.

The group is in an advanced stage of entering the online betting industry with focus on mobile betting. With smartphones having become more accessible to the general public, this separate segment of the market will be a positive addition to the various gaming and entertainment offerings of the group.

DIVIDEND

The board of directors has resolved to not declare a final cash dividend in respect of the year ended 31 March 2020.

GOING CONCERN

The directors considered the going concern status of the group taking into account the current financial position and their best estimate of the cash flow forecasts in terms of their current knowledge and expectations of ongoing developments of the Covid-19 pandemic. The cash flow and liquidity projections for the group have been prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses.

After taking the above factors, including the discussions with the lenders, into account, the group considers the going concern method to be appropriate for the presentation of the financial statements. Refer note 13 *Going concern* in the notes to the reviewed condensed consolidated financial statements.

SUBSEQUENT EVENTS

Following the declaration of a national state of disaster on 15 March 2020 the Covid-19 pandemic gave rise to economic consequences and thus the related events after 31 March 2020 have been treated as adjusting events and the assets and liabilities have been adjusted to take into effect any accounting implications associated with or caused by events related to Covid-19.

The directors are not aware of any other matters or circumstances arising since the end of the financial period, not otherwise dealt with within the financial statements that would affect the operations or results of the group significantly. Refer note 14 *Events occurring after the balance sheet date* in the notes to the reviewed condensed consolidated financial statements.

PRESENTATION

Shareholders are advised that a presentation to various analysts and investors which provides additional analysis and information will be available on the group's website at www.tsogosun.com/gaming.

CG du Toit

Chief Executive Officer

9 June 2020

RB Huddy

Chief Financial Officer

Independent auditor's review report on condensed consolidated financial statements

TO THE SHAREHOLDERS OF TSOGO SUN GAMING LIMITED

We have reviewed the condensed consolidated financial statements of Tsogo Sun Gaming Limited, set out on pages 7 to 37 of the provisional report, which comprise the condensed consolidated balance sheet as at 31 March 2020 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated cash flow statement for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Tsogo Sun Gaming Limited for the year ended 31 March 2020 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

Emphasis of matter

Without qualifying our conclusion, we draw attention to note 13 to the condensed consolidated financial statements, which indicates that the funding covenants will be breached for the March 2021 and September 2021 measurement periods which, unless waived by the lenders, would require immediate repayment of the interest-bearing borrowings. These events and conditions, along with other matters as set forth in note 13, indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: S Murugen

Registered Auditor

Johannesburg

9 June 2020

Notes to the reviewed condensed consolidated financial statements

for the year ended 31 March 2020

1 BASIS OF PREPARATION

The condensed consolidated financial statements for the year ended 31 March 2020 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("Listings Requirements") for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the preparation and disclosure requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"). Chief Financial Officer, RB Huddy CA(SA), supervised the preparation of the condensed consolidated financial statements. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous condensed consolidated annual financial statements as at 31 March 2019 other than as described in note 2. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with IFRS. These condensed consolidated financial statements for the year ended 31 March 2020 have been reviewed by PricewaterhouseCoopers Inc., and their unmodified review conclusion is included on page 6.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

(i) New and amended standards adopted by the group

The group adopted all the new, revised or amended accounting pronouncements as issued by the IASB which were effective for the group from 1 April 2019, the significant accounting pronouncement being IFRS 16 *Leases*. No other pronouncements had any material impact on the group.

The adoption of IFRS 16 was applied retrospectively without restating comparative figures. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019 as an adjustment to the opening balance of retained earnings at the date of initial application. The net impact on retained earnings at 1 April 2019 was a decrease of R133 million and is discussed below.

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee

The standard affected the way the group previously accounted for its operating leases being mostly, in the continuing operations, the Sandton Convention Centre, the Golden Horse Casino land, leases of various properties at the bingo business sites and offices at certain of the LPM business sites and gaming equipment at the casinos. These rental contracts are typically made for fixed periods of three years to 30 years, but may have extension options as described below. Lease rental contracts in the disposal operations include some hotel property leases typically for fixed periods of 15 years to 99 years. Up to, and including the 2019 financial year, as a lessee under IAS 17, the group classified leases as operating or finance leases based on its assessment of whether the leases transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the group. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease. The group had no finance leases at 31 March 2019.

At 31 March 2019, the group reported it expected right-of-use assets and lease liabilities to be accounted for being R333 million and R569 million respectively for continuing operations, and R712 million expected right-of-use assets for discontinued operations. Subsequent to that year end, changes in lease conditions impacted the initial values by a decrease of R78 million in respect of right-of-use assets and a decrease of R126 million in respect of lease liabilities for continuing operations. This was due to refinements in the amortisation tables and changes in lease agreements that were not taken into account at 31 March 2019. There was a decrease of R39 million in respect of right-of-use assets for discontinued operations due to a refinement of the discount rate. Lease liabilities of R950 million remained as reported for discontinued operations.

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee continued

Per IFRS 16, right-of-use assets were measured on transition as if the new rules had always been applied since the commencement date, but discounted using respective incremental borrowing rates as of 1 April 2019 and providing for depreciation from commencement date of the lease until transition date. The recognised right-of-use assets are made up as follows:

	Continuing operations	
	31 March 2020 Rm	1 April 2019 Rm
Property	176	210
Gaming equipment	30	45
Right-of-use assets recognised under IFRS 16	206	255
	Held for distribution to owners	
	23 May 2019 Rm	1 April 2019 Rm
Property	655	673
Right-of-use assets recognised under IFRS 16	655	673

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the group’s respective incremental borrowing rates as of 1 April 2019. The group’s respective weighted average incremental borrowing rates applied to the lease liabilities on 1 April 2019 ranged between 9.55% and 10.25% for continuing operations and the disposal group’s incremental borrowing rate ranged between 9.75% and 10.25%. Intangible leases not capitalised represent leases which are outside of the scope of IFRS 16 and are accounted for under IAS 38 *Intangible Assets*.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee continued

Reconciliation of outstanding commitments under non-cancellable operating lease agreements as at 31 March 2019 to lease liability recognised as at 1 April 2019:

	Continuing operations Rm	Held for distribution to owners Rm
Outstanding commitments at 31 March 2019 under IAS 17, undiscounted	513	1 951
Discounting adjustment using the respective incremental borrowing rates mentioned above	(129)	(980)
Outstanding commitments at 31 March 2019 under IAS 17, discounted	384	971
Adjusted for:		
Short-term leases not capitalised	(4)	(18)
Low value leases not capitalised	(3)	(3)
Intangible leases not capitalised	(12)	–
Lease extension options capitalised	57	–
Other sundry adjustments	21	–
Lease liability recognised under IFRS 16 as at 1 April 2019	443	950
Analysed as:		
Non-current portion	307	944
Current portion	136	6
	443	950
	Continuing operations Rm	Held for distribution to owners Rm
Other balance sheet impacts as at 1 April 2019 are:		
Deferred tax assets increase	124 ⁽¹⁾	266
Deferred tax liabilities increase	98 ⁽¹⁾	239
Straight-lining provision decreased	92	186
Non-controlling interests portion thereof	7	–
Retained income decrease	64	69

⁽¹⁾ At 30 September 2019, the group reported the deferred tax on initial adoption of IFRS 16 from continuing operations on a net basis. Subsequently, it was noted that the manner of presentation for deferred tax on the adoption of IFRS 16 was not applied consistently in the group. To align both accounting policies, the disclosures relating to the deferred tax impact on initial adoption from continuing operations has been updated to reflect on a gross basis. There has been no impact on the net deferred tax amount

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessee continued

The following amounts have been included in the income statement relating to leases:

	Continuing operations Year ended 31 March 2020 Rm	Held for distribution to owners Period ended 23 May 2019 Rm
Depreciation charge of right-of-use assets	60	–
Property	48	–
Gaming equipment	12	–
Short-term leases	23	–
Low-value leases	7	–
Variable lease portions	146	–
Interest expense (included in finance cost)	44	16
Also,		
Net operating costs reduced by	14	–
Property rentals reduced by	108	24
Earnings per share increased as a result of the adoption of IFRS 16 – cents per share	2	1

Practical expedients applied by the group on transition as permitted by IFRS 16

The group applied the practical expedient per IFRS 16 C3 in that the IFRS 16 definition of a lease would only be applied to assess whether contracts entered into after the date of initial application (1 April 2019) are, or contain, leases, and electing not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made by applying IAS 17 and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. Hence, all contracts previously assessed not to contain leases were not reassessed.

The group applied the recognition exemptions for short-term leases (a lease that, at the commencement date, has a lease term of 12 months or less) and leases of low-value items (mainly small items of office equipment and furniture).

The group used hindsight in determining the lease term if the contracts contained options to extend or terminate the respective leases.

Initial direct costs were excluded from the measurement of the right-of-use asset at the date of initial application.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(iii) Adjustments recognised on adoption of IFRS 16 – where the group is a lessor

Assets leased to third parties under operating leases are included in property, plant and equipment and investment property in the balance sheet. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard. Refer notes below for accounting policy details.

(iv) The group's accounting for leases under IFRS 16

(i) The group is a lessee

The group recognises right-of-use assets and corresponding lease liabilities on the balance sheet for leases at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present-value basis.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses its respective incremental borrowing rates. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments). Variable lease payments that depend on an index or a rate are initially measured using the index or rate as at the commencement date.

The group is exposed to potential future increases in variable lease payments based on indices and gross gaming win. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Where the group's leases are based on gross gaming win, these payments are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs and are not included in the measurement of the lease liabilities.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices. However, for leases for which the group is a lessee, non-lease components, such as cleaning and maintenance, are accounted for separately by applying other applicable standards.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly small items of office equipment and furniture.

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(iv) The group's accounting for leases under IFRS 16 continued

(i) The group is a lessee continued

Variable lease payments

Some property and gaming equipment leases contain variable payment terms that are linked to indices and gross gaming win respectively. For property, the Golden Horse Casino land lease includes variable lease payments that are included in the lease liability. The lease payment terms, in addition to the annual CPI increase, are based on 4.5% of gross operating profit. A 10% increase in the variable lease liability would increase lease payments by less than R1 million.

Bingo gaming machine leases contain variable payment terms that are linked to gross gaming income generated by the respective machines and these payments are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs and are not included in the measurement of the lease liabilities. A 10% increase in gross gaming win across all sites in the group with such variable lease contracts would increase total lease payments included in operating costs (property and equipment lease rentals) by approximately R12 million. Variable lease payments are included in other operating expenses.

Extension options and termination options

Extension options and termination options are included in certain property and equipment leases across the group. These are used to maximise operational profitability in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

Extension options and termination options in respect of property leases:

The Golden Horse Casino land has an extension option with effect from September 2030 which the group is reasonably certain to extend. Hemingways Casino has a cinema lease with an extension option with effect from 21 August 2024 which the group is reasonably certain to extend.

Where the group leases property for bingo operations:

- If a gaming licence term exceeds the initial property rental term, the group is typically reasonably certain to extend the lease contract (or not terminate the lease contract); and
- For operational properties being leased and more suitable properties have been identified, management is reasonably certain to not extend the property lease contract.

Extension options and termination options in respect of gaming equipment leases:

For casino gaming equipment leases, the group has the option to terminate without penalties the respective lease contract.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES continued

(iv) The group's accounting for leases under IFRS 16 continued

(i) *The group is a lessee continued*

Residual value guarantees

The group has not provided residual value guarantees in relation to any of its leases as none of its leases contain residual value guarantees.

Leases not yet commenced but committed

The group has not committed to any leases which had not commenced by the reporting date.

The key estimates applied by the group in applying IFRS 16:

The determination of the respective discount rates

In determining the respective discount rates by the various entities within the group, the entity considers the rate of interest that the respective entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Determining the lease terms

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. There are no potential future cash outflows. All future cash outflows have been included in the lease liability. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(ii) *The group is a lessor*

Assets leased to third parties under operating leases are included in property, plant and equipment and investment property in the balance sheet. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

3 STANDARDS ISSUED NOT YET EFFECTIVE

The group does not anticipate that any standards or amendments to existing standards that have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2020 or later periods, which the group has not early adopted, would have a material impact on the group.

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

4 UNBUNDLING OF HOTELS

As reported in the prior year, the group unbundled its entire Tsogo Sun Hotels Limited ("THL") shareholding to Tsogo Sun Gaming Limited ("Tsogo Sun") (previously Tsogo Sun Holdings Limited) shareholders registered as such in the Tsogo Sun register at the close of business on the record date, Friday, 14 June 2019, by way of a distribution *in specie* to Tsogo Sun shareholders of one THL share for every Tsogo Sun share held, reflected as being held by that Tsogo Sun shareholder on the record date. The board approved the dividend distribution on 23 May 2019, being the effective disposal date. The listing of the entire issued share capital of THL in the "Travel and Leisure" sector on the main board of the JSE was effective from the commencement of trade on Wednesday, 12 June 2019. As of the distribution date, Tuesday, 18 June 2019, Tsogo Sun and THL were independent public companies, the shares of which are listed on the JSE and have separate public ownership, boards of directors and management.

In terms of the unbundling, all inter-company loan balances, which were not in the ordinary course of business, were settled between Tsogo Sun and THL, including the treasury loan owed by THL to Tsogo Sun. The remaining inter-company balances incurred in the ordinary course of business are not material.

Therefore, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the profits from discontinued operations have been disclosed separately.

	Period ended 23 May 2019 Rm	Year ended 31 March 2019 Rm
Profit attributable to discontinued operations		
Revenue	648	4 389
Expenses	(522)	(3 038)
Fair value adjustment of investment properties ⁽¹⁾	–	(445)
Property rentals	(11)	(208)
Amortisation and depreciation ⁽²⁾	–	(306)
Operating profit	115	392
Net finance costs	(59)	(417)
Share of profit of associates and joint venture	8	15
Pre-tax profits/(losses)	64	(10)
Income tax expense	(6)	(49)
Profit/(loss) for the period from discontinued operations after income tax	58	(59)
Profit on disposal of subsidiary after income tax (see below)	506	–
Profit/(loss) for the year from discontinued operations	564	(59)

⁽¹⁾ There were no changes to the significant unobservable inputs which were identified since the previous financial year end and therefore no adjustment to the fair value was deemed necessary

⁽²⁾ In terms of IFRS 5, an entity shall not depreciate or amortise a non-current asset while it is classified as part of a disposal group classified as held for disposal

4 UNBUNDLING OF HOTELS continued

	Period ended 23 May 2019 Rm	Year ended 31 March 2019 Rm
<i>Net cash flows attributable to discontinued operations for the period:</i>		
Net cash (utilised in)/generated from operating activities	(48)	524
Net cash utilised for investment activities	(95)	(479)
Net cash generated by financing activities	69	29
Net cash (generated by)/utilised in discontinued operations	(74)	74
Net asset value distributed to owners	(9 766)	
Non-controlling interests ("NCI")	2 815	
Net asset value after NCI	(6 951)	
Reserves realised on unbundling reclassified to profit or loss	(506)	
Foreign currency translation reserve	(507)	
Cash flow hedge reserve	1	
	(7 457)	
Dividend <i>in specie</i> distributed (at cost) ⁽¹⁾	6 951	
Profit on disposal of subsidiary after income tax	(506)	

⁽¹⁾ The group has elected to use cost to value the dividend in specie rather than at fair value

5 IMPAIRMENTS OF NON-CURRENT ASSETS

5.1 In terms of IAS 36 *Impairment of Assets*, the group tests annually for impairments in accordance with the group's accounting policy. The group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of intangible assets within the next financial year are discussed below. Impairments of non-current assets are shown separately in the income statement.

5.1.1 *Impairment of non-current assets*

Impairment of non-current assets is made up as follows:

	2020 Rm	2019 Rm
Impairment of property, plant and equipment	99	21
Impairment of right-of-use assets	6	–
Impairment of goodwill (note 5.1.2)	332	–
Impairment of intangibles (note 5.1.3)	1 585	1
	2 022	22

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.2 Goodwill

	2020 Rm	2019 Rm
At 1 April	1 793	2 134
Acquisition of subsidiary	–	13
Impairments	(332)	–
Reclassification to held for distribution to owners	–	(354)
At 31 March	1 461	1 793
A summary of the goodwill allocation is as follows per CGU:		
Montecasino	273	273
Suncoast	890	890
Gold Reef City	–	136
Silverstar	–	85
Golden Horse	43	43
Garden Route	19	19
Blackrock	94	94
Mykonos	17	17
The Caledon	64	175
Vukani	61	61
	1 461	1 793

Impairment test for goodwill and casino licences (refer note 5.1.3 for casino licences)

Goodwill is allocated and monitored based on the group's CGUs. The recent outbreak of Covid-19 has significantly affected the South African economy and the gaming and hospitality industry. The closure of all the group's casino precincts during the lockdown and the uncertain economic outlook once the properties open again is anticipated to have a material adverse effect on the group's operations and ability to generate cash flows in the short to medium term. This uncertainty is factored into the impairment testing of goodwill and for the group's intangibles being casino licences, most of which are indefinite lived.

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.2 Goodwill continued

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

The recoverable amount of the CGUs is determined based on the higher of the fair value less cost of disposal and value in use. These calculations use pre-tax cash flow projections based on five-year forecasts approved by the board of directors. The expected capital cost spend in the CGUs is based on the historical experience of maintaining each property and no expansionary capital expenditure has been forecast in order to preserve cash. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rates stated below.

In light of the Covid-19 implications mentioned above, the key assumptions used for value-in-use calculations were reviewed at the year end and estimated as follows:

- Income, operating expenses and Ebitdar margins (trading assumptions) – management determined budgeted income, operating expenses and Ebitdar margin based on past performance and its expectations of market development. Due to the lockdown, it is anticipated that during the 2021 financial year group revenues will be significantly lower, offset by a reduction in variable and fixed costs, the most significant of these being gaming levies and VAT and payroll costs. It will be necessary for the group to implement deep structural changes for the business to be sustainable through this period. The group anticipates a phased approach of the opening of the economy which would continue to pose a severe short-term challenge for trading due to elements like social distancing, restrictions of numbers of gatherings, continued closure of restaurants and bars and the general impact of the weak economy on customers' disposable incomes. The group's forecast models assume a strong recovery in trading during the 2022 financial year off an extremely low base, reaching a new normal trading level one year's growth behind what the group anticipated pre-Covid-19 levels to be. These trading projections are what the group believes the South African economy to achieve based on various economic reports to hand and discussions held with the group's bankers and other professionals;
- Long-term growth rate – cash flows beyond the first five-year period are extrapolated using estimated long-term growth rates in order to calculate the terminal recoverable amount. The growth-rate estimations consider risks associated with the entertainment and hospitality industry in which the CGUs operate and are consistent with forecasts included in industry reports specific to the entertainment and hospitality industries in which each CGU operates. Therefore, the group believes that it has not been necessary to revise the rate and has therefore left it unchanged from the prior year; and
- Discount rate – the discount rate is calculated by using a weighted average cost of capital ("WACC") of the respective CGUs. WACC is calculated using a bond risk-free rate and an equity premium adjusted for specific risks relating to the relevant CGUs. The discount rate has increased compared to the prior year due to economic downturn and technical recession resulting from the impact Covid-19 had on the economy which has been factored in to the risk premium and beta which the group believes will return to more normal levels over the medium term.

The significant unobservable inputs used in the group's value-in-use calculations as at 31 March 2020 are shown below:

- Expected gaming win declines by (40.0)% and increases by 67%, then 8% and then to 3% over the following years (2019: growth ranged between 5.0% and 7.6%);
- Operating expenditure cost declines by (22.0)% and increases by 33%, then to 4% over the following years (2019: growth ranged between 5.1% and 7.3%);
- Risk-adjusted discount rate of 17.46% (2019: 13.9%) pre-tax; and
- Long-term growth rate of 5.3% (2019: 5.3%).

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.2 Goodwill continued

Significant estimate – impairment charge

The impairments charge of R332 million shown above arose in the Gold Reef City (R136 million), Silverstar (R85 million) and The Caledon (R111 million) precincts. This was mainly as a result of the Covid-19 implications mentioned above, and also, to a lesser extent, trading related in both Silverstar and The Caledon precincts. Gold Reef City, Silverstar and Goldfields precincts also had licence impairments due to factors mentioned above. No class of asset other than goodwill and casino licences was impaired.

Significant estimate: impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described above. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values-in-use and the goodwill allocated to each CGU, other than the below CGUs.

The following reflects the impact (further impairments) on goodwill if a reasonably possible change in a key assumption on which the group has based its determination of the CGUs' recoverable amounts would cause the CGUs' respective goodwill carrying amounts to exceed their recoverable amounts:

	1pp decrease in trading assumptions ⁽¹⁾ Rm	1pp decrease in growth rate assumption Rm	1pp increase in discount rate assumption Rm
Blackrock	51	17	23
The Caledon	60	15	21

⁽¹⁾ Refer page 17 for trading assumptions

	2020			2019		
	Ebitdar margin %	Long-term growth rate %	Discount rate pre-tax %	Ebitdar margin %	Long-term growth rate %	Discount rate pre-tax %
Montecasino	35.2	5.3	18.3	39.2	5.3	13.9
Suncoast	34.8	5.3	17.6	40.0	5.3	13.9
Gold Reef City	27.6	5.3	17.6	32.9	5.3	13.9
Silverstar	26.2	5.3	17.1	30.2	5.3	13.9
Other gaming operations ⁽¹⁾	27.9	5.3	17.7	30.3	5.3	13.9
Vukani	27.7	5.3	12.8	28.4	4.5	12.2

⁽¹⁾ Includes the balance of the group's casino properties which have an allocation of goodwill

Based on the above calculations, the group has not identified any other impairments to goodwill during the current year or in the prior year.

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.3 Casino licences (included in "Other intangible assets")

	2020 Rm	2019 Rm
At 1 April	4 283	4 281
Additions	3	2
Acquisition of business	–	6
Amortisation charge	(5)	(5)
Impairment	(1 576)	(1)
At 31 March	2 705	4 283

Casino licences and related bid costs are made up as follows:

	2020 Rm	2019 Rm
<i>Indefinite lives:</i>		
Gold Reef City ⁽¹⁾	1 389	1 765
Silverstar ⁽¹⁾	53	1 112
Golden Horse ⁽¹⁾	554	554
Garden Route ⁽¹⁾	252	252
Goldfields ⁽¹⁾	26	167
Mykonos ⁽¹⁾	215	215
Montecasino	70	70
Suncoast	105	105
Other	8	8
<i>Definite lives:</i>		
Hemingways	27	29
Vukani	6	6
	2 705	4 283

⁽¹⁾ Relate to the casinos acquired on the reverse acquisition of Gold Reef during the year ended 31 March 2011

Significant estimate – impairment charge

The impairments of intangibles charge of R1 585 million includes licence and software impairments. Licence impairments of R1 576 million consist of Gold Reef City (R376 million), Silverstar (R1 059 million) and Goldfields (R141 million) precincts. This was mainly as a result of the Covid-19 implications mentioned in goodwill (note 5.1.2), and also, to a lesser extent, trading related in both Silverstar and Gold Reef City precincts. No class of asset other than goodwill and casino licences was impaired. Impairments are included under other operating costs. For details of casino licence impairment tests and key assumptions, refer goodwill, note 5.1.2.

Significant estimate: impact of possible changes in key assumptions

The group's impairment reviews are sensitive to changes in the key assumptions described above. Based on the group's sensitivity analysis, a reasonable possible change in a single assumption will not cause a material impairment loss in any of the group's CGUs, as the group's CGUs have significant headroom available between the calculated values-in-use and the goodwill allocated to each CGU, other than the below CGUs.

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

5 IMPAIRMENTS OF NON-CURRENT ASSETS continued

5.1.3 Casino licences (included in "other intangible assets") continued

The following reflects the impact (further impairments) on casino licences if a reasonably possible change in a key assumption on which the group has based its determination of the CGUs' recoverable amounts would cause the CGUs' respective casino licence carrying amounts to exceed their recoverable amounts:

	1pp decrease in trading assumptions Rm	1pp decrease in growth rate assumption Rm	1pp increase in discount rate assumption Rm
Gold Reef City	445	198	266
Silverstar	53	53	53
Goldfields	27	11	14

6 FAIR VALUE ESTIMATION

The group fair values its investment properties (categorised as level 3 values), fair value through other comprehensive income ("FVOCI") investments (categorised as level 3 values) and its interest rate swaps (categorised as level 2 values). There were no transfers into or out of level 3 financial instruments during the year under review.

6.1 Investment properties

The movement of investment properties for the year is as follows:

	31 March 2020 Reviewed Rm	31 March 2019 Audited Rm
Opening net carrying amount	486	5 255
Acquisition and development of investment properties	14	189
Disposals	(3)	–
Fair value adjustment recognised in profit or loss: continued operations	(81)	(8)
Fair value adjustments recognised in profit or loss: discontinued operations	–	(445)
Transfer of owner occupied property	–	310
Transfers from held for sale	–	66
Reclassification to held for distribution to owners (note 4)	–	(4 881)
Closing net carrying amount	416	486

6 FAIR VALUE ESTIMATION continued

6.1 Investment properties continued

The group rents out retail and commercial office space in its investment properties. Previously, the group's main leases were contracts with tenants in respect of its investment properties held in HPF which was included in held for distribution to owners.

The group's investment properties have been categorised as level 3 values based on the inputs to the valuation technique used. The group has elected to measure investment properties at fair value. The fair value of the group's investment properties were independently valued at 31 March 2020 by professionally qualified valuers having the relevant experience.

During the year under review, the group recognised an R81 million (2019: R8 million) impairment of investment properties. The fair value has been determined using capitalised values of the projected rental income together with the assessment of development land. Vacancies have been considered based on the historical and current vacancy factors as well as the nature, location, size and popularity of the properties. In the current year, the recent outbreak of Covid-19 has significantly affected the South African economy and the gaming and hospitality industry. This impact has also been taken into account when determining the fair value of the group's investment properties.

At 31 March 2020 the significant unobservable inputs were as follows:

- Capitalisation rates applied to rental income vary between 9% to 10% (2019: 9%), and
- Vacancy rate applied of between 0% and 20% (2019: 0% and 10%).

Inter-relationship between key unobservable inputs and fair value measurement are shown below. The estimated fair value would increase/(decrease) if:

- Expected rental income were higher/(lower);
- Expected vacancy rate was lower/(higher); and
- The capitalisation rate was lower/(higher).

The table below indicates the sensitivities of the remaining aggregate investment property portfolio by increasing or decreasing value inputs as follows:

	2020		2019	
	Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
1% change in the capitalisation rate	(42)	45	(41)	51
1% change in the vacancy rate	(3)	4	(5)	5

During the prior year, the Pivot office building's owner occupation reduced substantially and the building was no longer considered to be owner occupied. The building was previously classified as owner occupied property in line with IAS 16 *Property, Plant and Equipment*. This application was made on the basis that the building was significantly occupied by entities within the group. The property was subsequently transferred from property, plant and equipment to investment properties and, in accordance with IAS 16 and IAS 40 *Investment Property*, the property was revalued through OCI to fair value before being transferred as shown in the statement of other comprehensive income in the 2019 comparative numbers.

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

6 FAIR VALUE ESTIMATION continued

6.2 Financial asset at FVOCI

During the 2017 financial year, aligned with the group's desire to increase its exposure in the Western Cape province, the group entered into a transaction with Sun International Limited ("SI") and Grand Parade Investments Limited ("GPI") for the acquisition of a 20% equity interest in each of SunWest International Proprietary Limited ("SunWest") and Worcester Casino Proprietary Limited ("Worcester"). The group has pre-emptive rights but no representation on the board of directors of either company and has no operational responsibilities. The group also has no access to any information regarding the companies except for that to which it has statutory rights as a shareholder. These investments are classified as level 3 fair value measurements and have been accounted for as financial assets at FVOCI.

At the end of each reporting period the investment is remeasured and the increase or decrease recognised in other comprehensive income. The asset has been remeasured at 31 March 2020 to R898 million, a R368 million decrease (R1.3 billion at 31 March 2019). A discounted cash flow valuation was used to estimate the fair value. The valuation model considers the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditure taking into account expected growth in gaming win and other revenue generated from non-gaming related activities. The expected net cash flows are discounted using a risk-adjusted post-tax discount rate. Among other factors, the discount rate estimation considers risks associated with the gaming and hospitality industry in which SunWest and Worcester operates. The reason for the fair value loss is as a result of the recent outbreak of Covid-19 which has significantly affected the South African economy. As discussed in note 5 it is anticipated that during the 2021 calendar year, revenues in the gaming and hospitality industry will be significantly lower, offset by a reduction in variable and fixed costs, with an assumption of a strong recovery in trading during the 2022 financial year off an extremely low base reaching a new normal trading level one year's growth below pre-Covid-19 forecasts as discussed in note 5.

The significant unobservable inputs used in the fair value measurement of the group's investment in SunWest and Worcester as at 31 March 2020 are shown below:

- Expected gaming win declines by (40.0)% and increases by 67%, then 8%, then 3.0% over the following years (2019: 3.1% and 6.8%);
- Operating expenditure cost declines by (22.0)% and increases by 33%, then 4.0% over the following years (2019: 5.3% and 5.6%);
- Risk-adjusted discount rate of 14.25% (2019: 11.5%) post-tax; and
- Long-term growth rate of 5.3% (2019: 5.3%).

The table below indicates the sensitivities for the valuation by increasing or decreasing the above inputs by 1pp:

	2020		2019	
	Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
Expected gaming win growth	110	(106)	502	(439)
Operating expenditure cost growth	(84)	81	(224)	207
Risk-adjusted discount rate	(99)	124	(189)	263
Long-term growth rate	93	(75)	150	(108)

6 FAIR VALUE ESTIMATION continued

6.3 SI put option

In terms of the acquisition agreement of the SunWest and Worcester interests mentioned above, in the event that any party acquires 35% or more of the issued ordinary shares of SI triggering a change in control of the SI group, the group may elect to put its equity interests in SunWest and Worcester to SI. SI can elect to either settle the put by the issue of new ordinary shares in SI and/or for a cash consideration, based on the aggregate value of Tsogo Sun's interest in SunWest and Worcester. No derivative has been recognised as the fair value of the option is Rnil at 31 March 2020 (31 March 2019: Rnil).

6.4 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a liability of R229 million (31 March 2019: R68 million) and is calculated as the present value of the estimated future cash flows based on observable yield curves, which is consistent with the prior year. On refinancing the group's debt effective January 2020, an amount of R136 million was recycled and transferred from the cash flow hedge reserve to profit or loss as the debt it related to was repaid. This charge is included in finance costs.

7 CHANGES IN INTEREST-BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES

Changes arising from financing activities for the year ended 31 March 2020 related to interest-bearing borrowings, excluding bank overdrafts from short-term borrowings of R2 559 million (2019: R1 929 million), are as follows:

	Long term Rm	Short term Rm	Total Rm
Balance at 1 April 2019	10 072	1 523	11 595
Borrowings raised – cash portion	5 856	1 450	7 306
Borrowing facilities received – non-cash ⁽¹⁾	5 344	–	5 344
Borrowings repaid– cash portion	(5 800)	(1 461)	(7 261)
Borrowing facilities settled – non-cash ⁽¹⁾	(4 272)	(1 072)	(5 344)
Interest accrued	–	80	80
Debt-raising fees	–	10	10
Balance at 31 March 2020	11 200	530	11 730

	Long term Rm	Short term Rm	Total Rm
Balance at 1 April 2018	9 777	923	10 700
Borrowings raised	1 590	–	1 590
Borrowings repaid	–	(700)	(700)
Reclassification to short term	(1 276)	1 276	–
Other	(19)	24	5
Balance at 31 March 2019	10 072	1 523	11 595

⁽¹⁾ At the time of the debt refinancing, certain borrowings in place were settled by lenders offsetting between themselves and therefore the cash did not flow through the group's bank accounts at the time the group received the new borrowing facilities and likewise the existing borrowings were settled

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

7 CHANGES IN INTEREST-BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES continued

Changes arising from lease liabilities for the year ended 31 March 2020 are as follows:

	Non-current portion 2020 Rm	Current portion 2020 Rm	Total 2020 Rm
At 1 April 2019	297	146	443
New leases raised	32	–	32
Principle elements of lease payments	(92)	(39)	(131)
Remeasurement of lease	(5)	(3)	(8)
Termination of lease	–	(5)	(5)
Disposal of business	–	(8)	(8)
At 31 March 2020	232	91	323

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

The group derives revenue over time, with the exception of food and beverage revenue which is recognised at a point in time, together with its hotel customer reward programmes in terms of which revenue is recognised as the rewards are redeemed or they expire. The group has no contract assets. The table on pages 36 and 37 presents revenue by segment which excludes gaming win, as this is accounted for under IFRS 9, and other sundry income which are included in the segmental analysis on page 35.

9 RELATED PARTY TRANSACTIONS

The group has concluded certain transactions with related parties, the more significant transactions shown below.

The company's ultimate majority shareholder, HCI, is also the ultimate majority shareholder of THL (refer note 4 *Unbundling of Hotels*). All of the group's hotel properties, which are situated at certain of the casino precincts, are managed by THL which charges management fees to the group in terms of the management fee agreements. Also, after the split of the group, certain departments were shared which resulted in additional management fees charges to and by THL. Fees paid to/received from THL during the year under review:

	2020 Rm
Hotel management fees and royalties paid to THL	50
Management fees paid to THL for shared services	18
Fees paid to THL for administration services of hotels	33
Management fees charged to THL for shared services	(14)

9 RELATED PARTY TRANSACTIONS continued

Tsogo Sun Casinos Proprietary Limited ("TSC") entered into a lease agreement with Southern Sun Hotel Interests Proprietary Limited ("SSH") in respect of leased premises comprising 4 000m² of office space in Palazzo Towers East and Palazzo Towers West. The lease commenced on 1 April 2019 and shall continue for an indefinite term of years for a nominal value. SSH is not permitted to sublet any portion of the leased premises and should a change in shareholding of SSH or THL occur of 35% or greater the lease may be terminated by TSC.

The group had no other significant related party transactions during the year under review, other than total dividends paid of R453 million (2019: R1.1 billion) to HCI and controlling entities of HCI during the year, and in respect of the unbundling of the hotels group as mentioned in note 4, HCI and controlling entities of HCI together received 520.1 million shares in THL which equated to a dividend *in specie* to the fair value of R2.3 billion, and at cost, a value of R3.4 billion.

10 SEGMENT INFORMATION

Subsequent to the disposal of the group's hotel business and the restructure of the group and change in management, the group's reporting lines changed and the precincts grouped under separate regional managers who now report on a regional basis to the Chief Executive Officer ("CEO"). In terms of IFRS 8 *Operating Segments*, the chief operating decision-maker ("CODM") has been identified as the group's CEO.

Due to the changes mentioned above, in order to re-determine the reportable segments, the group used the guidance from IFRS 8 in applying the aggregation criteria being that the casino businesses are all similar in nature, profit generation and class of customer in each province. Furthermore, each province has its own gambling board which governs the respective businesses. In light of the aforementioned, and in order to assess performance and allocate resources, the CODM reviews the businesses by region and thus the group now considers its reportable segments to be geographical, rather than by precinct as previously reported, and has presented a by-region segment analysis. In terms of the quantitative threshold, although Mpumalanga, Western Cape, Eastern Cape and Free State regions do not meet the 10% profit threshold, the group believes it is more appropriate to show these as separate segments because of their differing profiles.

The group's CEO assesses the performance of the operating segments based on Ebitdar. The measure excludes the effects of long-term incentives and the effects of material non-recurring expenditure which are regarded as unusual and are considered to distort the numbers if they were not adjusted. The measure also excludes all headline earnings adjustments. Prior year Ebitdar has been restated due to expenses treated as exceptional in the prior period of R41 million now being included in Ebitdar. Finance income and finance costs are not included in the results for each operating segment as this is driven by the group's treasury function which manages the cash and debt position of the group. No measure of total assets and liabilities for the reportable segments has been provided as such amounts are not regularly provided to the CODM.

In terms of IFRS 8, as a result of the change in reportable segments, the comparatives have been restated. Other than these changes, there has been no change in the basis of measurement of segment profit or loss from the last annual financial statements.

11 CAPITAL COMMITMENTS

The board has approved a total of R281 million for maintenance and expansion capital items at its gaming and hotel properties of which R275 million is anticipated to be spent during the next 12 months. R107 million of the committed capital expenditure has been contracted for. Capital expenditure for the next financial year will be reduced only to critical items to preserve cash.

Notes to the reviewed condensed consolidated financial statements continued

for the year ended 31 March 2020

12 CONTINGENT LIABILITIES

The group had no significant contingent liabilities as at 31 March 2020.

13 GOING CONCERN

The board of directors evaluated the going concern assumption as at 31 March 2020, taking into account the current financial position and their best estimate of the cash flow forecasts in terms of their current knowledge and expectations of ongoing developments of the Covid-19 pandemic, and considered it to be appropriate in the presentation of these financial statements.

The cash flow and liquidity projections for the group have been prepared for a period exceeding 12 months from the reporting date and included performing sensitivity analyses. The base case assumption is that the group will be able to commence trading under restrictions in July 2020 and with limited or no restrictions in October 2020. In the event that trading only commences after July 2020, or is worse than expected post opening, the group will have insufficient existing funding facilities to remain liquid. The projections have been stress tested in a scenario with no trading allowed until January 2021, which is considered by the directors to be a date to which the country could not economically survive without opening up the economy.

The main areas of uncertainty are when the various properties will be allowed to trade again, what restrictions will be put in place once trading commences, how long restrictions will last and the length of time it will take for trading to ramp up again. There could potentially be a phased return to trading with either sites or areas within sites opening earlier than others. An example would be that if trading is allowed with a restriction on the number of customers at a site, the privé areas within casino complexes could be opened with significant revenues and minimal costs which would assist to maintain liquidity until the balance of the properties can open. Safety measures for both staff and customers were already in place prior to the lockdown and social distancing could be achieved within the sites through restricting the numbers of guests, queuing systems, activating fewer machines or positions at tables and continuous cleaning and sanitising.

The focus during the lockdown has been primarily to eliminate variable operating costs as quickly as possible, reduce fixed costs and cancel non-essential and uncommitted capital expenditure in order to restrict the increase in net debt during the period in which the business is prevented from trading. The target is to reduce operational cash flows to below R100 million per month during the period that there is no trading.

The forecasts indicate that the funding covenants will be breached for the September 2020, March 2021 and September 2021 measurement periods which, unless waived by the lenders, would require immediate repayment of the Interest-bearing borrowings (excluding bank overdrafts) amounting to R11.7 billion at 31 March 2020. The amount outstanding at the date of the breach in funding covenants would require immediate repayment at that date.

The lenders have agreed to the waiving of financial covenants initially for the September 2020 measurement period and deferring interest payments for three quarters to provide the group with additional liquidity. The liquidity is expected to be adequate even if the group will only be able to commence trade in January 2021. In the event that the group is not trading by 1 December 2020, or not generating positive cash from operations for each month subsequent to this date, a capital structure and liquidity plan would be agreed with the lenders, failing which the amount outstanding would require immediate repayment.

As at the date of the financial statements, the above conditions give rise to a material uncertainty which may cast doubt about the group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

14 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Other than as mentioned elsewhere in this report the directors are not aware of any matter or circumstance arising since the balance sheet date and the date of this report.

Effects of Covid-19 pandemic

Subsequent to year end, the full impact of Covid-19 continues to be experienced globally. The group's operations will continue to be affected by the response to the ongoing outbreak which was declared a pandemic by the World Health Organisation in March 2020. South Africa, like many countries around the world, implemented restrictive governmental measures to control the spread of the virus, which included a national lockdown commencing on 27 March 2020, which was expected to last for a period of three weeks. The nation-wide lockdown was later extended to end April 2020. Certain sectors of the economy returned in a phased manner from 1 May 2020, however the Tsogo Sun Gaming group was required to remain closed.

In terms of IAS 10 *Events After the Reporting Period*, non-adjusting post-balance sheet events are events after the reporting period that are indicative of a condition that arose after the reporting date ended 31 March 2020. Those events that provide evidence of conditions that existed at the end of the reporting period are adjusting events. The group completed the impairment testing of its goodwill, intangible assets and financial assets through OCI based on the assumption of a six week lockdown period based on management's best estimate at reporting date. The lockdown extension beyond six weeks was considered to be a non-adjusting event in terms of IAS 10. The key assumptions have been included in notes 5 and 6 to these condensed financial statements, indicating the impact on the financial statements should the situation deteriorate further.

The cash flow and liquidity projections for the group indicate that the funding covenants will be breached for the September 2020, March 2021 and September 2021 measurement periods unless waived by the lenders. The lenders have agreed to the waiving of the financial covenants for the initial September 2020 measurement period which provides covenant certainty to March 2021 and will assess additional waivers when required. This is considered a non-adjusting event as the breach has not yet occurred.

As the situation continues to evolve with changes in governmental regulations and evolving business and consumer reactions thereto, as at the date of these financial statements the directors of the company considered that the financial effects of Covid-19 on the group's consolidated financial statements cannot be reasonably estimated for further financial impacts.

15 CHANGES TO SHARE CAPITAL

During April 2019 and May 2019, the company cancelled and subsequently delisted 83 632 695 ordinary shares of 2 cents each which were categorised as treasury shares held by subsidiary companies. The shares cancelled represent 7.3% of the total issued share capital of the company immediately prior to such cancellation. Furthermore, during the year under review, the company acquired an additional 10 707 412 ordinary shares and these shares were subsequently cancelled by 31 March 2020.

Condensed consolidated income statement

for the year ended 31 March

	Change %	2020 Reviewed Rm	2019 Audited Rm
Continuing operations			
Net gaming win		9 846	9 821
Rooms revenue		490	490
Food and beverage revenue		647	648
Other revenue		445	433
Other income ⁽¹⁾		258	227
Income	1	11 686	11 619
Gaming levies and value added tax		(2 148)	(2 145)
Property and equipment rentals		(176)	(291)
Amortisation and depreciation		(881)	(738)
Employee costs		(2 199)	(2 327)
Other operating expenses		(3 152)	(2 959)
Impairments of non-current assets ⁽²⁾		(2 022)	(22)
Fair value adjustments of investment properties		(81)	(8)
Operating profit	(67)	1 027	3 129
Finance income		47	333
Finance costs		(1 289)	(1 144)
Share of profit of associates		10	7
(Loss)/profit before income tax		(205)	2 325
Income tax expense		(82)	(644)
(Loss)/profit for the year from continuing operations		(287)	1 681
Profit/(loss) for the year from discontinued operations (note 4)		564	(59)
Profit for the year	(83)	277	1 622
Profit attributable to:			
Equity holders of the company		207	1 562
Non-controlling interests		70	60
		277	1 622
Basic and diluted earnings attributable to the ordinary equity holders of the company per share (cents)			
From continuing operations		(31.4)	155.0
From discontinued operations		51.0	(7.4)
Basic and diluted earnings per share (cents)	(87)	19.6	147.6
Number of shares in issue (million)		1 046	1 056
Weighted average number of shares in issue (million)		1 056	1 058

⁽¹⁾ Rental income in the prior year of R137 million has been reclassified to "other income" due to the amounts no longer being significant subsequently to the unbundling of the hotels group (refer note 4)

⁽²⁾ Impairment of non-current assets in the prior year of R22 million have been reclassified to a separate line due to the current year impairments being significant (refer note 5)

Condensed consolidated statement of comprehensive income

for the year ended 31 March

	2020 Reviewed Rm	2019 Audited Rm
Profit for the year	277	1 622
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	(26)	217
Cash flow hedges fair value adjustment – continuing operations	(162)	61
Cash flow hedges recycled to profit or loss – continuing operations	136	–
Cash flow hedges – discontinued operations	–	4
Currency translation adjustments on discontinued operations	(7)	170
Income tax relating to items that may subsequently be reclassified to profit or loss	7	(18)
Items that may not be reclassified subsequently to profit or loss:	(286)	96
Gains on revaluation of owner occupied property reclassified to investment property – continuing operations	–	130
Equity instruments at FVOCI fair value adjustment – continuing operations	(368)	(9)
Remeasurements of post-employment defined benefit liability in discontinued operations	–	3
Income tax relating to items that may not subsequently be reclassified to profit or loss	82	(28)
Total comprehensive income for the year	(35)	1 935
Total comprehensive income attributable to:		
Equity holders of the company	(105)	1 873
Non-controlling interests	70	62
	(35)	1 935
Total comprehensive income attributable to equity holders:		
Continuing operations	(636)	1 778
Discontinued operations	531	95
	(105)	1 873

Supplementary information

for the year ended 31 March

	Change %	2020 Reviewed Rm	2019 Restated ⁽¹⁾ Rm
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings			
(Loss)/profit attributable to equity holders of the company			
Continuing operations		(331)	1 640
Discontinued operations		539	(78)
(Less)/add: continuing operations adjustments			
Gain on disposal of property, plant and equipment		(6)	(1)
Impairment of property, plant and equipment		99	21
Impairment of right-of-use assets		6	–
Loss on disposal or investment property		1	–
Fair value adjustment of investment properties		81	8
Impairment of goodwill		332	–
Impairment of intangibles		1 585	1
Gain on disposal of business		(1)	–
Total tax effects of adjustments		(482)	(7)
(Less)/add: discontinued operations adjustments			
Gain on unbundling of THL		(506)	–
Other headline adjustments from discontinued operations ⁽²⁾		–	541
Total tax and NCI effects of adjustments		–	(207)
Share of associates' headline earnings adjustments from discontinued operations		–	10
Headline earnings	(32)	1 317	1 928
Add: continuing operations' adjustment			
Ineffective portion of cash flow hedge on debt restructure		136	–
Adjusted headline earnings	(25)	1 453	1 928
Allocated as follows:			
Continuing		1 420	1 662
Discontinued		33	266
Number of shares in issue (million)		1 046	1 056
Weighted average number of shares in issue (million)		1 056	1 058
Basic and diluted headline earnings per share (cents):			
– Total group		124.7	182.2
– Continuing operations		121.6	157.1
– Discontinued operations		3.1	25.1
Basic and diluted adjusted headline earnings per share (cents):			
– Total group		137.6	182.2
– Continuing operations		134.5	157.1
– Discontinued operations		3.1	25.1

⁽¹⁾ Restated to exclude all immaterial non-headline adjustments from adjusted headline earnings due to the disposal of the group's hotel business and the restructure of the group and change in management as described in note 10 Segment information

⁽²⁾ Refer reconciliation of operating profit to Ebitdar for detail on page 31

Reconciliation of operating profit to Ebitdar⁽²⁾

Ebitdar pre-exceptional items is made up as follows:

	Continuing operations		Discontinued operations	
Change %	2020 Reviewed Rm	2019 Restated ⁽¹⁾ Rm	2020 Reviewed Rm	2019 Restated ⁽¹⁾ Rm
Operating profit	1 027	3 129	115	392
Add/(less):				
Property rentals	25	132	11	208
Amortisation and depreciation	881	738	–	306
Long-term incentive (credit)/expense	(37)	3		3
	1 896	4 002	126	909
Add: Exceptional losses net of gains				
Headline adjustments	2 097	29	–	541
(Gain)/loss on disposal of property, plant and equipment	(6)	(1)	–	3
Impairment of property, plant and equipment	99	21	–	93
Impairment of right-of-use assets	6	–	–	–
Loss on disposal or investment property	1	–	–	–
Fair value adjustment of investment properties	81	8	–	445
Impairment of goodwill	332	–	–	–
Impairment of intangibles	1 585	1	–	–
Gain on disposal of business	(1)	–	–	–
Ebitdar	(1) 3 993	4 031	126	1 450

⁽¹⁾ Restated to exclude all immaterial non-headline adjustments from adjusted headline earnings due to the disposal of the group's hotel business and the restructure of the group and change in management as described in note 10 Segment information

⁽²⁾ The measure excludes the effects of long-term incentives, headline earnings adjustments and material items which are regarded as unusual and are considered to distort the numbers if they were not adjusted

Condensed consolidated cash flow statement

for the year ended 31 March

	2020 Reviewed Rm	2019 Audited Rm
Cash flows from operating activities		
Operating (loss)/profit	(205)	2 325
Non-cash movements	4 331	1 787
Decrease in working capital	(580)	(343)
Cash generated from operations	3 546	3 769
Finance income	55	323
Finance costs	(1 080)	(1 137)
	2 521	2 955
Income tax paid	(465)	(559)
Dividends paid to shareholders	(872)	(2 137)
Dividends paid to non-controlling interests	(23)	(19)
Dividends received	114	98
Cash flows from operating activities – discontinued operations	(48)	524
Net cash generated from operating activities	1 227	862
Cash flows from investment activities		
Purchase of property, plant and equipment	(1 153)	(1 453)
Proceeds from disposals of property, plant and equipment	17	9
Additions to investment properties	(14)	(30)
Proceeds on disposal of investment properties	2	–
Purchase of intangible assets	(11)	(17)
Common control acquisitions, net of cash acquired	–	4
Acquisition of business – intellectual property	–	(18)
Disposal of business	8	–
Loans repaid by associates	–	4
Other loans granted	(8)	–
Net cash outflow on unbundling of THL	(178)	–
Net cash utilised for investment activities – discontinued operations	(95)	(479)
Net cash utilised for investment activities	(1 432)	(1 980)
Cash flows from financing activities		
Borrowings raised	7 306	1 590
Borrowings repaid	(7 261)	(700)
Principal elements of lease payments	(131)	–
Shares repurchased	(100)	(65)
Treasury shares settled	13	–
Acquisition of non-controlling interests	(15)	(2)
Decrease in amounts due by share scheme participants	–	1
Net cash generated from financing activities – discontinued operations	69	29
Net cash (utilised for)/generated from financing activities	(119)	853
Net decrease in cash and cash equivalents	(324)	(265)
Cash and cash equivalents at beginning of the year, net of bank overdrafts	824	1 071
Foreign currency translation	3	18
Cash and cash equivalents at end of the year, net of bank overdrafts	503	824
Included in cash and cash equivalents in the balance sheet	503	612
Included in the assets of the held for distribution group	–	212
	503	824

Condensed consolidated balance sheet

as at 31 March

	2020 Reviewed Rm	2019 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	9 280	9 154
Right-of-use assets	206	–
Investment properties	416	486
Goodwill	1 461	1 793
Other intangible assets	2 781	4 382
Investments in associates	41	35
Financial assets at FVOCI	898	1 266
Non-current receivables	38	34
Derivative financial instruments	–	3
Deferred income tax assets	132	43
	15 253	17 196
Current assets		
Inventories	81	75
Trade and other receivables	488	577
Current income tax assets	119	57
Cash and cash equivalents	3 062	2 541
	3 750	3 250
Assets classified as held for distribution to owners	–	14 631
Total current assets	3 750	17 881
Total assets	19 003	35 077
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary share capital and premium	6 487	6 571
Other reserves	(4 081)	(1 774)
(Accumulated losses)/retained earnings	(576)	5 699
Total shareholders' equity	1 830	10 496
Non-controlling interests	126	3 049
Total equity	1 956	13 545
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	11 200	10 072
Lease liabilities	232	–
Derivative financial instruments	224	71
Deferred income tax liabilities	1 133	1 525
Provisions and other liabilities	88	201
	12 877	11 869
Current liabilities		
Interest-bearing borrowings	3 089	3 452
Lease liabilities	91	–
Trade and other payables	910	1 441
Current income tax liabilities	80	37
	4 170	4 930
Liabilities classified as held for distribution to owners	–	4 733
Total liabilities	17 047	21 532
Total equity and liabilities	19 003	35 077

Condensed consolidated statement of changes in equity

Attributable to equity holders of the company

	Ordinary share capital and premium Rm	Other reserves Rm	Retained earnings/ (accumulated losses) Rm	Total Rm	Non- controlling interests Rm	Total equity Rm
Balance at 31 March 2018 (audited)	6 636	(2 040)	6 280	10 876	3 318	14 194
Total comprehensive income	–	309	1 564	1 873	62	1 935
Profit for the year	–	–	1 562	1 562	60	1 622
Other comprehensive income	–	309	2	311	2	313
Buy-back of ordinary share capital	(65)	–	–	(65)	–	(65)
Common control reserve arising on acquisition of Kuruman Casino	–	(42)	–	(42)	(18)	(60)
Acquisition of non-controlling interests – Galaxy	–	(1)	–	(1)	(1)	(2)
Ordinary dividends	–	–	(2 145)	(2 145)	(312)	(2 457)
Balance at 31 March 2019	6 571	(1 774)	5 699	10 496	3 049	13 545
Change in accounting policy – adoption of IFRS 16 <i>Leases</i> ⁽¹⁾	–	–	(133)	(133)	(7)	(140)
Restated balance at 1 April 2019	6 571	(1 774)	5 566	10 363	3 042	13 405
Total comprehensive income	–	(312)	207	(105)	70	(35)
Profit for the year	–	–	207	207	70	277
Other comprehensive income	–	(312)	–	(312)	–	(312)
Reallocation of other reserves to retained earnings on disposal of THL	–	(1 342)	1 342	–	–	–
Reallocation of surplus arising on change in control in joint venture to retained earnings on disposal of THL	–	(130)	130	–	–	–
Realisation of reserves and non-controlling interests on disposal of THL	–	(506)	–	(506)	(2 815)	(3 321)
Buy-back of ordinary share capital	(100)	–	–	(100)	–	(100)
Treasury shares settled	16	–	–	16	–	16
Acquisition of non-controlling interests – Galaxy	–	(17)	–	(17)	(3)	(20)
Disposal of subsidiary – Galaxy	–	–	–	–	5	5
Ordinary dividends	–	–	(870)	(870)	(173)	(1 043)
Dividend <i>in specie</i> distribution ⁽²⁾	–	–	(6 951)	(6 951)	–	(6 951)
Balance at 31 March 2020 (reviewed)	6 487	(4 081)	(576)	1 830	126	1 956

⁽¹⁾ Refer note 2 Changes in significant accounting policies

⁽²⁾ Refer note 4 Unbundling of hotels

Segmental analysis

for the year ended 31 March

	Income ⁽¹⁾			Ebitdar ^{(2), (3)}		
	Restated ⁽⁴⁾		Change %	Restated ⁽⁴⁾		Change %
	2020 Rm	2019 Rm		2020 Rm	2019 Rm	
Continuing operations						
Casinos	8 878	8 999	(1.3)	3 368	3 494	(3.6)
Gauteng	4 732	4 882	(3.1)	1 786	1 935	(7.7)
KwaZulu-Natal	2 327	2 313	0.6	962	948	1.5
Mpumalanga	777	759	2.4	274	264	3.8
Western Cape	619	604	2.5	242	229	5.7
Eastern Cape	294	304	(3.3)	73	83	(12.0)
Free State	129	137	(5.8)	31	35	(11.4)
Bingo	933	855	9.1	287	238	20.6
LPMs	1 658	1 559	6.4	456	441	3.4
Other gaming operations	217	206	5.3	(118)	(142)	16.9
Group continued operations	11 686	11 619	0.6	3 993	4 031	(0.9)
Discontinued operations⁽⁵⁾						
South African hotels division	548	3 784	*	104	1 307	*
Offshore hotels division	100	605	*	22	143	*
	648	4 389	*	126	1 450	*
Group, including discontinued operations	12 334	16 008	(23.0)	4 119	5 481	(24.8)

⁽¹⁾ All revenue and income is derived from external customers. No one customer contributes more than 10% to the group's total revenue and income

⁽²⁾ Refer reconciliation of operating profit to Ebitdar on page 31

⁽³⁾ All casino units are reported pre-internal gaming management fees. The adoption of IFRS 16 had no significant impact on Ebitdar

⁽⁴⁾ Restated for the change in reported segments due to the restructure and reporting of the group to a regional basis as mentioned above, together with the change in adjusted earnings – refer page 31

⁽⁵⁾ Discontinued operations – refer note 4

Revenue from contracts with customers

	Rooms revenue recognised over time	
	2020 Rm	2019 Restated ⁽¹⁾ Rm
Continuing operations		
Casinos	490	490
Gauteng	257	265
KwaZulu-Natal	71	73
Mpumalanga	107	95
Western Cape	24	26
Eastern Cape	31	31
Free State	–	–
Bingo	–	–
LPMs	–	–
Other gaming operations	–	–
	490	490
Discontinued operations		
South African hotels	342	2 346
Offshore hotels	64	386
	406	2 732
Group, including discontinued operations	896	3 222
Reconciliation to segmental analysis on page 35:		
Continuing operations		
Revenue from contracts with customers per above		
Other income		
Net gaming win		
Discontinued operations⁽²⁾		
Revenue from contracts with customers per above		
Property rental income		
Total income per segmental analysis		

Other revenue comprises mainly revenues from Theme Park, Sandton Convention Centre, cinemas , parking, venue hire and other sundry revenue.

⁽¹⁾ Restated for the change in reported segments due to the restructure and reporting of the group to a regional basis – refer to page 31

⁽²⁾ Discontinued operations – refer note 4

Food and beverage recognised at a point in time		Other revenue recognised over time		Revenue from external customers	
2020 Rm	2019 Restated ⁽¹⁾ Rm	2020 Rm	2019 Restated ⁽¹⁾ Rm	2020 Rm	2019 Restated ⁽¹⁾ Rm
573	574	323	305	1 386	1 369
295	303	253	258	805	826
124	122	19	11	214	206
81	77	26	17	214	189
29	29	10	7	63	62
33	33	14	11	78	75
11	10	1	1	12	11
73	73	7	4	80	77
–	–	2	3	2	3
1	1	113	121	114	122
647	648	445	433	1 582	1 571
125	814	46	272	513	3 432
29	176	6	37	99	599
154	990	52	309	612	4 031
801	1 638	497	742	2 194	5 602
				11 686	11 619
				1 582	1 571
				258	227
				9 846	9 821
				648	4 389
				612	4 031
				36	358
				12 334	16 008

[illegible]

DIRECTORS:

JA Copelyn (Chairman)*
CG du Toit (Chief Executive Officer)
RB Huddy (Chief Financial Officer)
MSI Gani** MJA Golding**
BA Mabuza (Lead Independent)**
VE Mphande* RD Watson** Y Shaik*
(*Non-executive Director **Independent Director)

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