2007

Annual Report

Spur Corporation

PROUDLY SOUTH AFRICAN

OUR PROMISE

Food is our passion. Welcoming you, our pleasure. And our greatest reward is presenting delicious meals. Whether it's a Spur burger, Panarottis pizza or John Dory's catch of the day, our food is made to please and fulfil. Big on quantity, big on aroma and especially big on taste. When you meet at your home from home you are treated as family. We never hold back on our portions, our laughter, or our welcome. Nothing satisfies us more than pleasing you, our customer. This is our simple philosophy. We, the people of Spur.

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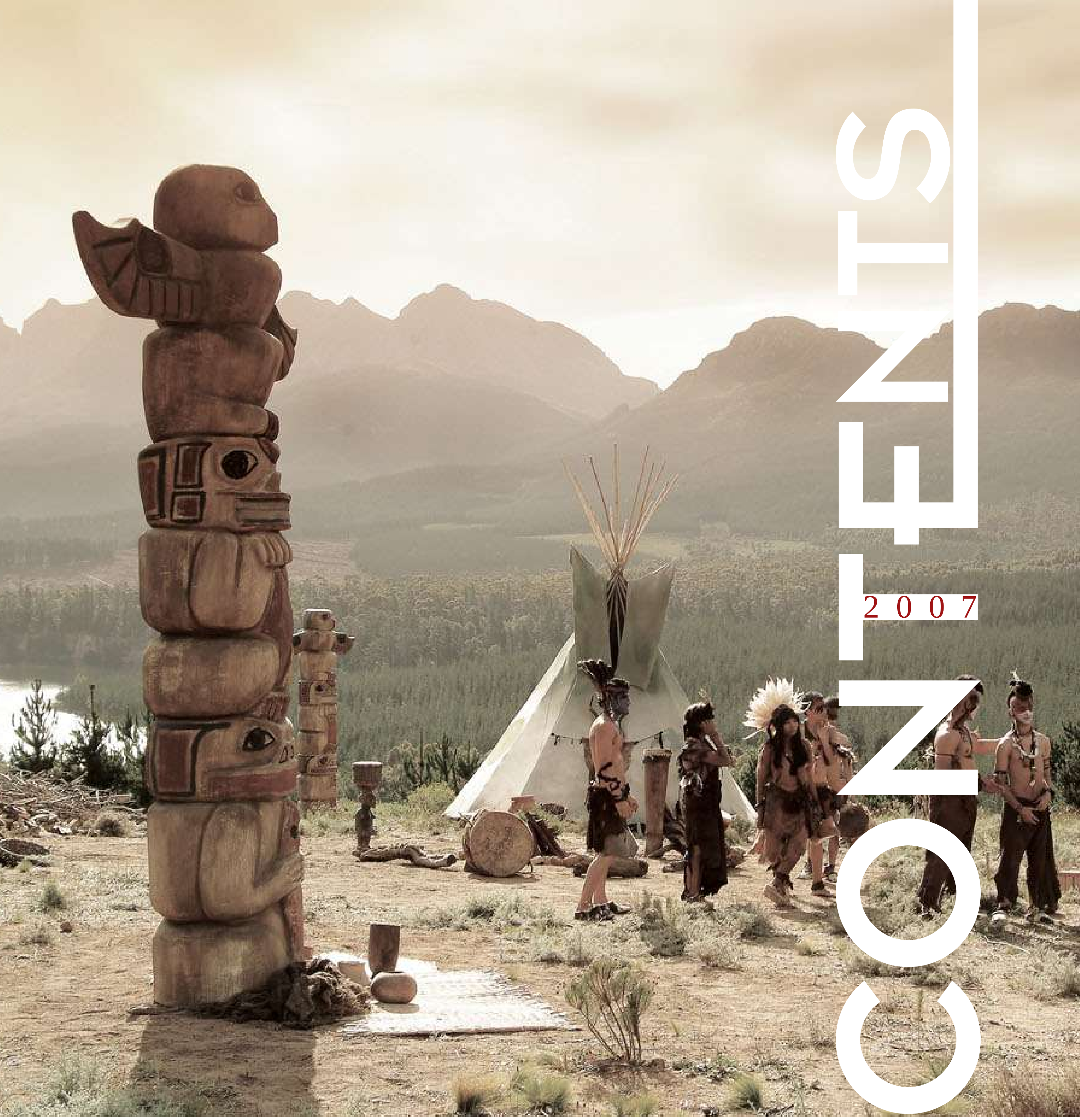
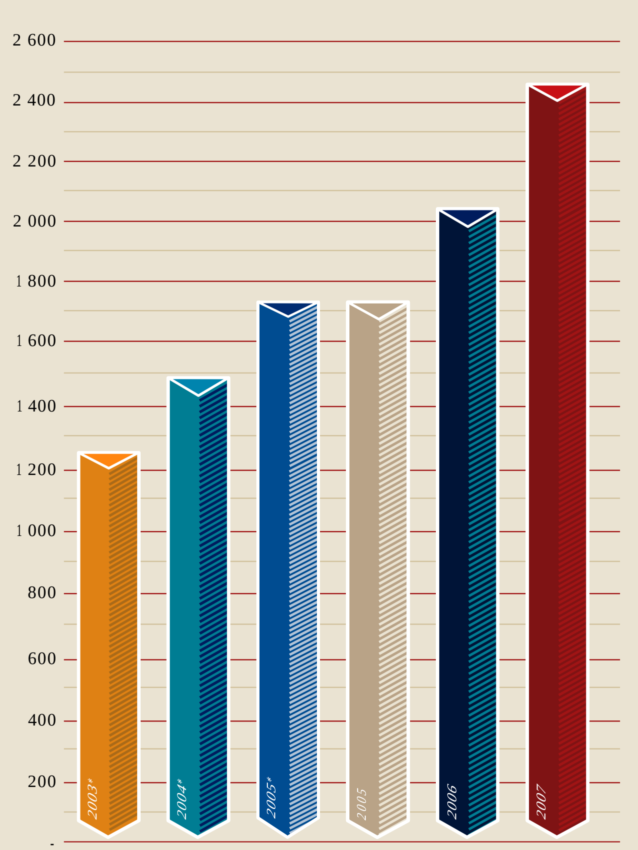


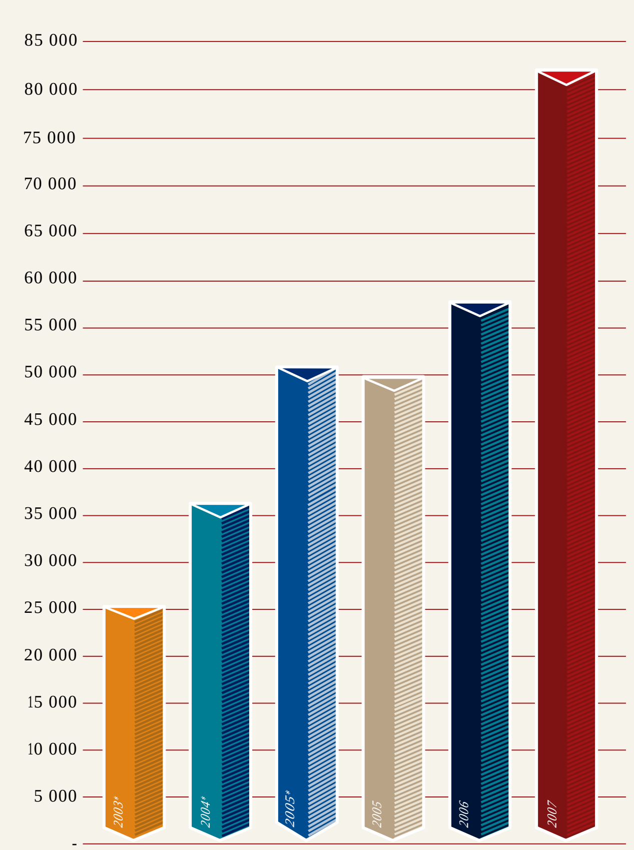
FINANCIAL HIGHLIGHTS

	2007	2006	% Change
Profit before tax (R'000)	92 995	81 195	15
As a percentage of revenue	43%	44%	
Profit after tax (R'000)	81 752	57 667	42
As a percentage of revenue	38%	32%	
Return on total assets	16.0%	13.4%	
Return on equity	20.0%	16.2%	
Cash and cash equivalents (R'000)	44 218	40 888	8
STATISTICS PER SHARE			
Headline earnings (cents)	91.53	65.76	39
Distributions (cents)	55.00	47.00	17
Distribution cover (times)	1.7	1.4	
Market price - 30 June (cents)	1180	830	42
Price range (cents)			
- high	1250	930	
- low	820	625	
Headline earnings yield (%)	7.8	7.9	
Distribution yield (%)	4.7	5.7	

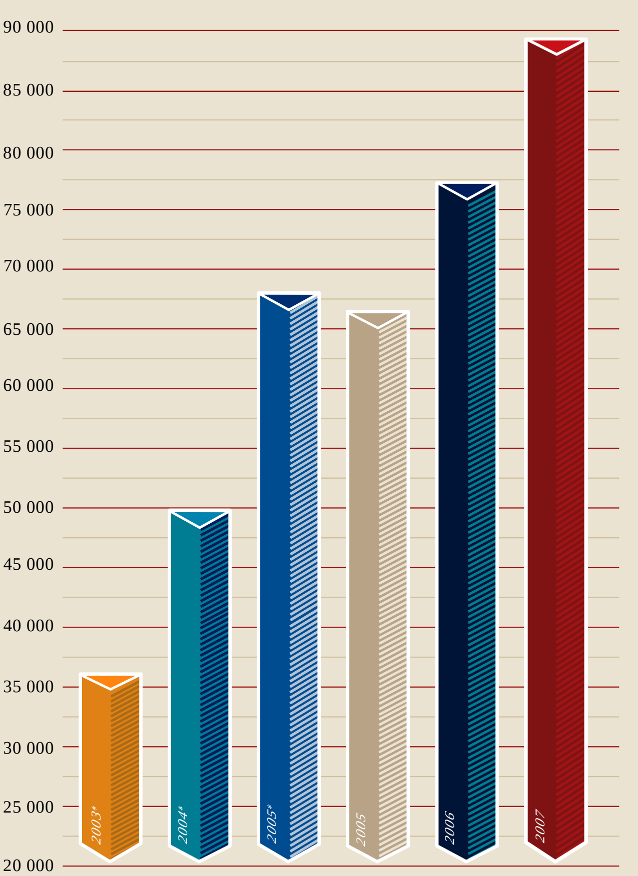
STORE TURNOVERS (R'm)



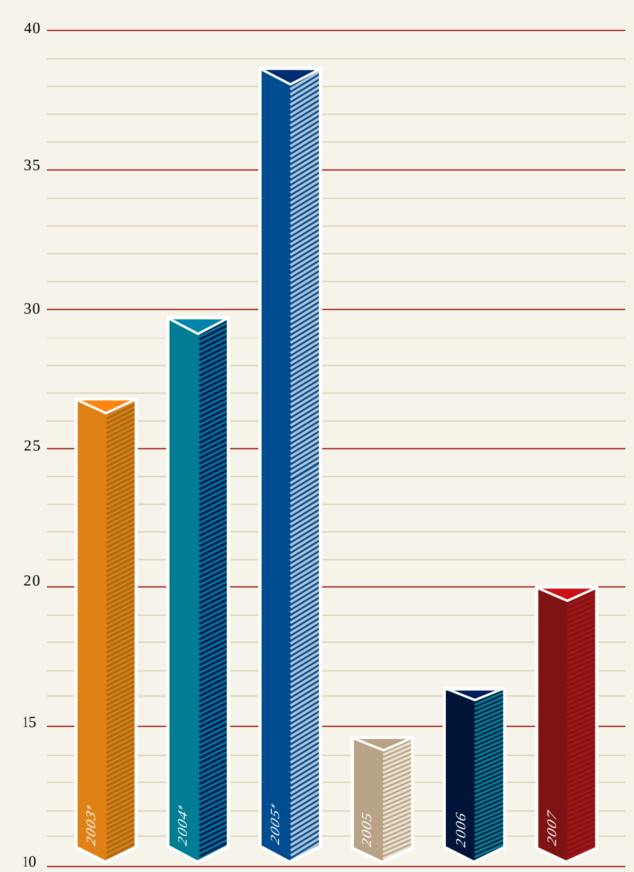
HEADLINE EARNINGS (R'000)



OPERATING PROFIT BEFORE FINANCE INCOME** (R'000)



RETURN ON EQUITY (%)



* Pre-IFRS adoption.
** Includes (loss)/income from associate companies.

CORPORATE PROFILE

VISION AND MISSION

Our vision is to be the best family sit-down restaurant in the markets in which we trade. Our mission is to be dedicated at all times to our customers and staff – to provide a "taste for life" for our customers and to be a great place to work for our staff.

OVERVIEW

Spur Corporation is a multi-brand restaurant franchisor listed in the Travel and Leisure sector of the JSE Limited. Through its three restaurant brands – Spur Steak Ranches, Panarottis Pizza Pasta and John Dory's Fish & Grill - the group provides customers with a relaxed dining experience in a distinctly family-oriented environment, along with a compelling quality and value-for-money offering.

FROM SMALL BEGINNINGS

The group's heritage goes back 40 years to when Spur founder and executive chairman Allen Ambor opened the Golden Spur in Newlands, Cape Town, in 1967. Over the past four decades the group has grown into one of the most recognised brands in the country and today Spur is proudly known as "the official restaurant of the South African family".

In December 1990 a second restaurant brand, Panarottis Pizza Pasta, was started. Applying the same principles that made Spur Steak Ranches a household name, Panarottis soon capitalised on the growing popularity of pizza and pasta. Within a decade Panarottis had a national presence of over 40 restaurants and began expanding into Africa and Australia.

The Spur Group was first listed on the JSE in 1986, at which stage it operated 43 franchised Spur Steak Ranches outlets. A major restructuring of the group was undertaken in 1999, which resulted in the formation and listing of Spur Corporation as we know it today. November 2004 saw Spur Corporation purchase a 60% shareholding in John Dory's Fish & Grill, a KwaZulu-Natal based franchise comprising seven outlets. Founded eight years earlier as a predominantly seafood restaurant with trademark nautical decor, John Dory's has a distinctly Mediterranean culture and charisma. A further 5% interest was purchased in the current year.

FRANCHISING BUSINESS MODEL

The group's success can largely be attributed to the franchising business model which has been consistently applied from the outset. Spur Corporation does not own and manage its restaurants in South Africa: it allows independent, entrepreneurial franchisees to run their own restaurant businesses and in return receives a franchise fee based on the turnover of each restaurant.

Spur Corporation provides extensive support to franchisees, including assistance with business plans and cash flow forecasts, site selection, lease negotiations and operational guidance with the opening of outlets.

An experienced operations team provides ongoing support to the franchisees. This team is responsible for upholding the high quality of the brand and its products, as well as ensuring the franchisee builds and maintains a successful business.

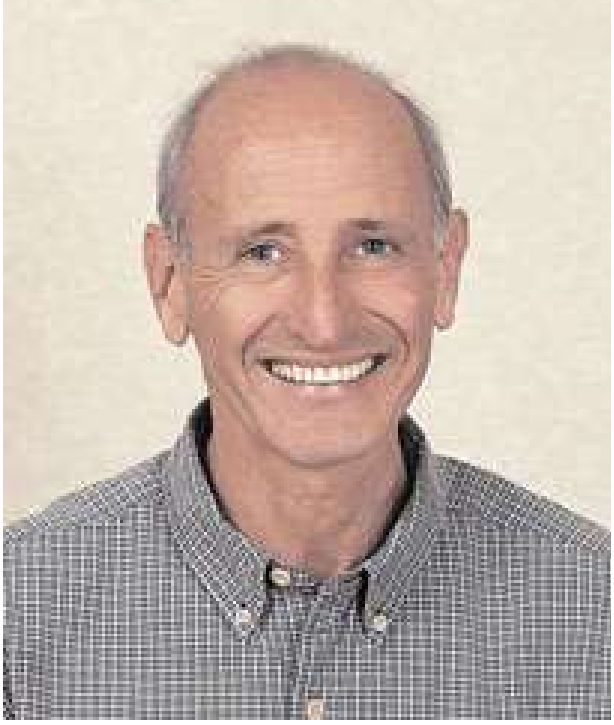
In recent years the group has outsourced the national distribution of restaurant supplies from its manufacturing facilities to an independent distributor. This was done to ensure the consistent quality of all products in restaurants and to maintain the cold chain, while enhancing operating standards and improving efficiencies for the group and franchisees alike.

RESTAURANT EXPANSION

The group has seen sustained growth in its restaurant base in recent years and passed the 300 restaurant mark in early 2006. By 30 June 2007 this had increased to 333, with 226 Spur Steak Ranches, 53 Panarottis Pizza Pasta restaurants and 20 John Dory's Fish & Grill outlets in South Africa. Internationally the group has 34 Spur Steak Ranches and Panarottis Pizza Pasta restaurants in Africa (including Mauritius), Australia and the United Kingdom.

The rapid growth in the middle income market in South Africa - the primary target group of Spur - has lead to opportunities for restaurants in new areas as population demographics have shifted. New shopping malls and entertainment centres also create scope for expansion, while store relocations and refurbishments provide an opportunity to increase customer volumes. Spur is constantly re-inventing and innovating to exceed customer expectations.

	Spur Steak Ranches	Panarottis Pizza Pasta	John Dory's Fish & Grill	Total
South Africa				
Eastern Cape	22	7	1	30
Gauteng	117	25	5	147
KwaZulu-Natal	37	9	10	56
Western Cape	50	12	4	66
TOTAL SOUTH AFRICA	226	53	20	299
International				
Africa (including Mauritius)	15	3	-	18
Australia	5	4	-	9
United Kingdom	7	-	-	7
TOTAL INTERNATIONAL	27	7	-	34
TOTAL RESTAURANTS	253	60	20	333



Allen Ambor
EXECUTIVE CHAIRMAN

CHAIRMAN'S REPORT

FINANCIAL PERFORMANCE

Spur Corporation has produced a pleasing financial performance and entrenched its position in the family sit-down restaurant market, despite higher interest rates impacting on the disposable income of our customers during the second half of the financial year.

The group has continued its strong growth trend of recent years following a solid performance across the three restaurant brands, Spur Steak Ranches, Panarottis Pizza Pasta and John Dory's Fish & Grill, and this contributed to a 15.7% increase in operating profit to R89.6 million (2006: R77.4 million).

Headline earnings for the year was boosted by a tax credit of R16.6 million and increased by 39.2% to R80.7 million (2006: R58.0 million). The tax credit resulted from the recognition of a deferred tax asset relating to the company's international operations. Diluted headline earnings per share rose 35.4% to 88.17 cents (2006: 65.10 cents).

Shareholders will receive a distribution of 55 cents per share for the year, an increase of 17% over last year. Our current distribution policy is to aim to distribute 75% of headline earnings per share, calculated on the total number of shares in issue. In the year ahead the board will be reviewing this policy to ensure that we retain the necessary cash to be able to capitalise on expansion opportunities both locally and internationally.

Details of the performance of the three restaurant brands is covered in the Managing Director's Report on pages 14 to 17.

GROWTH IN NEW MARKETS

Our positioning as an affordable and accessible family restaurant business has allowed the group to take advantage of the solid growth in the economy in recent years and expand our restaurant base into new and developing areas.

In 2006 we opened a Spur in Umlazi Mega Mall in KwaZulu-Natal and during the past financial year we began trading successfully in Jabulani Mall, Soweto, Carlton Centre, Johannesburg, and Trade Route Mall, Lenasia. A Spur opened in Maponya Mall, Soweto's new mega shopping centre, in October 2007.

As South Africa's middle income group continues to grow, we expect to see an increase in successful retail developments in and around emerging markets, making potential sites in areas such as Mamelodi, Gugulethu and KwaMashu an exciting possibility.

INTERNATIONAL EXPANSION

Spur Corporation is committed to growing its international restaurant base. We recognise that this expansion should never allow us to be distracted from the South African operations, which remain our core business.

The international strategy continues to be one of measured and prudent expansion in Africa, Australia and the United Kingdom ("UK"). During the past year the group enhanced its African footprint with three new outlets, while restructuring and expanding the operations in Australia with a further two restaurants.

In order to accelerate growth in the UK, the group opened two company-owned restaurants in London. These restaurants, which are located in the O_2 Dome in Greenwich (formerly the Millennium Dome) and the Lakeside Shopping Centre in West Thurrock (approximately 40km south east of London), opened shortly before the end of the financial year and have performed above our expectations in the first four months of trading. Our increased presence and awareness in these high profile sites has already resulted in several potential business opportunities presenting themselves, and we believe our investment will be a catalyst for growth in the UK.

The revenue contribution from international operations increased from 3.7% in 2006 to 10.8% this year.

The group now has 34 restaurants outside South Africa and plans to open a further six in the new year, while also exploring joint venture opportunities to enter the Middle East market for the first time.

BLACK ECONOMIC EMPOWERMENT

Black economic empowerment ("BEE") has been at the forefront of our corporate agenda and in the past two years the group has investigated a range of options to introduce empowerment into the group and accelerate the pace of transformation.

The publication of the Codes of Good Practice on BEE earlier this year provided the group with much-needed direction on an empowerment strategy. An independent consultant was commissioned to review the business in relation to the Codes and develop a holistic empowerment plan which would accommodate the needs of shareholders, staff and franchisees alike. This review also identified specific areas of the business where we can make progress in a relatively short period of time, although this does not necessarily involve an equity transaction as a first step. The board has reviewed the recommendations and will shortly be developing a strategy.

Shareholders may recall that last year the group secured a R30 million funding facility from the Industrial Development Corporation ("IDC") to finance black entrepreneurs in opening their own restaurants. Many potential franchisees are unable to source funding through commercial banking channels and to date the IDC facility has been earmarked for four new restaurant developments across the three brands.

Further progress has also been made on employment equity. Black employees now account for 43% of the group's workforce compared to 40% last year, while female representation has remained constant at 49% of the total staff complement.

PROSPECTS

We recognise that slower consumer spending and rising food prices will be a challenge in the year ahead. The recent introduction of the National Credit Act could also have a short-term impact on the spending power of our customers. In response to these challenges, management has developed strategies to enhance customer loyalty, drive additional foot traffic through our restaurants and increase customer spend. The group will also focus on sourcing value added products both locally and internationally to limit the impact of food inflation on our business.

Spur Corporation has operated successfully in periods of economic slowdown in the past. We need to remind our customers constantly of our value proposition and position ourselves to take advantage of these tougher trading conditions. The directors and management remain confident that the group will continue to deliver increased revenue and profitability in the year ahead.

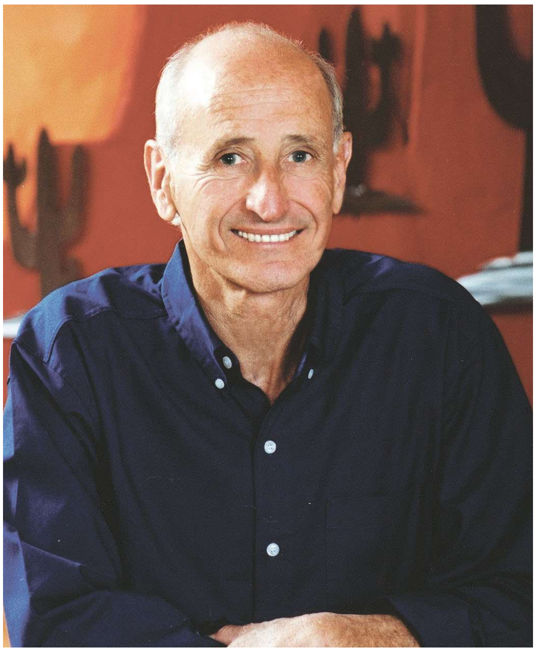
APPRECIATION

As we close off another year of sustained growth in Spur Corporation, I would like to thank our managing director, Pierre van Tonder, and his management team for the commitment and drive they have shown in leading the group. My thanks also go to my fellow directors for their guidance and active participation in the business.

Thank you to our shareholders, franchisees, suppliers, business partners and advisers for your ongoing support. Finally, our customers are the lifeblood of our business and it has been our pleasure to provide so many South Africans with a "taste for life" over the past year.

Allen Ambor EXECUTIVE CHAIRMAN

SPUR CORPORATION DIRECTORS



Allen Ambor (Age 66)
EXECUTIVE CHAIRMAN

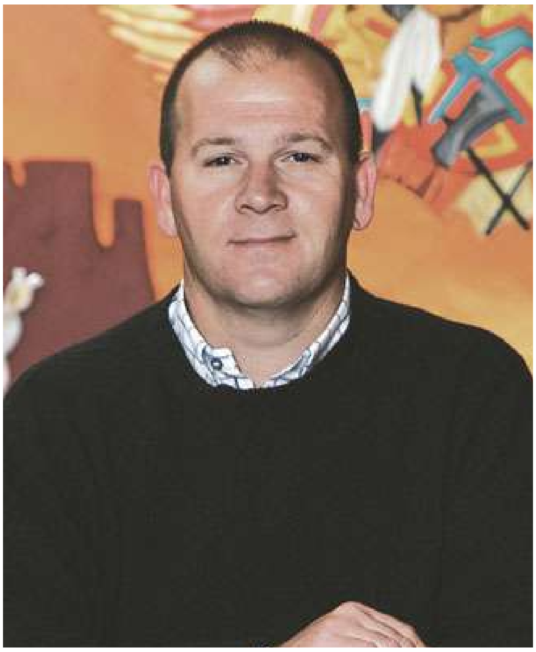
After a short period overseas and working for two years, Allen decided to further his education and attained a BA degree at the University of Witwatersrand. Shortly thereafter he made the decision to start his own business. The doors of the first Spur Steak Ranch officially opened in Newlands, Cape Town, in 1967.

Pierre van Tonder (Age 48)
MANAGING DIRECTOR

Pierre joined the Spur group in 1982. His 25-year career with the group started when he was appointed as a manager of Seven Spur in Sea Point. Pierre was appointed as an Area Manager for Spur Steak Ranches in 1985. The next eleven years saw Pierre making fast progress up the management ladder. In 1996 he was appointed Managing Director of Spur Corporation.

Mark Farrelly (Age 43)
DEPUTY MANAGING DIRECTOR

Mark joined Spur Head Office in 1990 as an Area Manager. In 1993 he was transferred to Johannesburg. Mark was promoted to Regional Operations Manager in 1995 and appointed to the Board in 1999. He is also a director of the Franchise Association of South Africa.



Kevin Robertson (Age 41)
EXECUTIVE DIRECTOR

Kevin joined Spur in 1987 as a waiter at Yellowstone Spur, Carletonville. By 1991 he had become an Area Manager at the Spur regional office in Johannesburg. Two years later, he was promoted to Regional Manager, KwaZulu-Natal. Kevin is Managing Director of the Panarottis Pizza Pasta franchise, and was appointed to the Board in 1999.

Phillip Joffe (Age 57)
EXECUTIVE DIRECTOR

Phillip studied at the University of Cape Town and obtained his CA (SA) in 1973. Phillip joined the Spur group in 1976 and has served as a member of the Board since 1986, where he continues his position as an Executive Director.

Ronel van Dijk (Age 35)
FINANCIAL DIRECTOR

Ronel qualified as a CA (SA) in December 1997. She spent a year working in the London office of Arthur Andersen & Co., after which she returned to Cape Town as audit manager with the firm. She left the firm, then KPMG Inc., and joined Spur Head Office as Group Financial Manager in January 2003. In January 2005, Ronel was appointed as Chief Financial Officer and Company Secretary, and she was appointed to the Board in September 2006.

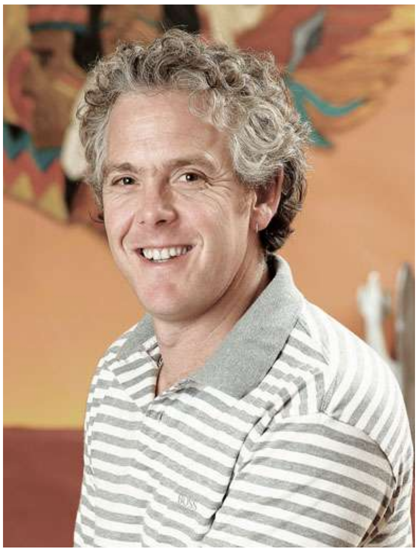
Keith Madders (Age 59)
NON-EXECUTIVE DIRECTOR MBE (DEPUTY CHAIRMAN)

Keith was born in Zimbabwe, studied at the University of Cape Town and trained as an investment analyst before launching himself into the music industry. In 1976 Keith went to live in London, where he lectured and established various businesses as well as a number of successful charitable organisations working to relieve poverty in southern Africa. Keith was awarded an MBE in the Queen's 2002 Honours List for services to the Zimbabwe Trust.

Keith Getz (Age 51)
NON-EXECUTIVE DIRECTOR

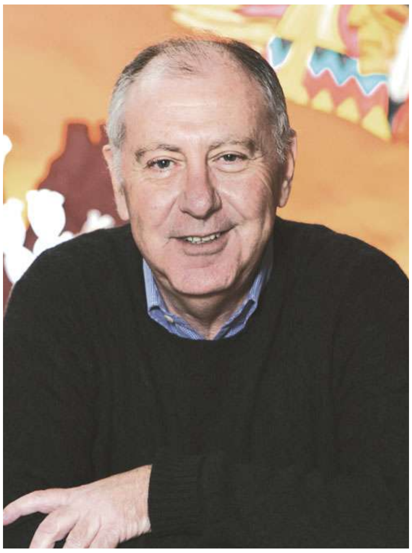
Keith is a partner at Bernadt Vukic Potash & Getz attorneys, practising principally in the fields of corporate and commercial law. He is also a director of a number of companies.

Dean Hyde (Age 40)
NON-EXECUTIVE DIRECTOR



Dean completed a BCom at the University of Witwatersrand in 1988. He then studied at York University, Toronto, obtaining a CA Canada in 1991. He completed his articles with Grant Thornton International in 1993. He joined the Spur group in 1994 as Financial Manager, and in 1999 he was appointed Financial Director. In late 2004 Dean resigned as Financial Director and was appointed as a non-executive director. He also provides consulting services to the group.

John Rabb (Age 64)
INDEPENDENT NON-EXECUTIVE DIRECTOR



Having attained a BSc (agriculture) from Natal University, John spent three years in London with Marks & Spencer and then returned to South Africa to join the Wooltru Group where he served for over 30 years.

KEY MANAGEMENT

Britt Fuller - NATIONAL TRAINING (AGE 41)
Britt has almost 26 years of experience in the restaurant business, starting when she helped out in her mother's restaurant. Britt joined Spur almost 13 years ago and is currently responsible for national training.

Coleen Eva - GAUTENG MANUFACTURING FACILITY (AGE 56)
Coleen completed a one-year Diploma in bookkeeping and business economics at Modern Methods Business School in Johannesburg. She joined Spur in 1981 and is responsible for running the manufacturing facility in Gauteng.

Duncan Werner - PROCUREMENT AND DEVELOPMENT (AGE 47)
Duncan started out in the packaging business. He began his career at Spur as a waiter 24 years ago, and joined Head Office in 1988. Duncan is in charge of national procurement, Western Cape development and menu engineering. He also oversees the manufacturing facilities and Spur Décor.

Heather Needham - WESTERN CAPE MANUFACTURING FACILITY (AGE 44)
Heather joined Spur in 1984 as a manager at Navaho Spur, Brackenfell. In 1988 she joined Spur Head Office as the manager of Central Kitchens, Cape Town. Heather has a BCom degree from UNISA. She is responsible for the running of the manufacturing facility in Montague Gardens, Cape Town.

Ian McMahon - GROUP INFORMATION TECHNOLOGY (AGE 39)
Ian has spent two decades with Spur, starting as a teenaged waiter in the mid-1980s. He has moved progressively through the ranks to the position of Head of Group IT. Ian looks after the group's technology needs and runs the in-house radio station, Taste FM.

Michele van der Merwe - SUPPLY CHAIN (AGE 39)
Michele completed her Bachelor of Social Science degree in Durban, and thereafter numerous business management courses, a business management diploma, and first year MBA. She started her career in the automotive trade in Durban, and then moved into the food and beverage business in 1999. She joined the Spur Group in May 2006. She is primarily responsible for managing the suppliers of products to the Spur group and ensuring a secure supply chain that maximises efficiencies within the group.

Peter Wright - HUMAN RESOURCES (AGE 56)
Peter started as a waiter at Golden Spur in 1975. Over the next five years, Peter gained further experience at the Cape Town central kitchen, Midnite Grill and Hard Rock Café. Peter left the group for ten years but rejoined in 1991 and worked on developing Panarottis Pizza Pasta. Peter is head of Human Resources.

Raymond Suter - REGIONAL OPERATIONS (AGE 42)
Raymond studied at Cape Technikon for two years. In 1987 he joined Spur as a trainee manager and in 1993 he was promoted to Area Manager. Raymond was appointed as Regional Operations Manager in 2002.

Sacha du Plessis - COMMERCIAL MARKETING (AGE 29)
Sacha joined Spur in January 2007. He has an Honours degree in Business Management from the University of Stellenbosch. Sacha's role is the management of Group Marketing in order to build a strong brand portfolio based on market strategies that explore consumer insights to deliver profitable turnover growth in the Spur, Panarottis and John Dory's brands.

Stamatis Kapsimalis ("Kapsi") - MANAGING DIRECTOR JOHN DORY'S (AGE 40)
Kapsi tried his hand at a number of ventures before finding his niche in the fish and grill business, when he founded John Dory's Fish & Grill. The first restaurant opened its doors in 1996 in Musgrave Road, Durban. Kapsi managed to grow John Dory's Fish & Grill into a successful brand, comprising seven outlets in KwaZulu-Natal, before selling the majority share of the business to Spur Corporation.

Pierre van Tonder
MANAGING DIRECTOR

2007

MANAGING DIRECTOR'S REPORT

OVERVIEW

Spur Corporation has continued its strong growth trend of recent years and entrenched its position in the competitive family sit-down restaurant market. Restaurant turnover for the financial year increased by 19.6%, while turnover of existing restaurants, which excludes new outlets opened during the reporting period, grew by 13.5%.

Group revenue increased by 17.9% to R215.4 million. Franchise fee income in Spur Steak Ranches (local and international) rose by 17.9% to R101.1 million, Panarottis Pizza Pasta by 19.9% to R11.3 million and John Dory's Fish & Grill by 32.2% to R4.1 million. The group's international operations now contribute 10.8% of revenue (2006: 3.7%).

Following the opening of 30 new outlets during the year, Spur Corporation increased its restaurant base to 333 across its three franchise brands locally and internationally. These openings comprised of 22 Spur Steak Ranches, four Panarottis and four John Dory's outlets. A further 35 restaurants were upgraded and seven outlets relocated to improved trading areas, which has benefited revenue growth. A summary of restaurant locations is presented on page 7.

SPUR STEAK RANCHES

Spur continued to perform well, ensuring that a broad section of the South African population visited our restaurants in increasing numbers. One of the more exciting trends to emerge from this year's trading pattern was the substantial growth of the Spur brand in the mainstream market in South Africa. We opened pioneering restaurants in areas where we have not traded before and see this as an opportunity to grow this consumer base.

Spur's South African operations enjoyed buoyant trading and achieved restaurant turnover of R1.9 billion, 16.6% ahead of last year. An additional 16 Spur outlets were opened and 21 refurbishments were completed during the financial year.

Spur won the Sunday Times Generation Next Survey award for the "best eat-out place in South Africa amongst tweens, teens and young adults". Spur also received the Star Your Choice awards for "best steakhouse", "best all-round restaurant", "best ribs restaurant", "best service in a restaurant" and "best continental restaurant".

The major challenge experienced by the group was the burgeoning cost of food products. The impact on the consumer, however, was minimised through innovative menu engineering, aggressive promotions and efficient procurement processes.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PANAROTTIS PIZZA PASTA

Panarottis restaurant turnover for the year grew by 17.2% from R167 million to R196 million. Our value proposition to the consumer is being well maintained and the new menus introduced this year included several innovative products.

Four new restaurants were opened this year: two local and two international. As part of the ongoing refurbishment programme 13 outlets were upgraded to the new Panarottis specification and this has positively impacted restaurant turnovers.

Our advertising campaign, which had a high presence in cinema, has increased foot traffic through the outlets. A new advertising agency has been contracted to revamp and reposition the current creative campaign. Panarottis received several endorsements during the year, including The Star “best Italian restaurant”, Pretoria News “best pizza” and Sunday Times “Generation Next top ten sit-down restaurants”.

JOHN DORY'S FISH & GRILL

John Dory's performed ahead of budget this year, with restaurant turnover advancing to R98 million. New outlets in particular performed well, exceeding budget by 32%. This achievement will enhance our ability to attract new franchisees and grow the brand.

Four new restaurants were opened and a further outlet relocated to the Montecasino entertainment complex in Johannesburg which has been particularly successful. This is providing a great opportunity to market and sell the John Dory's concept in the Gauteng area. Great strides were made during the year on upgrading the restaurant design.

SPUR INTERNATIONAL

Following the opening of six new restaurants, our international division now comprises 27 Spur Steak Ranches and seven Panarottis Pizza Pasta outlets in the United Kingdom, Australia, Africa and Mauritius.

The successful opening of the two company-owned restaurants in Lakeside and the O_2 Dome in London has provided the group with a more solid platform from which to enhance our brand in the United Kingdom. A new franshised Spur was opened in Newry in Northern Ireland shortly after year-end.

The opening of a second Spur outlet in Windhoek, as well as outlets in Swakopmund and Gaborone, has given enormous impetus to the Spur brand in Africa. A Panarottis restaurant was also opened in Harare.

A new outlet in scheduled to be opened in Kampala, Uganda, early in the 2008 financial year.

The Australian business has been restructured and all operations are now managed from a central office. Our restaurant base has increased to 9 following the opening of a new Spur outlet in Erina Fair on the central coast of New South Wales and a Panarottis in Blacktown.

The group plans to open three new restaurants in Africa and two to three in Australia in the new financial year, while opportunities are also being investigated in the Middle East.

PROCUREMENT

The supply of value added products to franchisees through Vector Logistics has continued to improve during the past financial year. Procurement remains a key focus, not only to enhance franchisee profitability but also to ensure consistent product quality.

The past year has seen sharp cost increases in the food industry, which have been driven primarily by increased commodity prices. This has increased food costs in our restaurants. Products such as maize, wheat, oil and milk, which directly influence approximately 70% of our menu offering, continue to place pressure on franchisee margins. Supply chain initiatives have been implemented to ensure that partnerships are formed with suppliers to circumvent the full impact of these costs being passed on to our franchisees.

Food inflation is expected to remain a challenge for the next 12 to 24 months and the group will concentrate on procuring value added products both locally and internationally to remain competitive in the market place.

The group’s manufacturing facility in Midrand, Gauteng, received the internationally accepted Hazard Analysis Critical Control Points (“HACCP”) certification in May 2007, with the Cape Town facility following closely in July 2007.

MARKETING

Our goal is to create South Africa’s most liked “home grown” brand. The authenticity of our product offering will receive more focus, as will health orientated advertising. We will endeavour to create advertising that raises the image of our product offering and increases its appetite appeal.

Core projects in 2008 will include Spur Adventure, Soccer Masidlale, Spur Junior Cycling, Spur Rugby Development and Spur Golf. New initiatives include sponsorships of mountain biking events, Spur Super Skills Rugby Tournament, Ohlange High School and a national kids triathlon series. All proceeds are donated through the Joint Aid Management Fund, which focuses on the feeding of disadvantaged children.

The in-store radio station, Taste FM, has improved communications and enables direct contact with all our restaurants and their thousands of employees. In conjunction with suppliers, Taste FM has run four national waitron competitions and incentive campaigns with cash prizes of over R120 000. This has contributed towards raising staff morale and commitment throughout the group.

The Spur Customer Care Centre remains a hub of activity, with call volumes increasing by 19% this financial year. The Panarottis and John Dory's customer care lines are also becoming more active.

The Spur Kids Birthday Club is still a firm favourite and grew by 11.9% in the past year, with 819 985 active members now part of the Spur family.

THANKS

The group's performance over the past year has truly been a team effort and I thank the heads of our three restaurant brands Mark Farrelly (Spur), Kevin Robertson (Panarottis) and Stamatis Kapsimalis (John Dory's), their teams and all the support staff for making this possible. Our loyal franchisees locally and internationally have ensured that we remain the preferred choice for family dining and we look forward to their continued commitment as we face a more challenging year.

Pierre van Tonder MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

OVERVIEW

Spur Corporation is committed to achieving high standards of corporate governance to protect the interests of the company and its shareholders. The directors recognise that good governance assists shareholders in assessing the quality of the group and its management and supports investors in their decision-making processes.

The group endorses the Code of Corporate Practices and Conduct as exemplified in the King Committee Report on Corporate Governance ("King ll") and embraces the principles of integrity, transparency and accountability.

The directors believe that Spur Corporation complies with the principles and spirit of King ll and the provisions of the Listings Requirements of the JSE Limited. Governance structures are continually enhanced to take account of changes within the group and ongoing developments within corporate governance.

BOARD OF DIRECTORS

Board role and composition

In terms of the board charter, the directors of Spur Corporation are responsible for the following:

- Developing and adopting strategic plans;
- Approval of financial objectives and targets;
- Monitoring operational performance and management;
- Ensuring effective risk management and internal controls;
- Legislative and regulatory compliance; and
- Approval of annual financial statements.

Spur Corporation has a unitary board structure comprising of four non-executive directors and six executive directors.

Non-executive director John Rabb is classified as independent in terms of both the King ll definition and the Listings Requirements of the JSE. The other three non-executive directors are not considered independent as they provide professional services to the group. Keith Madders renders strategic consulting services on a contractual basis, Dean Hyde provides professional services on an ad hoc basis, while Keith Getz is a partner of the group's principal legal counsel.

Ronel van Dijk, the chief financial officer and company secretary, was appointed as an executive director with effect from 1 September 2006.

Biographical information on the directors appears on pages 11 and 12.

The board has delegated authority to the chief executive, executive directors and senior management for the implementation of the strategy and the ongoing management of the business. The chairman, Allen Ambor, and the chief executive, Pierre van Tonder, have clearly defined and separate roles. This division of responsibilities ensures a balance of authority and power, with no one individual having unrestricted decision-making powers.

Directors retire by rotation at least once every three years and are eligible for re-election by shareholders at the annual general meeting. The executive directors do not have service contracts and are subject to the same service conditions as all employees. Non-executive director Keith Madders has a service contract containing a three month notice period with services being rendered at a market related hourly rate.

The group has no controlling shareholder and there is no shareholder representation on the board.

Board meetings

The board meets twice a year and additional meetings are convened at short notice to discuss urgent business. The directors also participate together with management in strategy and planning sessions. Non-executive directors have direct access to management and may meet with management independently of the executive directors. All directors have unrestricted access to the advice and services of the company secretary. They are entitled to seek independent professional advice at the company's expense after consultation with the chairman of the board and/or the chief executive.

Company secretary

The company secretary assists the chairman in co-ordinating and administering the functioning of the board, the induction of new non-executive directors and ensuring statutory compliance. The appointment and removal of the company secretary is a matter for the board and not executive management. An assistant company secretary was appointed during the year to manage regulatory compliance.

Board evaluation

The board periodically undertakes a self-evaluation which requires all directors to complete an extensive questionnaire covering the board's role, composition, independence, functioning, leadership and director development. The results of the rating process are circulated to all directors and debated at board meetings. Specific areas of concern in the 2007 evaluation process were succession planning and the balance between executive and non-executive directors. Plans are in place to address these issues in due course.

Board committees

The directors have delegated specific responsibilities to four sub-committees to assist the board in the discharge of its duties. Each committee has a clearly defined mandate which is reviewed from time to time and the directors confirm that the committees have functioned in accordance with these written terms of reference during the year.

AUDIT COMMITTEE	
Role of committee	Composition
• Assess and report on the effectiveness of internal controls; • Assess and report on regulatory and legislative compliance; • Review and approve major accounting and financial reporting issues; • Review and approve the audit service and any non-audit services provided by the external auditors or other parties; • Review and approve internal and external audit plans, reports and fees; • Consider internal and external audit findings and provide for corrective remedial action to be taken; and • Ensure that management imposes no limitation on the scope of the audits.	Three non-executive directors: Keith Madders (chairman) Dean Hyde John Rabb Invitees: Directors, executive management, legal counsel, external audit partners and staff. Meetings: Three during year under review

REMUNERATION COMMITTEE	
Role of committee	Composition
• Establish a formal and transparent procedure for developing a policy on executive remuneration; • Determine specific remuneration packages and other benefits for executive directors taking into account recommendations by the chairman of the board and managing director; • Consider criteria adopted by the chairman of the board and managing director to measure the performance of executive directors in discharging their functions and responsibilities; • Assess and review remuneration policies, employee share incentive schemes, performance bonuses and service contracts; and • Approve the award of shares/options to executives and employees.	Four non-executive directors: Keith Madders (chairman) Keith Getz Dean Hyde John Rabb Meetings: One during year under review
Details of the directors' remuneration are disclosed in note 28 on page 62 of this report.	

RISK COMMITTEE	
Role of committee	Composition
• Identify major risk areas; • Assess and review the risk management process; • Assess the risk appetite of the group; • Assess business sustainability under normal as well as adverse conditions; • Assess the reliability of the accounting records in the context of significant risk areas; • Assess and review compliance with applicable laws, regulations and supervisory requirements.	Three non-executive directors: Keith Madders (chairman) Dean Hyde John Rabb Five executive directors: Allen Ambor Pierre van Tonder Mark Farrelly Phillip Joffe Ronel van Dijk. Invitees: The chairman of the board, internal audit and finance staff Meetings One formal meeting per year, while informal meetings are held on a regular basis

NOMINATIONS COMMITTEE	
Role of committee	Composition
• Identify and recommend qualified candidates for executive and non-executive directors; • Assess that the board has an appropriate balance of skills, experience and diversity; • Advise on the composition of the board, ensuring a balance between executive and non-executive directors; • Provide plans for succession particularly for the chairman, chief executive and executive directors; and • Make recommendations in respect of directors retiring by rotation, or by contract, to be put forward for re-election.	Four non-executive directors: Keith Madders (chairman) Keith Getz Dean Hyde John Rabb Meetings: One per year

Board attendance

The attendance at board and board sub-committee meetings was as follows:

	Board	Audit	Remuneration	Risk	Nominations
Number of meetings	2	3	1	1	1
Allen Ambor	2			1	
Pierre van Tonder	2	2		1	
Mark Farrelly	2			1	
Keith Getz	2	2	1	1	1
Dean Hyde	2	3	1	1	1
Phillip Joffe	2	2		1	
Keith Madders	2	3	1		1
John Rabb	1	2	1	1	1
Kevin Robertson	2				
Ronel van Dijk	2	2		1	

OPERATIONAL COMMITTEES

The board is also assisted in the discharge of its duties by the following operational committees:

Human resources productivity committee

The role of this committee is to develop and implement a competitive human resources strategy that will ensure that the company is able to attract, retain and develop the best possible talent to support superior business performance. The committee monitors and reports to the board of directors on progress and compliance with the group's employment equity plans. The committee meets at least once a year and consists of five executive directors and the head of human resources. The committee is chaired by the managing director, Pierre van Tonder.

New business development committee

This committee provides a forum for debate and discussion on new business opportunities and formulates recommendations to the board. The committee consists of all the executive directors, non-executive directors Keith Madders, Keith Getz and Dean Hyde, as well as finance and operational employees. The committee is chaired by the executive chairman, Allen Ambor.

INTERNAL CONTROL AND EXTERNAL REVIEW

- The directors are satisfied that an adequate system of internal control was in place for the year under review and until the time of the approval of the annual report;
- The external auditors have unrestricted access to the chairman and members of the audit committee. The internal audit function reports directly to the audit committee;
- The risk management committee, together with the internal audit function, provides assurance to the board of directors that information presented to them is accurate, complete and reliable;
- The board is satisfied that an adequate process for identifying, evaluating and managing significant risks was in place for the year under review and until the time of the approval of the annual report;
- During the year the internal audit process was more closely aligned with risk management. Enhancements to the system for the monitoring of risk management is planned for 2008; and
- No non-audit work was performed by the external auditors during the year.

SHARE DEALINGS

Directors and employees are restricted from trading in the shares of the company during two formalised closed periods ahead of the interim and annual results. The group's insider trading policy requires directors to obtain formal clearance from the chairman prior to dealing in the company's shares. All share dealings are disclosed to the company secretary and this information is released on the Securities Exchange News Services ("SENS") within 48 hours of any trade being completed.

CODE OF ETHICS

Spur Corporation has adopted a code of ethics which requires employees to maintain the highest moral and ethical standards in their relationships with stakeholders. The principles contained in the code are integrity; honesty and good faith; impartiality; transparency and openness; and accountability and responsibility. During the year under review, this code of ethics was enhanced to ensure that directors facing a conflict of interest were unable to vote on the issue under review.

The board is satisfied that no material breaches of ethical behaviour occurred during the year and confirms that the group continues to comply with the highest standards of business practices.

SOCIAL VISION
CORPORATE

INTRODUCTION

Spur Corporation has a strong social awareness philosophy and a commitment to improving the quality of life of disadvantaged South Africans.

As a caring corporate citizen the group assists in the upliftment of communities, primarily through sport. Internally, the focus is on people development and the creation of a stimulating working environment, which supports the group's mission of making Spur "a great place to work".

COMMUNITY SUPPORT

Corporate social investment

Corporate social investment ("CSI") is an integral component of the group's transformation and empowerment strategy. Through an active programme of community-focused events, disadvantaged children throughout South Africa are given the opportunity to experience the Spur "taste for life".

Funds generated from these events are directed to the feeding and development of disadvantaged school children across the country. The group has partnered with Joint Aid Management, a non-profit organisation that provides meals to more than 350 000 children daily, to manage and distribute the Spur CSI funds.

More than 140 sport and recreational events took place in 2007, with the focus on the following sponsorships:

- Spur Soccer Masidlale (meaning "let's play") is a national series of one-day learning clinics using soccer as a vehicle to integrate children from all walks of life. Now in its third year, Masidlale teaches life skills and encourages self-confidence among children between the ages of 8 and 12. Coaches are trained to conduct monthly follow-up sessions with schools attending the Masidlale programme;

- Following the success of the group's sponsorship of junior cycling, Spur has also started supporting mountain biking. Road cycling is currently one of the fastest growing sports in the country and many cyclists are turning to mountain biking for recreation, and this aligns with the overall Spur Adventure theme;

- Spur Adventure provides an adrenaline-fuelled day for the whole family and participants engage in biking, kloofing, hiking and other outdoor adventure activities. Family events are held in all major centres;

- Spur is committed to rugby development and the transformation of the sport at schools level. Spur Steak Ranches has partnered with First National Bank ("FNB") to present FNB Classic Clashes which creates awareness through television coverage of the 40 major schoolboy rugby derbies in the country. Spur also sponsors several disadvantaged rugby playing schools nationally; and

- The Spur annual charity golf tour raised over R300 000 for the feeding and development of potential junior players within school feeding schemes. Franchisees, suppliers and business partners compete at four regional events, with the final being held in Sun City at the time of the annual Nedbank Golf Challenge.

STAFF

Spur Corporation subscribes to the view that second only to its trademarks, people are its most valued and important asset. The group aims to attract, develop and retain highly energised individuals and an increasing focus is being placed on creating a more strategic human capital management environment.

Policies comply with the requirements of all staff-related legislation, including the Basic Conditions of Employment, the Labour Relations, Employment Equity, and Skills Development Acts.

Employment equity

All human resources policies aim to eliminate discrimination in the workplace and the group is committed to removing barriers to enable previously disadvantaged employees to reach their true potential. These policies are aligned with the Employment Equity Act and programmes are in place to ensure equal opportunities for all employees. Employment equity policies and targets have been developed in consultation with the group's human resources productivity committee.

The group continues to make progress towards achieving demographic representation in its workforce and at year-end 43% (2006: 40%) of employees were black.

Recruitment policies favour previously disadvantaged individuals and 53% of new appointments during the year were black.

The employee composition at 30 June 2007 was as follows:

Occupational levels	Male	Female	Total	Black	White
Top management	5	1	6	0	6
Senior management	16	3	19	0	19
Professionally qualified and experienced specialists and mid-management	7	11	18	5	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	40	41	81	24	57
Semi-skilled and discretionary decision-making	14	27	41	30	11
Unskilled and defined decision-making	11	7	18	18	0
Total permanent	93	90	183	77	106
Non-permanent	3	1	4	4	0
Total	96	91	187	81	106

Training

Customer service excellence is core to the business and an in-house training unit ensures that franchisees and their staff, together with head office employees, acquire the skills to perform in line with the group's high standards.

A wide range of training courses are offered to franchisees at the training centres in Cape Town, Johannesburg and Pietermaritzburg. During the past year 2 666 delegates attended internal and external training workshops. A significant portion of these delegates were black.

Specific restaurants in Gauteng, Kwa-Zulu Natal and the Eastern Cape have been equipped to provide basic operations training for new franchisees and management. The training ensures that management are capable of operating all areas of a franchise business. During the year 154 people were trained in these facilities.

The group's training department is currently seeking accreditation with THETA, the tourism, hospitality and sport education and training authority.

Skills development

Financial assistance is provided to employees to develop skills by attending external courses and to undertake part-time studies at universities and other tertiary institutions. Several employees, the majority of whom are black, are currently registered for degrees, diplomas and courses through a number of independent institutions. Employees are also encouraged to attend external seminars and training courses to further enhance the skills required for the execution of their daily duties.

HIV / AIDS management

The group is committed to addressing HIV/AIDS in a supportive and non-discriminatory manner. An AIDS awareness campaign has been conducted for the past five years and includes in-store educational workshops, the distribution of videos and access to free condoms. These initiatives are aimed at educating franchisees and their staff and to equip them with the relevant knowledge to limit the risk of infection.

Incentive schemes

All employees, excluding directors, currently participate in an incentive bonus scheme which is based on group and individual performance.

A share incentive scheme was introduced in December 2004 to allow senior management to participate in the growth of Spur Corporation and to assist the group in retaining directors and management of the highest calibre. A maximum of 10% of the company's issued share capital has been made available for the scheme. Two-thirds of the shares will vest in December 2009 and the balance in December 2010. Further details on the scheme are contained in note 17 on page 59.

GROUP CASH VALUE ADDED STATEMENT

for the year ended 30 June

	2007 R'000	%	2006 R'000	%
Cash derived from revenue	209 819		169 639	
Paid to suppliers for materials and services	(73 657)		(51 946)	
Cash value added	136 162		117 693	
Interest received	4 775		4 584	
Total wealth created	140 937		122 277	
Distributed as follows:				
Employees	46 364	32.9	33 428	27.3
Providers of capital				
- Interest paid	1 021		577	
- Distributions to shareholders	45 030		36 867	
	46 051	32.7	37 444	30.7
Monetary exchanges with government				
- Tax on profit	15 812		22 794	
- PAYE	10 378		8 948	
- VAT	19 747		18 095	
- RSC levies	-		199	
	45 937	32.6	50 036	40.9
Retained to develop future growth	2 585	1.8	1 369	1.1
Total wealth distributed	140 937	100.0	122 277	100.0

Cash value added is a measurement of the wealth that the group has created in its operations, by adding value to the cost of its raw materials and services purchased. The statement above shows how that wealth was created, and also how it was shared between employees and the providers of funds to the group. The statement takes into account the amounts retained and reinvested in the group for the replacement of assets and the development of future operations.

5 YEAR REVIEW

	Footnote	2007 R'000	2006 R'000	2005 restated R'000	2005 pre-IFRS R'000	2004 pre-IFRS R'000	2003 pre-IFRS R'000
Income statement							
Revenue		215 411	182 692	200 632	200 632	181 044	156 139
Operating profit	1	89 241	77 188	66 020	68 531	50 201	36 455
Net finance income		3 754	4 007	4 823	4 823	4 778	4 688
Profit before tax		92 995	81 195	70 843	73 354	54 979	41 143
Headline earnings	2	80 685	57 971	50 223	51 084	37 223	27 400
Balance sheet							
Property, plant and equipment		82 982	37 612	27 100	26 231	9 086	6 769
Cash and cash equivalents		45 134	45 689	41 637	41 637	76 672	53 417
Bank overdraft		916	4 801	1 934	1 934	2 622	3 073
Cash flow statement							
Net cash flow from operating activities		48 442	18 035	20 496	17 284	26 919	29 025
Share statistics							
Weighted average number of shares (000's)	2	88 156	88 156	90 783	90 783	93 729	94 643
Earnings per share (cents)	2	92.80	65.78	55.79	57.19	39.67	29.23
Headline earnings per share (cents)	2	91.53	65.76	55.32	56.27	39.72	28.95
Cash flow earnings per share (cents)	3	94.68	71.90	63.39	64.32	52.59	51.00
Operating cash flow per share (cents)	4	54.95	20.46	22.57	19.04	28.72	30.67
Net asset value per share (cents)	5	457.87	411.36	381.81	141.60	148.30	136.47
Distribution per share (cents)	6	55.00	47.00	40.00	40.00	30.00	23.50
Distribution cover (times)	7	1.7	1.4	1.4	1.4	1.3	1.2

	Footnote	2007	2006	2005 restated	2005 pre-IFRS	2004 pre-IFRS	2003 pre-IFRS
Stock exchange performance							
Number of shares in issue (000’s)		97 633	97 633	97 633	97 633	97 633	97 633
Number of shares traded (000’s)		22 417	21 155	31 476	31 476	34 611	19 690
Value of shares traded (R’000)		221 793	172 545	170 121	170 121	155 018	63 000
Percentage of issued shares traded (%)		22.96	21.67	32.24	32.24	35.45	20.17
Market price per share (cents)							
- close		1180	830	650	650	500	330
- high		1250	930	650	650	515	340
- low		820	625	431	431	330	265
Headline earnings per share yield (%)	8	7.76	7.92	8.51	8.66	7.94	8.77
Distribution yield (%)	9	4.66	5.66	6.15	6.15	6.00	7.12
Price earnings ratio		12.89	12.62	11.76	11.55	12.59	11.40
Market capitalisation (R’000)		1 152 069	810 354	634 615	634 615	488 165	322 189
Business performance							
Operating profit margin (%)	10	40.86	42.85	32.16	32.47	29.92	29.35
Return on equity (%)	11	19.95	16.21	14.60	38.94	29.68	27.27
Return on assets (%)	12	15.95	13.37	12.05	29.69	24.08	23.13
Liquidity ratio	13	1.72	2.38	1.99	2.22	3.28	3.27

Footnotes:

1 Includes share of loss/income of associate companies.
2 Refer to note 8 of the annual financial statements on page 54.
3 Operating profit before working capital changes plus net finance income less tax paid divided by the weighted average number of shares in issue.
4 Net cash flow from operating activities divided by the weighted average number of shares in issue.
5 Net asset value divided by the number of shares in issue.
6 Interim and final distribution for the year to which it relates.
7 Headline earnings per share divided by distribution per share (see footnote 6).
8 Headline earnings per share divided by the closing share price.
9 Distribution per share divided by the closing share price.
10 Operating profit (see footnote 1) adjusted for headline earnings adjustments and foreign exchange gain/loss divided by revenue.
11 Profit for the year adjusted for headline earnings adjustments and foreign exchange gain/loss divided by capital and reserves.
12 Profit for the year adjusted for headline earnings adjustments and foreign exchange gain/loss divided by total assets.
13 Current assets divided by current liabilities.

2007

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' APPROVAL

The directors are responsible for monitoring the preparation of and the integrity of the financial statements and related information included in this annual report.

In order for the board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The board has ultimate responsibility for the system of internal control and reviews its operation primarily through the Audit Committee and various other risk-monitoring committees. The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the group's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system, operating within strict deadlines and an appropriate control framework.

The annual financial statements of the group and the company are prepared in accordance with International Financial Reporting Standards ("IFRS"), the interpretations adopted by the International Accounting Standards Board ("IASB") and the requirements of the South African Companies Act.

The directors believe that the group and the company will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the group's and the company's annual financial statements.

The external auditors are responsible for reporting on the financial statements.

The annual financial statements and group annual financial statements of Spur Corporation Limited, set out on pages 34 to 71, were approved by the Board of Directors on 5 October 2007 and are signed on its behalf by:

Allen Ambor EXECUTIVE CHAIRMAN Pierre van Tonder MANAGING DIRECTOR

Declaration by Company Secretary

In my capacity as Company Secretary, I hereby confirm, in terms of section 268 G(d), of the Companies Act, 1973, that for the year ended 30 June 2007, Spur Corporation Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Ronel Van Dijk SECRETARY
5 October 2007

INDEPENDENT AUDITOR'S REPORT

To the members of
SPUR CORPORATION LIMITED

We have audited the annual financial statements and group annual financial statements of Spur Corporation Limited, which comprise the balance sheets at 30 June 2007, and the income statements, the statements of changes in equity and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 34 to 71.

Directors' responsibility for the financial statements
The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the annual financial statements and group annual financial statements present fairly, in all material respects, the financial position of Spur Corporation Limited and of the group at 30 June 2007 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc. Registered Auditor

Per I Engels
Chartered Accountant (SA), Registered Auditor
Cape Town, 5 October 2007

8th Floor, MSC House, 1 Mediterranean Street
Cape Town 8001

DIRECTORS' REPORT

The directors present their eighth annual report, which forms part of the audited financial statements of the company and of the group for the year ended 30 June 2007.

NATURE OF THE BUSINESS

Spur Corporation Limited is a holding company. Through its subsidiaries, primarily Spur Group (Pty) Ltd, John Dory's Franchise (Pty) Ltd and Spur International Ltd, the group carries on the business of franchisor in the family sit-down restaurant market. Through subsidiaries, Spur Advertising (Pty) Ltd, Panarottis Advertising (Pty) Ltd and John Dory's Advertising (Pty) Ltd, the group provides marketing and promotional services to franchisees.

FINANCIAL REVIEW

Spur Corporation has continued its strong growth trend of recent years to entrench its position in the competitive family sit-down restaurant market. Group revenue increased by 17.9% to R215.4 million. Franchise fee income in Spur Steak Ranches rose by 17.9% to R101.1 million, Panarottis Pizza Pasta by 19.9% to R11.3 million and John Dory's Fish and Grill by 32.2% to R4.1 million. The group's international operations contributed 10.8% of revenue (2006: 3.7%).

The strategic decision taken two years ago to outsource the national distribution of restaurant supplies from the group's manufacturing facilities has further enhanced franchisee operating standards and improved efficiencies for both franchisee and franchisor.

The strong growth in restaurant revenue contributed to a 15.7% increase in operating profit to R89.6 million (2006: R77.4 million). Income for the year benefited from a tax credit of R16.6 million, resulting from the recognition of a deferred tax asset relating to cumulative tax losses and future tax deductions in respect of intangible assets in the group's international operations. This tax credit boosted headline earnings, which increased by 39.2% to R80.7 million (2006: R58.0 million). Diluted headline earnings per share rose 35.4% to 88.17 cents (2006: 65.10 cents).

SHARE CAPITAL

The number of authorised shares has remained at 201 000 000 ordinary shares of 0.001 cents each, for the year ended 30 June 2007.

The number of issued shares, net of treasury shares has remained at 88 155 507 ordinary shares for the year ended 30 June 2007.

INTEREST IN SUBSIDIARY COMPANIES

Details of the share capital and the company's interest in the subsidiary companies are as follows:

	Country of incorporation	Issued capital R'000	Loans to subsidiary R'000	% interest in company
Trading				
- Spur International Ltd*	British Virgin Islands	0.1	-	100
- Spur Group (Pty) Ltd	South Africa	0.1	70 025	100
- Spur Advertising (Pty) Ltd*	South Africa	0.1	-	100
- Panarottis Advertising (Pty) Ltd*	South Africa	0.1	-	100
- Share Buy-Back (Pty) Ltd	South Africa	0.1	-	100
- Spur Group Properties (Pty) Ltd	South Africa	0.1	3 265	100
- John Dory's Franchise (Pty) Ltd*	South Africa	0.1	-	65
- John Dory's Advertising (Pty) Ltd*	South Africa	0.1	-	100
- Vantini Spur Ltd*	Gibraltar	0.1	-	100
- Steak Ranches International BV*	The Netherlands	0.1	-	100
- Spur Corporation Australia Pty Ltd*	Australia	0.6	-	100
- Spur Central Pty Ltd*	Australia	0.6	-	80
- Panhold Pty Ltd*	Australia	5	-	70
- Panawest Pty Ltd*	Australia	631	-	100
- Spur Corporation UK Ltd*	United Kingdom	0.1	-	100
- Larkspur One Ltd*	United Kingdom	0.1	-	90
- Larkspur Two Ltd*	United Kingdom	0.1	-	90
Dormant		0.8	-	100
			73 290	

* Indirect

The interest of the company in the aggregate after tax profits and losses of subsidiaries is as follows:

	2007 R'000	2006 R'000
Profits	85 229	59 972
Losses	(3 583)	(2 370)

The group also consolidates Maxshell 72 Investments (Pty) Ltd and The Spur Management Share Trust, in which it does not hold shares, as per the JSE Listing Regulations.

DISTRIBUTIONS

A final distribution, in respect of the 2006 financial year, of 25.0 cents per share, by way of a reduction of share premium, was paid to shareholders on 9 October 2006.

An interim distribution of 26.0 cents per share, by way of a reduction of share premium, was paid to shareholders on 26 March 2007.

The directors have approved a final distribution of 29.0 cents per share, by way of a reduction of share premium, to be paid in cash on 8 October 2007.

SPECIAL RESOLUTION

On 8 December 2006, at the company's annual general meeting, a special resolution was passed in terms of which the directors were granted the authority to contract the company, or one of its wholly-owned subsidiaries, to acquire shares in the company issued by it, should the company comply with the relevant statutes and authorities applicable thereto.

Full details of the special resolution passed will be made available to shareholders on request.

MATERIAL CHANGES

Save as disclosed herein, no material changes in the financial or trading position of the company or its subsidiaries have taken place to the date of this report.

DIRECTORS AND SECRETARY

Details of the directors as at the date of this report, together with the name, business and postal address of the company secretary, are set out on pages 11, 12 and 76. The secretary, Ronel van Dijk, has certified that the company has lodged with the Registrar of Companies all such returns as required by a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

In terms of the company's Articles of Association, John Rabb, Keith Madders, Allen Ambor and Phillip Joffe retire at the forthcoming annual general meeting. These gentlemen, all being eligible, offer themselves for re-election. Service agreements with the directors of Spur Corporation at the date hereof do not impose any abnormal notice periods on the company.

Shareholders will be asked to confirm these re-appointments at the forthcoming annual general meeting.

DIRECTORS' INTERESTS

No contracts in which directors or officers of the company or group had an interest and that significantly affected the affairs or business of the company or any of its subsidiaries, were entered into during the year.

Shares

Details of directors' beneficial direct and indirect interests in the ordinary shares are as follows:

	2007 No. of shares	%*	2006 No. of shares	%*
Allen Ambor	3 901 294		3 901 294	
Pierre van Tonder	1 241 790		1 540 790	
Mark Farrelly	936 445		1 192 666	
Ronel van Dijk**	447 822		447 822	
Kevin Robertson	749 156		749 156	
Phillip Joffe	300 000		300 000	
Keith Madders	1 112 022		1 112 022	
Dean Hyde	265 802		475 256	
Keith Getz	2 491		2 491	
John Rabb	60 000		60 000	
Total	9 016 822	9.4	9 781 497	10.1

* These percentages are based on shares in issue less shares repurchased by subsidiary companies (except to the extent that the shares held by these subsidiaries are held in terms of the Spur Management Share Incentive Scheme - refer note 17 for more details).

** This director was appointed to the board of directors on 1 September 2006.

Options allocated to non-executive directors in terms of the Spur Management Incentive Scheme (refer note 17):

	2007 No. of shares	2006 No. of shares
Dean Hyde	300 000	300 000
Keith Getz	234 111	234 111
Keith Madders	280 934	280 934

SHAREHOLDERS' INTEREST IN SHARES

Major shareholders

The following are shareholders holding 3% or more of the Company's issued share capital at 30 June 2007:

	No. of shares	%*
Allan Gray	20 826 352	21.6
Old Mutual Group	10 911 228	11.3
Investec Asset Management	9 737 919	10.1
Maxshell 72 Investments (Pty) Ltd**	8 274 043	8.6
Polaris Capital	8 016 227	8.3
Nedbank Group	7 165 886	7.4
RMB Asset Management	5 387 339	5.6
Renaissance Asset Management	3 927 160	4.1
Allen Ambor	3 091 176	3.2

* These percentages are based on shares in issue less shares repurchased by subsidiary companies (except to the extent that the shares held by these subsidiaries are held in terms of the Spur Management Share Incentive Scheme - refer note 17 for more details).

** This holding relates to shares held in terms of the Spur Management Share Incentive Scheme, details of which are disclosed in note 17 of this Annual Report.

Analysis of shareholding

An analysis of the spread of shareholding is presented below:

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 10 000 shares	1 382	78.4	3 404 133	3.5
10 001 – 25 000 shares	153	8.7	2 498 304	2.6
25 001 – 50 000 shares	73	4.2	2 807 358	2.9
50 001 – 100 000 shares	46	2.6	3 449 942	3.5
100 001 – 500 000 shares	71	4.0	16 279 345	16.7
500 001 – 1 000 000 shares	17	1.0	13 213 189	13.5
1 000 001 shares and over	20	1.1	55 980 562	57.3
	1 762	100.0	97 632 833	100.0

Distribution of shareholders	No. of shareholders	%	No. of shares	%
Individuals	1 332	75.6	12 801 693	13.1
Investment companies	7	0.4	1 020 000	1.0
Insurance companies	10	0.6	6 991 328	7.2
Mutual funds	67	3.8	43 760 745	44.8
Pension funds	58	3.3	15 827 748	16.2
Banks and nominees	174	9.9	4 442 586	4.6
Other corporate bodies	114	6.4	12 788 733	13.1
	1 762	100.0	97 632 833	100.0

POST BALANCE SHEET EVENT

No material fact or circumstances have occurred between the accounting date and the date of this report.

COMPANY INFORMATION

The company's registration number and registered address are presented on page 76. Shareholders and members of the public are advised that the register of the interest of directors, executives, senior management and other shareholders in the shares of the company is available upon request from the Company Secretary.

Pierre Van Tonder MANAGING DIRECTOR

GROUP INCOME STATEMENT

for the year ended 30 June

	Note	2007 R'000	2006 R'000
Revenue	3	215 411	182 692
Cost of sales		(37 083)	(36 103)
Gross profit		178 328	146 589
Other operating income	4	8 139	7 510
Distribution expenses		(3 760)	(3 403)
Administration expenses		(52 588)	(46 914)
Other operating expenses		(40 534)	(26 341)
Operating profit before finance income	5	89 585	77 441
Net finance income		3 754	4 007
Finance income		4 775	4 584
Finance expense		(1 021)	(577)
Share of loss of associate companies	6	(344)	(253)
Profit before tax		92 995	81 195
Total income tax expense	7	(11 243)	(23 528)
Income tax expense	7	(27 797)	(23 528)
Recognition of prior years taxes relating to foreign subsidiary	7	16 554	-
Profit for the year		81 752	57 667
Attributable to:		81 752	57 667
Equity holders of parent		81 807	57 989
Minority interest		(55)	(322)
Per share (cents)			
Basic earnings	8	92.80	65.78
Diluted earnings	8	89.39	65.12

GROUP BALANCE SHEET at 30 June

	Note	2007 R'000	2006 R'000
ASSETS			
Non-current assets		405 298	346 849
Property, plant and equipment	9	82 982	37 612
Intangible assets	10	272 596	271 865
Interest in associate companies	6	11 533	11 258
Loans receivable	11	13 539	14 791
Deferred tax	12	24 648	11 323
Current assets		99 462	92 707
Inventory	13	4 943	2 232
Trade and other receivables	14	45 812	40 311
Loans receivable	11	1 288	1 631
Tax receivable		2 285	2 844
Cash and cash equivalents	15	45 134	45 689
TOTAL ASSETS		504 760	439 556
EQUITY AND LIABILITIES			
Capital and reserves		403 636	362 640
Ordinary share capital	16	1	1
Share premium (net of treasury shares)		37 279	82 239
Foreign currency translation reserve		7 128	5 450
Share-based payments reserve	17	17 817	16 313
Retained earnings	18	340 682	258 875
Total equity attributable to equity holders of the parent		402 907	362 878
Minority shareholders' interest/(deficit)		729	(238)
Non-current liability			
Deferred tax	12	43 288	37 939
Current liabilities		57 836	38 977
Trade and other payables	19	32 280	18 220
Loans payable	20	14 411	9 023
Shareholders for distribution		302	372
Tax payable		9 927	6 561
Bank overdraft	15	916	4 801
TOTAL EQUITY AND LIABILITIES		504 760	439 556

Statement of Changes in GROUP EQUITY

for the year ended 30 June

	Note	Number of shares (net of treasury shares) 000	Ordinary share capital R'000	Share premium R'000	Shares repurchased by subsidiary R'000	Foreign currency translation reserve R'000	Share-based payments reserve R'000	Retained earnings R'000	Minority shareholders' interest /(deficit) R'000	Total R'000
Balance at 1 July 2005		88 156	1	157 781	(38 516)	1 546	14 809	200 886	84	336 591
Attributable profit for the year								57 989		57 989
Distributions	21			(41 006)	3 980					(37 026)
Share-based payments reserve	17						1 504			1 504
Foreign currency translation						3 904				3 904
Minority interests' share of losses									(322)	(322)
Balance at 1 July 2006		88 156	1	116 775	(34 536)	5 450	16 313	258 875	(238)	362 640
Attributable profit for the year								81 807		81 807
Distributions	21			(49 793)	4 833					(44 960)
Share-based payments reserve	17						1 504			1 504
Foreign currency translation						1 678				1 678
Minority interests' share of losses									(55)	(55)
Acquisition of minority interests in subsidiary	26								43	43
Issue of shares in subsidiaries to minorities									979	979
Balance at 30 June 2007		88 156	1	66 982	(29 703)	7 128	17 817	340 682	729	403 636

GROUP CASH FLOW STATEMENT

for the year ended 30 June

	Note	2007 R'000	2006 R'000
Cash flow from operating activities			
Operating profit before working capital changes	22	95 527	82 175
Working capital changes	23	10 003	(8 486)
Cash generated from operations		105 530	73 689
Finance income		4 775	4 584
Finance charges		(1 021)	(577)
Tax paid	24	(15 812)	(22 794)
Distributions paid	25	(45 030)	(36 867)
Net cash flow from operating activities		48 442	18 035
Cash flow from investing activities			
Additions of property, plant and equipment		(50 692)	(13 928)
Proceeds on disposal of property, plant and equipment		186	45
Acquisition of associate company		-	(274)
Proceeds on disposal of intangible asset		1 397	-
Acquisition of subsidiary companies	26	(617)	-
Decrease/(increase) in loans to associate companies and loans receivable		2 890	(2 509)
Proceeds on issue of shares in subsidiary companies to minorities		979	-
Net cash flow from investing activities		(45 857)	(16 666)
Net movement in cash and cash equivalents		2 585	1 369
Effect of foreign exchange fluctuations		745	(184)
Net cash and cash equivalents at beginning of year		40 888	39 703
Net cash and cash equivalents at end of year	15	44 218	40 888

Notes to the FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Spur Corporation Limited is domiciled in South Africa. The consolidated financial statements of the company for the year ended 30 June 2007 comprise the company and its subsidiaries and the group's interest in associates (together referred to as the "group").

The financial statements were authorised for issue by the directors on 5 October 2007.

The financial statements are presented in South African Rands, rounded to the nearest thousand, unless otherwise stated. They are prepared on the going concern and historical cost basis, unless otherwise stated.

1.1 STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The consolidated financial statements have been prepared in accordance with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB").

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses (refer note 35). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

The accounting policies have been applied consistently by all group entities.

1.2 BASIS OF CONSOLIDATION

1.2.1 Investment in subsidiaries

The group financial statements include the financial statements of the company and the entities that it controls. Control is achieved where the company has the power directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements of the group, from the date that control commences until the date that control ceases.

As the group controls the Spur Management Incentive Share Trust ("share trust") and Maxshell 72 Investments (Proprietary) Limited, these special purpose entities have been consolidated into the group financial statements. The group does not have any direct or indirect shareholdings in these entities.

The company carries its investments in subsidiaries at cost less impairment losses.

1.2.2 Investment in associates
Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses using the equity method of accounting, from the date that significant influence commences until the date that significant influence ceases. When the group's share of losses exceeds its investment in an associate, the carrying amount of the investment is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of an associate.

1.2.3 Transactions eliminated on consolidation
Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2.4 Financial statements of foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rands at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Rands at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity called a foreign currency translation reserve ("FCTR").

1.2.5 Net investment in foreign operations
Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges are taken to a translation reserve. They are released to the income statement upon disposal.

1.3 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the respective functional currencies at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to the respective functional currencies using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the respective functional currencies at the foreign exchange rate ruling at the date the fair value was determined.

1.4 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

1.4.1 Subsequent costs
The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing a part of such an item when the cost is incurred if it is probable that the economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

1.4.2 Depreciation
Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold improvements are depreciated over the shorter of the lease term or estimated useful life of the assets. Land is not depreciated.

The current estimated useful lives are as follows:

• buildings	50 years
• plant, equipment and vehicles	5 years
• fixtures and fittings	6.67 years
• computer equipment	3 years
• computer software	2 years

The residual values, if not insignificant, are reassessed annually.

1.5 INTANGIBLE ASSETS

1.5.1 Goodwill

All business combinations are accounted for by applying the purchase method. In respect of acquisitions of subsidiary or associate companies, or an increase in shareholding in subsidiary or associate companies, that have occurred since 1 July 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable assets and liabilities acquired at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested for impairment annually. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

In respect of acquisitions prior to 1 July 2004, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

1.5.2 Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible, costs can be measured reliably, future economic benefits are probable and the group has sufficient resources to complete development in order to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

1.5.3 Other intangible assets

Other intangible assets that are acquired by the group which have finite useful lives are stated at cost less accumulated amortisation and impairment losses. Other intangible assets which have indefinite useful lives are not amortised but are tested for impairment annually.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

1.5.4 Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

1.6 IMPAIRMENT

1.6.1 Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and intangible assets that have an indefinite useful life or that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of the net selling price and value-in-use. In assessing value-in-use, the estimated future cash flows relating to the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The net selling price is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6.2 Financial assets
A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

The recoverable amount of the group's investments in held-to-maturity financial assets and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted. Where the carrying value of the asset exceeds the recoverable amount, the difference is recognised as an impairment loss in profit or loss.

An impairment loss in respect of a held-to-maturity financial asset or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

1.7 INVENTORY

Inventory is stated at the lower of cost, determined on the first-in-first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The costs of inventory include costs incurred in acquiring the inventory and costs incurred in bringing the inventory to its current location and condition.

Cost of manufactured goods includes direct material costs, direct labour costs and an appropriate share of overheads based on normal operating capacity.

1.8 LEASES

1.8.1 Finance leases
Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Finance leases are recognised as assets and liabilities at amounts equal, at the inception of the lease, to the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease when it is practicable to determine; otherwise the group's incremental borrowing rate is used. Initial direct costs incurred are included as part of the cost of the asset. Lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to a depreciation expense for the asset as well as finance expenses for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

1.8.2 Operating leases
Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1.10 TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

1.11 SHARE CAPITAL

1.11.1 Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

1.11.2 Dividends

Dividends and capital distributions are recognised as a liability in the period in which they are declared.

1.12 FINANCIAL INSTRUMENTS

1.12.1 Measurement

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Investments

Financial instruments held-for-trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Other financial assets held by the group are classified as available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Trade and other receivables (including loans)

Trade and other receivables (including loans) are stated at amortised cost less impairment losses as appropriate.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Financial liabilities

Subsequent to initial recognition, financial liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis. Financial liabilities designated as at fair value through profit or loss are carried at fair value. Trade and other payables are stated at amortised cost.

Derivative instruments

The group uses derivative financial instruments to hedge its exposure to foreign exchange fluctuations from operational financing. In accordance with its treasury policy the group does not hold or issue derivative financial instruments for trading purposes.

The gain or loss on remeasurement of derivative instruments is recognised immediately in profit or loss.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

1.12.2 Derecognition

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:
- The rights to receive cash flows from the asset have expired;
- The group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

1.12.3 Gains and losses on subsequent measurement
Gains and losses arising from a change in the fair value of financial instruments, that are not part of a hedging relationship, are included in income in the period in which the change arises.

1.12.4 Offset
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.13 REVENUE

Revenue compromises franchise-related fees and proceeds from the sale of supplies and promotional items. All revenue is stated exclusive of value added tax and net of transactions with group companies.

Revenue is recognised when significant risks and rewards of ownership are transferred to the buyer, costs can be measured reliably and receipt of the future economic benefits is probable.

Franchise fees are recognised on the accrual basis as services are rendered or the rights used in accordance with the substance of the related franchise agreements.

1.14 ADMINISTRATION FEES

Administration fees are invoiced on a monthly basis and recognised as services are rendered.

1.15 FINANCE INCOME AND EXPENSE

1.15.1 Finance income
Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the group. Dividends are recognised when the right to receive payment is established.

1.15.1 Finance expense
Finance expense comprises interest payable on borrowings calculated using the effective interest rate method.

1.16 EMPLOYEE BENEFITS

1.16.1 Short-term employee benefits
The costs of all short-term employee benefits are recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to salaries, annual and sick leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current salary rates.

1.16.2 Long-term employee benefits
The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows resulting from employees' services provided to the balance sheet date.

In determining the liability for employee benefits, consideration is given to future increases in wage and salary rates, and the group's experience with staff turnover.

Liabilities for employee benefits which are not expected to be settled within 12 months are discounted using the market yields, at the balance sheet date, on high-quality bonds with terms which most closely match the terms of maturity of the related liabilities.

1.16.3 Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

1.16.4 Share-based payment transactions
The share incentive programme allows group employees to acquire shares of the company. The fair value of shares/options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employees become unconditionally entitled to the shares. The fair value of the options granted is measured using a binomial option model, taking into account the terms and conditions upon which the shares/options were granted. The amount recognised as an expense is adjusted to reflect the actual number of shares/options that vest.

1.17 PROVISIONS

A provision is recognised when the group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the group recognises any impairment loss on the assets associated with the contract.

1.18 SEGMENT REPORTING

The group is a franchisor, wholesaler and distributor of branded goods and owns certain retails restaurants. On a primary segment basis, the group is organised into three major operating divisions:

- Wholesale and distribution;
- Franchise; and
- Retail.

On a secondary segment basis, the geographical location of the group's operations has been identified. The basis of segment reporting is representative of the internal structure used for management reporting. On a secondary segment basis, the group is organised into three major geographical divisions:

- South Africa;
- Other African countries (including Mauritius);
- International (comprising Australia and the United Kingdom).

Segment profit includes revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the group's balance sheet.

2 GROUP SEGMENT REPORT

BUSINESS SEGMENT DATA

	2007 R'000	%	2006 R'000	%
SEGMENT REVENUE				
Wholesale and distribution	76 192	35.4	73 852	40.4
Franchise - Spur	99 911	46.4	86 548	47.4
Franchise - Other	23 773	11.0	19 435	10.6
Retail outlets	13 846	6.4	-	-
Corporate services	1 689	0.8	2 857	1.6
Group revenue	215 411	100.0	182 692	100.0
SEGMENT PROFIT				
Wholesale and distribution	30 987	34.6	26 303	34.0
Franchise - Spur	84 295	94.1	72 326	93.4
Franchise - Other	14 264	15.9	8 879 *	11.4
Retail outlets	(3 285)	(3.7)	-	-
Corporate services	(36 676)	(40.9)	(30 067)*	(38.8)
Group operating profit before finance income	89 585	100.0	77 441	100.0
TOTAL ASSETS				
Wholesale and distribution	21 811	4.3	29 629	6.8
Franchise	360 954	71.5	346 521	78.8
Retail outlets	43 235	8.6	-	-
Other	78 760	15.6	63 406	14.4
Group assets	504 760	100.0	439 556	100.0
TOTAL LIABILITIES				
Wholesale and distribution	2 770	2.7	1 589	2.1
Franchise	63 424	62.7	57 286	74.4
Retail outlets	14 095	14.0	-	-
Other	20 835	20.6	18 041	23.5
Group liabilities	101 124	100.0	76 916	100.0
CAPITAL EXPENDITURE				
Wholesale and distribution	1 112	2.2	347 *	2.5
Franchise	3 351	6.6	3 224	23.1
Retail outlets	34 390	67.8	-	-
Other	11 839	23.4	10 357 *	74.4
Group capital expenditure	50 692	100.0	13 928	100.0
DEPRECIATION				
Wholesale and distribution	1 124	22.5	1 026	30.3
Franchise	2 606	52.3	2 012	59.4
Retail outlets	828	16.6	-	-
Other	429	8.6	348	10.3
Group depreciation	4 987	100.0	3 386	100.0

* Reclassification compared to previously reported amounts.

GEOGRAPHICAL SEGMENT DATA

	South Africa R'000	Other African countries R'000	International R'000	Total R'000
2007				
Group revenue	192 172	4 172	19 067	215 411
Group assets	400 081	1 010	103 669	504 760
Group capital expenditure	16 302	-	34 390	50 692
2006				
Group revenue	176 012	2 844	3 836	182 692
Group assets	407 075	850	31 631	439 556
Group capital expenditure	13 928	-	-	13 928

3 REVENUE

	2007 R'000	2006 R'000
Wholesale and distribution sales and rebates	76 192	73 852
Franchise related fee income	125 373	108 840
Retail restaurants' turnover	13 846	-
	215 411	182 692

4 OTHER OPERATING INCOME

	2007 R'000	2006 R'000
Advertising administration fees	8 139	7 510

Advertising administration fees relate to services rendered by the group in respect of marketing funds (refer note 30).

5 OPERATING PROFIT BEFORE FINANCE INCOME

The following items have been taken into account in determining operating profit before financing income:

	2007 R'000	2006 R'000
Administration fees	77	37
Auditors' remuneration	646	498
- Audit fees	646	493
- Other fees	-	5
Consulting fees	4 219	4 182
Depreciation	4 987	3 386
- Buildings	271	158
- Leasehold improvements	329	-
- Furniture and fittings	489	391
- Plant, equipment and vehicles	2 111	1 487
- Computer equipment	1 787	1 350
Directors' emoluments (refer note 28)	9 753	8 184
Foreign exchange (gain)/loss	(111)	1 119
Impairment of taxation receivable	487	-
Loss/(profit) on disposal of property, plant and equipment	241	(18)
Loss on disposal of associate company	104	-
Operating lease charges	2 731	1 766
Profit on disposal of intangible asset	(1 397)	-
Provident expenses - defined contribution plan	4 363	3 899
Research costs	249	174
Impairment loss/(reversal)	688	(1 779)
Share-based payments expense	2 118	2118

6 INTEREST IN ASSOCIATE COMPANIES

	2007 R'000	2006 R'000
6.1 Interest in associate companies		
Balance at beginning of year	1 214	1 161
Adjustment for foreign exchange fluctuations	172	32
Share of loss of associate companies	(344)	(253)
Acquisition of associate company	1 067	274
Transfer to investment in subsidiary company	(2)	-
Disposal of investment in associate company	(104)	-
Balance at end of year	2 003	1 214
Loans to associate companies	9 530	10 044
Total interest in associate companies	11 533	11 258

6.2 Analysis of investment in associate companies

	Effective holdings %*	Carrying value of investment at beginning of year R'000	Adjustment for foreign exchange fluctuations R'000	Acquisitions/ (disposals) R'000	Share of loss of associate companies R'000	Carrying value of investment at end of year R'000
Bathspur Pty Ltd (Australia)	23.3	-	-	-	-	-
Caspur Pty Ltd (Australia)	40.0	-	-	-	-	-
Kelseys Northwharf (Pty) Ltd	-	104	-	(104)	-	-
Mohawk Spur Ltd (UK)	30.0	503	34	-	(170)	367
Pangara Pty Ltd (Australia)	23.3	1	-	-	-	1
Panhold Pty Ltd (Australia)	-**	2	-	(2)	-	-
Pan Pen Pty Ltd (Australia)	23.3	494	138	1 067	(64)	1 635
Spur Steak Ranches Unit Trust (Australia)	50.0	110	-	-	(110)	-
		1 214	172	961	(344)	2 003

	Effective holdings %	Loans in foreign currency R'000	Foreign currency '000	Loans in rands R'000 2007	Share in post acquisition reserves R'000 2007	Share in post acquisition reserves R'000 2006
Bathspur Pty Ltd (Australia)	23.3	6	AUS$	36	-	-
Caspur Pty Ltd (Australia)	40.0	145	EURO	1 380	(274)	(274)
Kelseys Northwharf (Pty) Ltd	-	-		-	-	104
Mohawk Spur Ltd (UK)	30.0	259	EURO	2 470	(488)	(318)
Pangara Pty Ltd (Australia)	23.3	172	AUS$	1 035	-	-
Panhold Pty Ltd (Australia)	-**	-		-	-	-
Pan Pen Pty Ltd (Australia)	23.3	-		-	430	494
Spur Steak Ranches Unit Trust (Australia)	50.0	882	AUS$	5 297	(6)	104
Impairment				(688)		
				9 530	(388)	110

* Indirect
** Panhold Pty Ltd became a subsidiary during the year (refer note 26)

Loans to associate companies are generally secured, interest-free, with no fixed repayment terms.

All associate companies operate as restaurants. All the above loans are denominated in the foreign currencies indicated above.
These loans are all uncovered and are converted into South African Rands at the ruling exchange rates as at 30 June 2007, as follows:
- AUS $1: R 6.0062
- GBP £1: R14.1798
- EURO 1: R9.5447

The financial information used in determining the share of post acquisition reserves in associate companies was sourced from unaudited proforma financial statements at 30 June 2007 of the respective associate companies. The majority of the associate companies are not audited because no statutory requirement exists for audits to be performed in the event that the turnover is below a specified threshold.

6.3 Impairment provision	2007 R'000	2006 R'000
Balance at beginning of year	792	3 407
Utilised during the year	(792)	-
Recognised/(reversed) during the year	688	(2 615)
Balance at end of year	688	792

A receivable from Bathspur Pty Ltd of R792 000 was written off against the impairment provision which was recognised in prior years.

An impairment provision of 50% of the loan receivable from Caspur Pty Ltd has been recognised in the current year after certain impairment indicators were identified.

6.4 Summarised financial position of associate companies - 100%

	Assets R'000	Liabilities R'000	Equity R'000	Revenue R'000
2007	29 152	29 426	(230)	61 519
2006	25 980	23 825	2 155	50 235

7 TOTAL INCOME TAX EXPENSE

		2007 R'000	2006 R'000
South African normal tax			
Current	- current year	20 713	17 043
	- prior year	13	-
Deferred	- current year	5 372	6 485
	- prior year	(55)	-
		26 043	23 528
Dutch normal tax			
Current	- current year	327	-
Deferred	- current year	1 427	-
		1 754	-
Income tax expense		27 797	23 528
Dutch normal tax			
Current	- prior years	(1 316)	-
Deferred	- prior years	(15 238)	-
Recognition of prior years taxes relating to foreign subsidiary		(16 554)	-
Total income tax expense		11 243	23 528
Reconciliation of tax rate		%	%
South African normal tax rate		29.0	29.0
	- Withholding tax	0.2	0.7
	- Recognition of prior years taxes relating to foreign subsidiary	(17.8)	-
	- Non-taxable income	(0.5)	(0.7)
	- Non-deductable expenditure	0.8	0.3
	- Effect of tax in foreign jurisdictions	0.1	-
	- Other	0.3	(0.3)
Effective rate		12.1	29.0

	2007 R'000	2006 R'000
Estimated group tax losses available for set-off against future taxable income	23 182	3 808

In respect of the tax losses available, R5.118 million (2006: R278 000) has been recognised as a deferred tax asset (refer note 12).

Secondary tax on companies ("STC") of R37. 854 million (2006: R28.763 million) would be payable in the event that the group and the company were to declare all of their distributable reserves as a dividend.

Recognition of prior years taxes relating to foreign subsidiary

During the year, the group recognised tax adjustments relating to Steak Ranches International BV (“SRIBV”), a wholly owned subsidiary company incorporated in The Netherlands, in respect of prior years. The adjustments in question were not recognised in previous financial years as there was significant uncertainty regarding the quantification of the amounts which would have resulted in current and deferred tax assets being recognised resulting in the requisite recognition criteria in terms of IAS12 - Income Taxes not being met.

During the current year, SRIBV was assessed for the first time by the Dutch Revenue Authorities. An agreement was also concluded between SRIBV and the Dutch Revenue Authorities as to the value and amortisation period of certain intellectual property owned by SRIBV and the application of deeming provisions on group loans. Following the conclusion of this agreement, both the probability and measurability criteria of the tax benefits were met providing the group with the necessary certainty required to recognise the tax assets in question.

The following tax adjustments have thus been recognised in the current year:

	2007 €'000	2007 R'000
Current tax		
Withholding tax previously expensed	139	1 316
Deferred tax		
Deductible temporary differences in respect of international intellectual property	1 251	11 862
Cumulative tax losses at 30 June 2006	356	3 376
	1 607	15 238

Withholding tax, which was previously expensed, has as a result of the agreement referred to above been recognised as a pre-payment of Dutch normal tax which may be used as a credit against future Dutch tax payable.

The tax value and tax amortisation period of the group's international intellectual property, owned by SRIBV, was confirmed in the agreement referred to above. A deferred tax asset of €1.251 million (which translated at the balance sheet date is the equivalent of R11.941 million) has accordingly been recognised in respect of the deductible temporary difference that arises on consolidation.

In terms of the agreement reached, SRIBV has confirmed with the Dutch Revenue Authorities, the cumulative tax losses up to and including the financial year ended 30 June 2004. Consistent principles have been applied in determining the tax losses for the 2005, 2006 and 2007 financial years. Consequently, SRIBV's cumulative tax losses of €1,408,323 (which translated at the balance sheet date is the equivalent of R13.442 million) as at 30 June 2006 are available for offset against future taxable income and a deferred tax asset has been recognised accordingly.

SRIBV had taxable income in the 2002 financial year (which was assessed in the current year). Interest has accrued on this taxable income. Dutch tax legislation permits subsequent tax losses to be offset against earlier taxable income, subject to the approval of the Dutch Revenue Authorities. The company has applied for a ruling in this regard. Consequently, in determining the deferred tax asset relating to cumulative tax losses, the losses have been reduced by the taxable income assessed for the 2002 financial year.

8 EARNINGS PER SHARE

Statistics	2007	2006
- Basic earnings per share (cents)	92.80	65.78
- Diluted earnings per share (cents)	89.39	65.12
- Headline earnings per share (cents)	91.53	65.76
- Diluted headline earnings per share (cents)	88.17	65.10

Reconciliation of shares in issue to weighted average number of ordinary shares:	2007 000’s	2006 000’s
Shares in issue at beginning of year	97 633	97 633
Shares repurchased at beginning of year	(9 477)	(9 477)
Weighted average number of ordinary shares	88 156	88 156

Reconciliation of weighted average number of ordinary shares to weighted average diluted number of shares:	2007 000’s	2006 000’s
Weighted average number of shares	88 156	88 156
Dilutive effect of share scheme	3 358	892
Weighted average diluted number of shares	91 514	89 048

Reconciliation of basic to headline earnings:	2007 R’000	2006 R’000
Income attributable to shareholders	81 807	57 989
Profit on disposal of intangible asset	(1 397)	-
Loss/(profit) on disposal of property, plant and equipment	171	(18)
Loss on disposal of associate company	104	-
Headline earnings	80 685	57 971

9 PROPERTY, PLANT AND EQUIPMENT

2007	Land and buildings R'000	Leasehold improvements R'000	Furniture and fittings R'000	Plant, equipment and vehicles R'000	Computer equipment R'000	Total R'000
COST						
Balance at 1 July 2006	28 381	-	3 338	9 604	8 238	49 561
Additions	11 576	25 322	2 940	9 027	1 827	50 692
Disposals	-	-	(709)	(294)	(21)	(1 024)
Effect of foreign exchange fluctuations	-	39	30	48	10	127
Balance at 30 June 2007	39 957	25 361	5 599	18 385	10 054	99 356
ACCUMULATED DEPRECIATION						
Balance at 1 July 2006	(256)	-	(2 057)	(4 150)	(5 486)	(11 949)
Disposals	-	-	437	152	8	597
Depreciation	(271)	(329)	(489)	(2 111)	(1 787)	(4 987)
Effect of foreign exchange fluctuations	-	(13)	(5)	(14)	(3)	(35)
Balance at 30 June 2007	(527)	(342)	(2 114)	(6 123)	(7 268)	(16 374)
NET BOOK VALUE						
Balance at 1 July 2006	28 125	-	1 281	5 454	2 752	37 612
Additions	11 576	25 322	2 940	9 027	1 827	50 692
Disposals	-	-	(272)	(142)	(13)	(427)
Depreciation	(271)	(329)	(489)	(2 111)	(1 787)	(4 987)
Effect of foreign exchange fluctuations	-	26	25	34	7	92
Balance at 30 June 2007	39 430	25 019	3 485	12 262	2 786	82 982

2006	Land and buildings R'000	Leasehold improvements R'000	Furniture and fittings R'000	Plant, equipment and vehicles R'000	Computer equipment R'000	Total R'000
COST						
Balance at 1 July 2005	18 044	-	2 894	8 240	6 646	35 824
Additions	10 337	-	539	1 426	1 626	13 928
Disposals	-	-	(95)	(62)	(36)	(193)
Effect of foreign exchange fluctuations	-	-	-	-	2	2
Balance at 30 June 2006	28 381	-	3 338	9 604	8 238	49 561
ACCUMULATED DEPRECIATION						
Balance at 1 July 2005	(98)	-	(1 754)	(2 725)	(4 147)	(8 724)
Disposals	-	-	88	62	16	166
Depreciation	(158)	-	(391)	(1 487)	(1 350)	(3 386)
Effect of foreign exchange fluctuations	-	-	-	-	(5)	(5)
Balance at 30 June 2006	(256)	-	(2 057)	(4 150)	(5 486)	(11 949)
NET BOOK VALUE						
Balance at 1 July 2005	17 946	-	1 140	5 515	2 499	27 100
Additions	10 337	-	539	1 426	1 626	13 928
Disposals	-	-	(7)	-	(20)	(27)
Depreciation	(158)	-	(391)	(1 487)	(1 350)	(3 386)
Effect of foreign exchange fluctuations	-	-	-	-	(3)	(3)
Balance at 30 June 2006	28 125	-	1 281	5 454	2 752	37 612

10 INTANGIBLE ASSETS

	2007 R'000	2006 R'000
Balance at beginning of year	271 865	271 865
Acquisitions through business combinations (refer note 26)	731	-
Balance at end of year	272 596	271 865

Intangible assets comprises:

	2007 R'000	2006 R'000
Trademarks	271 865	271 865
Goodwill	731	-
	272 596	271 865

Trademarks

The above trademarks consist of the Spur, Panarottis and the John Dory's trademarks. The directors evaluated the indefinite useful life assessment of the trademarks at year end and believe that there is no foreseeable limit to the period over which the trademarks are expected to generate cash inflows for the group, which supports the indefinite useful life assessment of these trademarks.

In accordance with the group's accounting policies, an impairment test on intangible assets with indefinite useful lives has been performed. Management considered the expected cash inflows to be generated by the trademarks and after applying a pre-tax discount rate of 15%, management concluded that no impairment of the trademarks is required. In addition, various sensitivity analyses were performed by changing the key variables in the calculation and the recoverable amounts exceeded the carrying amounts in all instances. The expected cash inflows were determined after taking into account a total of 20 new restaurants to be opened in the 2008 financial year (12 Spur Steak Ranches, 4 Panarottis Pizza Pasta and 4 John Dory's Fish & Grill restaurants), with a conservative 10% growth rate in franchise fee income thereafter.

Goodwill

The goodwill arose on the acquisition of a further 30% interest in Panhold Pty Ltd and a further 5% interest in John Dory's Franchise (Pty) Ltd as more fully described in note 26.

For the purposes of impairment testing, goodwill is allocated to the following cash-generating units:

	2007 R'000	2006 R'000
Panarottis Penrith (Australia)	553	-
John Dory's Franchise operations	178	-
Total goodwill	731	-

The recoverable amounts of the cash-generating units was based on their value-in-use. The recoverable amounts of the cash-generating units were determined to be higher than their carrying amounts and consequently no impairment is considered necessary. In determining the value-in-use management considered the expected cash inflows of the cash-generating units after applying a pre-tax discount rate of 15%. In the case of the goodwill relating to John Dory's Franchise operations, the impairment was considered as part of the trademark impairment test referred to above. In the case of Panarottis Penrith, operating cash flows were estimated based on 2008 operating budgets increasing by 12% per annum in Rand terms.

11 LOANS RECEIVABLE

	2007 R'000	2006 R'000
11.1 Trinity Leisure Ltd		
Gross loan receivable at end of year	10 717	11 597
Balance of initial loss recognised at inception of loan	(401)	(884)
Fair value of amount outstanding at end of year	10 316	10 713
Current portion included in current assets	(1 288)	(1 151)
Non-current portion	9 028	9 562

The loan is denominated in Pound Sterling and converted into South African Rands using an exchange rate of £1:R14.1798. At year-end the uncovered amount outstanding, before any fair value adjustment, amounted to £756 000.

The loan is secured by shares in the borrower's business and is interest-free up to 30 June 2008, whereafter it becomes interest-bearing at a rate equal to the UK base rate plus 2 percentage points. The loan is repayable in monthly instalments of at least £10 000, payable on the last day of each month until the loan is repaid in full. The first repayment was received on 30 June 2004 with the last payment expected on 30 September 2013.

	2007 R'000	2006 R'000
11.2 Golden Spur Ltd (Kenya)	169	347

The loan is unsecured, interest-free and instalments of US$1 822 are repayable every month. The final instalment is due in August 2008. The loan is denominated in foreign currency which at year-end amounted to US$ 25 634 (2005: US$ 47 554).

	2007 R'000	2006 R'000
11.3 Loans to operating partners	4 342	-

Loans totalling £230 000 (R3.262 million translated at year-end exchange rate) bear interest at 6.5% per annum and are repayable over 10 years.
Loans totalling AUS$180 000 (R1.080 million translated at year-end exchange rate) bear interest at 7.5% per annum and are repayable over 5 years.
The loans to operating partners were granted to finance their share of the start-up capital of new retail restaurants. These loans are secured by the operating partners' shares in the respective restaurants.

	2007 R'000	2006 R'000
11.4 Panawest Pty Ltd (Blacktown, Australia)	-	4 480

The loan was unsecured and was interest-free.

	2007 R'000	2006 R'000
11.5 Panarottis Advertising Marketing Fund	-	882
Current portion included in current assets	-	(480)
	-	402
Total non-current loans receivable	13 539	14 791

12 DEFERRED TAX

	2007 R'000	2006 R'000
Balance at beginning of year	26 616	19 517
Total charged to income statement	(8 494)	6 485
Current year deferred tax charge	6 744	6 485
Prior years deferred tax asset recognised relating to foreign subsidiary (refer note 7)	(15 238)	-
Charged to equity	614	614
Adjustment for foreign exchange fluctuations	(96)	-
Balance at end of year	18 640	26 616
The deferred tax asset comprises:		
Intellectual property - International	10 494	-
Share-based payments	9 036	11 045
Tax losses	5 118	278
The Netherlands (at 25.5%)	4 701	-
United Kingdom (at 20.0%)	301	-
South Africa (at 29.0%)	116	278
	24 648	11 323
The deferred tax liability comprises:		
Trademarks	43 406	37 980
Properties	163	214
Leave pay	(427)	(385)
Other	146	130
	43 288	37 939

The deferred tax asset recognised on the share-based payments represents the tax benefit that the group receives on the share-based payments arrangement. The directors have considered the future viability of the subsidiary receiving the share-based payments tax benefit and on the basis that the entity is projected to produce sufficient taxable income in the foreseeable future, the deferred tax asset is considered fully recoverable.

The deferred tax asset recognised in respect of cumulative tax losses in The Netherlands relates to a wholly owned subsidiary company, Steak Ranches International BV ("SRIBV"), incorporated in The Netherlands (refer note 7). The directors consider that sufficient future Dutch taxable income will be generated by SRIBV to utilise the deferred tax asset recognised in respect of Dutch tax losses. The reason for the historic tax losses in SRIBV is primarily as a result of favourable allowances which that company benefits from in respect of its intellectual property. As these allowances continue until 2015, SRIBV may continue to recognise future tax losses until then. Taking this into account and given the expansion that has occurred in the group's international business in the current year and the planned expansion going forward, SRIBV is anticipated to generate sufficient taxable income in the future to utilise the past and anticipated future cumulative tax losses.

The deferred tax asset recognised in respect of cumulative tax losses in the United Kingdom relates to Larkspur One Ltd, Larkspur Two Ltd and Spur Corporation UK Ltd. The tax losses in the current year arose as a result of start-up costs. The restaurants started trading in June 2007. Based on the trading performance of these restaurants, the directors are of the opinion that sufficient taxable income will be generated in the future to utilise these tax losses.

The deferred tax asset recognised in respect of cumulative tax losses in South Africa relates to an assessed loss of a subsidiary company, John Dory's Franchise (Pty) Ltd, which incurred a loss in the prior year. The deferred tax asset relating to this company has reduced in the current year as taxable profit was generated in the current year. The directors have considered the future viability of the company and based on the fact that the company is projected to produce sufficient taxable income in the foreseeable future, the deferred tax asset is considered recoverable.

13 INVENTORY

	2007 R'000	2006 R'000
Raw materials	700	615
Merchandising and packaging	8	199
Promotional and advertising	34	704
Finished goods	4 201	714
	4 943	2 232

14 TRADE AND OTHER RECEIVABLES

	2007 R'000	2006 R'000
Trade receivables	44 399	34 148
Impairment provision	(144)	(1 022)
Net trade receivables	44 255	33 126
Prepayments	944	4 984
Staff loans	145	214
Other	468	1 987
	45 812	40 311

The impairment is determined based on information regarding the financial position of each trade receivable as at year-end. No consideration is taken of trade receivables that may become bad in the future.

15 CASH AND CASH EQUIVALENTS

	2007 R'000	2006 R'000
Cash and cash equivalents	45 134	45 689
Bank overdraft	(916)	(4 801)
	44 218	40 888

16 SHARE CAPITAL

	Number of shares 2007 '000	Number of shares 2006 '000	2007 R'000	2006 R'000
Authorised				
Ordinary shares of 0.001 cents each	201 000	201 000	2	2
Issued				
Ordinary shares of 0.001 cents each	97 633	97 633	1	1
Shares repurchased by subsidiary companies	(9 477)	(9 477)	-	-
	88 156	88 156	1	1

17 SHARE INCENTIVE SCHEME

Spur Management Incentive Scheme ("MIS")

In December 2004 an equity settled management share incentive scheme ("MIS") was introduced. This share scheme is the only type of share-based payments arrangement in existence. In terms of a General Meeting on 15 December 2004, shareholders approved the utilisation of a maximum of 10% (9 763 283) of the ordinary shares for the purposes of the MIS. The aggregate number of shares utilised for the purposes of the MIS is 9 750 000, representing less than 10% of the aggregate of the company's issued ordinary shares at December 2004. In terms of the scheme, two thirds of the shares will vest with management on 18 December 2009, while the remaining one third will vest on 18 December 2010. Should participants cease to be employed (through dismissal or resignation) before the vesting date, all participation rights are forfeited.

Fair Value

The group accounts for share-based payments in accordance with IFRS 2 Share-based payments, which requires the fair value of share options granted to employees to be valued at the grant date and expensed through the income statement over the vesting period of the option. The fair value of the options has been estimated on the grant date using a Binomial option pricing model. The fair value was independently determined and valued at R1.15 per share at grant date and this gives rise to an IFRS 2 charge being recognised in the income statement.

Financial year of grant	Options/shares granted	No. of options /shares granted	Expected life of options/shares	Grant price	Share price at grant date	Expected volatility[a] %	Expected dividend yield[b] %	Risk-free rate[c] %
2005	SUR	9 750	5	R5.85	R5.85	30.0	5.8	8.17

a. The expected volatility is determined based on the rolling historical volatility over the expected option term that prevailed at the grant date.
b. The expected dividend yield is the best estimate of the forward looking dividend yield over the expected life of the option. This has been estimated by reference to the historical average dividend yield during the period preceding the grant, equal to the vesting period of the grant.
c. The risk-free rate is the yield on zero-coupon South African Government bonds of a term consistent with the estimated option term.

	2007 000's	2006 000's
Options/shares available for allocation to employees	9 750	9 750
Shares allocated to management	8 935	8 935
Options allocated to non-executive directors	815	815
Total shares allocated and options granted	9 750	9 750

	2007 R'000	2006 R'000
Fair value per share at grant date (Rands)	1.15	1.15
Number of shares and options ('000)	9 750	9 750
Total share-based payments expense to be recognised over the vesting period	11 213	11 213
Vesting as follows:		
one third over 6 years	623	623
two thirds over 5 years	1 495	1 495
Amount charged to income statement	2 118	2 118

Share-based payments reserve

	2007 R'000	2006 R'000
The movement in the share-based payments reserve is as follows:		
Balance at beginning of year	16 313	14 809
Share-based payments expense net of related taxes	1 504	1 504
Balance at end of year	17 817	16 313

18 RETAINED EARNINGS

	2007 R'000	2006 R'000
Retained earnings/(accumulated loss) attributable to:		
Holding company	(216)	(322)
Subsidiary companies	341 236	259 087
Associate companies	(338)	110
	340 682	258 875

19 TRADE AND OTHER PAYABLES

	2007 R'000	2006 R'000
Trade payables	23 582	10 281
Accruals	6 420	5 048
Leave pay accrual	1 474	1 327
Other	804	1 564
	32 280	18 220

20 LOANS PAYABLE

	2007 R'000	2006 R'000
Loans owing to minority shareholders	6 880	3 309
John Dory's Franchise (Pty) Ltd minority shareholder loan	3 172	3 309
Other minority shareholders' loans	3 708	-
Marketing funds	7 406	5 714
Loans owing to associate companies	125	-
	14 411	9 023

The loan owing to the minority shareholder of John Dory's Franchise (Pty) Ltd of R3.172 million is unsecured, bears interest at prime minus 2% per annum and has no repayment terms. The loans owing to other minority shareholders of R3.708 milion are unsecured, interest-free and have no repayment terms.

The loans owing to the marketing funds represent the underspend of the marketing funds as at year-end. These amounts are carried forward to the next financial year and are utilised for future marketing spend.

21 DISTRIBUTIONS

	2007 R'000	2006 R'000
Final 2006 - 25.0 cents (2005: 20.0 cents) per share	24 408	19 527
Interim 2007 - 26.0 cents (2006: 22.0 cents) per share	25 385	21 479
Gross distributions	49 793	41 006
Treasury share distributions	(4 833)	(3 980)
Net distributions	44 960	37 026

The directors have approved a final distribution of 29.0c per share by way of a reduction of share premium, to be paid in cash on 8 October 2007.

22 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	2007 R'000	2006 R'000
Profit before tax	92 995	81 195
Adjusted for:		
Depreciation	4 987	3 386
Finance expense	1 021	577
Finance income	(4 775)	(4 584)
Foreign exchange (gain)/loss	(111)	1 119
Loss on disposal of associate company	104	-
Loss/(profit) on disposal of property, plant and equipment	241	(18)
Movement in provisions	-	(1 871)
Profit on disposal of intangible asset	(1 397)	-
Share-based payments expense	2 118	2 118
Share of loss of associate companies	344	253
	95 527	82 175

23 WORKING CAPITAL CHANGES

	2007 R'000	2006 R'000
(Increase)/decrease in inventory	(2 705)	2 792
Increase in trade and other receivables	(5 592)	(13 870)
Increase/(decrease) in trade and other payables	13 634	(1 411)
Decrease in short term loans receivable	567	16
Increase in short term loans payable	4 099	3 987
	10 003	(8 486)

24 TAX PAID

	2007 R'000	2006 R'000
Tax paid is reconciled to the amount disclosed in the income statement as follows:		
Amount payable at beginning of year	(3 717)	(9 468)
Current tax charged to the income statement	(19 737)	(17 043)
Amount payable at end of year	7 642	3 717
	(15 812)	(22 794)

25 DISTRIBUTIONS PAID

	2007 R'000	2006 R'000
Distributions paid are reconciled to the amount disclosed as follows:		
Amount unpaid at beginning of year	(372)	(213)
Net capital distributions	(44 960)	(37 026)
Amount unpaid at end of year	302	372
	(45 030)	(36 867)

26 ACQUISITION OF SUBSIDIARY COMPANIES

During 2007 the group acquired a further 30% of Panhold Pty Ltd (resulting in a total 70% interest in this company), an Australian holding company which holds a 33% shareholding in the company, Pan Pen Pty Ltd. The purchase was effective from 1 July 2006.

The fair values of the assets and liabilities acquired were as follows:

	2007 R'000	2006 R'000
Trade and other receivables	2	-
Loans receivable	134	-
Cash and cash equivalents	1	-
Investment in associate company	1 067	-
Loans payable	(1 272)	
Net liabilities acquired	(68)	-
Current investment in Panhold Pty Ltd	(2)	-
Goodwill	553	-
Purchase consideration	483	-
Cash and cash equivalents acquired on acquisition	(1)	
Net cash flow on acquisition	482	-

On 31 October 2006, the group acquired a further 5% interest in John Dory's Franchise (Pty) Ltd from a minority shareholder, increasing the group's shareholding to 65%.

The fair value of net assets acquired were as follows:

Goodwill	178	-
Minority shareholder's interest	(43)	-
Net cash flow on acquisition	135	-

27 CAPITAL COMMITMENTS

The following capital commitments have been authorised and contracted for:	2007 R'000	2006 R'000
Purchase of land and development of new Head Office in Century City, Cape Town	-	8 163

There are no planned significant capital commitments as at the date of this report.

28 DIRECTORS' EMOLUMENTS

The following emoluments were paid by a subsidiary company:

2007	Fees R'000	Cash remuneration R'000	Equity compensation benefits R'000	Travel allowance R'000	Provident fund R'000	Medical aid R'000	Performance bonus R'000	Total cost to company R'000
Executive								
Allen Ambor	-	1 420	76	189	213	43	140	2 081
Pierre van Tonder	-	1 677	270	189	210	47	161	2 554
Mark Farrelly	-	1 014	203	142	152	47	101	1 659
Ronel van Dijk*	-	735	77	-	94	-	70	976
Kevin Robertson	-	794	163	142	119	47	80	1 345
Phillip Joffe	-	374	65	48	84	44	46	661
Total	-	6 014	854	710	872	228	598	9 276
Non-executive								
John Rabb	50	-	-	-	-	-	-	50
Keith Getz	100	-	51	-	-	-	-	151
Keith Madders	50	-	61	-	-	-	-	111
Dean Hyde	100	-	65	-	-	-	-	165
Total	300	-	177	-	-	-	-	477
Total remuneration	300	6 014	1 031	710	872	228	598	9 753

* Appointed 1 September 2006, accordingly this director's emoluments are for 10 months.

2006	Fees R'000	Cash remuneration R'000	Equity compensation benefits R'000	Travel allowance R'000	Provident fund R'000	Medical aid R'000	Performance bonus R'000	Total cost to company R'000
Executive								
Allen Ambor	-	1 290	76	189	194	40	127	1 916
Pierre van Tonder	-	1 526	270	189	191	46	170	2 392
Mark Farrelly	-	920	203	142	138	45	92	1 540
Kevin Robertson	-	721	163	142	108	45	65	1 244
Phillip Joffe	-	338	65	48	77	45	42	615
Total	-	4 795	777	710	708	221	496	7 707
Non-executive								
John Rabb	50	-	-	-	-	-	-	50
Keith Getz	100	-	51	-	-	-	-	151
Keith Madders	50	-	61	-	-	-	-	111
Dean Hyde	100	-	65	-	-	-	-	165
Total	300	-	177	-	-	-	-	477
Total remuneration	300	4 795	954	710	708	221	496	8 184

The following number of shares/options have been allocated to directors in terms of the management incentive scheme (refer note 17):

Executive	Shares 000's
Allen Ambor	350
Pierre van Tonder	1 241
Mark Farrelly	936
Ronel van Dijk	375
Kevin Robertson	749
Phillip Joffe	300
Shares allocated	3 951

Non-executive	Options 000's
Keith Getz	234
Keith Madders	281
Dean Hyde	300
Total options allocated	815
Total shares allocated and options granted	4 766

29 RETIREMENT BENEFITS

The group has its own defined contribution Provident Fund in South Africa, with 185 members at 30 June 2007 (2006: 167 members). The Spur Group (Pty) Ltd Provident Fund is administered by Liberty Group Limited. Refer note 5 for contributions made to the fund.

30 MARKETING FUNDS

In terms of signed franchise agreements, the group receives marketing contributions from franchisees which are kept and accounted for in marketing funds. These funds are utilised for the procurement of marketing and advertising services for the benefit of the franchisees. During the year, the marketing funds received R74.9 million (2006: 62.8 million) in advertising contributions. Marketing funds received are not included in the group's revenue as these are for the exclusive benefit of the franchisees. To the extent that funds received have not been utilised, a liability is recognised in the group balance sheet (refer note 20).

31 OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases are as follows:

	2007 R'000	2006 R'000
Next year	527	1 249
Year two through to year five	484	513
	1 011	1 762

32 RELATED PARTY DISCLOSURES

During the year, in the ordinary course of business, certain companies within the group entered into transactions which have been eliminated on consolidation. Also refer note 8 of the company financial statements on page 71 for guarantees given to subsidiary companies.

Directors

A number of the group's directors hold positions in other entities, where they may have significant influence over the financial or operating policies of these entities. Accordingly, the following are considered to be such entities:

Director	Entity	Relationship with entity
Allen Ambor	The Ambor Family Trust (note i)	Trustee
	Yankee Products (Pty) Ltd (note i)	Shareholder
Pierre van Tonder	African Spirit (Pty) Ltd (note ii)	Shareholder
	Satinka Steak House (Pty) Ltd (trading as Indigo Spur)*	Shareholder
	Nungu Trading 442 (Pty) Ltd (trading as Malibu Spur)*	Shareholder
	Mystic Blue Trading 65 (Pty) Ltd (trading as Seven Spur)*	Shareholder
	Utah Steak House (Pty) Ltd (trading as Panarottis Bayside, Table View)*	Shareholder
	Desert Star Trading 434 (Pty) Ltd (trading as John Dory's Westcoast Village)*	Shareholder
Dean Hyde	African Spirit (Pty) Ltd (note ii)	Shareholder
	Satinka Steak House (Pty) Ltd (trading as Indigo Spur)*	Shareholder
	Nungu Trading 442 (Pty) Ltd (trading as Malibu Spur)*	Shareholder
	Mystic Blue Trading 65 (Pty) Ltd (trading as Seven Spur)*	Shareholder
	Utah Steak House (Pty) Ltd (trading as Panarottis Bayside, Table View)*	Shareholder
	Desert Star Trading 434 (Pty) Ltd (trading as John Dory's Westcoast Village)*	Shareholder
	Jude Way Trading CC (note iii)	Member
Keith Madders	Kamplans Limited (note iv)	Shareholder
	Spur Ekwiti Restaurants (Pty) Ltd (note v)	Shareholder
	Gemini Moon Trading 294 (Pty) Ltd (note vi)	Shareholder
Mark Farrelly	Lexmar Entertainment CC (note vii)	Member
	Evening Star 384 (Pty) Ltd (trading as Maverick Spur)*	Shareholder
	Stone Eagle Steak Ranch (Pty) Ltd (trading as Seven Eagles Spur)*	Shareholder
	Gold Rush Steak Ranch (Pty) Ltd (trading as Gold Rush Spur)*	Shareholder
	Carago Trust (trading as Golden Cloud Spur)*	Trustee
Kevin Robertson (Spouse)	Clearpan (Pty) Ltd (trading as Panarottis Clear Water Mall) *	Shareholder
Keith Getz	Bernadt Vukic Potash & Getz (note viii)	Partner
Phillip Joffe	Claremont Steak Ranch (Pty) Ltd (trading as Rodeo Spur)*	Shareholder
	Strand Steak Ranch (Pty) Ltd (trading as San Francisco Spur)*	Shareholder

Transactions between the group and all the above entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's length transactions.

These transactions include:

i) A subsidiary company within the group has entered into property lease transactions with entities controlled by Allen Ambor. These transactions have been conducted on a market-related, arm's length basis. Rental paid to these entities totalled R1 607 287 in 2007 (R1 304 002 in 2006).

ii) African Spirit (Pty) Ltd holds shares in the following entities:
Sharp Mover Trading 186 (Pty) Ltd (trading as Golden River Spur)*
Perfect Stones (Pty) Ltd (trading as San Miguel Spur)*
Autumn Star Trading 738 (Pty) Ltd (trading as John Dory's Canal Walk)*
Somerset JD Fish and Grill (Pty) Ltd (trading as John Dory's Waterstone Village)*.

iii) Jude Way Trading CC has provided consulting services to the group amounting to R399 557 in 2007 (R218 269 in 2006).

iv) Kamplans Limited has provided consulting services (including costs) to the group amounting to R1 079 361 in 2007 (R1 800 000 in 2006).

v) Spur Ekwiti Restaurants (Pty) Ltd holds shares in Golden Gate Steak Ranch (Pty) Ltd (trading as Golden Gate Spur)*.

vi) Gemini Moon Trading 294 (Pty) Ltd holds shares in Gold Rush Steak Ranch (Pty) Ltd (trading as Gold Rush Spur)*.

vii) Lexmar Entertainment CC has provided conference facilities for the group amounting to R211 867 in 2007 (R111 615 in 2006).

viii) Bernadt Vukic Potash & Getz serve as the group's principal legal counsel and have provided legal services on various matters in the ordinary course of business to the value of R1 503 922 in 2007 (R771 583 in 2006).

Key management**

The key management personnel compensations are as follows:	2007 R'000	2006 R'000
Short-term employee benefits	8 065	7 844
Other long-term benefits	963	963
Equity compensation benefits	476	597
	9 504	9 404

Three members of key management hold shares in the following entities which are franchisees of the group:

Commshelf 64 CC (trading as John Dory's Gateway)*
Commshelf 34 CC (trading as John Dory's Suncoast Casino)*
Rowmoor Investments No 237 (Pty) Ltd (trading as Panarottis Century City)*
Satinka Steak House (Pty) Ltd (trading as Indigo Spur)*
Nungu Trading 442 (Pty) Ltd (trading as Malibu Spur)*
Perfect Stones (Pty) Ltd (trading as San Miguel Spur)*
Utah Steak House (Pty) Ltd (trading as Panarottis Bayside, Table View)*
Desert Star Trading 434 (Pty) Ltd (trading as John Dory's Westcoast Village)*
Somerset JD Fish and Grill (Pty) Ltd (trading as John Dory's Waterstone Village)*

Transactions between the group and all the above entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's length transactions.

* These entities are franchisees.
** Key management are listed on page 13 and exclude directors (directors' emoluments are detailed on page 28).

33 FINANCIAL INSTRUMENTS

33.1 Liquidity risk
The group has sufficient cash resources and credit facilities available to it to ensure that its liquidity requirements are met for the foreseeable future.

33.2 Credit risk
Credit risk arises from the possibility that franchisees may not be able to settle obligations to the group within the normal terms of trade. A further credit risk arises in respect of loans receivable. To manage these risks, the group periodically assesses the financial viability of franchisees and loan debtors. The risk of counterparties defaulting is controlled by the application of credit approvals, limits and monitoring procedures. At the balance sheet date there were no significant concentrations of credit risk other than loans disclosed in notes 6 and 11. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

33.3 Currency risk

The group incurs currency risk as a result of franchise fees received, purchases, sales and loans in foreign currencies.

The currencies in which the group primarily deals are Pounds Sterling, Euros, US Dollars and Australian Dollars. To manage currency risk, the group periodically assesses exposure to foreign currencies and hedges transactions and/or balances where appropriate. Refer notes 6 and 11 for currency exposure relating to loans receivable. The group does not use forward exchange contracts or other derivative contracts for speculative purposes.

33.4 Interest rate risk

The group generally adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis.

No derivative instruments are used.

33.5 Fair value of financial instruments

At the balance sheet date the carrying values of the group's financial instruments on the balance sheet approximate their fair value.

2007	Floating interest rate %	0 - 1 year R'000	1 - 3 years R'000	> 3 years R'000	Total R'000
Assets					
Cash and cash equivalents	8.1	45 134	-	-	45 134
Trade and other receivables*		45 667	-	-	45 667
Non-current loans receivable	Refer notes 6 & 11	-	6 186	16 883	23 069
Current loans receivable*		1 433	-	-	1 433
Total financial assets		92 234	6 186	16 883	115 303
Liabilities					
Bank overdraft	prime	916	-	-	916
Trade and other payables*		32 280	-	-	32 280
Shareholders for distribution*		302	-	-	302
Loans payable	Refer note 20	6 880	-	-	6 880
Marketing funds*		7 406	-	-	7 406
Loans owing to associate companies*		125	-	-	125
Total financial liabilities		47 909	-	-	47 909

* Non-interest bearing

The following foreign currency amounts are included in the balance sheet in respect of financial instruments at 30 June 2007:

	GBP '000	USD '000	AUD '000	EURO '000	TZS '000	KES '000	NAD '000
Assets							
Cash and cash equivalents	657	47	340	92	-	-	682
Trade and other receivables	596	22	162	20	5 393	227	138
Non-current loans receivable	899	4	1 016	387	-	-	-
Liabilities							
Loans payable	170	2	230	-	-	-	-
Trade and other payables	557	3	249	49	-	-	-
Bank overdraft	17	-	-	-	-	-	-

All the foreign currency amounts disclosed above were uncovered at year-end.

34 ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE ADOPTED

International Financial Reporting Standards ("IFRS")
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2007, and have not been applied in preparing these consolidated financial statements. Those standards and interpretations which are applicable to the group are presented below.

IFRS 7 Financial Instruments: Disclosures and the Amendments to IAS 1 Presentation of Financial Statements: Capital Disclosures
These statements require additional disclosure about the significance of financial instruments for an entity's financial position and performance, and qualitative and quantitative disclosures on the nature and extent of risks. IFRS 7 and amended IAS1, which become mandatory for the group's 2008 financial statements, will require additional disclosures with respect to the group's financial instruments and share capital.

IFRS 8 Segmental Reporting
Extends the scope of segmental reporting, requiring significant additional disclosure.

IFRIC 10 Interim Financial Reporting and Impairment
IFRIC 10 prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IFRIC 10 will become mandatory for the group's 2008 financial statements, and will apply to goodwill, investments in equity instruments and financial assets carried at cost prospectively from the date that the group first applied the measurement criteria of IAS 36 and IAS 39, respectively (i.e. 1 July 2004).

IFRIC 11 IFRS Group and Treasury Share Transactions
In terms of IFRIC 11, when a subsidiary grants rights to equity instruments of its parent to its employees, the subsidiary shall account for the transactions with its employees as a cash-settled share-based payment transaction. This interpretation is effective for the group's 2008 financial statements and is not expected to have a material effect on the group.

IFRIC 12 Service Concession Arrangements
IFRIC 12 addresses how service concession operators should apply IFRS to account for the obligations they undertake and the rights they receive in service concession arrangements. This is effective for the group's 2009 financial statements and is not expected to have a material effect on the group.

35 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Judgements made in applying the group's accounting policies that potentially have a significant effect on the amounts recognised in the financial statements are as follows:

Deferred tax
In the group, each entity determines the recoverability of deferred tax assets and the recognition of computed tax losses.
The recognition is based on the entities' ability to utilise these computed tax losses based on expected future taxable income.
In note 7 the total unrecognised computed tax losses are disclosed.

Financial assets
Certain assumptions are made in respect of the recoverability of the group's financial assets. These assets mainly cover loans receivable from associate companies and third parties and trade receivables.

At each balance sheet date the group evaluates whether there is any objective evidence that a financial asset is impaired. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is determined, excluding future bad debts that have not been incurred. Refer notes 6 and 14 for the amount of impairment provision reversed and recognised against loan receivables and trade receivables.

Revenue
The group has certain franchisees operating in hyperinflationary economies in Africa. Although royalty income has been collected from the franchisees and deposited into bank accounts, the related revenue and cash balances have not been recognised in the financial statements due to the inability of the group to repatriate the funds. The cumulative unrecognised royalty income amounts to R2.346 million (2006: R3.262 million).

COMPANY

INCOME SHEET for the year ended 30 June

	Note	2007 R'000	2006 R'000
Finance income		159	95
Operating expenses		(10)	(3)
Profit before tax		149	92
Tax	1	(43)	(27)
Profit for the year		106	65

BALANCE SHEET at 30 June

	Note	2007 R'000	2006 R'000
ASSETS			
Non-current assets			
Interest in subsidiary companies	2	73 291	123 084
Current assets			
Tax receivable		-	82
Cash and cash equivalents		1 800	1 665
Total current assets		1 800	1 747
TOTAL ASSETS		75 091	124 831
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	3	1	1
Share premium		66 982	116 775
Accumulated loss		(216)	(322)
		66 767	116 454
Non-current liability			
Loan from subsidiary company	4	8 000	8 000
Current liabilities			
Trade and other payable		5	5
Tax payable		17	-
Shareholders for distribution		302	372
Total current liabilities		324	377
TOTAL EQUITY AND LIABILITIES		75 091	124 831

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June

	Ordinary share capital R'000	Share premium R'000	Accumulated loss R'000	Total R'000
Balance at 1 July 2005	1	157 781	(387)	157 395
Profit for the year	-	-	65	65
Distributions paid	-	(41 006)	-	(41 006)
Balance at 1 July 2006	1	116 775	(322)	116 454
Profit for the year	-	-	106	106
Distributions paid	-	(49 793)	-	(49 793)
Balance at 30 June 2007	1	66 982	(216)	66 767

CASHFLOW STATEMENT for the year ended 30 June

	Note	2007 R'000	2006 R'000
Cash flow from operating activities			
Operating expenses		(10)	(3)
Working capital changes	5	-	2
Interest received		159	95
Tax received/(paid)	6	56	(11)
Distributions paid	7	(49 863)	(40 847)
Net cash flows from operating activities		(49 658)	(40 764)
Cash flow from investing activities			
Decrease in amounts due by subsidiary companies		49 793	41 004
Net cash flows from investing activities		49 793	41 004
Net movement in cash and cash equivalents		135	240
Cash and cash equivalents at beginning of year		1 665	1 425
Cash and cash equivalents at end of year		1 800	1 665

Notes to the Company FINANCIAL STATEMENTS

1. TAX

	2007 R'000	2006 R'000
Current tax	43	27
Effective rate and South African normal tax rate	29%	29%

2. INTEREST IN SUBSIDIARY COMPANIES

	2007 R'000	2006 R'000
Shares at cost less impairment and amounts written off	1	1
Loans to subsidiary companies	73 290	123 083
	73 291	123 084

Loans due from subsidiary companies are unsecured, interest-free and no fixed dates of repayment have been determined.
Refer to directors' report for details of subsidiary companies and loans.

3. SHARE CAPITAL

	2007 R'000	2006 R'000
Authorised		
201 000 000 ordinary shares of 0.001 cents each	2	2
Issued		
97 632 833 ordinary shares of 0.001 cents each	1	1

4. LOAN FROM SUBSIDIARY COMPANY

	2007 R'000	2006 R'000
Loan from subsidiary company	8 000	8 000

This loan from a subsidiary company is unsecured and bears no interest. The company has the unconditional right to defer settlement of the loan for at least 12 months after the balance sheet date.

5. WORKING CAPITAL CHANGES

	2007 R'000	2006 R'000
Increase in trade and other payables	-	2
	-	2

6. TAX RECEIVED/(PAID)

	2007 R'000	2006 R'000
Tax received/(paid) is reconciled to the amount disclosed in the income statement as follows:		
Amount receivable at beginning of year	82	98
Amount charged to income statement	(43)	(27)
Amount payable/(receivable) at end of year	17	(82)
	56	(11)

7. DISTRIBUTIONS PAID

	2007 R'000	2006 R'000
Distributions paid are reconciled to the amount disclosed as follows:		
Amount payable at beginning of year	(372)	(213)
Reduction in share premium	(49 793)	(41 006)
Amount payable at end of year	302	372
	(49 863)	(40 847)

8. GUARANTEES

The company has provided guarantees to the value of R12.0 million (2006: R12.0 million) to financial institutions on behalf of certain subsidiary companies.

9. ACCOUNTING ESTIMATES AND JUDGEMENTS

No accounting estimates or judgements have been made that have a significant impact on the presentation of the company's financial results.

Notice of ANNUAL GENERAL Meeting

Spur Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share code: SUR ISIN: ZAE 000022653
("the company")

"NOTICE IS HEREBY GIVEN that the next annual general meeting of the shareholders of the company will be held at 11:00 on Wednesday 5 December 2007 at 2 Edison Way, Century Gate Business Park, Century City, Cape Town to conduct the following business:

1. Ordinary Resolution Number 1: The adoption of the Annual Financial Statements
"To receive and adopt the Annual Financial Statements for the financial year ended 30 June 2007, including the Directors' Report and the Report of the Auditors therein."

2. Ordinary Resolution Number 2: The re-appointment of Directors
"To re-elect the following directors who, in terms of the company's articles of association retire at the annual general meeting, but, being eligible, offer themselves for re-election: John Rabb, Keith Madders, Allen Ambor and Phillip Joffe. Such re-elections are to be voted on individually unless a resolution is agreed to by the meeting (without any vote against it) that a single resolution be used."

3. Ordinary Resolution Number 3: The re-appointment of the auditors
"To reappoint the firm KPMG Inc. as auditors of the company for the ensuing period terminating on the conclusion of the next annual general meeting of the company and to authorise the directors to fix the auditors' remuneration for the past year."

4. Ordinary Resolution Number 4: General authority to make payments to shareholders
"Resolved that the directors, subject to Section 90 of the Companies Act (Act 61 of 1973), as amended, and the Listings Requirements of the JSE Limited ("JSE") and to any other restrictions set out in the mandate, be and are hereby authorised to make general payments pro rata to all shareholders, subject to the following limitations:

4.1 that this authority shall not extend beyond 15 months from the date of this resolution, or the date of the next annual general meeting, whichever is the earlier date; and

4.2 that any general repayment(s) may not exceed 20% of the company's issued share capital, including reserves, but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year."

The purpose of this general authority is to enable the company's directors to return certain excess cash resources to shareholders on a pro rata basis. Additional information required in terms of the Listing Requirements is contained in the special resolution number 1 below.

5. Special Resolution Number 1: The authority to repurchase shares
"Resolved that the company (or one of its wholly owned subsidiaries) may, subject to the Companies Act (Act 61 of 1973), as amended, and the Listings Requirements of the JSE, acquire shares issued by itself or shares in its holding company, as and when deemed appropriate, subject to the following limitations:

5.1 that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the company and the counterparty;

5.2 that this authority shall not extend beyond 15 months from the date of this resolution or the date of the next annual general meeting, whichever is the earlier date;

5.3 that an announcement be made giving such details as may be required in terms of the Listing Requirements of the JSE when the company has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter;

5.4 at any one time, the company may only appoint one agent to effect any repurchase;

5.5 the repurchase of shares will not take place during a prohibited period and will not affect compliance with the shareholders spread requirements as laid down by the JSE;

5.6 the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued share capital at the time this authority is given only; and

5.7 the repurchase of shares may not be made at a price greater than 10% above the weighted average traded price of the market value of the shares as determined over the five business days immediately preceding the date on which the transaction was effected."

The reason for this special resolution is, and the effect thereof will be, to grant, in terms of the provisions of the Act and the Listings Requirements of the JSE, and subject to the terms and conditions embodied in the said special resolution, a general authority to the directors to approve the acquisition by the company of its own shares, or by a subsidiary of the company of the company's shares, which authority shall be used by the directors at their discretion during the course of the period so authorised.

DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

In terms of the Listings Requirements of the JSE, the following disclosures are required with reference to the repurchase of the company's shares and the general authority to make payments to shareholders as set out in Ordinary Resolution Number 4 and the Special Resolution above:

Working capital statement

The directors are of the opinion that, after considering the effect of the maximum repurchase permitted and the maximum general payments to shareholders, for a period of 12 months after the date of this notice of annual general meeting:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group will be in excess of the liabilities of the company and the group, recognised and measured in accordance with the accounting policies used in the latest annual financial statements;
- the share capital and reserves of the company and the group will be adequate for ordinary business purposes;
- the working capital resources of the company and the group will be adequate for ordinary business purposes; and
- the company will provide its sponsor and the JSE with all documentation as required in Schedule 25 of the Listings Requirements of the JSE, and will not commence any repurchase programme or capital payment until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

Litigation statement

Other than disclosed or accounted for in this Annual Report, the directors of the company, whose names are given on pages 11 and 12 of this Annual Report, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had, in the 12 months preceding the date of this notice of annual general meeting, a material effect on the group's financial position.

Directors' responsibility statement

The directors, whose names are given on pages 11 and 12 of this Annual Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and the ordinary resolution to authorise payments to shareholders and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution and the ordinary resolution to authorise payments to shareholders contain all information required.

Material changes
Other than the facts and developments reported on in this Annual Report, there have been no material changes in the affairs, financial or trading position of the group since the signature date of this Annual Report and the posting date thereof.

The following further disclosures required in terms of the Listings Requirements of the JSE are set out in accordance with the reference pages in the Annual Report of which this notice forms part:

Directors and management (refer to pages 11 to 13)
Major shareholders of the company (refer to page 36)

Directors' interests in the company's shares (refer to page 36)
Share capital (refer to pages 34 and 58)

VOTING AND PROXIES

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the annual general meeting in person. Forms of proxy must be completed and received at the company's transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Tuesday 4 December, 2007. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy/(ies) should such member wish to so do. Dematerialised shareholders, other than with own name registrations, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary letter of representation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person but wish to be represented thereat. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in his/her stead.

By order of the board
Ronel van Dijk

Secretary
Cape Town
25 October 2007

CORPORATE INFORMATION

DISTRIBUTIONS

Interim distribution	26 cents per share
Record date	23 March 2007
Payment date	26 March 2007
Final distribution	29 cents per share
Record date	5 October 2007
Payment date	8 October 2007
Reports 2007	Interim for six months ended 31 December 2006 published March 2007
	Preliminary announcement for year ended June 2007 published September 2007
	Annual for year ended 30 June 2007 published November 2007

ADMINISTRATION

Registered office	1 Waterford Mews Century City Boulevard Century City 7441
Registration number	1998/000828/06
Postal address	P O Box 13034, Woodstock 7915
Telephone	27-21-555-5100
Fax	27-21-555-5444
E-mail	ronelvandijk@spur.co.za
Internet	http://www.spur.co.za
Transfer secretaries	Computershare Investor Services 2004 (Pty) Ltd 70 Marshall Street Johannesburg 2001
	PO Box 61051 Marshalltown 2107 Telephone: 27-11-3705000
Auditors	KPMG Inc.
Attorneys	Bernadt Vukic Potash & Getz
Secretary and registered address	Ronel van Dijk 1 Waterford Mews Century City Boulevard Century City 7441

Spur Corporation Limited Proxy Form

Spur Corporation Limited

(Incorporated in the Republic of South Africa)
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share code: SUR ISIN: ZAE 000022653
("the Company")

FORM OF PROXY
To be completed by certificated shareholders and dematerialised shareholders with own name registration only. For use in respect of the annual general meeting to be held at 11:00 on 5 December 2007 at 2 Edison Way, Century Gate Business Park, Century City, Cape Town.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Forms of proxy must be completed and delivered/posted to the Company's transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: PO Box 61051, Marshalltown, 2107) to be received by no later than 11:00 on Tuesday 4 December 2007.

I/We [please print names in full] ______________________

of [address] ______________________

being a member of the Company and holding ______________ ordinary shares, appoint ______________

1. ______________________ or failing him ______________________

2. ______________________ or failing him ______________________

the chairman of the annual general meeting as my/our proxy to attend and speak and, on a poll, vote for me/us on my/our behalf at the annual general meeting of the Company held for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions (see note 3):

	For	Against	Abstain
Special resolution number 1 - The authority to repurchase shares			
Ordinary resolution number 1 - The adoption of the Annual Financial Statements			
Ordinary resolution number 2 - The re-appointment of Directors			
2.1 John Rabb			
2.2 Keith Madders			
2.3 Allen Ambor			
2.4 Phillip Joffe			
Ordinary resolution number 3 - The re-appointment of the auditors			
Ordinary resolution number 4 - General authority to make payments to shareholders			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable).

A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote in his stead. A proxy so appointed need not be a member of the Company.

SIGNED THIS ______________________ DAY OF ______________ 2007.

SIGNATURE ______________________

CAPACITY AND AUTHORISATION (see note 6)

Please read the notes on the reverse side of this form of proxy.

Notes

1. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.

3. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.

5. Where there are joint holders of shares and if more than one of such joint holders is present or represented, then the person whose name appears first in the register in respect of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form, unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.

7. The completion and lodging of this form of proxy will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to so do.

8. The chairman of the annual general meeting may reject or, provided that he is satisfied as to the manner in which a member wishes to vote, accept any form of proxy which is completed other than in accordance with these instructions.

9. Proxies will only be valid for the purpose of the annual general meeting if received by the Company's transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 11:00 on Tuesday 4 December 2007.