Spur Corporation

ANNUAL REPORT

2009

OUR PROMISE

Food is our passion. Welcoming you, our pleasure. And our greatest reward is presenting our delicious meals. Whether it's a Spur Burger, Panarottis Pizza or John Dory's Catch of the Day, our food is prepared 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.

Nothing satisfies us more than pleasing you, our customer.

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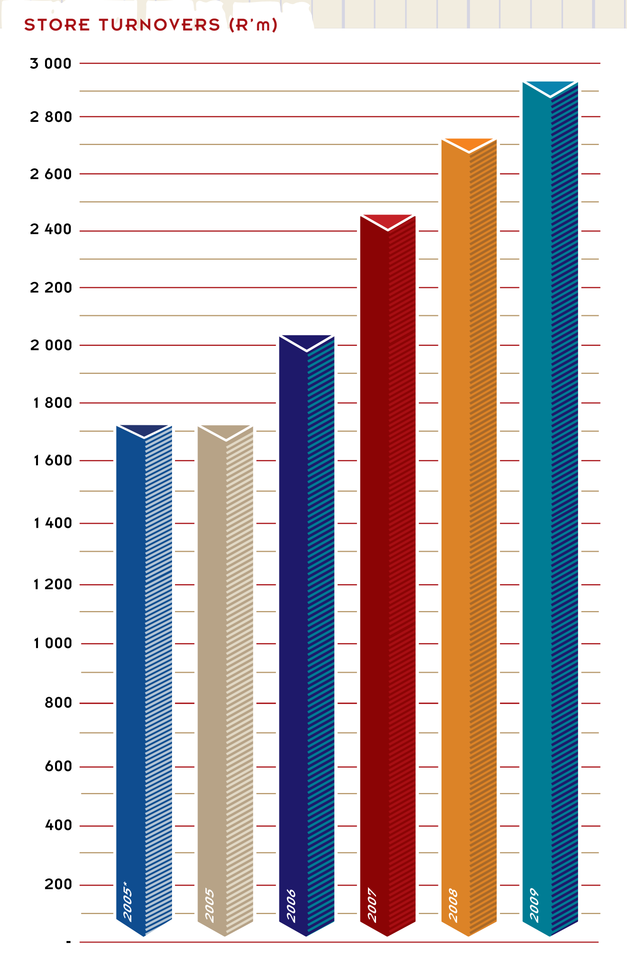
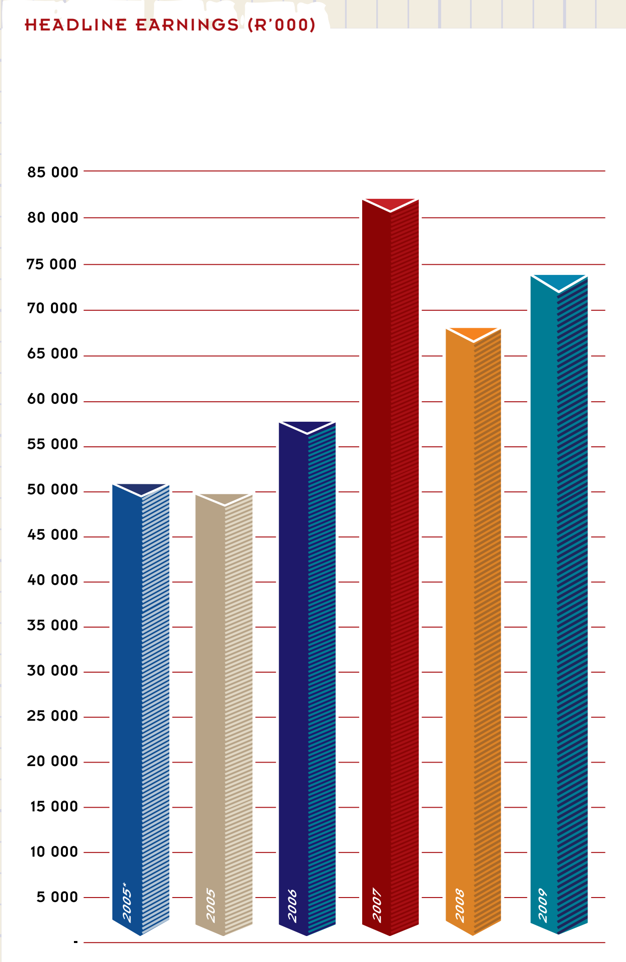
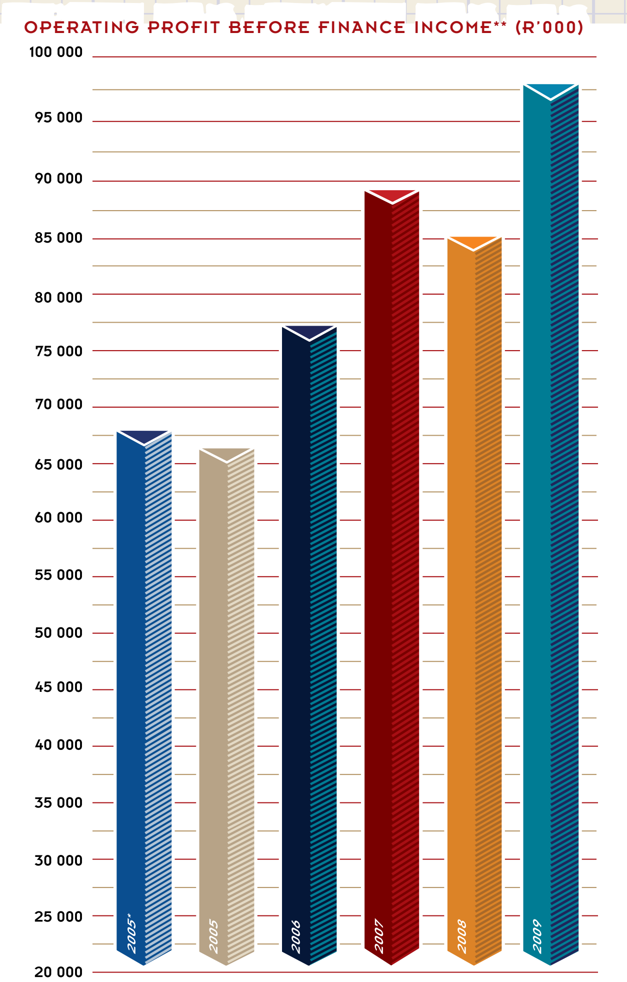
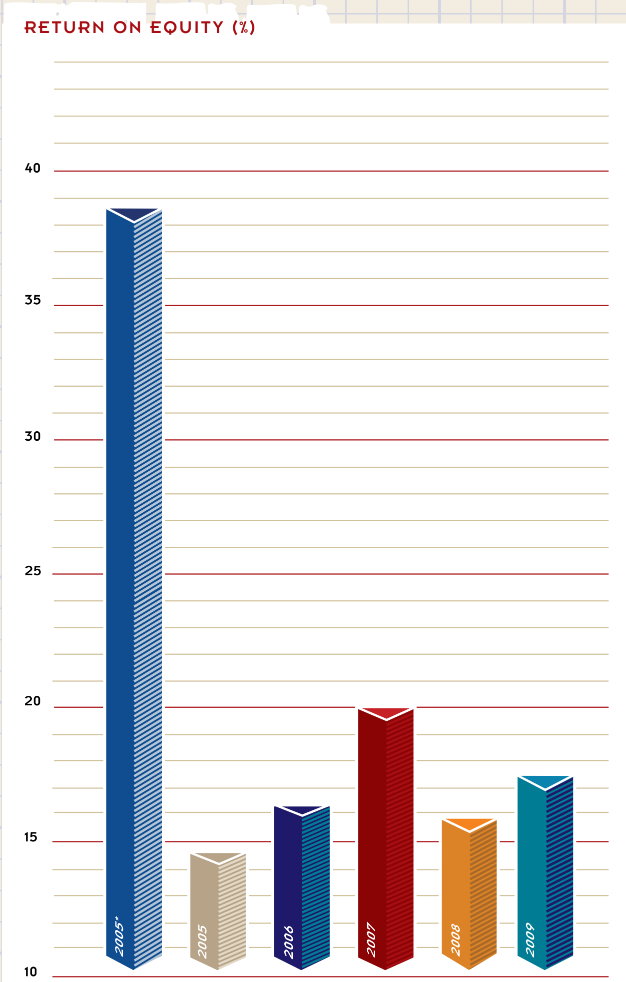
FINANCIAL HIGHLIGHTS

	2009	2008	% Change
Profit before tax (R'000)	**102 415**	90 094	13.7%
As a percentage of revenue	**31.3%**	30.5%	
Profit after tax (R'000)	**63 841**	59 602	7.1%
As a percentage of revenue	**19.5%**	20.1%	
Return on total assets	**14.0%**	12.5%	
Return on equity	**17.6%**	15.9%	
Cash and cash equivalents (R'000)	**81 034**	64 603	25.4%
STATISTICS PER SHARE			
Headline earnings (cents)	**84.69**	76.45	10.8%
Distribution (cents)	**55.00**	55.00	
Distribution cover (times)	**1.5**	1.4	
Market price - 30 June (cents)	**840**	620	35.5%
Price range (cents)			
- high	**995**	1210	
- low	**560**	620	
Headline earnings yield	**10.1%**	12.3%	
Distribution yield	**6.6%**	8.9%	









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

CORPORATE PROFILE

VISION AND MISSION

Our vision is to build relationships with our staff, our customers, and our franchisees, through collaborative leadership.

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. We are passionate people delivering great brands to our customers.

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 42 years to when Spur founder and current 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. The Spur group was first listed on the JSE in 1986, at which stage it operated 43 franchised Spur Steak Ranch 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 décor, John Dory's has a distinctly Mediterranean culture and charisma. A further 5% interest was purchased in October 2006, with the group now owning 65% of the business.

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 2009 this had increased to 347. There are 240 Spur Steak Ranches, 50 Panarottis Pizza Pasta restaurants and 22 John Dory's Fish & Grill outlets in South Africa. Internationally, the group has 29 Spur Steak Ranches and six Panarottis Pizza Pasta restaurants in Africa, Australia and the United Kingdom.

The rapid growth in the middle income market in South Africa - the primary target group of Spur - has led 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.

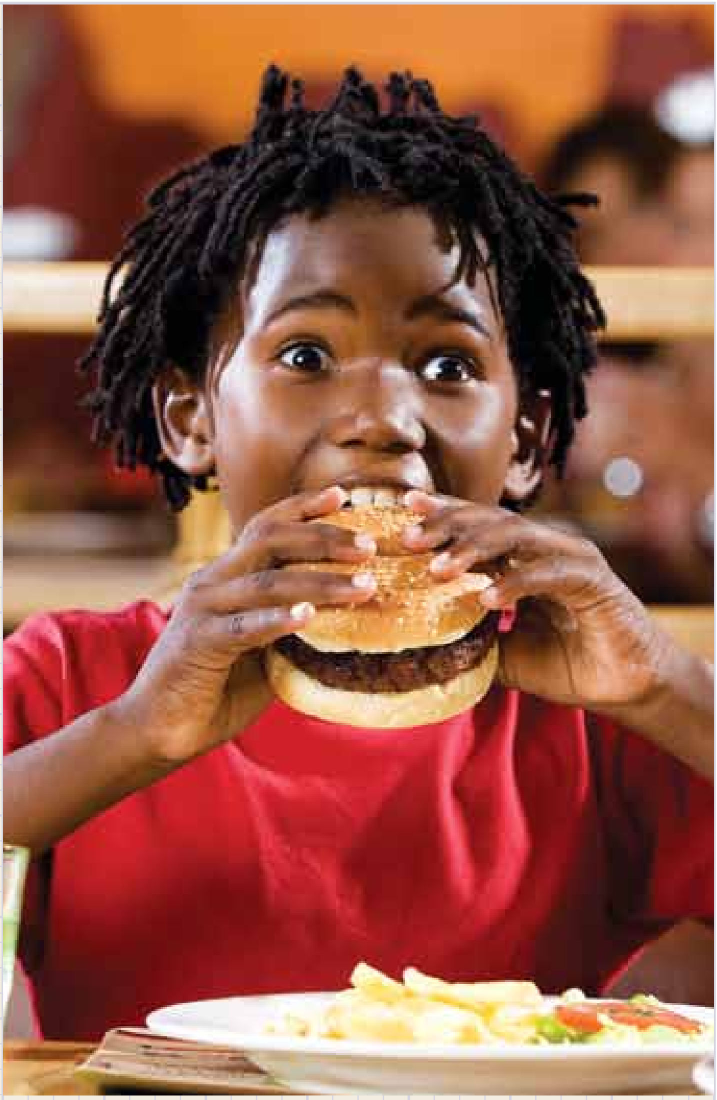
FRANCHISING BUSINESS MODEL

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.

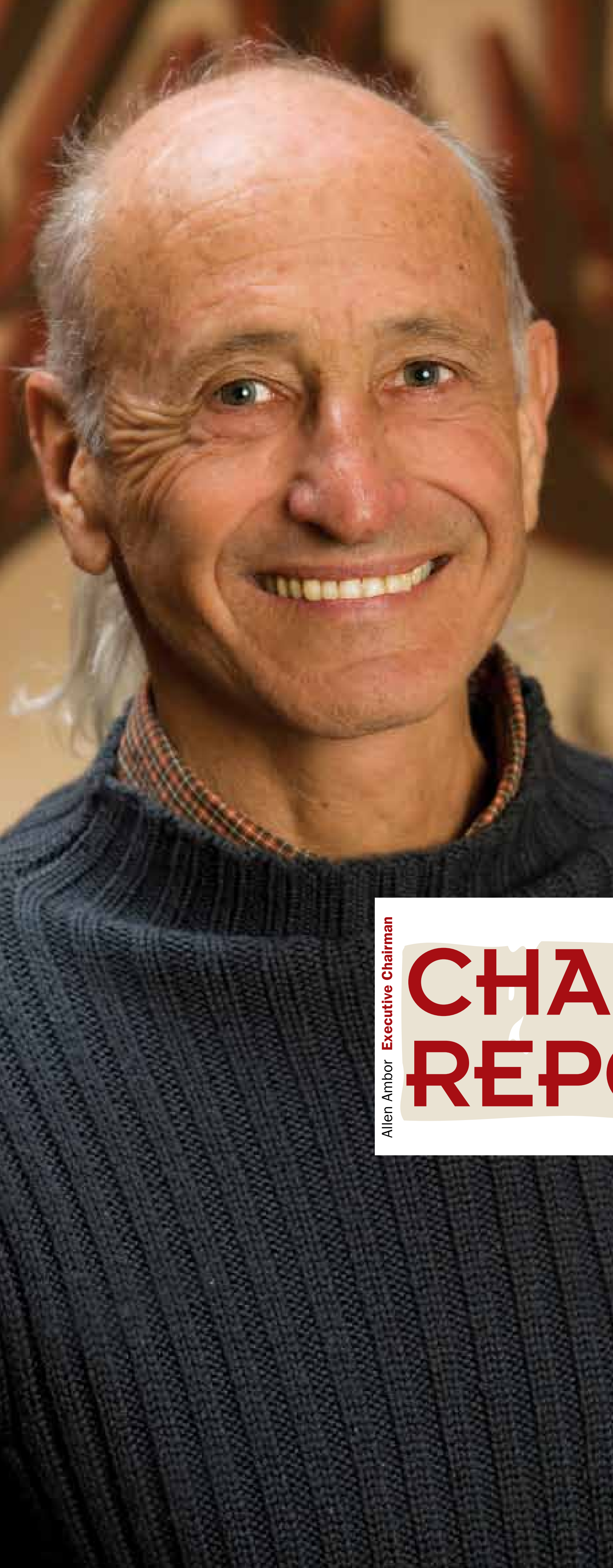
Spur Corporation provides extensive support to franchisees, including assistance with business plans and cash flow forecasts, site selection, lease negotiations and operational guidance with the opening of outlets.

An experienced operations team provides ongoing support to 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.



	Spur Steak Ranches	Panarottis Pizza Pasta	John Dory's Fish & Grill	Total
South Africa				
Eastern Cape	25	5	2	32
Gauteng	125	26	5	156
KwaZulu-Natal	37	8	10	55
Western Cape	53	11	5	69
TOTAL SOUTH AFRICA	240	50	22	312
International				
Africa and Mauritius	17	2	-	19
Australia	3	4	-	7
United Kingdom	9	-	-	9
TOTAL INTERNATIONAL	29	6	-	35
TOTAL RESTAURANTS	**269**	**56**	**22**	**347**



CHAIRMAN'S REPORT

Allen Ambor **Executive Chairman**

FINANCIAL PERFORMANCE

While the past year has undoubtedly been one of the most challenging trading periods in recent times, our group delivered a most creditable operational and financial performance in this environment.

The continued economic slowdown over the past year saw the country move into recession and the restaurant industry, in the main, was hit by the fall-off in discretionary consumer spending. Despite this, revenue increased by 10.5% to R326.8 million (2008: R295.8 million). This resilient performance can largely be attributed to the strength of our brands within our communities, the loyalty created with our customers over many years and our value-for-money offering.

Restaurant turnover in the Spur Steak Ranches brand increased 8.6% while Panarottis Pizza Pasta grew turnover by 4.4% and John Dory's Fish & Grill by 18.2%. International restaurant turnover for existing business increased by 3.1%, with company-owned restaurants (retail outlets) increasing turnover by 11.5%.

Operating profit for the period increased by 14.2% to R97.7 million (2008: R85.5 million). Regrettably, the restaurant industry in Australia was severely impacted by the economic downturn. While most of the restaurants in our group delivered satisfactory results, there were disappointing performances from two of the retail outlets. This resulted in us declaring an impairment charge of R10.0 million against these two restaurants.

Headline earnings for the year increased 10.5% to R74.5 million (2008: R67.4 million), with diluted headline earnings per share growing 12.3% to 83.12 cents (2008: 73.99 cents).

The board has shown its confidence in the group's performance and outlook by declaring a distribution to shareholders of 55 cents per share for the year, in line with previous distributions.

RESTAURANT GROWTH

A perennial question we are asked is whether the Spur brand and its restaurant base has reached saturation in the local market.

We currently operate 240 Spur restaurants across the country and believe the brand still has potential for expansion. We serve the fast growing middle income market and as our potential customer base increases and the population demographics of the country shift, so opportunities arise to open new restaurants.

We have continued to broaden our restaurant base into areas serving not only the emerging market, but other areas where good opportunities present themselves.

Following the opening of restaurants in Soweto and Braamfontein in 2008, we opened outlets in Atteridgeville and Hillbrow in the 2009 fiscal year. The Spur brand has been well received in these areas and we have included new menu items to cater for local tastes and preferences. While this strategy has until now focused mainly on Gauteng, in the year ahead we are scheduled to open outlets in Gugulethu near Cape Town and in West Street, Durban.

A smaller format restaurant concept has been developed which will make it feasible to operate restaurants in smaller towns which have growth potential and where we have not as yet traded. Our first outlet using this model will be opened in the new fiscal year and will allow the group to expand our footprint into rural South Africa in the years ahead. This process is being carefully introduced into areas where we are sure that population growth is assured.

Our ongoing programme of revamping restaurants and relocating outlets to better sites, as areas change over time, continued to drive growth. These relocations provide an opportunity to increase customer volumes. This translates into a healthy uplift in turnover. Seven Spur outlets were relocated in the past year and another seven are due for relocation in the new year.

INTERNATIONAL

Our business has been built on a franchising model which, in the main, remains our core philosophy and focus. While we exclusively operate franchised outlets in South Africa and the rest of Africa, the group has invested in restaurants to establish a presence for our brands in the United Kingdom (UK) and in New South Wales in Australia. Expansion into territories outside of South Africa is key to the sustainable growth of the group in the medium to long-term.

Our international division comprises 35 restaurants, with 29 Spur and six Panarottis outlets, and accounted for 30% of turnover in the past year. The group owns four restaurants in the UK while in Australia the group owns three restaurants, holds a minority interest in a further three and has one wholly-franchised outlet.

We will be opening a new retail outlet in Aberdeen, Scotland, this year and are currently investigating sources of funding for expansion in the UK.

SUSTAINABILITY

As a committed corporate citizen the group recognises the need to achieve a balance between generating returns for shareholders while at the same time meeting the longer term needs of the business, our employees and society generally as well as the increasing needs of the environment. An internal working group has been formed to focus on environmental sustainability and to develop a strategy to reduce the group's impact on the environment. The working group will formulate a business case for sustainability practices relating to the key areas of our business being food, service, people and the environment.

The recent publication of the King III Report requires enhanced reporting on integrated sustainability management and we plan to expand our disclosure to shareholders in the year ahead.

BOARD OF DIRECTORS

During the year we were pleased to welcome Mr. Muzi Kuzwayo as an independent non-executive director to broaden our skills and diversity on the board. Muzi is a highly experienced marketer and brand strategist and is already adding a new dimension to board level debate. Regrettably, we had to say farewell to Mr. John Rabb who resigned as an independent non-executive director as he is spending most of his time abroad. John has served the board with distinction over the past eight years and his wise counsel will be sorely missed.

PROSPECTS

We continue to pursue our strategy of prudent restaurant expansion locally and abroad. The group plans to open at least 15 new franchised restaurants across the three brands in South Africa in the year ahead. In addition to the Spur retail outlet being opened in Aberdeen, Scotland, in November 2009, new franchised outlets will be opened in Perth (Australia) and Dubai (United Arab Emirates). Opportunities for new restaurants are being evaluated in several locations in Africa and the United Kingdom.

Rising costs, including electricity and property rates and taxes, will continue to put pressure on franchisees. In response to these cost pressures, strategies have been implemented to maintain franchisee profitability. These include the ongoing improvement of procurement and distribution efficiencies, customer-focused menu engineering and enhancing operational standards and training.

The value propositions of our brands are key in this environment. We have introduced theme evenings and value-added campaigns across all three brands to enhance our value and entertainment propositions and grow market share.

Lower interest rates, stabilising food price inflation and the higher wage increases granted in recent months have all been positive for debt-strapped consumers. However, there is likely to be a time lag between declining interest rates and a noticeable upturn in consumer spending patterns.

We therefore expect recessionary trading conditions to remain a challenge in the year ahead. We are however, well placed to continue to withstand the impact of the current economic climate. In this environment we are constantly re-inventing ourselves, innovating and adapting to the changing needs and expectations of our customers. In this regard, we believe that over the last financial year our new agencies, DraftFCB (Spur) and JWT (Panarottis), have together with our in-house marketing department, had a considerable impact on growing the public's interest, confidence in, and enjoyment of, our brands.

APPRECIATION

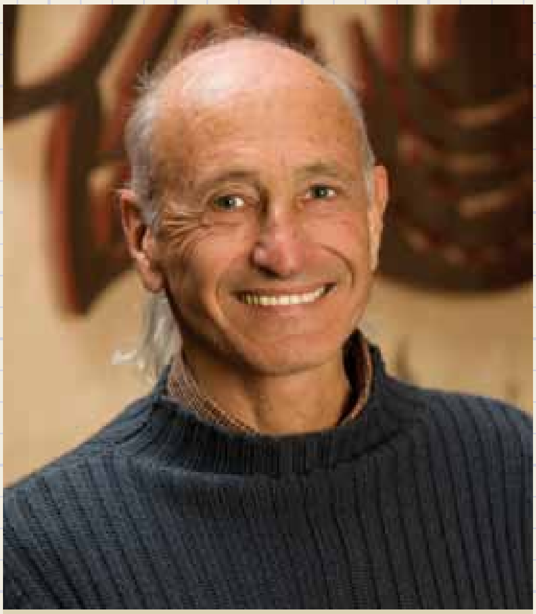
Challenging times call for strong and decisive leadership and I would like to thank our management team headed up by managing director, Pierre van Tonder, for their hard work, as well as my fellow directors and especially our employees for their considerable contributions.

Thank you to our shareholders, franchisees, suppliers, business partners and advisers for your continued support. Thank you to our loyal customers who have continued to make us their first choice eating out experience.

Allen Ambor **Executive Chairman**

SPUR CORPORATION

DIRECTORS

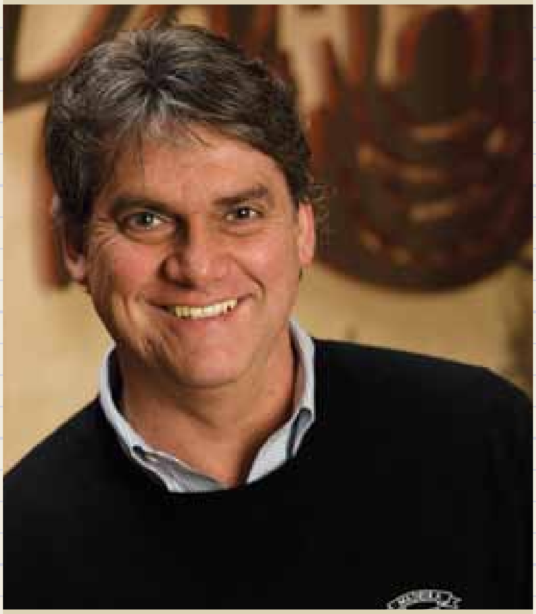


Allen Ambor (Age 68)
EXECUTIVE CHAIRMAN

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 50)
MANAGING DIRECTOR

Pierre joined the Spur group in 1982. His 27-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 11 years saw Pierre making fast progress up the management ladder. In 1996 he was appointed Managing Director of Spur Corporation.



Mark Farrelly (Age 45)
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.

Ronel van Dijk (Age 37)
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.

Kevin Robertson (Age 43)
EXECUTIVE DIRECTOR

Kevin joined Spur in 1987 as a waiter at Yellowstone Spur, Carletonville. He progressed through the ranks and was appointed as Managing Director of Panarottis Pizza Pasta franchise in 1999. He was appointed to the board at the same time. Kevin is currently responsible for the group's operations in the United Kingdom.

Phillip Joffe (Age 59)
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.

Keith Madders (Age 61)
NON-EXECUTIVE DIRECTOR MBE (DEPUTY CHAIRMAN)

Keith was born in Zimbabwe, studied at UCT 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 53)
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 42)
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.

Muzi Kuzwayo (Age 41)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Muzi is a Visiting Professor at the UCT Graduate School of Business. He is also a businessman and the former CEO of TBWA/Hunt/Lascaris. He was previously a director of King James Advertising and has worked for various advertising agencies. Muzi was appointed to the board during the year.

KEY MANAGEMENT

Blaine Freer - DEVELOPMENT (AGE 44)
Blaine started his career as a waiter while in high school. He moved into management and became a partner in various Spur restaurants. He joined Head Office in 1998, after ten years as a Spur franchisee. He is responsible for the development of new restaurants and the relocation and revamping of existing outlets.

Britt Fuller - NATIONAL TRAINING (AGE 43)
Britt has almost 27 years of experience in the restaurant business, starting when she helped out in her mother's restaurant. Britt joined Spur almost 14 years ago and is currently responsible for national training.

Coleen Eva - GAUTENG MANUFACTURING FACILITY (AGE 58)
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 49)
Duncan started out in the packaging business. He began his career at Spur as a waiter 25 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.

Ian McMahon - GROUP INFORMATION TECHNOLOGY (AGE 41)
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.

Louw Liebenberg - CHIEF OPERATING OFFICER - PANAROTTIS (AGE 34)
Louw joined Spur in October 2008, to take over the reigns from Kevin Robertson in managing the operations and future growth of the Panarottis Pizza Pasta franchise business in South Africa. He has an MBA from the University of Cape Town and a Masters degree from the University of Stellenbosch.

Michele van der Merwe - SUPPLY CHAIN MANAGER (AGE 41)
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 to Johannesburg in 1999 into the food and beverage business. She joined the Spur group in May 2006. She is primarily responsible for managing the suppliers of restaurant products to the Spur group and ensuring a secure supply chain that minimises inefficiencies within the group.

Peter Wright - HUMAN RESOURCES (AGE 58)
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.

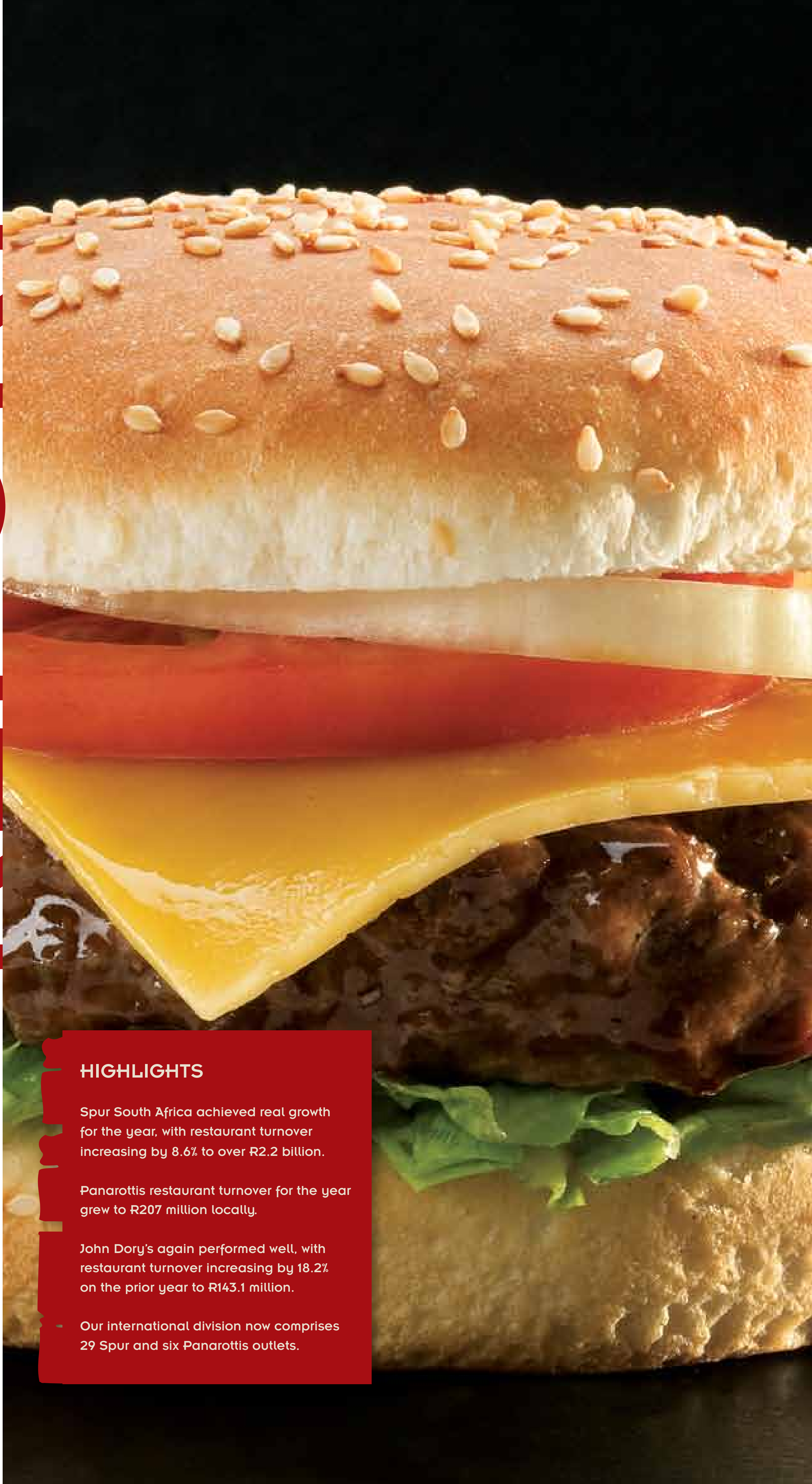
Phillip Matthee – CHIEF FINANCIAL OFFICER (AGE 31)
Phillip joined Spur in January 2007 as New Business Development Manager. He qualified as a CA(SA) in December 2002 after completing his articles at a Big Four audit firm. He worked for a further two years in the audit profession and then as Group Accountant for a large retail chain before joining Spur. In September 2008 Phillip was appointed group Chief Financial Officer.

Raymond Suter - REGIONAL OPERATIONS (AGE 44)
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 MANAGER (AGE 31)
Sacha joined Spur in January 2007. He has a 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 42)
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 grew John Dory's Fish & Grill into a successful brand, comprising seven outlets in KwaZulu-Natal, before selling 60% of the business to Spur Corporation.

MANAGING DIRECTOR'S REPORT



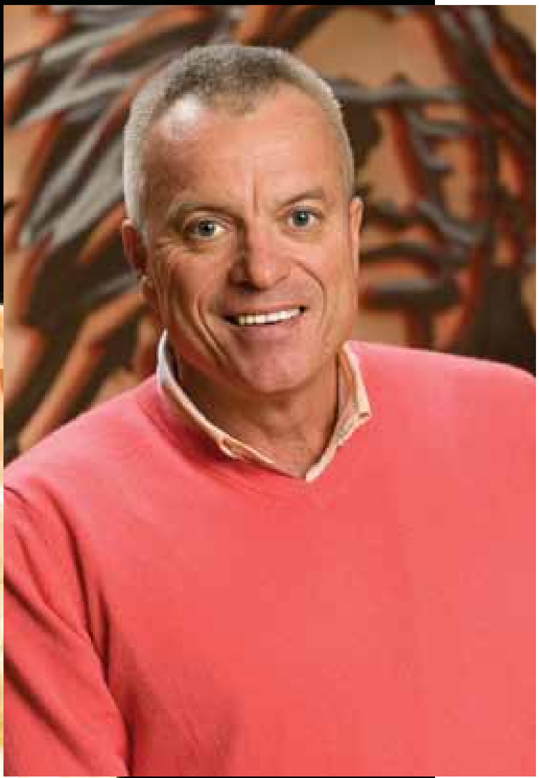
HIGHLIGHTS

Spur South Africa achieved real growth for the year, with restaurant turnover increasing by 8.6% to over R2.2 billion.

Panarottis restaurant turnover for the year grew to R207 million locally.

John Dory's again performed well, with restaurant turnover increasing by 18.2% on the prior year to R143.1 million.

Our international division now comprises 29 Spur and six Panarottis outlets.



Pierre van Tonder MANAGING DIRECTOR

OVERVIEW

The past financial year has seen the South African and world economies being subjected to severe recessionary forces, the likes of which have not been experienced for many years. This has adversely affected consumers' disposable income in general and the restaurant industry, as with many other industries, has experienced the consequences. While this has resulted in reduced frequency of visits to our restaurants, our brands' value-for-money offerings have sustained customer loyalty and ensured continuous revenue growth for the year under review.

Restaurant turnover globally increased to R2.9 billion for the year, while group revenue increased by 10.5% to R326.8 million. Franchise fee income in Spur Steak Ranches (local only) rose by 8.7% to R112.1 million, Panarottis Pizza Pasta by 3.8% to R9.9 million and John Dory's Fish & Grill by 18.1% to R6.6 million. International franchise fee income increased by 2.4% to R13.4 million.

Spur Corporation increased its restaurant base to 347 across its three franchise brands locally and internationally, comprising 269 Spur Steak Ranches, 56 Panarottis and 22 John Dory's outlets.

SPUR STEAK RANCHES

Despite recessionary pressures, Spur South Africa again achieved real growth for the year, with restaurant turnover increasing by 8.6% to over R2.2 billion. This can be attributed to a combination of market appeal, stringent enforcement of operating standards, persuasive and relevant marketing and customer-focused menu engineering.

Although food prices have stabilised, food inflation during the course of the year necessitated two menu price increases of an average of 4% and 7% in October 2008 and May 2009 respectively. Pricing remains competitive and sales volumes were not negatively impacted by these increases.

Spur opened 10 restaurants locally, completed nine major revamps and relocated seven outlets from redundant to higher volume locations in the same geographic and demographic areas. This included the creation of a "signature store" concept for high profile sites. The first example of this initiative was the revamp of the Santa Ana Spur in the V&A Waterfront in Cape Town, followed by the opening of two new outlets in Bryanston and the Bloemfontein Waterfront. Soaring Hawk Spur, in the Cape Town International Airport, is in the process of being relocated to a new site and is scheduled to re-open as a signature store in November 2009. These restaurants, which feature a complete re-design of décor, are being extremely well received.

Our new kids club loyalty card was launched during the year and sent to all our Spur Secret Tribe birthday club members. We are in the process of refining the model and making enhancements with a view to implementing personalised communication to further promote loyalty. All our restaurants have installed the necessary software which enables us to track and monitor the use of the card. This information is crucial to our marketing initiatives and menu engineering.

PANAROTTIS PIZZA PASTA

Panarottis restaurant turnover for the year grew to R207 million locally.

The new Panarottis restaurant design continued to be rolled out during the year, with a further five restaurants having been updated. The revamp drive will continue in the year ahead.

Menu innovation has been at the core of ensuring turnover growth in-store. The kids "Dough-it-yourself" concept that was launched nationally in December 2008 proved particularly successful. Significant time and effort is being invested by our national marketing team into constantly innovating the customer value proposition to ensure the brand remains fresh and relevant to changing consumer demands. In particular, the ongoing "All you can eat" Thursdays and implementation of "Chow more Tuesdays" during the year under review have been well received. The introduction of "Kids eat free" Sundays in the new year is expected to achieve similar successes.

While we have managed to retain our 50 restaurant base locally through the economic recession, our priority over the next 12 months is to grow beyond the organic turnover increase expected from our existing restaurants. In this regard, we are currently negotiating the opening of several additional outlets in the new financial year.

JOHN DORY'S FISH & GRILL

John Dory's again performed well, with restaurant turnover increasing by 18.2% on the prior year to R143.1 million. One new restaurant was opened during the year.

The updated John Dory's restaurant design specification, which now includes a sushi belt, continued to be rolled out during the year and has had a positive impact on revenues. The revamp programme in KwaZulu-Natal is almost complete, with only one outlet still to be refurbished. Focus for the year ahead will be on the Western Cape and Gauteng regions.

Our strategy of value added promotions in-store, as well as aggressive marketing campaigns on radio and in newspapers, will continue in the year ahead. The launch of the "John's Club" loyalty programme in the new financial year will add a new dimension to direct marketing and the creation of a loyal customer base. Our new website was also launched in July 2009.

Three new restaurants are planned for the new year, with several other possible locations being investigated.

SPUR INTERNATIONAL

Our international division now comprises 29 Spur Steak Ranches and six Panarottis Pizza Pasta outlets.

New Spur Steak Ranches were opened in Nairobi, Kenya (franchised), and in Derby, United Kingdom (retail).

Africa continues to trade well and produced strong results. We are in the process of identifying further locations in Kenya and Tanzania and investigating the possibility of opening outlets in Zambia, Swaziland, Nigeria, Mozambique, Ghana and Angola.

Taking into account the current recessionary climate, our restaurants in the United Kingdom and Ireland continue to trade satisfactorily. We are scheduled to open a new company-owned outlet in Aberdeen, Scotland, in November 2009. Several further sites are being investigated and we are positive about the prospects for growth in this territory. We have appointed Kevin Robertson, previously managing director of Panarottis, as head of our UK operations and he will be relocating to the UK in due course.

The impact of the worldwide recession on Australia has been more pronounced in our industry. Despite this, four of the seven restaurants in Australia delivered solid performances. Our Panarottis outlet in Penrith was closed for most of the year as a result of a complete revamp but, since its re-opening in May 2009, is also trading well. Persistent historic accounting and cash flow losses, exacerbated by a deterioration in economic conditions, in two of our retail outlets in Australia, Seven Eagles Spur, Erina Fair and Mustang Spur, Campbelltown resulted in an impairment loss of R10.0 million for the year under review. Remedial strategies have been implemented to address the poor performance of these outlets and the board therefore intends continuing to trade them.

We have finalised negotiations for a franchised Spur restaurant in Perth which is due to open in December 2009.

Our first franchised Spur outlet in the Middle East is scheduled to open in Dubai in November 2009. We continue to explore potential expansion in this region.

PROCUREMENT, WHOLESALE AND DISTRIBUTION

The past year has seen an increased focus on ensuring that we have the right supply partners who are capable of meeting our ever more stringent supply and food safety requirements. The supply chain system continues to enhance supply partnerships in order to deliver consistently good quality products at competitive prices. We continue to reap the rewards of our long-term partnership approach, which delivers far greater benefits than short-term deals that are based purely on price.

We constantly monitor the performance of our supply partners and outsourced distributor in order to ensure supply and quality requirements are complied with at all times. This has led to improved planning, co-ordination, and communication throughout the supply chain which in turn has resulted in a more consistent supply of products.

Margins in our manufacturing division improved as a result of production efficiencies, the reformulation of certain products and improved procurement controls. Sales of our retail sauce range in South African supermarkets continued to grow brand awareness. Growth initiatives include the launch of further innovative retail sauces and other products.

MARKETING

During the past year, restaurants, from fast food to fine dining, saw a return to simple value offerings focused on promoting quality menu items at more affordable prices. Innovation of product and experience remained the key brand differentiators for growth.

Spur's advertising reflects generosity, family values, South African witty humour and optimistic patriotism. Three brand advertisements were produced during the year, all of which received positive feedback from customers and franchisees. One advertisement won a Khuza Award in 2009. Our retail strategy was delivered through the implementation of 12 value added campaigns, "Saturday rib night", our Mexican campaign and Spur theme evenings.

Our Spur brand strategy remains focused on creating South Africa's "Most liked home grown icon Brand". Our strategic communication themes for the upcoming financial year will be focused on delivering customer value propositions that drive turnover, aiding our franchisees with their creation of memorable customer experiences and growing our long-term brand equity.

Panarottis is positioned as the accessible fun Italian restaurant for everyone and "Authentic Italian with a dash of South African" is the strap line that positions our advertising.

John Dory's is positioned as South Africa's most exciting, up and coming fish and grill restaurant, offering superb value, a huge variety of food, including sushi, and a great atmosphere to all South Africans.

Our two major annual initiatives, namely Spur Soccer Masidlale and Spur Adventure, received renewed focus. An addition to the Masidlale campaign was the Spur Masidlale "seven a side" soccer league, a ten week mini tournament for 200 learners, held in Gauteng. Other notable initiatives included FNB Classic Clashes and the development of our National Schools Mountain Biking League.

The Spur Customer Care Centre continues to grow and since the launch of our new kids Secret Tribe Totem Card in October 2008, there has been a significant growth of over 60% in interactions with our customers. An increasing number of calls related to service compliments.

INFORMATION TECHNOLOGY

We continue to invest in our information technology infrastructure to satisfy the business need for on-time information and relevant business intelligence in a competitive and difficult trading environment.

The development of a new data warehouse is underway and, once completed, is expected to improve substantially the business intelligence available for managing operations, procurement, product and recipe management and menu engineering. Enhancements to our extranet will, in time, afford us the opportunity of providing more relevant information to franchisees in an effort to assist them to improve the management of their operations.

Our internal radio station, Taste FM, continues to deliver a consistent and enjoyable in-store listening experience for our customers and facilitates effective communication to all employees in our restaurants. Incentives, facilitated by Taste FM, have improved employee morale and motivated employees to increase restaurant turnover.

THANKS

I wish to thank the heads of our three restaurant brands, Mark Farrelly, Louw Liebenberg and Stamatis Kapsimalis as well as Kevin Robertson and Ronel van Dijk, their teams and all support staff for their dedication and commitment throughout the past year and for again delivering solid results. I also wish to thank our franchisees, customers and suppliers for their loyalty and look forward to their continued support in the year ahead.

Pierre van Tonder MANAGING DIRECTOR


Steak
Ranches

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 II") and embraces the principles of integrity, transparency and accountability.

Spur Corporation complies with the principles and spirit of King II 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;
- Setting governance policy and practices; and
- Approval of annual financial statements.

Spur Corporation has a unitary board structure comprising of one independent non-executive director, three non-executive directors who, in the opinion of the board, act independently and six executive directors.

Non-executive director, John Rabb, resigned from the board of directors with effect from 25 February 2009. Muzi Kuzwayo was appointed to the board as an independent non-executive director on 15 October 2008. Muzi Kuzwayo is classified as independent in terms of both the King II definition and the Corporate Laws Amendment Act 24 of 2006. Keith Madders renders strategic consulting services on a contractual basis to the group, Dean Hyde provides professional services on an ad hoc basis to the group, while Keith Getz is a partner of the group's principal legal counsel. Notwithstanding the existing relationships between the group and these directors, the board is satisfied that Keith Madders, Dean Hyde and Keith Getz act independently.

Biographical information on the directors is detailed on pages 12 and 13.

The board has delegated authority to the managing director, executive directors and senior management for the implementation of the strategy and the ongoing management of the business. The chairman, Allen Ambor, and the managing director, 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 formally 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 managing director.

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.

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 a board planning meeting.

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 (including financial controls); • Assess and report on regulatory and legislative compliance; • Review policies and procedures for detecting fraud; • Review and approve major accounting and financial reporting issues; • Receive and deal with complaints relating to accounting practices and the content or auditing of the group's financial statements; • Act as a liaison between the external auditor and the board; • Review and approve the audit service and any non-audit services provided by the external auditor; • Assess independence of the external auditor and approve the annual nomination for the appointment of the external auditor at the annual general meeting; • Assess performance and approve remuneration of the external auditor; • Review and approve internal and external audit plans and reports; • 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 audits.	**Three non-executive directors:** Keith Madders* (chairman) Dean Hyde* John Rabb**(resigned during year) Muzi Kuzwayo** (appointed during year) **Invitees:** Directors, executive management, external audit partners and staff. * Acts independently as required in terms of the Corporate Laws Amendment Act 24 of 2006 ** Independent in terms of the definition of King II **Meetings:** Two during the year under review.

The committee discharges its responsibilities by meeting formally at least twice a year to review the group's interim and annual results and trading statements before publication, to receive and review internal audit reports and reports from the external auditor and to meet with management to review their progress on key issues relating to financial controls. The findings and recommendations of the committee are reported to the board at the following board meeting, which is always held within a week of the committee meeting.

The committee meets informally on an ad hoc basis with internal audit, the external auditor and management to address key issues as the need arises, specifically to consider risk assessment and management, review the audit plans of the external and internal auditors and to review accounting, auditing, financial reporting, corporate governance and compliance matters. The internal audit charter, internal audit plan and internal audit conclusions are similarly reviewed and approved by the committee. In light of King III's recommendations in relation to internal audit, which will be effective in 2010, the committee is currently reviewing the group's internal audit scope and function.

Management meets with the external auditor on a regular basis to identify audit risks which, if significant, are reported to the audit committee.

Summarised financial information relating to the performance of the group is presented to the chairman of the audit committee and the external auditor by management on a regular basis.

The committee discharges all audit committee responsibilities of all the subsidiaries within the group.

The external and internal auditors have unrestricted access to the committee.

Both the audit committee and the board are satisfied that there is adequate segregation between the external and internal audit functions and that the independence of the internal and external auditors is not in any way impaired or compromised.

In accordance with the JSE Listing requirements, the committee must consider and be satisfied, on an annual basis, of the appropriateness of the expertise and experience of the financial director. In this regard, the audit committee has concluded that Ronel van Dijk, the financial director, possesses the appropriate expertise and experience to meet her responsibilities in that position.

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* (resigned during year) Muzi Kuzwayo* (appointed during year) *Independent in terms of the definition of King II **Meetings:** One during the year under review.

Details of the directors' remuneration are disclosed in note 34 on page 79 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; and • Assess and review compliance with applicable laws, regulations and supervisory requirements.	**Three non-executive directors:** Keith Madders (chairman) Dean Hyde John Rabb* (resigned during year) Muzi Kuzwayo* (appointed during year) **Five executive directors:** Pierre van Tonder Mark Farrelly Ronel van Dijk Kevin Robertson Phillip Joffe **Invitees:** The chairman of the board, internal audit and finance staff *Independent in terms of the definition of King II **Meetings:** Two during the year under review.

The board recognises the importance of an effective risk management process. The board is responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key business risks. The board is assisted in this regard by the risk committee. Management is responsible for identifying, evaluating and managing risk. The risk management process, which is assessed by the risk committee, involves a system of senior management identifying, evaluating and prioritising strategic and operational risks and implementing appropriate controls or such other responses necessary to mitigate, to the extent reasonably possible, the risks. Risks are continuously identified and mitigated in terms of a process of allocating "risk owners", developing response strategies and monitoring compliance with these strategies.

Insurance is reviewed on an annual basis by senior management, including the financial director and managing director. Ad hoc changes to insurance cover are made during the period between the annual reviews in the event of significant changes in circumstances or acquisitions or disposals of significant assets. The committee reviews the insurance cover with management at the committee meeting following the annual review.

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, managing director and executive directors; and • Make recommendations in respect of directors retiring by rotation, or by contract, to be put forward for re-election.	**Three (2008: four) non-executive directors:** Keith Madders (chairman) Keith Getz Dean Hyde John Rabb* (resigned during year) *Independent in terms of the definition of King II **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	2	1	2	1
Allen Ambor	2			2	
Pierre van Tonder	2	2		2	
Mark Farrelly	2			2	
Ronel van Dijk	2	2		2	
Kevin Robertson	2			1	
Phillip Joffe	2	2		2	
Keith Madders	2	2	1	2	1
Keith Getz	2	1	1		1
Dean Hyde	1	2	1	2	1
John Rabb	2	1	1		1
Muzi Kuzwayo		1		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.

Operational Exco committee

This committee comprises executive directors, Pierre van Tonder, Ronel van Dijk, Mark Farrelly and Kevin Robertson, and includes heads of all functional areas within the group. The Operational Exco committee meets twice a year to commit to plans to implement the board's strategy, identify and assess risks within the group, identify new business opportunities and review performance against key metrics. The committee is chaired by the managing director, Pierre van Tonder. Significant matters are raised at board meetings or meetings of board sub-committees.

Treasury committee

This committee comprises executive directors, Pierre van Tonder, Ronel van Dijk and Phillip Joffe and finance employees. The committee reviews cash flow projections and monitors short-term investments to manage liquidity within the group, diversify the group's short-term investments amongst various financial institutions and maximise the return on short-term investments.

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 auditor has unrestricted access to the chairman and members of the audit committee. The internal audit function reports directly to the audit committee;
- The risk 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; and
- No significant non-audit work was performed by the external auditor 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 and when price-sensitive information may be known. 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.

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.


Spur
Steak
Ranches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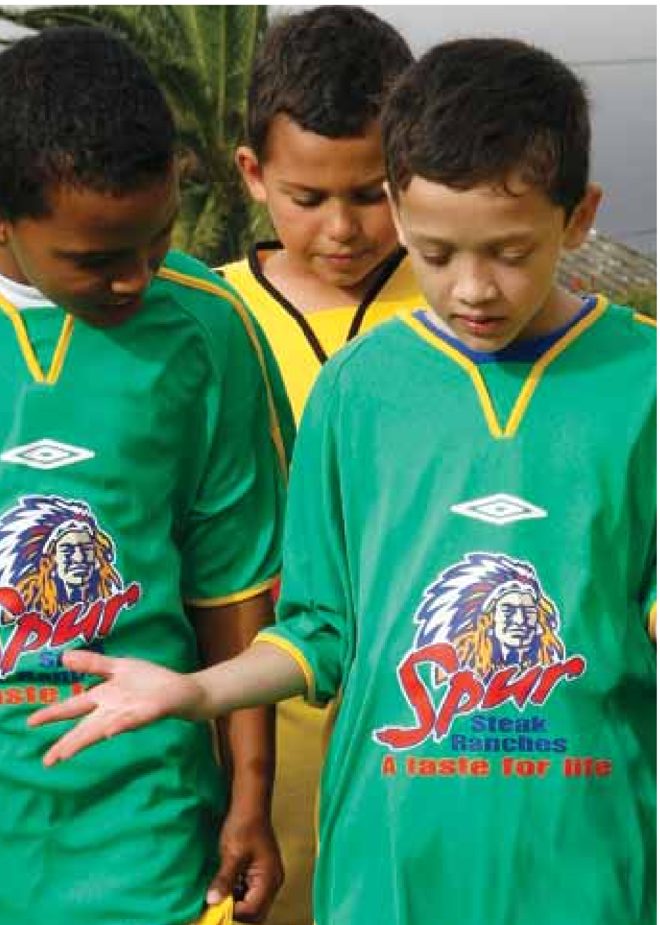
Spur
Steak
Ranches
A taste for life

CORPORATE
SOCIAL VISION

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 throughout Africa daily, to manage and distribute the Spur CSI funds.

MORE THAN 140 SPORT AND RECREATIONAL EVENTS TOOK PLACE IN 2009, 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 fifth 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. A new addition to the Masidlale campaign was the Spur Masidlale "seven a side" soccer league, a ten week mini tournament for 200 learners, held in Gauteng;

- Spur has continued to support the development of the National Schools Mountain Biking League, which will incorporate 40 new events in the year ahead, focusing on children aged 14 to 19. 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 as well as a Junior Rugby Development day in the Western Cape; and

- The Spur annual charity golf tour, comprising four regional events, raised over R300 000 for the development of underprivileged potential junior players and the feeding of underprivileged children within school feeding schemes.

EMPLOYEES

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 employee composition at 30 June 2009 in South Africa was as follows:

Occupational levels	Male	Female	Total	Black	White
Top management	5	1	**6**	-	6
Senior management	17	2	**19**	-	19
Professionally qualified and experienced specialists and mid-management	7	9	**16**	4	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	39	36	**75**	20	55
Semi-skilled and discretionary decision-making	16	31	**47**	32	15
Unskilled and defined decision-making	11	8	**19**	19	-
Total permanent	**95**	**87**	**182**	**75**	**107**
Non-permanent	-	1	**1**	1	-
Total	**95**	**88**	**183**	**76**	**107**

Training

Customer service excellence is core to our 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 and Johannesburg. During the past year 5 841 delegates attended internal and external training workshops.

Classroom training is supplemented with practical training at a number of accredited training restaurants in Gauteng, KwaZulu-Natal and the Western Cape for new franchisees and management. This training ensures that management are capable of operating all areas of a franchise business. During the year 133 people were trained in these facilities.

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 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 enhance further the skills required for the execution of their daily duties. Financial assistance is also provided to employees to fund their dependents' primary and secondary education requirements.

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 seven 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 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 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 19 on page 72.

GROUP CASH VALUE ADDED STATEMENT

for the year ended 30 June

	2009 R'000	%	2008 R'000	%
Cash derived from revenue	**329 051**		293 030*	
Paid to suppliers for materials and services	**(121 684)**		(99 531)*	
Cash value added	**207 367**		193 499	
Interest received	**7 978**		6 420	
Total wealth created	**215 345**		199 919*	
Distributed as follows:				
Employees	**75 766**	**35.2**	72 557	36.3
Providers of capital				
- Interest paid	**2 175**		1 568	
- Distributions to shareholders	**47 722**		50 199	
- Shares repurchased	**2 013**		-	
	51 910	**24.1**	51 767	25.9
Monetary exchanges with government				
- Tax on profit	**34 292**		24 763	
- Employee's Tax	**11 531**		10 029	
- Value Added Tax	**25 269**		20 218	
	71 092	**33.0**	55 010	27.5
Retained to develop future growth	**16 577**	**7.7**	20 585*	10.3
Total wealth distributed	**215 345**	**100.0**	199 919*	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 re-invested in the group for the replacement of assets and the development of future operations.

* Restated. Refer note 40 on page 88 of this report.

5 YEAR REVIEW

	footnote	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 restated R'000	2005 pre-IFRS R'000
Income statement							
Revenue		**326 774**	295 838	215 411	182 692	200 632	200 632
Operating profit	1	**96 196**	85 242	89 241	77 188	66 020	68 531
Net finance income		**6 219**	4 852	3 754	4 007	4 823	4 823
Profit before tax		**102 415**	90 094	92 995	81 195	70 843	73 354
Headline earnings	2	**74 476**	67 395	80 685	57 971	50 223	51 084
Balance sheet							
Property, plant and equipment		**84 429**	98 890	82 982	37 612	27 100	26 231
Cash and cash equivalents		**83 887**	66 865	45 134	45 689	41 637	41 637
Bank overdraft		**2 853**	2 262	916	4 801	1 934	1 934
Cash flow statement							
Net cash flows from operating activities		**35 673**	34 343*	48 442	18 035	20 496	17 284
Share statistics							
Weighted average number of shares (000's)	2	**87 942**	88 156	88 156	88 156	90 783	90 783
Earnings per share (cents)	2	**71.94**	67.23	92.80	65.78	55.79	57.19
Headline earnings per share (cents)	2	**84.69**	76.45	91.53	65.76	55.32	56.27
Cash flow earnings per share (cents)	3	**102.02**	105.51*	94.68	71.90	63.39	64.32
Operating cash flow per share (cents)	4	**40.56**	38.96*	54.95	20.46	22.57	19.04
Net asset value per share (cents)	5	**494.30**	495.83	457.87	411.36	381.81	141.60
Distribution per share (cents)	6	**55.00**	55.00	55.00	47.00	40.00	40.00
Distribution cover (times)	7	**1.5**	1.4	1.7	1.4	1.4	1.4

	footnote	2009 R'000	2008 R'000	2007 R'000	2006 R'000	2005 restated R'000	2005 pre-IFRS R'000
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)		**28 271**	24 712	22 417	21 155	31 476	31 476
Value of shares traded (R'000)		**195 639**	222 263	221 793	172 545	170 121	170 121
Percentage of issued shares traded (%)		**28.96**	25.31	22.96	21.67	32.24	32.24
Market price per share (cents)							
- close		**840**	620	1180	830	650	650
- high		**995**	1210	1250	930	650	650
- low		**560**	620	820	625	431	431
Headline earnings yield (%)	8	**10.08**	12.33	7.76	7.92	8.51	8.66
Distribution yield (%)	9	**6.55**	8.87	4.66	5.66	6.15	6.15
Price earnings ratio		**9.92**	8.11	12.89	12.62	11.76	11.55
Market capitalisation (R'000)		**820 117**	605 325	1 152 069	810 354	634 615	634 615
Business performance							
Operating profit margin (%)	10	**33.26**	32.14	40.86	42.85	32.16	32.47
Return on equity (%)	11	**17.58**	15.89	19.95	16.21	14.60	38.94
Return on assets (%)	12	**13.98**	12.47	16.24	13.37	12.05	29.69
Liquidity ratio	13	**2.86**	2.07	1.72	2.38	1.99	2.22

* Restated. Refer note 40 on page 88 of this report.

Footnotes

1 Includes share of loss/income of associate companies.
2 Refer to note 9 of the annual financial statements on page 64.
3 Operating profit before working capital changes plus net interest received/(paid) less tax paid divided by the weighted average number of shares in issue.
4 Net cash flows 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 (net of treasury shares).
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 assets.
13 Current assets divided by current liabilities.

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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 auditor is responsible for reporting on the financial statements.

The annual financial statements and group annual financial statements of Spur Corporation Limited, set out on pages 40 to 93, were approved by the board of directors on 9 October 2009 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 2009, 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

9 October 2009

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 2009, 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 40 to 93.

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, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Spur Corporation Limited at 30 June 2009 and its consolidated and separate financial performance and consolidated and separate 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, 9 October 2009

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

DIRECTORS' REPORT

The directors present their tenth annual report, which forms part of the audited financial statements of the company and of the group for the year ended 30 June 2009.

NATURE OF THE BUSINESS

Spur Corporation Limited, which is domiciled and incorporated in the Republic of South Africa and listed on the JSE Limited, the recognised securities exchange in South Africa, is an investment holding company. Through its subsidiaries, primarily Spur Group (Pty) Ltd, John Dory's Franchise (Pty) Ltd, Steak Ranches International BV, Spur Corporation UK Ltd and Spur Corporation Australia Pty 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, John Dory's Advertising (Pty) Ltd, Spur Advertising UK Ltd, Spur Advertising Australia Pty Ltd and Panarottis Advertising Australia Pty Ltd, the group provides marketing and promotional services to franchisees. The company also has indirect interests in various companies in the United Kingdom and Australia which own and operate retail Spur and Panarottis restaurants in those territories.

FINANCIAL REVIEW

The group's income statement is presented on page 44 and reflects the group's operational results.

Spur Corporation has again demonstrated the strength of its brands as the group posted a 10.5% growth in revenue to R326.8 million (2008: R295.8 million) in the most difficult trading conditions experienced in many years.

The restaurant industry continued to face pressure from reduced consumer spending and high food price inflation. While lower disposable income levels resulted in reduced frequency of visits to restaurants, the group's brands' value propositions remained healthy, sustaining customer loyalty and ensuring continuous revenue growth during the year under review. Franchise fee income in Spur increased by 8.7% to R112.1 million, Panarottis by 3.8% to R9.9 million and John Dory's by 18.1% to R6.6 million. International franchise fee income increased by 2.4% to R13.4 million.

Operating profit for the year increased by 14.2% to R97.7 million (2008: R85.5 million). Worldwide recessionary trading conditions led to the group impairing the assets and goodwill of two of its retail outlets in Australia, where the impact of the recession in the restaurant industry has been more pronounced. The impact on operating profit is R10.0 million. Headline earnings increased 10.5% to R74.5 million (2008: R67.4 million), with diluted headline earnings per share growing 12.3% to 83.12 cents (2008: 73.99 cents).

AUDIT AND RISK COMMITTEES

Pages 23 and 24 of the Corporate Governance section of this report set out the responsibilities of the audit and risk committees and how these responsibilities have been discharged during the year.

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 2009. A wholly-owned subsidiary of the group acquired an additional 290 000 of the company's shares during the year resulting in the number of shares in issue, net of treasury shares reducing to 87 865 507 at 30 June 2009 from 88 155 507 at 30 June 2008. Of the treasury shares held by the group, 8 274 043 (2008: 8 274 043) shares are owned by a special purpose entity for the purposes of the group's management incentive scheme. These shares are treated as treasury shares as the company consolidates the special purpose entity, although the group has no direct interest in this special purpose entity. Further details are disclosed in note 19 on page 72 of this report.

INTEREST IN SUBSIDIARY COMPANIES

Details of the share capital and the company's interests 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	1.0		100
- Spur Group (Pty) Ltd	South Africa	0.1	4 712	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	3 267	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	173.3		100
- Spur Corporation Australia Pty Ltd*	Australia	0.6		100
- Spur Advertising Australia Pty Ltd*	Australia	0.1		100
- Panarottis Advertising Australia Pty Ltd*	Australia	0.1		100
- Spurcentral Pty Ltd*	Australia	0.6		100
- Panhold Pty Ltd*	Australia	5.0		70
- Panawest Pty Ltd*	Australia	631.0		93
- Caspur Pty Ltd*	Australia	772.0		100
- Spur Corporation UK Ltd*	United Kingdom	2.7		100
- Larkspur One Ltd*	United Kingdom	1.4		90
- Larkspur Two Ltd*	United Kingdom	1.4		100
- Larkspur Four Ltd*	United Kingdom	1.5		100
- Mohawk Spur Ltd*	United Kingdom	15.1		100
- Spur Advertising UK Ltd*	United Kingdom	1.3		100
Dormant		1.4		100
			7 979	

* Indirect

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

	2009 R'000	2008 R'000
Profits	**84 471**	74 238
Losses	**(19 217)**	(14 695)

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 Requirements.

DISTRIBUTIONS

A final distribution in respect of the 2008 financial year of 27.0 cents per share comprising a capital reduction in lieu of dividends payable to shareholders of R11.3 million, equating to 11.6 cents per share, and a cash dividend of 15.4 cents per share, was paid to shareholders on 6 October 2008. The capital reduction was written off against the share premium account.

An interim cash dividend of 27.0 cents per share was paid to shareholders on 23 March 2009.

The directors declared a final cash dividend of 28.0 cents per share on 8 September 2009, to be paid on 5 October 2009 to those shareholders of the company who are recorded in the company's register on 2 October 2009. As this dividend was declared after the balance sheet date, it will only be accounted for in the 2010 financial year. The declaration of this dividend will result in a Secondary tax on companies charge of R2.7 million, which will be accounted for in the 2010 financial year.

SPECIAL RESOLUTION

On 5 December 2008, 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 12, 13 and 97. 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, Kevin Robertson, Keith Getz, Keith Madders and Allen Ambor retire at the forthcoming annual general meeting. These directors, 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.

John Rabb resigned from the board with effect from 25 February 2009. Muzi Kuzwayo was appointed to the board on 15 October 2008 as an independent non-executive director. In terms of the company's Articles of Association, the appointment of Muzi Kuzwayo is to be approved by shareholders at the forthcoming annual general meeting.

DIRECTORS' INTERESTS

No contracts in which the 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' interests in the ordinary shares are as follows:

	2009			2008		
	Direct beneficial	Indirect beneficial	Held by associates	Direct beneficial	Indirect beneficial	Held by associates
Allen Ambor	**3 086 685**	**838 009**	**-**	3 086 685	814 609	-
Pierre van Tonder	**-**	**1 265 000**	**-**	-	1 240 790	-
Mark Farrelly	**-**	**960 445**	**-**	-	936 445	-
Ronel van Dijk	**73 244**	**749 139**	**-**	73 244	374 578	-
Kevin Robertson	**-**	**773 156**	**-**	-	749 156	-
Phillip Joffe	**-**	**310 000**	**-**	-	300 000	-
Keith Madders	**-**	**1 112 022**	**-**	-	1 112 022	-
Dean Hyde	**15 800**	**-**	**-**	15 000	-	-
Keith Getz	**2 491**	**-**	**820**	2 491	-	820
John Rabb**				60 000	-	-
Muzi Kuzwayo***	**-**	**-**	**-**	-	-	-
Total	**3 178 220**	**6 007 771**	**820**	3 237 420	5 527 600	820
% Interest*	**3.3%**	**6.2%**	**0.0%**	3.4%	5.7%	0.0%

There have been no changes in directors' interests in share capital from 30 June 2009 to the date of posting of this annual report.

* 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 - see note 19 for more details).

** Resigned during the year.

*** Appointed during the year.

Share options allocated to non-executive directors in terms of the Spur Management Incentive Scheme (refer note 19)

	2009 No. of shares	2008 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 2009:

	No. of shares	%*
Allan Gray	17 099 828	17.8
Sanlam	8 274 446	8.6
Maxshell 72 Investments (Pty) Ltd**	8 274 043	8.6
Old Mutual	5 955 700	6.2
Metal and Engineering Industries pension and provident funds	4 323 796	4.5
Investec	4 212 652	4.4
Nedbank Group	3 593 089	3.7
Allen Ambor	3 555 785	3.7

* 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 - see note 19 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 19.

Public/non-public shareholders
An analysis of public and non-public shareholders is presented below:

	No. of shareholders	No. of shares	%
Non-public shareholders			
Directors and associates	9	4 760 162	4.9
Share incentive special purpose entity	1	8 274 043	8.5
Subsidiary holding treasury shares	1	1 493 283	1.5
Major shareholder - Allan Gray	1	17 099 828	17.5
Public shareholders	1 530	66 005 517	67.6
Total	1 542	97 632 833	100.0

Analysis of shareholding
An analysis of the spread of shareholding is presented below:

	No. of shareholders	%	No. of shares	%
Shareholder spread				
1 - 10 000 shares	1 187	76.9	2 964 424	3.0
10 001 - 25 000 shares	129	8.4	2 087 512	2.1
25 001 - 50 000 shares	65	4.2	2 504 545	2.6
50 001 - 100 000 shares	54	3.5	3 949 614	4.0
100 001 - 500 000 shares	69	4.5	15 872 209	16.3
500 001 - 1 000 000 shares	17	1.1	12 406 648	12.7
1 000 001 shares and over	21	1.4	57 847 881	59.3
	1 542	100.0	97 632 833	100.0

	No. of shareholders	%	No. of shares	%
Distribution of shareholders				
Banks and nominees	178	11.5	4 633 689	4.7
Endowment funds	16	1.0	1 170 061	1.2
Individuals	1 140	74.0	11 373 427	11.6
Investment companies	7	0.5	279 553	0.3
Insurance companies	17	1.1	5 034 635	5.2
Medical funds	6	0.4	982 991	1.0
Mutual funds	50	3.2	44 193 879	45.4
Own holdings	1	0.1	1 493 283	1.5
Pension and retirement funds	65	4.2	18 480 986	18.9
Private companies	25	1.6	8 816 054	9.0
Other corporate bodies	37	2.4	1 174 275	1.2
	1 542	100.0	97 632 833	100.0

BORROWINGS

In terms of the Articles of Association of the company and its main local operating entity, Spur Group (Pty) Ltd, the borrowing powers of the directors of these companies are unlimited. The group's overall level of debt reduced from R30.7 million to R22.9 million during the year.

GOING CONCERN

These annual financial statements have been prepared on the going concern basis. The board has performed a review of the group's ability to continue trading as a going concern in the foreseeable future and, based on this review, considers that the presentation of the financial statements on this basis is appropriate.

There are no pending or threatened legal or arbitration proceedings which have had or may have a material effect on the financial position of the company or group.

POST BALANCE SHEET EVENT

No material fact or circumstances have occurred between the balance sheet date and the date of this report, with the exception of the dividend declared detailed on page 41.

COMPANY INFORMATION

The company's registration number and registered address are presented on page 97. Shareholders and members of the public are advised that the register of the interests 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	2009 R'000	2008 R'000
Revenue	3	**326 774**	295 838
Cost of sales		**(70 796)**	(64 735)
Gross profit		**255 978**	231 103
Other operating income	4	**9 688**	10 278
Administration expenses		**(68 527)**	(62 221)
Core operations expenses		**(30 265)**	(27 310)
Distribution expenses		**(4 082)**	(3 837)
Non-trading loss - Australia	5	**(10 044)**	(5 854)
Retail operating expenses		**(55 087)**	(56 625)
Operating profit before finance income	5	**97 661**	85 534
Net interest received	6	**6 219**	4 852
Finance income		**8 394**	6 420
Finance expense		**(2 175)**	(1 568)
Share of loss of associate companies	7	**(1 465)**	(292)
Profit before tax		**102 415**	90 094
Total income tax expense	8	**(38 574)**	(30 492)
Income tax expense	8	**(38 574)**	(29 016)
Prior years' taxes relating to foreign subsidiary	8	**-**	(1 476)
Profit for the year		**63 841**	59 602
Attributable to:			
Equity holders of parent		**63 264**	59 266
Minority interest		**577**	336
Per share (cents)			
Basic earnings	9	**71.94**	67.23
Diluted earnings	9	**70.61**	65.07

GROUP BALANCE SHEET at 30 June

	Note	2009 R'000	2008 R'000
ASSETS			
NON-CURRENT ASSETS		**398 399**	427 940
Property, plant and equipment	10	**84 429**	98 890
Intangible assets and goodwill	11	**279 970**	281 867
Interest in associate companies	7	**6 540**	9 610
Loans receivable	12	**8 111**	14 910
Deferred tax	13	**16 618**	18 966
Other non-current asset	14	**2 731**	3 697
CURRENT ASSETS		**147 840**	129 194
Inventory	15	**6 066**	6 624
Trade and other receivables	16	**45 903**	48 666
Loans receivable	12	**8 417**	3 715
Tax receivable		**3 567**	3 324
Cash and cash equivalents	17	**83 887**	66 865
TOTAL ASSETS		**546 239**	557 134
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		**434 320**	437 102
Ordinary share capital	18	**1**	1
Share premium		**6**	11 331
Shares repurchased by subsidiaries		**(25 349)**	(24 301)
Foreign currency translation reserve		**8 888**	26 778
Share-based payments reserve	19	**20 554**	19 030
Retained earnings	20	**425 919**	399 948
Total equity attributable to equity holders of the parent		**430 019**	432 787
Minority shareholders' interest		**4 301**	4 315
NON-CURRENT LIABILITIES		**60 237**	57 636
Long-term loans payable	21	**11 413**	15 579
Operating lease liability	22	**1 352**	1 321
Deferred tax	13	**47 472**	40 736
CURRENT LIABILITIES		**51 682**	62 396
Trade and other payables	23	**30 639**	35 927
Loans payable	24	**11 441**	15 126
Shareholders for distribution		**398**	352
Tax payable		**6 351**	8 729
Bank overdrafts	17	**2 853**	2 262
TOTAL EQUITY AND LIABILITIES		**546 239**	557 134

Statement of Changes in GROUP EQUITY

for the year ended 30 June

	Note	Number of shares (net of treasury shares) 000's	Ordinary share capital R'000	Share premium R'000	Shares repurchased by subsidiaries R'000	Foreign currency translation reserve R'000	Share-based payments reserve R'000	Retained earnings R'000	Minority shareholders' interest R'000	Total R'000
Balance at 1 July 2007		88 156	1	66 982	(29 703)	7 128	17 817	340 682	729	403 636
Attributable profit for the year								59 266	336	59 602
Distributions	25			(55 651)	5 402					(50 249)
Share-based payments net of tax	19						1 524			1 524
Effects of change in tax rate							(311)			(311)
Foreign currency translation	6					23 260				23 260
Foreign exchange loss on net investments in foreign subsidiaries	6					(4 751)				(4 751)
Tax on foreign exchange loss on net investments in foreign subsidiaries						1 236				1 236
Foreign exchange effect on minority shareholders' interest						(95)			95	-
Issue of shares in subsidiaries to minorities	32.2								3 155	3 155
Balance at 1 July 2008		**88 156**	**1**	**11 331**	**(24 301)**	**26 778**	**19 030**	**399 948**	**4 315**	**437 102**
Shares repurchased by subsidiary		**(290)**			**(2 013)**					**(2 013)**
Attributable profit for the year								**63 264**	**577**	**63 841**
Distributions	25			**(11 325)**	**1 104**			**(37 293)**	**(254)**	**(47 768)**
Tax on treasury shares' capital distributions					**(139)**					**(139)**
Share-based payments net of tax	19						**1 524**			**1 524**
Foreign currency translation	6					**(14 831)**				**(14 831)**
Foreign exchange loss on net investments in foreign subsidiaries	6					**(4 298)**				**(4 298)**
Tax on foreign exchange loss on net investments in foreign subsidiaries						**1 096**				**1 096**
Acquisition of minority interest in subsidiary	32.1								**(194)**	**(194)**
Foreign exchange effect on minority shareholders' interests						**143**			**(143)**	-
Balance at 30 June 2009		**87 866**	**1**	**6**	**(25 349)**	**8 888**	**20 554**	**425 919**	**4 301**	**434 320**

GROUP CASH FLOW STATEMENT

for the year ended 30 June

	Note	2009 R'000	Restated* 2008 R'000
Cash flow from operating activities			
Operating profit before working capital changes	26	**118 205**	112 927 *
Working capital changes	27	**(6 321)**	(8 474)*
Cash generated from operations		**111 884**	104 453
Finance income received	28	**7 978**	6 420
Finance expense paid		**(2 175)**	(1 568)
Tax paid	29	**(34 292)**	(24 763)
Distributions paid	30	**(47 722)**	(50 199)
Net cash flow from operating activities		**35 673**	34 343
Cash flow from investing activities			
Additions of property, plant and equipment		**(13 783)**	(14 654)
Proceeds on disposal of property, plant and equipment		**546**	100
Additions of intangible assets		**-**	(2 861)
Acquisition of subsidiary companies	31	**-**	(15 251)
Proceeds on disposal of minority share in subsidiary	31	**-**	46
Acquisition of treasury shares	18	**(2 013)**	-
(Increase)/decrease in loans to associate companies and loans receivable		**(296)**	206
Net cash flow from investing activities		**(15 546)**	(32 414)
Cash flow from financing activities			
Interest-bearing loan received		**-**	20 000
Decrease in interest-bearing loans		**(3 550)**	(1 344)
Net cash flow from financing activities		**(3 550)**	18 656
Net movement in cash and cash equivalents		**16 577**	20 585
Effect of foreign exchange fluctuations		**(146)**	(200)*
Net cash and cash equivalents at beginning of year		**64 603**	44 218
Net cash and cash equivalents at end of year	17	**81 034**	64 603

*Restated. Refer note 40.

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 2009 comprise the company, its subsidiaries, controlled special purpose entities and the group's interests in associates, together referred to as "the group".

The financial statements were authorised for issue by the directors on 9 October 2009.

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 bases, 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 42). 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 and 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. A special purpose entity ("SPE") is consolidated if, based on an evaluation of the substance of its relationship with the group and the SPE's risks and rewards, the group concludes that it controls the SPE.

SPEs controlled by the group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management which result in the group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to risks incidental to the SPEs' activities, or retaining the majority of the residual or ownership risks related to the SPEs or their assets.

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. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity. Associates are accounted for using the equity method and are initially recognised at cost. The consolidated financial statements include the group's share of the total recognised gains and losses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the group 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 are taken to a translation reserve. They are released to profit or loss 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. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and amortised cost in foreign currency translated at the exchange rate at the end of the period. 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. Foreign exchange differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation.

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 profit or loss as incurred.

1.4.2 Depreciation
Depreciation is charged to profit or loss 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	3 - 5 years
• fixtures and fitting	5 - 6.67 years
• computer equipment	3 years
• computer software	2 years
• leasehold improvements	lesser of lease terms and 10 years

Depreciation methods, useful lives and residual values 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 in terms of Statements of Generally Accepted Accounting Practice effective prior to IFRS.

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 profit or loss 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 profit or loss 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 profit or loss as incurred. The current estimated useful lives are as follows:

• Franchise rights	25 years

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 profit or loss.

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 its 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 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 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 INVENTORIES

Inventories are 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 cost of inventory includes 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. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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 profit or loss 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 not designated as at fair value through profit or loss are initially measured at fair value, plus directly attributable 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 amortised cost less impairment losses, based on the relevant exchange rates at the 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 profit or loss over the period of the borrowing on an effective interest basis. 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 when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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 profit or loss.

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 profit or loss 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 comprises 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.

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.

Revenue from the sale of supplies and promotional items is recognised when the 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.

1.14 ADMINISTRATION FEES

Administration fees are 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.

1.15.2 Finance expense
Finance expense comprises interest payable on borrowings calculated using the effective interest method. All borrowing costs are recognised in profit or loss using the effective interest 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 leave 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 in profit or loss 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 retail restaurants. On a primary segment basis, the group is organised into three major operating divisions:

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

On a secondary segment basis, the geographical locations of the group's operations have been identified. The group is organised into three major geographical divisions:

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

The basis of segment reporting is representative of the internal structure used for management reporting. 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

	2009 R'000	%	2008 R'000	%
SEGMENT REVENUE				
Wholesale and distribution	**91 578**	**28.0**	80 603	27.2
Franchise - Spur (South Africa only)	**115 836**	**35.4**	107 982	36.6
Franchise - Other	**29 808**	**9.1**	28 165	9.5
Retail outlets	**83 846**	**25.7**	75 197	25.4
Corporate services	**5 706**	**1.8**	3 891	1.3
Group revenue	**326 774**	**100.0**	295 838	100.0
SEGMENT PROFIT				
Wholesale and distribution	**33 962**	**34.8**	26 349	30.8
Franchise - Spur (South Africa only)	**97 525**	**99.9**	91 539	107.0
Franchise - Other	**14 198**	**14.5**	12 705	14.9
Retail outlets	**(14 536)**	**(14.9)**	(11 101)	(13.0)
Corporate services	**(33 488)**	**(34.3)**	(33 958)	(39.7)
Group operating profit before finance income	**97 661**	**100.0**	85 534	100.0
SEGMENT ASSETS				
Wholesale and distribution	**11 578**	**2.1**	17 566	3.2
Franchise	**396 280**	**72.5**	390 357	70.0
Retail outlets	**74 652**	**13.7**	73 461	13.2
Other	**63 729**	**11.7**	75 750	13.6
Group assets	**546 239**	**100.0**	557 134	100.0
SEGMENT LIABILITIES				
Wholesale and distribution	**3 712**	**3.3**	3 178	2.6
Franchise	**79 655**	**71.2**	76 176	63.6
Retail outlets	**10 329**	**9.2**	19 017	15.8
Other	**18 223**	**16.3**	21 661	18.0
Group liabilities	**111 919**	**100.0**	120 032	100.0
CAPITAL EXPENDITURE				
Wholesale and distribution	**67**	**0.5**	25	0.2
Franchise	**1 068**	**7.7**	2 179	14.9
Retail outlets	**12 584**	**91.3**	12 277	83.7
Other	**64**	**0.5**	173	1.2
Group capital expenditure	**13 783**	**100.0**	14 654	100.0
DEPRECIATION				
Wholesale and distribution	**1 277**	**12.4**	1 258	12.9
Franchise	**2 193**	**21.3**	2 573	26.4
Retail outlets	**6 341**	**61.7**	5 401	55.4
Other	**469**	**4.6**	514	5.3
Group depreciation	**10 280**	**100.0**	9 746	100.0

The impairment of property, plant and equipment of R8.461 million (2008: R8.174 million) and goodwill of R1.583 million (2008: Rnil) (refer note 5.1) relates to the International Retail outlets segment and is included in segment profit.

GEOGRAPHICAL SEGMENT DATA

	South Africa R'000	Other African countries R'000	International R'000	Total R'000
2009				
Group revenue	**230 045**	**6 404**	**90 325**	**326 774**
Group assets	**434 480**	**758**	**111 001**	**546 239**
Group capital expenditure	**1 055**	**-**	**12 728**	**13 783**
2008				
Group revenue	208 390	6 075	81 373	295 838
Group assets	423 139	1 514	132 481	557 134
Group capital expenditure	2 033	-	12 621	14 654

3. REVENUE

	2009 R'000	2008 R'000
Wholesale and distribution sales and rebates	**91 578**	80 603
Franchise related fee income	**151 350**	140 038
Retail restaurants' turnover	**83 846**	75 197
	326 774	295 838

4. OTHER OPERATING INCOME

	2009 R'000	2008 R'000
Advertising administration fees	**9 688**	8 937
Landlord incentives	**-**	1 341
	9 688	10 278

Advertising administration fees relate to services rendered by the group in respect of marketing funds (refer note 36).

5. OPERATING PROFIT BEFORE FINANCE INCOME

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

	2009 R'000	2008 R'000
Administration fees	**65**	53
Amortisation - intangible assets (refer note 11)	**150**	38
Auditors' remuneration	**967**	875*
- Audit fees	**890**	828*
- Other fees	**77**	47*
Consulting fees	**8 108**	6 859*
Depreciation (refer note 10)	**10 280**	9 746
- Buildings	**337**	337
- Leasehold improvements	**3 542**	2 964
- Furniture and fittings	**1 183**	1 032
- Plant, equipment and vehicles	**3 779**	3 625
- Computer equipment	**1 439**	1 788
Foreign exchange loss	**1 284**	1 717
Impairment reversal - loans to associates (refer note 7.3)	**-**	(96)
Loss on Australian impaired outlets (refer note 5.1)	**10 435**	9 213
- Impairment of property, plant and equipment (refer note 10)	**8 461**	8 174
- Impairment of goodwill (refer note 11)	**1 583**	-
- Provision for onerous lease (refer note 23)	**-**	1 646
- Landlord incentives	**-**	(3 966)
- Non-trading loss	**10 044**	5 854
- Trading loss	**391**	3 359
(Profit)/loss on disposal of property, plant and equipment	**(16)**	1
Operating lease charges	**11 908**	10 614
- Lease charges	**11 339**	9 309
- Straight-line lease charge (refer note 22)	**238**	1 217
- Amortisation of leasing rights (refer note 14)	**331**	88
Profit on disposal of minority share in subsidiary (refer note 31.3)	**-**	(46)
Provident fund expense - defined contribution plan	**4 933**	4 875
Research costs	**71**	526
Share-based payments expense (refer note 19)	**2 118**	2 118
Staff costs (excluding directors' emoluments and items disclosed separately above)	**68 522**	65 381

Directors' emoluments are detailed in note 34.

*Reclassification of previously reported amounts.

5.1 Loss on Australian impaired outlets

Seven Eagles Spur and Mustang Spur, Australia

Seven Eagles Spur, a restaurant operated by a wholly-owned subsidiary of the group, Spurcentral Pty Ltd, commenced trading in Erina Fair, Australia in March 2007. Mustang Spur, a restaurant operated by a wholly-owned subsidiary of the group, Caspur Pty Ltd, commenced trading in Campbelltown, Australia in March 2006. Persistent accounting and cash flow losses incurred by these restaurants, exacerbated by the impact of the worldwide recession which had a pronounced impact on the restaurant industry, particularly in Australia, indicated a potential impairment of the assets of the restaurants at the balance sheet date.

The directors are of the view that the remedial plans and strategies implemented, and to be implemented, will result in both restaurants generating future cash flow profits and on this basis have decided to continue trading the restaurants for the foreseeable future. There is however inherent uncertainty regarding the success of these remedial plans as they are contingent on uncertain future events.

In assessing the recoverable amounts of the restaurants as cash-generating units, the directors have estimated the values-in-use of the cash-generating units. Given the nature of the restaurant industry and the limited presence of the group's trading brands in Australia, the directors assert that the cash-generating units' values-in-use will exceed their fair value less costs to sell.

The cash-generating units comprise predominantly property, plant and equipment and net working capital, and in the case of Mustang Spur, goodwill in the amount of R1.583 million.

In determining the values-in-use of the cash-generating units, the directors applied the following key assumptions, which, as a consequence of the uncertainty regarding the potential success of the remedial plans implemented as referred to above, are based on historic performance:

- Cash outflows over the next five years were anticipated based on the most recent expense budgets prepared by management.
- Cash inflows, comprising mainly restaurant turnovers, for the 2010 financial year were conservatively estimated based on historic trends. Turnovers were estimated to grow by the rate of inflation for the 2011 and 2012 financial years, as a result of lagging consequences of the current worldwide recession. Turnovers were expected to increase by 1.5% and 3% in real terms for the 2013 and 2014 financial years respectively as the worldwide economy recovers from the current recession.
- Variable costs were estimated to increase in line with turnover and fixed costs by the rate of inflation. Rental costs were forecast in accordance with the lease agreements.
- Growth in perpetuity of cash flows beyond the five year forecast horizon was estimated at 2%.
- Cash flows were discounted at a rate of 12%, being the risk-free rate of 3% adjusted for risk factors.
- The present values of the cash flows were translated to the reporting currency at the exchange rate prevailing at the balance sheet date.

Based on the value-in-use calculations, the recoverable amounts of the cash-generating units were determined to be less than their carrying values by AU$738 112 and AU$845 209, the equivalent of R4.683 million and R5.361 million for Seven Eagles Spur and Mustang Spur respectively. Consequently, property, plant and equipment was impaired to the extent of R8.461 million and goodwill by R1.583 million.

Fish and grill concept, Australia

In January 2008, the group commenced trading Jack Salmon's Fish & Grill, a fish and grill pilot concept outlet, in Erina Fair Australia. The landlord of the premises occupied by the restaurant contributed an amount of AU$550 000 to the set-up and fit-out of the restaurant in the prior year. Despite extensive research and market analysis, which indicated that the concept could be a viable business, the concept was not accepted by the Australian market. Prior to 30 June 2008, the directors concluded that it would be in the interest of the group to cease trading the restaurant to limit the group's exposure to further trading losses. The restaurant ceased trading on 29 August 2008. Trading losses for the current year amounted to AU$59 723, the equivalent of R0.391 million (2008: AU$484 149, the equivalent of R3.359 million).

Prior to 30 June 2008, a deal was concluded with the landlord whereby the lease was terminated with effect from 31 August 2008, any obligation to refund the landlord's initial contribution waived, title to the assets was to be transferred to the landlord and a final settlement amount paid. Consequently, in the prior year the property, plant and equipment of the restaurant was impaired in full, the unamortised portion of the landlord contribution of AU$517 917, the equivalent of R3.966 million, was released to profit or loss and provision was made in the amount of AU$215 000, the equivalent of R1.646 million, being the final termination settlement payable to the landlord. During the current year, all terms of this deal were complied with.

6. NET INTEREST RECEIVED

	2009 R'000	2008 R'000
Finance income and expense recognised in profit or loss		
Interest income on bank deposits	**7 063**	4 820
Interest income on financial assets measured at amortised cost	**1 331**	1 600
Finance income	**8 394**	6 420
Interest expense on financial liabilities measured at amortised cost	**(2 175)**	(1 568)
Finance expense	**(2 175)**	(1 568)
Net interest income recognised in profit or loss	**6 219**	4 852
Net foreign exchange losses (refer note 5)	**(1 284)**	(1 717)
Net finance income recognised in profit or loss	**4 935**	3 135
Finance income and expense recognised directly in equity		
Foreign currency translation differences for foreign operations	**(14 831)**	23 260
Foreign exchange loss on net investments in foreign subsidiaries	**(4 298)**	(4 751)
Net finance (expense)/income recognised directly in equity	**(19 129)**	18 509

7. INTEREST IN ASSOCIATE COMPANIES

7.1 Interest in associate companies

	2009 R'000	2008 R'000
Balance at beginning of year	**1 681**	2 003
Effect of foreign exchange fluctuations	**(216)**	323
Share of loss of associate companies	**(1 465)**	(292)
- Trading losses	**(285)**	(292)
- Capital losses	**(1 180)**	-
Transfer to investment in subsidiary company (refer note 31.1)	-	(353)
Balance at end of year	-	1 681
Loans to associate companies	**6 540**	7 929
Total interest in associate companies	**6 540**	9 610

A loss of R0.290 million and a profit of R0.356 million (2008: profit of R0.032 million) were not recognised during the year as the entities in question had incurred cumulative losses greater that the group's initial carrying values of the respective investments. The group's share of cumulative unrecognised losses amounts to R4.153 million (2008: R3.986 million) at year-end, translated at rates of exchange ruling at the balance sheet date.

7.2 Analysis of investment in associate companies

	Effective holdings %*	Carrying value of investment at beginning of year R'000	Effect of foreign exchange fluctuations 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**	-	-	-	-
Pan Pen Pty Ltd (Australia)	**23.3**	**1 680**	**(216)**	**(1 464)**	-
Pangara Pty Ltd (Australia)	**23.3**	**1**	-	**(1)**	-
Spur Steak Ranches Unit Trust (Australia)	**50.0**	-	-	-	-
		1 681	**(216)**	**(1 465)**	-

	Effective holdings %*	Loans in foreign currency 2009 '000	Foreign currency	Loans in Rands 2009 R'000	Loans in Rands 2008 R'000	Share in post acquisition reserves 2009 R'000	Share in post acquisition reserves 2008 R'000
Bathspur Pty Ltd (Australia)	**23.3**	-		-	-	-	-
Pan Pen Pty Ltd (Australia)	**23.3**	-		-	-	**(1 263)**	201
Pangara Pty Ltd (Australia)	**23.3**	**163**	AU$	**1 043**	1 246	-	-
Spur Steak Ranches Unit Trust (Australia)	**50.0**	**867**	AU$	**5 497**	6 683	**(6)**	(6)
				6 540	7 929	**(1 269)**	195

*Indirect interest.

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 rate as at 30 June, as follows:

- AU$1: R6.3433 (2008: R7.7659)

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 2009 of the respective associate companies. The associate companies are not audited because no statutory requirement exists in their operating jurisdiction for audits to be performed in the event that the turnover is below a specified threshold.

7.3 Impairment allowance

	2009 R'000	2008 R'000
Balance at beginning of year	-	688
Reversed during the year	-	(96)
Transferred to goodwill (refer note 11)	-	(592)
Balance at end of year	-	-

During the 2007 financial year, an impairment allowance of 50% of the loan receivable from Caspur Pty Ltd was recognised after certain impairment indicators were identified. During the 2008 financial year, the outside shareholders' interests were acquired by the group, resulting in that company being consolidated. At the date of the acquisition, the fair value of the loan payable by Caspur Pty Ltd to the group was determined taking the impairment into consideration. This effectively resulted in a reduction in the goodwill recognised on acquisition (refer notes 11 and 31.2).

7.4 Summarised financial position of associate companies - 100%

	Assets R'000	Liabilities R'000	Equity R'000	Revenue R'000	Losses R'000
2009	**17 319**	**23 754**	**(6 435)**	**33 209**	**(4 349)**
2008	22 803	22 767	36	57 662	(1 361)

8. TOTAL INCOME TAX EXPENSE

8.1 Total income tax expense

		2009 R'000	2008 R'000
South African normal tax			
Current	- current year	**25 503**	21 027
	- prior year	**290**	129
Deferred	- current year	**6 995**	7 201
	- rate change	-	(1 491)
	- prior year	**(200)**	-
		32 588	26 866
South African Secondary tax on companies		**4 181**	-
Dutch normal tax			
Current	- current year	**159**	116
Deferred	- current year	**1 307**	825
	- rate change	**39**	-
	- prior year	**18**	-
		1 523	941
United Kingdom normal tax			
Current	- current year	**322**	501
	- prior year	-	106
Deferred	- current year	-	436
	- rate change	-	188
	- prior year	-	(22)
		322	1 209
Australian normal tax			
Current	- prior year	**72**	-
Deferred	- current year	**119**	-
	- prior year	**(231)**	-
		(40)	-
Income tax expense		**38 574**	29 016
Dutch normal tax (refer note 8.3)			
Deferred	- prior years	-	1 476
Prior years' taxes relating to foreign subsidiary		-	1 476
Total income tax expense		**38 574**	30 492

8.2 Reconciliation of tax rate

	2009 %	2008 %
South African normal tax rate	**28.0**	28.0
Change in tax rate	**-**	(1.5)
Effect of tax in foreign jurisdictions	**(0.1)**	(0.1)
Non-deductible expenditure	**3.3**	2.7
Non-taxable income	**-**	(0.3)
Prior year (over)/under provision	**(0.1)**	0.2
Prior years' taxes relating to foreign subsidiary	**-**	1.6
Secondary tax on companies	**4.1**	-
Share of loss of associate companies	**0.4**	-
Tax losses on which deferred tax not provided	**2.9**	2.5
Tax losses utilised on which no deferred tax previously provided	**(0.1)**	(0.3)
Tax on attribution of foreign income	**-**	0.5
Tax on imputed (expense)/income not included in net profit	**(0.9)**	0.2
Withholding tax	**0.2**	0.1
Other	**-**	0.2
Effective rate	**37.7**	33.8

The statutory rates of tax applicable to the group entities in The Netherlands, the United Kingdom and Australia are 25.5%, 28% and 30% respectively (unchanged from 2008). The tax rate in The Netherlands operates on a sliding scale, which was amended during the current financial year.

	2009 R'000	2008 R'000
Estimated group tax losses available for set-off against future taxable income	**66 157**	49 261

A deferred tax asset has not been recognised in respect of tax losses amounting to R29.924 million (2008: R18.066 million). A deferred tax asset amounting to R9.321 million (2008: R8.476 million) has been recognised in respect of the balance of the tax losses. R12.312 million and R7.068 million of the tax losses for which no deferred tax asset was recognised will be forfeited if not utilised within five years and by 2012 respectively (refer note 13).

Secondary tax on companies ("STC") of R38.720 million (2008: R36.359 million) would be payable in the event that the group and the company decided to declare all of its distributable reserves as a dividend.

8.3 Prior years' taxes relating to foreign subsidiary

During the previous financial year, the Dutch Revenue Authorities enacted legislation which limited the period during which tax losses incurred in that jurisdiction can be utilised to nine years. The legislation was implemented with retrospective effect. As a consequence, an amount of €137 124 (the equivalent of R1.476 million) relating to a deferred tax asset previously recognised in respect of cumulative historic tax losses was written off in the prior year.

8.4 Tax charged directly to equity

	2009 R'000	2008 R'000
Capital gains tax on capital distributions received on treasury shares (refer note 25)	**139**	-
Current tax on share-based payments (refer note 19)	**594**	594
Deferred tax on foreign exchange loss on net investments in foreign subsidiaries (refer note 13)	**(1 096)**	(1 236)
	(363)	(642)

9. EARNING PER SHARE

9.1 Statistics

	2009	2008
Earnings per share (cents)	**71.94**	67.23
Diluted earnings per share (cents)	**70.61**	65.07
Headline earnings per share (cents)	**84.69**	76.45
Diluted headline earnings per share (cents)	**83.12**	73.99

9.2 Reconciliation of shares in issue to weighted average number of ordinary shares

	2009 000's	2008 000's
Shares in issue at beginning of year	**97 633**	97 633
Shares repurchased at beginning of year	**(9 477)**	(9 477)
Shares repurchased during the year weighted for period not held by the group (refer note 18)	**(214)**	-
Weighted average number of ordinary shares	**87 942**	88 156

9.3 Reconciliation of weighted average number of ordinary shares to weighted average diluted number of shares

	2009 000's	2008 000's
Weighted average number of ordinary shares	**87 942**	88 156
Dilutive effect of shares/options (refer note 19)	**1 659**	2 931
Weighted average diluted number of shares	**89 601**	91 087

9.4 Reconciliation of basic to headline earnings

	2009 R'000	2008 R'000
Income attributable to shareholders	**63 264**	59 266
Impairment of property, plant and equipment (refer note 5.1)	**8 461**	8 174
Impairment of goodwill (refer note 5.1)	**1 583**	-
Loss on disposal of property, plant and equipment in associates (refer note 7.1)	**1 180**	-
(Profit)/loss on disposal of property, plant and equipment	**(12)**	1
Profit on disposal of minority share in subsidiary	**-**	(46)
Headline earnings	**74 476**	67 395

None of the items listed above have any tax consequences, with the exception of the profit on disposal of property, plant and equipment in the current year where the gross amount was R0.016 million and the tax impact was a charge of R0.004 million.

10. PROPERTY, PLANT AND EQUIPMENT

2009	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 2008	**39 992**	**48 964**	**11 816**	**25 617**	**12 010**	**138 399**
Additions	**-**	**9 721**	**997**	**2 208**	**857**	**13 783**
Disposals	**(469)**	**(5 779)**	**(926)**	**(1 746)**	**(416)**	**(9 336)**
Effect of foreign exchange fluctuations	**-**	**(7 922)**	**(1 225)**	**(2 057)**	**(359)**	**(11 563)**
Balance at 30 June 2009	**39 523**	**44 984**	**10 662**	**24 022**	**12 092**	**131 283**
ACCUMULATED DEPRECIATION						
Balance at 1 July 2008	**(864)**	**(11 392)**	**(5 250)**	**(12 554)**	**(9 449)**	**(39 509)**
Disposals	**-**	**5 779**	**926**	**1 711**	**390**	**8 806**
Depreciation	**(337)**	**(3 542)**	**(1 183)**	**(3 779)**	**(1 439)**	**(10 280)**
Impairment (refer note 5.1)	**-**	**(4 325)**	**(2 249)**	**(1 727)**	**(160)**	**(8 461)**
Effect of foreign exchange fluctuations	**-**	**1 316**	**386**	**687**	**201**	**2 590**
Balance at 30 June 2009	**(1 201)**	**(12 164)**	**(7 370)**	**(15 662)**	**(10 457)**	**(46 854)**
NET BOOK VALUE						
Balance at 1 July 2008	**39 128**	**37 572**	**6 566**	**13 063**	**2 561**	**98 890**
Additions	**-**	**9 721**	**997**	**2 208**	**857**	**13 783**
Disposals	**(469)**	**-**	**-**	**(35)**	**(26)**	**(530)**
Depreciation	**(337)**	**(3 542)**	**(1 183)**	**(3 779)**	**(1 439)**	**(10 280)**
Impairment (refer note 5.1)	**-**	**(4 325)**	**(2 249)**	**(1 727)**	**(160)**	**(8 461)**
Effect of foreign exchange fluctuations	**-**	**(6 606)**	**(839)**	**(1 370)**	**(158)**	**(8 973)**
Balance at 30 June 2009	**38 322**	**32 820**	**3 292**	**8 360**	**1 635**	**84 429**

Details of assets encumbered are included in note 21. The assets in question have been impaired in full (refer note 5.1).
A register of land and buildings containing the required statutory information is available for inspection on request at the company's registered office.

2008	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 2007	39 957	25 361	5 599	18 385	10 054	99 356
Acquisition of subsidiaries	-	10 260	3 421	3 165	597	17 443
Additions	35	8 477	1 770	2 527	1 845	14 654
Disposals	-	-	(48)	(40)	(517)	(605)
Effect of foreign exchange fluctuations	-	4 866	1 074	1 580	31	7 551
Balance at 30 June 2008	39 992	48 964	11 816	25 617	12 010	138 399
ACCUMULATED DEPRECIATION						
Balance at 1 July 2007	(527)	(342)	(2 114)	(6 123)	(7 268)	(16 374)
Acquisition of subsidiaries	-	(2 183)	(1 017)	(1 075)	(471)	(4 746)
Disposals	-	-	22	26	456	504
Depreciation	(337)	(2 964)	(1 032)	(3 625)	(1 788)	(9 746)
Impairment (refer note 5.1)	-	(5 558)	(863)	(1 451)	(302)	(8 174)
Effect of foreign exchange fluctuations	-	(345)	(246)	(306)	(76)	(973)
Balance at 30 June 2008	(864)	(11 392)	(5 250)	(12 554)	(9 449)	(39 509)
NET BOOK VALUE						
Balance at 1 July 2007	39 430	25 019	3 485	12 262	2 786	82 982
Acquisition of subsidiaries	-	8 077	2 404	2 090	126	12 697
Additions	35	8 477	1 770	2 527	1 845	14 654
Disposals	-	-	(26)	(14)	(61)	(101)
Depreciation	(337)	(2 964)	(1 032)	(3 625)	(1 788)	(9 746)
Impairment (refer note 5.1)	-	(5 558)	(863)	(1 451)	(302)	(8 174)
Effect of foreign exchange fluctuations	-	4 521	828	1 274	(45)	6 578
Balance at 30 June 2008	39 128	37 572	6 566	13 063	2 561	98 890

11. INTANGIBLE ASSETS AND GOODWILL

2009

	Trademarks and intellectual property R'000	Goodwill R'000	Franchise rights R'000	Total R'000
COST				
Balance at 1 July 2008	**271 865**	**7 262**	**2 781**	**281 908**
Additions (refer note 32.1)	**-**	**315**	**-**	**315**
Effect of foreign exchange fluctuations	**-**	**-**	**(502)**	**(502)**
Balance at 30 June 2009	**271 865**	**7 577**	**2 279**	**281 721**
ACCUMULATED AMORTISATION				
Balance at 1 July 2008	**-**	**-**	**(41)**	**(41)**
Amortisation	**-**	**-**	**(150)**	**(150)**
Impairment (refer note 5.1)	**-**	**(1 583)**	**-**	**(1 583)**
Effect of foreign exchange fluctuations	**-**	**-**	**23**	**23**
Balance at 30 June 2009	**-**	**(1 583)**	**(168)**	**(1 751)**
NET BOOK VALUE				
Balance at 1 July 2008	**271 865**	**7 262**	**2 740**	**281 867**
Additions (refer note 32.1)	**-**	**315**	**-**	**315**
Amortisation	**-**	**-**	**(150)**	**(150)**
Impairment (refer note 5.1)	**-**	**(1 583)**	**-**	**(1 583)**
Effect of foreign exchange fluctuations	**-**	**-**	**(479)**	**(479)**
Balance at 30 June 2009	**271 865**	**5 994**	**2 111**	**279 970**

2008

	Trademarks and intellectual property R'000	Goodwill R'000	Franchise rights R'000	Total R'000
COST				
Balance at 1 July 2007	271 865	731	-	272 596
Acquisition of subsidiaries (refer note 31)	-	7 123	-	7 123
Additions	-	-	2 861	2 861
Loan impairment credited against goodwill (refer note 7.3)	-	(592)	-	(592)
Effect of foreign exchange fluctuations	-	-	(80)	(80)
Balance at 30 June 2008	271 865	7 262	2 781	281 908
ACCUMULATED AMORTISATION				
Balance at 1 July 2007	-	-	-	-
Amortisation	-	-	(38)	(38)
Effect of foreign exchange fluctuations	-	-	(3)	(3)
Balance at 30 June 2008	-	-	(41)	(41)
NET BOOK VALUE				
Balance at 1 July 2007	271 865	731	-	272 596
Acquisition of subsidiaries (refer note 31)	-	7 123	-	7 123
Additions	-	-	2 861	2 861
Loan impairment credited against goodwill (refer note 7.3)	-	(592)	-	(592)
Amortisation	-	-	(38)	(38)
Effect of foreign exchange fluctuations	-	-	(83)	(83)
Balance at 30 June 2008	271 865	7 262	2 740	281 867

11.1 Trademarks and intellectual property

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

In accordance with the group's accounting policies, an impairment test on intangible assets with indefinite useful lives has been performed. The directors considered the expected cash inflows to be generated by the trademarks and intellectual property and after applying a pre-tax discount rate of 15%, concluded that no impairment of the assets 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.

11.2 Goodwill

Additions to goodwill during the year arose on the acquisition of a further 10% interest in Larkspur Two Ltd as more fully described in note 32.1. Additions to goodwill in the prior year arose from the acquisition of a 70% interest in Mohawk Spur Ltd and a further 60% of Caspur Pty Ltd as more fully described in note 31.

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

	2009 R'000	2008 R'000
John Dory's Franchise operations	**178**	178
Mohawk Spur (United Kingdom)	**4 948**	4 948
Mustang Spur (Australia)	**-**	1 583
Panarottis Penrith (Australia)	**553**	553
Silver Lake Spur (United Kingdom)	**315**	-
	5 994	7 262

The recoverable amounts of the cash-generating units were based on their values-in-use which were determined to be higher than their carrying amounts and consequently no impairment is considered necessary, with the exception of Mustang Spur (refer below).

In determining the values-in-use, the directors applied the following key assumptions which were based on historic performance:

John Dory's Franchise operations

- Impairment of goodwill was considered as part of the trademark and intellectual property impairment test referred to in note 11.1.

Mohawk Spur and Silver Lake Spur (United Kingdom)

- Cash outflows over the next five years were anticipated based on the most recent expense budgets prepared by management.
- Cash inflows, comprising mainly restaurant turnovers, for the 2010 financial year were conservatively estimated based on historic trends. Turnovers were estimated to grow by the rate of inflation for the 2011 and 2012 financial years, as a result of lagging consequences of the current worldwide recession. Turnovers were expected to increase by 1.5% and 3% in real terms for the 2013 and 2014 financial years respectively as the worldwide economy recovers from the current recession.
- Variable costs were estimated to increase in line with turnover and fixed costs by the rate of inflation. Rental costs were forecast in accordance with the lease agreements.
- Growth in perpetuity of cash flows beyond the five year forecast horizon was estimated at 2%.
- Cash flows were discounted at a rate of 10%, being the risk-free rate of 0.5% adjusted for risk factors.
- The present values of the cash flows were translated to the reporting currency at the exchange rate prevailing at the balance sheet date.

Mustang Spur (Australia)

- The goodwill relating to Mustang Spur was impaired as part of the impairment of the related cash-generating unit as described in note 5.1.

Panarottis Penrith (Australia)

- Cash outflows over the next five years were anticipated based on the most recent expense budgets prepared by management.
- Cash inflows, comprising mainly restaurant turnover, for the 2010 financial year were conservatively estimated based on historic trends. Turnover was estimated to grow by the rate of inflation for the 2011 and 2012 financial years, as a result of lagging consequences of the current worldwide recession. Turnover was expected to increase by 1.5% and 3% in real terms for the 2013 and 2014 financial years respectively as the worldwide economy recovers from the current recession.
- Variable costs were estimated to increase in line with turnover and fixed costs by the rate of inflation. Rent was forecast in accordance with the lease agreement.
- Growth in perpetuity of cash flows beyond the five year forecast horizon was estimated at 2%.
- Cash flows were discounted at a rate of 12%, being the risk-free rate of 3% adjusted for risk factors.
- The present value of the cash flows was translated to the reporting currency at the exchange rate prevailing at the balance sheet date.

11.3 Franchise rights

As part of the prior year transaction to acquire the outside shareholder's interest in Mohawk Spur Ltd (refer note 31.1), an amount of £175 000 was paid to Trinity Leisure Ltd, the former master franchisee in the United Kingdom, for the franchising rights of the restaurant in question. The rights expire in February 2025. The cost of the franchise rights are therefore being amortised over the period to expiration on a straight-line basis.

12. LOANS RECEIVABLE

12.1 Trinity Leisure Ltd

	2009 R'000	2008 R'000
Gross loan receivable at end of year	**6 691**	10 039
Current portion included in current assets	**(1 562)**	(1 907)
Non-current portion	**5 129**	8 132

The loan is denominated in Pound Sterling and translated into South African Rands using an exchange rate of £1:R13.0211 (2008: £1:R15.8925). At year-end, the uncovered amount outstanding amounted to £515 000 (2008: £635 000).

The loan is secured by shares in the borrower's business and was interest-free up to 30 June 2008, whereafter it became 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. Any outstanding balance must be settled by 31 July 2014.

12.2 Sarcon Restaurants Ltd (Nevada Spur, Belfast)

Gross loan receivable at end of year	**1 020**	749
Current portion included in current assets	**(153)**	(96)
Non-current portion	**867**	653

This loan is repayable from October 2009 in 60 equal monthly instalments. The loan is secured by shares in the borrowing company and bears interest at the UK base rate plus 2 percentage points. The loan is denominated in Pound Sterling which at year-end amounted to £78 365 (2008: £47 118).

12.3 Signature Restaurants Ltd (Arizona Spur, Newry)

Gross loan receivable at end of year	**1 056**	993
Current portion included in current assets	**(158)**	(318)
Non-current portion	**898**	675

This loan is repayable from October 2009 in 60 equal monthly instalments. The loan is secured by shares in the borrowing company and bears interest at the UK base rate plus 2 percentage points. The loan is denominated in Pound Sterling which at year-end amounted to £81 081 (2008: £62 502).

12.4 Marketing funds

	2009 R'000	2008 R'000
Gross loans receivable at end of year (refer note 36)	**1 902**	870
Current portion included in current assets	**(1 902)**	(870)
Non-current portion	**-**	-

The loans owing by marketing funds represent the over-spend of the marketing funds as at year-end. The over-spend will be recovered by a forced under-spend in the next financial year. Refer note 36 for more information.

12.5 Loans to associates

Gross loans receivable at end of year	**523**	586
Current portion included in current assets	**(222)**	(222)
Non-current portion	**301**	364

Loans amounting to R0.301 million (2008: R0.364 million) were unsecured, interest-free and had no fixed repayment terms, while loans amounting to R0.222 million (2008: R0.222 million) are unsecured, interest-free and due within the next 12 months.

12.6 Loans to operating partners

Gross loans receivable at end of year	**1 054**	2 822
Current portion included in current assets	**(138)**	(302)
Non-current portion	**916**	2 520

These loans are denominated in Pound Sterling and at the balance sheet date amounted to £80 983 (2008: £177 560). The loans bear interest at 6.5% per annum and are repayable over 10 years in equal monthly instalments which commenced in November 2007.

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.

12.7 Loans to participants of Management Incentive Scheme

Pierre van Tonder	- gross loan R2.0 million (2008: R1.0 million)	**2 335**	1 107
Mark Farrelly	- gross loan R1.0 million	**1 135**	1 007
Kevin Robertson	- gross loan R0.42 million	**509**	452
Phillip Joffe	- gross loan R0.3 million (2008: Rnil)	**303**	-
		4 282	2 566
Current portion		**(4 282)**	-
Non-current portion		**-**	2 566

These loans are advanced by Maxshell 72 Investments (Pty) Ltd. The group has no equity interest in this company but is required to consolidate this special purpose entity in accordance with the group's accounting policies (refer note 1.2.1).

The loans bear interest at prime less 2.25% and are repayable in one lump sum in December 2009. The loans to Pierre van Tonder and Mark Farrelly are secured by mortgages over fixed property, the loan to Kevin Robertson is secured by a pledge of shares in a share-block company and the loan to Phillip Joffe is secured by a pledge of a member's interest in a property-owning closed corporation.

Total gross loans receivable at end of year	**16 528**	18 625
Current portion included in current assets	**(8 417)**	(3 715)
Total non-current loans receivable	**8 111**	14 910

13. DEFERRED TAX

	2009 R'000	2008 R'000
Balance at beginning of year	**21 770**	18 640
Total charged to profit or loss	**8 047**	8 613
Current year deferred tax charge	**8 008**	8 440
Change in tax rate	**39**	(1 303)
Prior years' deferred tax asset derecognised relating to foreign subsidiary (refer note 8.3)	**-**	1 476
Charged to equity	**1 037**	(5 483)
Tax on foreign exchange loss on net investments in foreign subsidiaries	**(1 096)**	(1 236)
Change in tax rate	**-**	311
Effect of foreign exchange fluctuations	**2 133**	(4 558)
Balance at end of year	**30 854**	21 770

	2009 R'000	2008 R'000
The deferred tax asset comprises deductible temporary differences relating to:		
Intellectual property - International	**8 795**	11 855
Leave pay	**13**	13
Property, plant and equipment	**(1 511)**	(1 378)
Tax losses	**9 321**	8 476
- The Netherlands (at 25.5%)	**7 705**	7 098
- United Kingdom (at 28.0%)	**1 511**	1 378
- Australia (at 30.0%)	**105**	-
	16 618	18 966
The deferred tax liability comprises taxable temporary differences relating to:		
Intangible assets	**52 387**	47 148
Share-based payments	**(4 847)**	(6 786)
Property, plant and equipment	**431**	487
Leave pay	**(401)**	(345)
Other	**(98)**	232
	47 472	40 736

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. 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.

Restrictions on the period during which these losses can be utilised was implemented by the Dutch Revenue Authorities in the prior year with retrospective effect. This resulted in a partial derecognition in the prior year of the asset previously recognised (refer note 8.3).

The deferred tax asset recognised in respect of cumulative tax losses in the United Kingdom relates to Larkspur Two Ltd, Larkspur Four Ltd and Mohawk Spur Ltd. The tax losses in these entities arose primarily as a result of accelerated capital allowances and initial start-up trading losses. The deferred tax asset recognised in respect of the tax losses was limited to the extent of the taxable temporary differences in the respective companies.

The deferred tax asset recognised in respect of cumulative tax losses in Australia relates to Panawest Pty Ltd. The tax losses arose primarily as a result of historic trading losses in that company's start-up phase. Panawest Pty Ltd earned a net taxable income for the current year and is anticipated to continue to utilise the cumulative tax losses in future. In terms of Australian tax law, tax losses in that jurisdiction expire after five years, if not utilised.

14. OTHER NON-CURRENT ASSET

	2009 R'000	2008 R'000
Balance at beginning of year	**3 697**	-
Acquisition of subsidiaries	**-**	3 896
Charge to profit or loss	**(331)**	(88)
Effect of foreign exchange fluctuations	**(635)**	(111)
Balance at end of year	**2 731**	3 697

The other non-current asset relates to the purchase of leasing rights in respect of the premises occupied by Mohawk Spur Ltd (refer to note 31.1). The value of the leasing rights is being expensed to profit or loss as part of the rent expense over the remaining lease term which expires in September 2018.

15. INVENTORY

	2009 R'000	2008 R'000
Raw materials	**2 440**	1 608
Merchandising and packaging	**1**	5
Promotional and advertising	**-**	34
Finished goods	**3 625**	4 977
	6 066	6 624

16. TRADE AND OTHER RECEIVABLES

	2009 R'000	2008 R'000
Trade receivables	**34 789**	38 661
Impairment allowance	**(111)**	(20)
Net trade receivables	**34 678**	38 641
Prepayments	**4 033**	4 070
Deposits	**5 210**	4 541
Staff loans	**325**	263
VAT and other indirect taxes receivable	**1 435**	898
Other	**222**	253
	45 903	48 666

The impairment allowance 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 irrecoverable in the future.

17. CASH AND CASH EQUIVALENTS

	2009 R'000	2008 R'000
Current accounts	**83 887**	66 865
Bank overdrafts	**(2 853)**	(2 262)
	81 034	64 603

The overdrafts are secured by way of cross guarantees between the company and its local subsidiaries.

18. ORDINARY SHARE CAPITAL

	Number of shares 2009 '000	Number of shares 2008 '000	2009 R'000	2008 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	**(1 493)**	(1 203)	**-**	-
Shares repurchased by share incentive special purpose entity	**(8 274)**	(8 274)		
	87 866	88 156	**1**	1

During the year, a further 290 000 Spur Corporation Ltd shares were purchased by a wholly-owned subsidiary, Share Buy-back (Pty) Ltd, at an average cost of R6.94 per share.

The ordinary shares have equal rights to distributions declared by the company. In terms of the Articles of Association, the unissued shares of the company may be issued by the directors of the company only with the approval of shareholders by way of an ordinary resolution passed at a general meeting. No such authority has been granted.

19. SHARE INCENTIVE SCHEME

Spur Management Incentive Scheme ("MIS")

In December 2004 an equity settled management share incentive scheme was introduced. This share scheme is the only type of share-based payment 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 in issue 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.

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 profit or loss 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 profit or loss.

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	9 750 000	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.

	2009 000's	2008 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

	2009 R'000	2008 R'000
Fair value per option/share at grant date (Rands)	**1.15**	1.15
Number of options/shares ('000)	**9 750**	9 750
Total share-based payments expense to be recognised over the vesting period	**11 213**	11 213
Vesting as follows (per annum):		
one third over 6 years	**623**	623
two thirds over 5 years	**1 495**	1 495
Amount charged to profit or loss	**2 118**	2 118

Share-based payments reserve	2009 R'000	2008 R'000
The movement in the share-based payments reserve is as follows:		
Balance at beginning of year	**19 030**	17 817
Share-based payments expense net of related taxes	**1 524**	1 524
Gross expense	**2 118**	2 118
Tax (refer note 8.4)	**(594)**	(594)
Effect of change in tax rate	-	(311)
Balance at end of year	**20 554**	19 030

20. RETAINED EARNINGS

	2009 R'000	2008 R'000
Retained earnings/(accumulated loss) attributable to:		
Holding company	**51**	(157)
Subsidiary companies	**427 137**	399 910
Associate companies	**(1 269)**	195
	425 919	399 948

21. LONG-TERM LOANS PAYABLE

21.1 Term loan: Nedbank

	2009 R'000	2008 R'000
Gross amount payable at end of year	**15 343**	18 710
Current portion included in current liabilities	**(3 930)**	(3 272)
Non-current portion	**11 413**	15 438

This loan is unsecured, bears interest at prime less 2.5% per annum and is repayable in 60 equal instalments which commenced in January 2008.

21.2 Equipment finance

Gross amount payable at end of year	**150**	391
Current portion included in current liabilities	**(150)**	(250)
Non-current portion	**-**	141

The equipment finance is secured by the assets financed (which had an original cost of AU$122 955) and bears interest at a fixed rate of 10.64% per annum. 48 monthly instalments are due, which commenced in March 2006, to reduce the liability to 20% of the original gross liability. The balance is to be settled at the end of the finance period.

Total gross amounts payable at end of year	**15 493**	19 101
Current portion included in current liabilities (refer note 24)	**(4 080)**	(3 522)
Total non-current loans payable	**11 413**	15 579

22. OPERATING LEASE LIABILITY

	2009 R'000	2008 R'000
Balance at beginning of year	**1 321**	-
Charge to profit or loss (refer note 5)	**238**	1 217
Effect of foreign exchange fluctuations	**(207)**	104
Balance at end of year	**1 352**	1 321

Certain rental agreements concluded by the group during the current and prior years allow for an initial rent-free period. The total rental costs in terms of the leases have been expensed on a straight-line basis over the terms of the respective leases including the rent-free periods in each case. On expiration of the rent-free period, the liability is reversed over the remaining lease period as a credit against future rental expenses.

23. TRADE AND OTHER PAYABLES

	2009 R'000	2008 R'000
Trade payables	**15 557**	19 742
Accruals	**5 438**	5 260
Leave pay and other employee benefits	**2 074**	1 798
VAT and other indirect taxes payable	**4 823**	4 710
Provision for onerous lease (refer note 5.1)	**-**	1 646
Other	**2 747**	2 771
	30 639	35 927

The provision for onerous lease related to the settlement negotiated with the landlord of the premises occupied by Jack Salmon's Erina Fair, Australia (refer note 5.1). The provision amounts to AU$200 000 plus an estimate of the site restoration costs of AU$15 000. The lease terminated on 31 August 2008 and the amounts agreed upon were paid to the landlord during the current year.

24. LOANS PAYABLE

	2009 R'000	2008 R'000
Loans owing to minority shareholders	**887**	2 121
Marketing funds	**5 831**	8 612
Loans owing to associate companies	**37**	45
Trinity Leisure Ltd	**456**	557
Equipment finance	**150**	269
Current portion of long-term loans payable (refer note 21)	**4 080**	3 522
	11 441	15 126

The loans owing to minority shareholders of R0.887 million (2008: R2.121 million) are unsecured, interest-free and have no repayment terms.

The loans owing to the marketing funds represent the under-spend 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. Refer note 36 for more details.

The loans owing to associate companies are unsecured, interest-free and repayable within 12 months from the balance sheet date.

The loan owing to Trinity Leisure Ltd is unsecured, interest-free and repayable on demand.

25. DISTRIBUTIONS

	2009 R'000	2008 R'000
Final 2007 - capital reduction of 29.0 cents per share	-	28 314
Interim 2008 - capital reduction of 28.0 cents per share	-	27 337
Final 2008 - capital reduction of 11.6* cents per share	**11 325**	-
Final 2008 - dividend of 15.4* cents per share	**15 036**	-
Interim 2009 - dividend of 27.0 cents per share	**26 361**	-
Total distributions	**52 722**	55 651

*Part of the 27.0 cents per share distribution approved by the directors on 10 September 2008.

	2009 R'000	2008 R'000
Distributions external to the group are reconciled as follows:		
Gross capital reductions	**11 325**	55 651
Capital reductions received on treasury shares	**(1 104)**	(5 402)
Net capital reductions distributed external to the group	**10 221**	50 249
Gross dividends declared	**41 397**	-
Dividends received on treasury shares	**(4 104)**	-
Net dividends distributed external to the group	**37 293**	-
Dividends distributed to minority shareholder of subsidiary	**254**	-
Total distributions external to the group	**47 768**	50 249

Capital reductions received during the year on treasury shares attracted Capital gains tax of R0.139 million (refer note 8.4).
The directors have approved a final dividend of 28.0 cents per share to be paid in cash on 5 October 2009. The dividend payable on 5 October 2009 will be subject to Secondary tax on companies at a rate of 10%.

26. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	2009 R'000	2008 R'000
Profit before tax	**102 415**	90 094
Adjusted for:		
Amortisation - intangible assets	**150**	38
Amortisation - leasing rights	**331**	88
Depreciation	**10 280**	9 746
Finance expense	**2 175**	1 568
Finance income	**(8 394)**	(6 420)
Foreign exchange loss	**1 284**	1 717
Foreign currency translations not disclosed elsewhere	**(3 976)**	2 914*
Impairment of goodwill	**1 583**	-
Impairment of property, plant and equipment	**8 461**	8 174
Impairment reversal - loans to associates	**-**	(96)
Movement in operating lease liability	**238**	1 217
Movement in provision for onerous lease	**-**	1 646
Movement in trade receivable impairment allowance	**91**	(124)
Profit on disposal of minority share in subsidiary	**-**	(46)
(Profit)/loss on disposal of property, plant and equiment	**(16)**	1
Share of loss of associate companies	**1 465**	292
Share-based payments expense	**2 118**	2 118
	118 205	112 927

* Restated. Refer note 40.

27. WORKING CAPITAL CHANGES

	2009 R'000	2008 R'000
Decrease/(increase) in inventory	**558**	(1 452)*
Decrease/(increase) in trade and other receivables	**2 277**	(2 808)*
Decrease in trade and other payables	**(5 301)**	(1 563)*
Increase in short-term loans receivable	**(1 050)**	(2 427)*
Decrease in short-term loans payable	**(2 805)**	(224)*
	(6 321)	(8 474)

* Restated. Refer to note 40.

28. FINANCE INCOME RECEIVED

	2009 R'000	2008 R'000
Finance income included in profit or loss	**8 394**	6 420
Interest accrued on loans receivable	**(416)**	-
	7 978	6 420

29. TAX PAID

	2009 R'000	2008 R'000
Tax paid is reconciled to the amount disclosed in profit or loss as follows:		
Amount payable at beginning of year	**(5 405)**	(7 642)
Current tax charged to profit or loss	**(30 527)**	(21 879)
Current tax charged to equity	**(733)**	(594)
Effect of foreign exchange fluctuations	**(411)**	(53)
Amount payable at end of year	**2 784**	5 405
	(34 292)	(24 763)

30. DISTRIBUTIONS PAID

	2009 R'000	2008 R'000
Distributions paid are reconciled to the amount disclosed as follows:		
Amount payable at beginning of year	**(352)**	(302)
Net capital reductions distributed external to the group (refer note 25)	**(10 221)**	(50 249)
Net dividends distributed external to the group (refer note 25)	**(37 293)**	-
Dividends paid by subsidiary company to minority shareholder (refer note 25)	**(254)**	-
Amount payable at end of year	**398**	352
	(47 722)	(50 199)

31. ACQUISITIONS OF SUBSIDIARY COMPANIES

31.1 Mohawk Spur Ltd

During the prior year, the group acquired a further 70% of Mohawk Spur Ltd from an outside shareholder, resulting in the group owning 100% of that company. The purchase was effective from 1 April 2008. The company operates the Mohawk Spur restaurant located in Wandsworth in the United Kingdom.

	2009 R'000	2008 R'000
The fair values of the assets and liabilities acquired were as follows:		
Property, plant and equipment	-	8 349
Inventory	-	85
Trade and other receivables	-	2 368
Other non-current asset	-	3 896
Cash and cash equivalents	-	1 414
Shareholder loans	-	(2 845)
Trade and other payables	-	(1 813)
Loans payable	-	(572)
Net assets acquired	-	10 882
Goodwill	-	4 948
Purchase consideration	-	15 830
Existing investment in Mohawk Spur Ltd	-	(353)
Cash paid for acquisition	-	15 477
Cash and cash equivalents acquired on acquisition	-	(1 414)
Net cash flow on acquisition	-	14 063

The purchase consideration included professional and other costs directly related to the transaction of R1.730 million.
Mohawk Spur Ltd incurred a loss of R0.783 million for the current financial year and a loss of R0.426 million from the date of acquisition to 30 June 2008.

31.2 Caspur Pty Ltd

During the prior year, the group acquired a further 60% of Caspur Pty Ltd from outside shareholders, resulting in the group owning 100% of that company. The purchase was effective from 1 February 2008. The company operates Mustang Spur in Campbelltown in Australia.

	2009 R'000	2008 R'000
The fair values of the assets and liabilities acquired were as follows:		
Property, plant and equipment	-	4 348
Inventory	-	144
Trade and other receivables	-	714
Cash and cash equivalents	-	104
Short-term loans payable	-	(1 409)
Long-term loans payable	-	(391)
Shareholder loans	-	(2 739)
Trade and other payables	-	(1 654)
Net liabilities acquired	-	(883)
Goodwill	-	2 175
Purchase consideration	-	1 292
Cash and cash equivalents acquired on acquisition	-	(104)
Net cash flow on acquisition	-	1 188

Caspur Pty Ltd incurred a loss of R1.456 million (excluding impairment losses) for the current financial year and a loss of R0.790 million from the date of acquisition to 30 June 2008.

31.3 Panawest Pty Ltd

During the prior year, the group disposed of a 7.33% interest in Panawest Pty Ltd with effect from 1 February 2008 for R0.046 million. The company operates the Panarottis in Blacktown, Australia. The interest was sold to the restaurant's operating partner.

31.4 Spurcentral Pty Ltd

During the prior year, the group acquired a further 20% of Spurcentral Pty Ltd from the minority shareholder for no consideration, resulting in the group owning a 100% of that company. The purchase was effective from 1 February 2008. Spurcentral Pty Ltd operates the Seven Eagles Spur in Erina Fair, Australia.

32. OTHER NON-CASH TRANSACTIONS

32.1 Larkspur Two Ltd

During the year, the group acquired the 10% interest held my a minority shareholder in Larkspur Two Ltd with effect from 1 January 2009, resulting in the group owning a 100% of that company. Larkspur Two Ltd operates Silver Lake Spur in Lakeside in the United Kingdom. The interest was acquired from the restaurant's operating partner. The group had advanced the minority shareholder a loan to fund his shareholder's loan and investment in Larkspur Two Ltd (reflected as a loan receivable (refer note 12.6) and a loan payable (refer note 24) respectively as at 30 June 2008). The minority shareholder agreed to cede his 10% interest in the subsidiary in part settlement of the loan payable by him to the extent of £34 490 (the equivalent of R0.473 million). As part of the same agreement, the minority shareholder agreed to cede his shareholder's loan in the amount of £69 416 (the equivalent of R0.951 million) to the group to offset the amount payable by him to the group.

The fair value of the net assets of the subsidiary at the date of the transaction was R1.938 million of which the group acquired R0.194 million. The transaction resulted in goodwill of R0.315 million being recognised.

32.2 John Dory's Franchise (Pty) Ltd

During the prior year, the loans payable by John Dory's Franchise (Pty) Ltd to the group and that company's minority shareholder, which were in the same ratio as the shareholding, were converted to equity in the same ratio. The loan payable to the minority shareholder was R3.155 million immediately prior to the capitalisation.

33. CAPITAL COMMITMENTS

As at the balance sheet date, the board had approved the development of a Spur retail outlet in Aberdeen, Scotland in the 2010 financial year. The total development cost estimated at the balance sheet date was £750 000. The development is to be funded in part by the group and in part by a minority outside shareholder and the landlord of the outlet in question. The group's contribution to this development is estimated at £528 000.

34. DIRECTORS' EMOLUMENTS

The following emoluments were paid by a subsidiary company:

2009	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	Leave pay R'000	Total cost to company R'000
Executive									
Allen Ambor	-	**1 680**	**81**	**216**	**252**	**66**	**169**	-	**2 464**
Pierre van Tonder	-	**2 283**	**275**	**216**	**55**	**72**	**192**	-	**3 093**
Mark Farrelly	-	**1 211**	**209**	**175**	**182**	**76**	**124**	-	**1 977**
Ronel van Dijk	-	**1 225**	**163**	-	**163**	-	**108**	-	**1 659**
Kevin Robertson	-	**960**	**168**	**175**	**144**	**58**	**99**	-	**1 604**
Phillip Joffe	-	**508**	**67**	-	**102**	**34**	**54**	**90**	**855**
Total	-	**7 867**	**963**	**782**	**898**	**306**	**746**	**90**	**11 652**
Non-executive									
John Rabb*	**50**	-	-	-	-	-	-	-	**50**
Keith Getz	**100**	-	**51**	-	-	-	-	-	**151**
Keith Madders	**100**	-	**61**	-	-	-	-	-	**161**
Dean Hyde	**100**	-	**65**	-	-	-	-	-	**165**
Muzi Kuzwayo**	**75**	-	-	-	-	-	-	-	**75**
Total	**425**	-	**177**	-	-	-	-	-	**602**
Total remuneration	**425**	**7 867**	**1 140**	**782**	**898**	**306**	**746**	**90**	**12 254**

* Resigned during the current year.
** Appointed during the current year.

2008	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	-	1 555	76	189	233	54	77	2 184
Pierre van Tonder	-	1 883	270	189	215	64	76	2 697
Mark Farrelly	-	1 109	203	142	166	58	56	1 734
Ronel van Dijk	-	1 099	77	-	165	-	53	1 394
Kevin Robertson	-	873	163	142	131	52	48	1 409
Phillip Joffe	-	421	65	48	94	30	25	683
Total	-	6 940	854	710	1 004	258	335	10 101
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	6 940	1 031	710	1 004	258	335	10 578

Refer note 38 for consulting services provided by entities associated with non-executive directors.

The following number of shares/options have been allocated to directors in terms of the management incentive scheme (refer note 19):

	Shares 2009 000's	Shares 2008 000's
Executive		
Allen Ambor	**373**	350
Pierre van Tonder	**1 265**	1 241
Mark Farrelly	**960**	936
Ronel van Dijk	**749**	375
Kevin Robertson	**773**	749
Phillip Joffe	**310**	300
Total shares allocated	**4 430**	3 951

The change in number of shares allocated relative to the prior year arose from the allocation of shares previously allocated to employees who left the employ of the group and who, as a consequence, forfeited their claim to the shares in terms of the rules of the scheme. The reallocation was approved by the remuneration committee.

	Options 2009 000's	Options 2008 000's
Non-executive		
Keith Getz	**234**	234
Keith Madders	**281**	281
Dean Hyde	**300**	300
Total options granted	**815**	815
Total shares allocated and options granted	**5 245**	4 766

35. RETIREMENT BENEFITS

The group has its own defined contribution provident fund in South Africa with 181 members at 30 June 2009 (2008: 184 members). The Spur Group (Pty) Ltd Provident Fund is administered by Liberty Group Limited. Refer note 5 for contributions made to the fund.

36. MARKETING FUNDS

In terms of the group's franchise agreements, the group receives marketing contributions from franchisees which are held 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 R97.7 million (2008: R88.3 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 are under spent (over spent), a liability (asset) is recognised in the group balance sheet (refer notes 12 and 24).

37. OPERATING LEASES

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

	2009 R'000	2008 R'000
Next year	**9 592**	9 723
Year two through to year five	**36 174**	36 242
More than five years	**80 922**	89 123
	126 688	135 088

Lease payments in foreign currencies have been translated into Rands at the rates prevailing at year-end.

Certain leases concluded in the United Kingdom are for a total period of 25 years. Rentals in terms of these leases are subject to a review every five years. The rental payments are fixed for the period of five years between the review periods. In respect of such leases, the future minimum lease payments have been calculated at the rates of rent prevailing at the balance sheet date for the remaining period of the leases.

Other leases are for periods ranging from five to ten years, subject to renewal options for further five-year periods. These leases have fixed annual escalations for the period of the lease that were market related at the time of concluding the lease.

All leases provide that the rent to be paid is the greater of the basic rental and a certain percentage of turnover. The percentage of turnover was market related at the time of concluding the lease.

38. RELATED PARTY DISCLOSURES

38.1 Transactions between group subsidiaries

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 to note 8 of the company financial statements on page 93 for guarantees given to subsidiary companies.

38.2 Directors

Loans have been advanced to certain directors of the group by a special purpose entity that is consolidated but in which the group has no shareholding. Particulars of these loans are detailed in note 12.7.

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	Mystic Blue Trading 65 (Pty) Ltd (trading as Seven Spur)[1,2,7]	
	Nungu Trading 442 (Pty) Ltd (trading as Malibu Spur)[1,2,7]	
	Utah Steak House (Pty) Ltd (trading as Panarottis Bayside, Table View)[1,2,7]	
Dean Hyde	African Spirit (Pty) Ltd (note ii)[5]	
	Desert Star Trading 434 (Pty) Ltd (trading as John Dory's Westcoast Village)[1,2,5]	
	Jude Way Trading CC (note iii)	Member
	Mystic Blue Trading 65 (Pty) Ltd (trading as Seven Spur)[1,5]	
	Nungu Trading 442 (Pty) Ltd (trading as Malibu Spur)[1,5]	
	Utah Steak House (Pty) Ltd (trading as Panarottis Bayside, Table View)[1,5]	
Keith Madders	Gemini Moon Trading 294 (Pty) Ltd (note iv)	Shareholder
	Kamplans Limited (note v)[6]	
	Spur Ekwiti Restaurants (Pty) Ltd (note vi)	Shareholder
Mark Farrelly	Gold Rush Steak Ranch (Pty) Ltd (trading as Gold Rush Spur)[1]	Shareholder
	Lexmar Entertainment CC (note vii)	Member
	Stone Eagle Steak Ranch (Pty) Ltd (trading as 7 Eagles Spur)[1]	Shareholder
	Ten Cents Investments 16 CC (trading as Sarasota Spur)[1,2]	Member
	Tonto Steak Ranch (Pty) Ltd (trading as Boulder Creek Spur)[1]	Shareholder
Kevin Robertson (Spouse)	Clearpan (Pty) Ltd (trading as Panarottis Clear Water Mall)[1]	Shareholder
Keith Getz	Bernadt Vukic Potash & Getz (note viii)	Partner
Phillip Joffe	Strand Steak Ranch (Pty) Ltd (trading as San Francisco Spur)[1]	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. Rental paid to these entities totalled R251 982 in 2009 (R423 989 in 2008). No transactions took place with The Ambor Family Trust in the current year.

ii) African Spirit (Pty) Ltd holds shares in the following entities:

Autumn Star Trading 738 (Pty) Ltd (trading as John Dory's Canal Walk)[1]
Desert Star Trading 434 (Pty) Ltd (trading as John Dory's Westcoast Village)[1,3]
Perfect Stones (Pty) Ltd (trading as San Miguel Spur)[1]
Sharp Mover Trading 186 (Pty) Ltd (trading as Golden River Spur)[1]
Somerset JD Fish and Grill (Pty) Ltd (trading as John Dory's Waterstone Village)[1]
Twin Cities Trading 210 (Pty) Ltd (trading as Little Creek Spur)[1].

iii) Jude Way Trading CC has provided consulting services to the group amounting to R51 870 in 2009 (R336 461 in 2008).

iv) Gemini Moon Trading 294 (Pty) Ltd holds shares in Gold Rush Steak Ranch (Pty) Ltd (trading as Gold Rush Spur)[1].

v) Kamplans Limited has provided consulting services to the group amounting to R923 715 in 2009 (R1 121 485 in 2008).

vi) Spur Ekwiti (Pty) Ltd holds shares in Golden Gate Steak Ranch (Pty) Ltd (trading as Golden Gate Spur)[1].

vii) Lexmar Entertainment CC has provided conference facilities for the group amounting to R73 405 in 2009 (R270 793 in 2008).

viii) Bernadt Vukic Potash & Getz serves as the group's principal legal counsel and has provided legal services on various matters in the ordinary course of business to the value of R1 016 362 in 2009 (R1 864 608 in 2008).

38.3 Key Management[4]

The key management personnel compensations are as follows:

	2009 R'000	2008 R'000
Short-term employee benefits	**9 254**	7 360
Other long-term benefits	**1 160**	997
Equity compensation benefits	**525**	353
	10 939	8 710

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

Coachmans Steak Ranch CC (Trading as River Hawk Spur)[1,3]
Commshelf 34 CC (trading as John Dory's Suncoast Casino)[1]
Commshelf 64 CC (trading as John Dory's Gateway)[1]
Desert Star Trading 434 (Pty) Ltd (trading as John Dory's Westcoast Village)[1,2]
Evening Star Trading 384 (Pty) Ltd (trading as Maverick Spur)[1,6]
Gold Rush Steak Ranch (Pty) Ltd (trading as Gold Rush Spur)[1,6]
Little Crow Steak Ranch (Pty) Ltd (trading as Little Crow Spur)[1,6]
Nungu Trading 442 (Pty) Ltd (trading as Malibu Spur)[1,2]
Perfect Stones (Pty) Ltd (trading as San Miguel Spur)[1,2]
Somerset JD Fish and Grill (Pty) Ltd (trading as John Dory's Waterstone Village)[1,2]
Stone Eagle Steak Ranch (Pty) Ltd (trading as 7 Eagles Spur)[1,6]
Utah Steak House (Pty) Ltd (trading as Panarottis Bayside, Table View)[1,2]

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.

Footnotes

1 These entities are franchisees. Franchise fees, determined as a percentage of restaurant turnover, are paid to the group in terms of the standard franchise agreement.
2 The interests in these entities were owned for a part of the year, but disposed of before year-end.
3 These interests were acquired during the current year.
4 Key management are listed on pages 14 and 15 and exclude directors (directors' emoluments are detailed in note 34).
5 These interests are held by a trust of which Dean Hyde is a trustee. Certain of Mr Hyde's immediate family members are beneficiaries of the trust.
6 These interests are held indirectly through trusts. The directors/key management personnel in question are beneficiaries of these trusts.
7 These interests are held by a trust of which Pierre van Tonder is a trustee. Certain of Mr Van Tonder's immediate family members are beneficiaries of the trust.

39. FINANCIAL INSTRUMENTS

The group has exposure to the following risks from its use of financial instruments:
- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group’s exposure to each of the above risks, the group’s objectives, policies and processes for measuring and managing these risks, and the group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The group's objective is to manage effectively each of the above risks associated with its financial instruments, in order to limit the group's exposure as far as possible to any financial loss associated with these risks.

The board of directors has overall responsibility for the establishment and overseeing of the group’s risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the group’s risk management policies. The committee reports regularly to the board of directors on its activities.

The group’s risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group’s activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

39.1 Credit Risk

Credit risk is the risk of financial loss to the group if a counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the group’s receivables from customers, franchisees, operating partners and associated entities.

Exposure to credit risk

The carrying amounts of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2009 R’000	2008 R’000
Cash and cash equivalents (note 17)	**83 887**	66 865
Financial assets included in trade and other receivables (note 16)*	**40 435**	43 698
Loans receivable (note 12)	**16 528**	18 625
Loans to associate companies (note 7)	**6 540**	7 929
	147 390	137 117

* Includes trade receivables, staff loans, deposits and other financial assets as defined in terms of IAS32 - Financial Instruments: Disclosure and Presentation.

Cash and cash equivalents

The group’s cash is placed with major South African and international financial institutions (in the respective jurisdictions in which the group trades) of high credit standing. A treasury committee was constituted in the current year comprising the managing director, financial director and other senior members of management to review cash flow, manage liquidity and monitor cash investments. This committee reports to the risk committee from time to time. The group’s policy is to place cash balances with multiple financial institutions to mitigate against the risk of loss to the group in the event that any one financial institution were to fail. Consequently, the group does not consider there to be any significant exposure to credit risk.

Trade and other receivables

The group’s exposure to credit risk is influenced mainly by the individual characteristics of each franchisee and customer. There are no significant concentrations of credit risk.

In the main, trade and other receivables comprise franchisees that have been transacting with the group for several years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped together according to their geographic location, ageing profile and existence of previous financial difficulties. There is furthermore one significant wholesale customer. The risk of counterparties defaulting is controlled by the application of credit approvals, limits and monitoring procedures. In the event that a risk of default is identified for a particular debtor, management actively engages with the debtor to identify opportunities to assist the debtor in an effort to limit the potential loss to the group. Such measures include, but are not limited to, assisting with landlord negotiations, granting extended credit terms and negotiating with financial institutions to restructure debt.

The group does not require collateral in respect of trade and other receivables.

The group establishes an allowance for impairment that represents its estimate of incurred losses at the balance sheet date in respect of trade and other receivables.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount 2009 R'000	2008 R'000
Domestic	**32 459**	36 530
Euro-zone countries	**992**	1 284
United Kingdom	**295**	1
Australia	**1 043**	846
	34 789	38 661

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2009 R'000	2008 R'000
Wholesale customers	**7 006**	9 814
Franchisees	**27 783**	28 847
	34 789	38 661

There are no significant amounts that are considered to be past due.

Where individual customers are not in compliance with the group's standard credit terms but formal repayment plans have been agreed, these amounts are not considered past due provided that the repayment terms are being substantially complied with.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2009 R'000	2008 R'000
Balance at beginning of year	**20**	144
Additional impairment losses recognised	**111**	-
Irrecoverable debts written off	**(20)**	(124)
Balance at end of year	**111**	20

The allowance in respect of trade receivables is used to record impairment losses unless the group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off directly against the financial asset.

Loans receivable

The group limits its exposure to credit risk by advancing loans only to counterparties with good credit ratings. Given the good credit ratings, management does not expect any counterparty to fail to meet its obligations. The group's policy is to obtain collateral in respect of material loans advanced. The extent of collateral held by the group in relation to loans receivable is detailed in note 12.

Loans to associate companies

The group has advanced foreign loans to associate companies. The board acknowledges that as these loans are part of the initial investments in the associate entities, and typically secured over the operating assets of the associate entity, there is a higher level of credit risk associated with them. This risk is managed through continued management involvement in these entities.

Guarantees

The group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 30 June 2009 no guarantees were outstanding from a group perspective (30 June 2008: Nil).

39.2 Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group's franchise divisions are largely cash generative. Typically, the group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least six months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The treasury committee regularly reviews group cash flow forecasts to ensure that liquidity is maintained. Cash investments are generally short-term in nature.

In terms of the Articles of Association of the group's main local operating subsidiary, Spur Group (Pty) Ltd, that company has no limitations to it borrowing powers.

The promulgation of the Banks Amendment Bill, 2007 in South Africa, which requires banks to comply with the Revised Framework on International Convergence of Capital Measurement and Capital Standards (better known as Basel II or the New Capital Accord) has resulted in South African banks introducing a commitment fee in respect of unutilised borrowings. As the group had not utilised any of the non-term facilities it had previously secured, these were cancelled during the current year to prevent incurring unnecessary costs. The group has a favourable relationship and credit rating with its principal bankers and, whilst no facilities are currently in place, given the group's favourable credit rating and strong balance sheet, the board is of the view that credit could be secured to manage any short-term liquidity risk, if the need arose.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

30 June 2009

	Carrying amount R'000	Total R'000	Contractual cash flows 1 - 12 months R'000	1 - 2 years R'000	2 - 5 years R'000
Secured bank loans (note 21)	**15 493**	**17 951**	**5 332**	**5 048**	**7 571**
Loans payable (note 24)	**7 361**	**7 421**	**7 421**		
Financial liabilities included in trade and other payables (note 23)*	**23 742**	**23 742**	**23 742**		
Bank overdraft (note 17)	**2 853**	**2 853**	**2 853**		

30 June 2008

	Carrying amount R'000	Total R'000	Contractual cash flows 1 - 12 months R'000	1 - 2 years R'000	2 - 5 years R'000
Secured bank loans (note 21)	19 101	24 982	5 579	5 579	13 824
Loans payable (note 24)	11 604	11 630	11 630		
Financial liabilities included in trade and other payables (note 23)*	27 773	27 773	27 773		
Bank overdraft (note 17)	2 262	2 262	2 262		

* Includes trade payables, accruals and other financial liabilities as defined in terms of IAS32 - Financial Instruments: Disclosure and Presentation.

Where there are no formal repayment terms, the contractual cash flows are assumed to take place within 12 months and no interest is included.

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the group's income or the carrying values of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

International operations

The group's international operations are structured such that items of revenue, expenses, monetary assets and monetary liabilities attributed to group entities are all denominated in the respective group companies' functional currencies to the extent possible, with the exception of the group's international franchise company, Steak Ranches International BV. This company is exposed to currency risk as revenue and related receivables are denominated in currencies other than this company's functional currency which is the Euro. That company is, furthermore, exposed to currency risk in respect of loan receivables denominated in currencies other than the Euro. The most significant of these other currencies are Australian Dollars and Pounds Sterling.

Trade and loan receivables and payables are not hedged as the group's international operations trade in jurisdictions that are considered to have relatively stable currencies.

Exchange gains/losses relating to loans that are considered to be part of the net investment in a foreign entity are recognised directly in equity.

Local operations

The group's local operations are exposed to exchange risk only to the extent that it imports raw materials and certain merchandise for resale from time to time. The number and value of these transactions is not considered significant. The group uses forward exchange contracts to hedge its exposure to currency risk in this regard. The group does not use forward exchange contracts or other derivative contracts for speculative purposes.

Consolidation

The group's consolidated results are influenced by exchange fluctuations between the functional currencies of group entities and the group's reporting currency. The group entities' functional currencies include primarily the Euro, Pound Sterling and Australian Dollar.

The group's investments in associates are not hedged as those currency positions are considered to be long-term in nature.

Exposure to currency risk

The group's exposure to foreign currency risk was as follows as at 30 June:

	GBP '000	USD '000	AUD '000	EUR '000	BWP '000	MUR '000	TZS '000	KES '000	NAD '000
2009									
Assets									
Cash and cash equivalents	**417**	**127**	**309**	**111**	**-**	**-**	**-**	**-**	**338**
Trade and other receivables	**335**	**1**	**320**	**9**	**66**	**46**	**6 879**	**446**	**203**
Loans receivable	**755**	**-**	**109**	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**1 507**	**128**	**738**	**120**	**66**	**46**	**6 879**	**446**	**541**
Liabilities									
Loans payable	**(77)**	**-**	**(99)**	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**(251)**	**(6)**	**(385)**	**(22)**	**-**	**-**	**-**	**-**	**-**
Bank overdraft	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total liabilities	**(328)**	**(6)**	**(484)**	**(22)**	**-**	**-**	**-**	**-**	**-**
Total net exposure	**1 179**	**122**	**254**	**98**	**66**	**46**	**6 879**	**446**	**541**
2008									
Assets									
Cash and cash equivalents	373	96	157	150	-	-	-	-	239
Trade and other receivables	387	2	355	19	74	44	5 471	284	158
Loans receivable	922	-	1 073	-	-	-	-	-	-
Total assets	1 682	98	1 585	169	74	44	5 471	284	397
Liabilities									
Loans payable	(140)	-	(144)	-	-	-	-	-	-
Trade and other payables	(384)	(1)	(1 055)	(22)	-	-	-	-	-
Bank overdraft	(2)	-	(9)	-	-	-	-	-	-
Total liabilities	(526)	(1)	(1 208)	(22)	-	-	-	-	-
Total net exposure	1 156	97	377	147	74	44	5 471	284	397

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2009	2008	2009	2008
AUD 1 = R	**6.6725**	6.5648	**6.3433**	7.6579
GBP 1 = R	**14.4712**	14.6447	**13.0211**	15.8925
EURO 1 = R	**12.3503**	10.7631	**11.0465**	12.5080

Sensitivity analysis

A 10 percent strengthening of the Rand against the following currencies at 30 June would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity R'000	Profit or loss R'000
30 June 2009		
EURO	**(11 337)**	**(684)**
GBP	**(649)**	**528**
AUD	**2 909**	**650**
30 June 2008		
EURO	(11 235)	(43)
GBP	(870)	(46)
AUD	1 863	1 217

A 10 percent weakening of the Rand against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above on the basis that all other variables remain constant.

Interest rate risk

The group adopts a policy of ensuring that its exposure to changes in interest rates is on a floating rate basis as far as possible. No derivative instruments are used.

Interest rate risk profile

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was:

	Carrying amount 2009	Carrying amount 2008
Fixed rate instruments		
Financial assets	**1 054**	2 822
Financial liabilities	**300**	660
Variable rate instruments		
Financial assets	**96 936**	69 431
Financial liabilities	**18 196**	20 972

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss 50 bp increase R'000	Profit or loss 50 bp decrease R'000
30 June 2009		
Variable rate assets	**437**	**(437)**
Variable rate liabilities	**(98)**	**98**
Cash flow sensitivity (net)	**339**	**(339)**
30 June 2008		
Variable rate assets	286	(286)
Variable rate liabilities	(41)	41
Cash flow sensitivity (net)	245	(245)

The group accounts for fixed rate instruments at amortised cost. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

39.4 Fair values

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

The fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements. In the event of interest-free loans without any repayment terms, the fair value is considered to approximate the carrying value.

The fair value of trade and other receivables and loan receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

39.5 Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors both the demographic spread of shareholders, the level of distributions to ordinary shareholders, as well as the return on capital (defined as total shareholders' equity, excluding minority interests).

From time to time the group purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the group's management share incentive scheme. The group does not have a defined share buy-back plan. However, depending on the availability of cash, prevailing market prices and committed capital expenditure, shares may be re-purchased.

There were no changes in the group's approach to capital management during the year.

In terms of existing loan covenants, the group's main local operating entity, Spur Group (Pty) Ltd, may not increase indebtedness by more than R20 million without the permission of the financier of the facilities referred to in note 21.1. In addition, opening cash plus earnings before interest, tax, depreciation and amortisation, less investment in working capital, tax paid and capital expenditure divided by net interest plus capital loan repayments must be equal to or greater than 1.3. To date, the group has complied with these covenants.

40. RESTATEMENT OF CASH FLOW COMPARATIVES

Foreign exchange differences arising on the translation of foreign entities from their functional currencies to the group's reporting currency were previously allocated to balance sheet items on an average balance sheet caption balance basis for the purposes of determining cash flow movements in the cash flow statement. This was considered to be a reasonable proxy for the actual effect of the foreign exchange movements. As this method of allocating foreign exchange movements can result in misleading cash flow movements, the directors have reconsidered this approach. Where the effects of foreign exchange movements can be quantified and are disclosed, these are included in the appropriate caption of the cash flow statement in the determination of the respective cash flow movements. Other foreign exchange movements are now accumulated and adjusted as a single item in the reconciliation of profit before tax to operating profit before working capital items. Comparatives have been adjusted as follows:

	As previously reported 2008 R'000	Reclassification R'000	Restated 2008 R'000
Operating profit before working capital changes	110 013	2 914	112 927
Working capital changes	(8 865)	391	(8 474)
Increase in inventory	(1 208)	(244)	(1 452)
Increase in trade and other receivables	(704)	(2 104)	(2 808)
Decrease in trade and other payables	(4 323)	2 760	(1 563)
Increase in short-term loans receivable	(1 976)	(451)	(2 427)
Decrease in short-term loans payable	(654)	430	(224)
Cash generated from operations	101 148	3 305	104 453
Effect of foreign exchange fluctuations on cash balances	3 105	(3 305)	(200)

41. ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE ADOPTED

A number of new standards, amendments to standards and interpretations applicable to the group are not yet effective for the year ended 30 June 2009, and have not been applied in preparing these consolidated financial statements. Those standards and interpretations which are applicable to the group in the future are presented below.

IAS 1 - Presentation of Financial Statements

This standard introduces new requirements in respect of the presentation of financial statements. All non-owner changes in equity will be presented in a single statement of comprehensive income and owner changes in equity will be presented in the statement of changes in equity. Reclassification adjustments and income tax relating to each component of other comprehensive income will be disclosed on the face of the statement of comprehensive income. Currently this relates to the foreign currency translation reserve. This standard becomes mandatory for the group’s 2010 financial statements. The impact of this standard relates primarily to presentation and is not expected to impact any of the key financial metrics that users of the financial statements use.

IAS 23 - Borrowing Costs

This standard requires a change in the accounting for borrowing costs. All borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets must be capitalised to the cost of the asset. Currently these borrowing costs are expensed. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The group’s existing accounting policy on borrowing costs will change prospectively as a result of the adoption of the revised IAS 23. This standard becomes mandatory for the group’s 2010 financial statements. This change will impact the group to the extent that the group undertakes the production of any qualifying asset.

IAS 27 - Consolidated and Separate Financial Statements

In accordance with the amendments to IAS 27, acquisitions of additional non-controlling equity interests in subsidiaries have to be accounted for as equity transactions. Disposals of equity interests while retaining control are also accounted for as equity transactions. When control of an investee is lost, the resulting gain or loss relating to the transaction will be recognised in profit or loss.
The amendments to IAS 27 also require that losses (including negative “other comprehensive income” as detailed in the revised IAS 1) have to be allocated to the non-controlling interest, even if doing so causes the non-controlling interest to be in a deficit position. The group will in future change its accounting policy on the allocation of losses to non-controlling minority interests.
In the past, losses would only have been allocated until the non-controlling interest had a zero balance.

This standard becomes mandatory for the group’s 2011 financial statements. The group is still evaluating the effect of adopting this standard.

IAS 32 – Financial Instruments: Presentation

Amendments to this standard deal with puttable financial instruments and instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation. These amendments are applicable for the group’s 2010 financial statements and are not expected to have a significant impact on the group.

IFRS 2 – Share-based Payments: Vesting Conditions and Cancellations
Amendments to this standard apply to equity-settled share-based payment transactions and clarify the meaning of vesting and non-vesting conditions. In terms of these amendments, vesting conditions are limited to service conditions and performance conditions. Non-vesting conditions are all other conditions. Whilst these amendments are applicable for the group's 2010 financial statements and are to be applied retrospectively, they are not expected to have any material impact on the group.

IFRS 3 – Business Combinations
This revised standard applies to all new business combinations that occur after 1 July 2009. For these future business combinations, the group will change its accounting policies to be in line with the revised IFRS 3. In future, all transaction costs will be expensed and any contingent purchase consideration will be recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree will be recognised in profit or loss. The revised IFRS 3 becomes mandatory for the group's 2010 financial statements. The group is still evaluating the effect of adopting this standard.

IFRS 8 - Operating Segments
This standard introduces the "management approach" to segment reporting, significantly extending the scope of segmental reporting, to bring it in line with key segmented management information used by key executives in the decision-making of the group. This statement becomes mandatory for the group's 2010 financial statements. It is likely that the group will be required to make key changes to the method of reporting segmental information in future.

42. 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:

Impairment of non-financial assets
Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually. Property, plant and equipment are considered for impairment when an indication of possible impairment exists. An asset is impaired when its carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value-in-use.

Determining whether non-financial assets are impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill, intangible assets and property, plant and equipment have been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable pre-tax discount rate that is reflective of the cash-generating unit's risk profile in order to calculate the present value.

Deferred tax
In the group, each entity assesses the recoverability of deferred tax assets and the recognition of computed tax losses. The recognition is based on the entities' abilities to utilise these computed tax losses based on expected future taxable income. In note 8.2, 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 comprise loans receivable from associate companies and external 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 loans or receivables are impaired, the amount of the loss is determined without reference to future irrecoverable debts that have not been incurred. Refer notes 7.3 and 16 for the amount of any impairment allowance recognised or reversed against loans and trade receivables.

Revenue
The group has certain franchisees operating in Zimbabwe which is a hyperinflationary economy with an uncertain future economic and social climate. Although franchise fee income has been collected from the franchisees in question and deposited into bank accounts in that country, the related revenue and cash balances have not been recognised in the financial statements. This is due to the inability of the group to repatriate funds as a result of a lack of available foreign currency in that country.

COMPANY

INCOME STATEMENT for the year ended 30 June

	Note	2009 R'000	2008 R'000
Dividend income		**41 553**	-
Finance income		**75**	84
Operating expenses		**(3)**	(2)
Profit before tax		**41 625**	82
Tax	1	**(20)**	(23)
Profit for the year		**41 605**	59

BALANCE SHEET at 30 June

	Note	2009 R'000	2008 R'000
ASSETS			
Non-current assets			
Interest in subsidiary companies	2	**17 511**	26 218
Current assets			
Tax receivable		**23**	23
Cash and cash equivalents		**453**	704
Total current assets		**476**	727
TOTAL ASSETS		**17 987**	26 945
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	3	**1**	1
Share premium		**6**	11 331
Share-based payments reserve	4	**9 531**	7 413
Retained income/(accumulated loss)		**51**	(157)
Total capital and reserves		**9 589**	18 588
Non-current liability			
Loan from subsidiary company	5	**8 000**	8 000
Current liabilities			
Trade and other payables		**-**	5
Shareholders for distribution		**398**	352
Total current liabilities		**398**	357
TOTAL EQUITY AND LIABILITIES		**17 987**	26 945

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June

	Ordinary share capital R'000	Share premium R'000	Share-based payments reserve R'000	Retained income/ (accumulated loss) R'000	Total R'000
Balance at 1 July 2007	1	66 982	5 295	(216)	72 062
Profit for the year				59	59
Share-based payments (refer note 4)			2 118		2 118
Distributions (refer note 7)		(55 651)			(55 651)
Balance at 1 July 2008	**1**	**11 331**	**7 413**	**(157)**	**18 588**
Profit for the year				**41 605**	**41 605**
Share-based payments (refer note 4)			**2 118**		**2 118**
Distributions (refer note 7)		**(11 325)**		**(41 397)**	**(52 722)**
Balance at 30 June 2009	**1**	**6**	**9 531**	**51**	**9 589**

CASH FLOW STATEMENT for the year ended 30 June

	Note	2009 R'000	2008 R'000
Cash flows from operating activities			
Operating expenses		**(3)**	(2)
Working capital changes		**(5)**	-
Cash utilised by operations		**(8)**	(2)
Interest received		**75**	84
Tax paid	6	**(20)**	(63)
Dividends received		**41 553**	-
Distributions paid	7	**(52 676)**	(55 601)
Net cash flows from operating activities		**(11 076)**	(55 582)
Cash flows from investing activities			
Decrease in loans to subsidiary companies		**10 825**	54 486
Net cash flows from investing activities		**10 825**	54 486
Net movement in cash and cash equivalents		**(251)**	(1 096)
Cash and cash equivalents at beginning of year		**704**	1 800
Cash and cash equivalents at end of year		**453**	704

NOTES TO THE COMPANY

FINANCIAL

STATEMENTS

1. TAX

	2009 R'000	2008 R'000
South African current tax	**20**	23
Reconciliation of rate of tax	%	%
South African normal tax rate	**28.0**	28.0
Non-taxable income	**(28.0)**	-
Effective tax rate	**0.0**	28.0

The company has available Secondary tax on companies ("STC") credits in the amount of R15 663 (2008: Rnil) available for offset against future STC payable.

2. INTEREST IN SUBSIDIARY COMPANIES

	2009 R'000	2008 R'000
Shares at cost less impairment and amounts written off	**1**	1
Equity-settled share-based payments on behalf of subsidiary (refer note 4)	**9 531**	7 413
Loans to subsidiary companies	**7 979**	18 804
	17 511	26 218

Loans due from subsidiary companies are unsecured, interest-free and no fixed dates of repayment have been determined. Refer to directors' report on page 41 for details of subsidiary companies and loans.

3. ORDINARY SHARE CAPITAL

	2009 R'000	2008 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

The ordinary shares have equal rights to distributions declared by the company. In terms of the company's Articles of Association, the unissued shares of the company may be issued by the directors of the company only with the approval of shareholders by way of an ordinary resolution passed at a general meeting. No such authority has been granted.

4. SHARE-BASED PAYMENTS

The company has granted shares/options to employees of a subsidiary. The details of these shares/options are included in note 19 to the group consolidated financial statements included in this report. In accordance with the group's accounting policies, the share-based payment expense determined in accordance with IFRS 2 - Share-based Payments is treated as a further investment in the subsidiary in question.

5. LOAN FROM SUBSIDIARY COMPANY

	2009 R'000	2008 R'000
Share Buy-back (Pty) Ltd	**8 000**	8 000

This loan 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.

6. TAX PAID

Tax paid is reconciled to the amount disclosed in profit or loss as follows:

	2009 R'000	2008 R'000
Amount receivable/(payable) at beginning of year	**23**	(17)
Amount charged to profit or loss	**(20)**	(23)
Amount receivable at end of year	**(23)**	(23)
	(20)	(63)

7. DISTRIBUTIONS

Distributions declared are as follows:

	2009 R'000	2008 R'000
Final 2007 - capital reduction of 29.0 cents per share	-	28 314
Interim 2008 - capital reduction of 28.0 cents per share	-	27 337
Final 2008 - capital reduction of 11.6* cents per share	**11 325**	-
Final 2008 - dividend of 15.4* cents per share	**15 036**	-
Interim 2009 - dividend of 27.0 cents per share	**26 361**	-
Total distributions	**52 722**	55 651

* Part of the 27.0 cents per share distribution approved by the directors on 10 September 2008.

The directors have approved a final dividend of 28 cents per share to be paid in cash on 5 October 2009. The dividend payable on 5 October 2009 will be subject to Secondary tax on companies at a rate of 10%.

Distributions paid are reconciled to the amount disclosed above as follows:

	2009 R'000	2008 R'000
Amount payable at beginning of year	**(352)**	(302)
Reduction in share premium	**(11 325)**	(55 651)
Dividends declared	**(41 397)**	-
Amount payable at end of year	**398**	352
	(52 676)	(55 601)

8. GUARANTEES

The company has provided unlimited (2008: R70.0 million) guarantees to financial institutions in repect of debts of certain local subsidiary companies.

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 Friday 11 December 2009 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 2009, including the Directors' Report and the Report of the Auditor 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: Kevin Robertson, Keith Getz, Keith Madders and Allen Ambor.
   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." A brief CV of the aforementioned directors is included in pages 12 and 13 of this report.

3. **Ordinary Resolution Number 3: The approval of the appointment of new director**
   "To approve the appointment of Muzi Kuzwayo as independent non-executive director with effect from 15 October 2008."

4. **Ordinary Resolution Number 4: The re-appointment of the auditor**
   "To reappoint the firm KPMG Inc. as auditor and Ivan Engels as the individual designated auditor 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 auditor's remuneration for the past year."

5. **Ordinary Resolution Number 5: 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 payments to shareholders, subject to the following limitations:

   5.1 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

   5.2 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 Listings Requirements is contained in the special resolution number 1 below.

6. **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:

6.1 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 (reported trades are prohibited);
6.2 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;
6.3 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;
6.4 at any one time, the company may only appoint one agent to effect any repurchase;
6.5 the repurchase of shares will not take place during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless a repurchase programme, full details of which are disclosed in an announcement to shareholders prior to the commencement of the prohibited period, is in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and such repurchase will not affect compliance with the shareholders spread requirements as laid down by the JSE;
6.6 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
6.7 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 5 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 12 and 13 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 12 and 13 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 by law and the JSE Listings Requirements.

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 12 to 15)
Major shareholders of the company (refer to page 42)
Directors' interests in the company's shares (refer to page 42)
Share capital (refer to pages 40 and 72)

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 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 10 December 2009. 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 authorisation 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
9 October 2009

CORPORATE INFORMATION

DIVIDENDS

Interim dividend	27 cents per share
Record date	20 March 2009
Payment date	23 March 2009
Final dividend	28 cents per share
Record date	2 October 2009
Payment date	5 October 2009
Reports 2009	Interim for six months ended 31 December 2008 published March 2009
	Preliminary announcement for year ended June 2009 published September 2009
	Annual for year ended 30 June 2009 published November 2009

ADMINISTRATION

Registered office	1 Waterford Mews Century 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 (Pty) Ltd 70 Marshall Street Johannesburg 2001
	PO Box 61051 Marshalltown 2107 Telephone: 27-11-370-5000
Auditors	KPMG Inc.
Attorneys	Bernadt Vukic Potash & Getz
Secretary and registered address	Ronel van Dijk 1 Waterford Mews Century Boulevard Century City 7441

NOTES

Spur Corporation Limited Proxy Form

Spur Corporation Limited

(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 11 December 2009 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 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 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: PO Box 61051, Marshalltown, 2107) to be received by no later than 11:00 on Thursday 10 December 2009.

I/We ______________________________

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 Kevin Robertson			
2.2 Keith Getz			
2.3 Keith Madders			
2.4 Allen Ambor			
Ordinary resolution number 3 - The approval of appointment of new director			
Ordinary resolution number 4 - The re-appointment of the auditor			
Ordinary resolution number 5 - 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 ______________ 2009.

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 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 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 10 December 2009.