

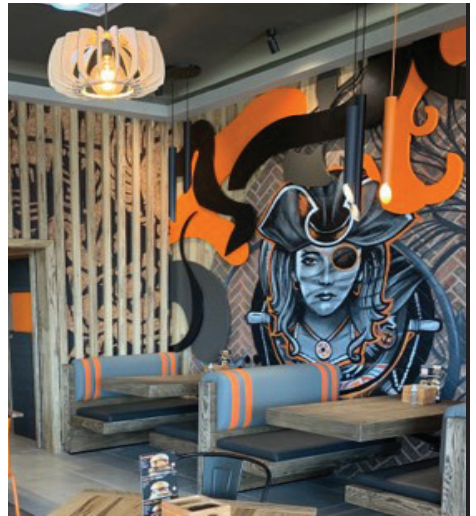


**SPUR** CORP.

PASSIONATE PEOPLE BUILDING GREAT BRANDS

# NOTICE AND PROXY OF ANNUAL GENERAL MEETING AND SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS **2021**

(EXTRACTED FROM AUDITED INFORMATION)  
FOR THE YEAR ENDED 30 JUNE 2021



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# LETTER TO SHAREHOLDERS

Dear Shareholder

## **NOTICE OF ANNUAL GENERAL MEETING AND PROXY**

The document accompanying this letter is our detailed notice of annual general meeting for the Spur Corporation Limited annual general meeting to be held entirely via a remote interactive electronic platform on Friday, 10 December 2021 at 11:00 (“the AGM”).

We have also included summarised consolidated financial statements (extracted from audited information) with explanatory notes and commentary, the electronic participation form and a proxy form. These documents comply with the requirements of the Companies Act (Act No. 71 of 2008, as amended) (“the Act”) and the JSE Limited (“JSE”) Listings Requirements (“Listings Requirements”).

Printed copies of the group’s integrated annual report for the year ended 30 June 2021 (“integrated report”) will only be mailed to shareholders on request.

The audited consolidated and separate financial statements of Spur Corporation Limited for the year ended 30 June 2021 and the integrated report are available for download on our website at [www.spurcorporation.com/investors/results-centre/](http://www.spurcorporation.com/investors/results-centre/).

Yours sincerely,



**Donfrey Meyer (ACG)**  
Company Secretary

29 October 2021

# 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

("Spur Corporation" or "the company")

**NOTICE IS HEREBY GIVEN** that the next annual general meeting of the shareholders of the company will be held entirely via a remote interactive electronic platform on Friday, 10 December 2021 at 11:00 ("AGM").

## RELEVANT DATES

Record date to determine which shareholders are entitled to receive the notice of AGM	Friday, 22 October 2021
Date of posting of this notice of AGM and announcement of AGM on SENS	Friday, 29 October 2021
Last day to trade in order to be eligible to attend and vote at the AGM	Tuesday, 30 November 2021
Record date to determine which shareholders are entitled to attend and vote at the AGM	Friday, 3 December 2021
Forms of proxy to be lodged at the company's transfer secretaries by 11:00 on	Thursday, 9 December 2021
AGM of the company to be held at 11:00 on	Friday, 10 December 2021
Results of the AGM announced on SENS	Friday, 10 December 2021

## IMPACT OF COVID-19 OUTBREAK ON THE AGM

As a result of the impact of the COVID-19 pandemic and guidance from authorities regarding the need for social distancing, the AGM will be conducted entirely by electronic participation as contemplated in section 63(2)(a) of the Act.

Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication ("Participant(s)") must either:

1. register online using the online registration portal at [www.smartagm.co.za](http://www.smartagm.co.za); or
2. apply to Computershare, by delivering the duly completed electronic participation form to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196; posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant); or sending it by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by Computershare by no later than 11:00 on Thursday, 9 December 2021.

The electronic participation form can be found as an insert in this notice of AGM. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

Computershare will inform Participants who notified them of their intended participation in accordance with paragraph 1 under the Participation in the AGM via electronic communication section of the form of proxy insert, by no later than 17:00 on Thursday, 9 December 2021, by email of the relevant details through which Participants can participate electronically.

## PURPOSE OF THE AGM

The purpose of the AGM is to conduct the undermentioned business and for the undermentioned ordinary and special resolutions to be proposed.

## PRESENTATION OF AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the company, including the reports of the audit committee, directors, and the independent auditor, for the year ended 30 June 2021 (available online at [www.spurcorporation.com/investors/results-centre/](http://www.spurcorporation.com/investors/results-centre/)), will be presented to shareholders as required in terms of section 30(3)(d) of the Act.

The reports of the audit committee, directors and independent auditor reports are set out on pages 2, 6 and 12 respectively of the audited financial statements.

## PRESENTATION OF OTHER REPORTS

The remuneration report and the report of the social, ethics and environmental sustainability committee will be presented to shareholders. The remuneration report and the social, ethics and environmental sustainability committee's report can be found at [www.spurcorporation.com/investors/results-centre/](http://www.spurcorporation.com/investors/results-centre/).

## RETIREMENT OF DIRECTORS

In accordance with the company's Memorandum of Incorporation ("MOI"), at least one-third of the non-executive directors retire by rotation at the annual general meeting each year. Consequently, at the AGM, André Parker, Lerato Molebatsi and Sandile Phillip retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

## ORDINARY BUSINESS

To consider, and, if deemed fit, pass, the following ordinary resolutions (numbered 1 to 5), with or without modification (in order to be adopted, Ordinary Resolutions Numbered 1 to 4 require the support of more than 50%, and Ordinary Resolutions Numbered 5.1 and 5.2 require the support of more than 75% of the total number of votes exercisable by shareholders present at the virtual meeting or represented by proxy at the meeting):

### 1. Ordinary Resolution Number 1: The re-election of directors

"To re-elect the following independent non-executive directors who, in terms of the company's MOI retire at the AGM but, being eligible, offer themselves for re-election to the board of directors of the company ("board"):

- 1.1. André Parker;
- 1.2. Lerato Molebatsi; and
- 1.3. Sandile Phillip."

Brief biographies of Mr Parker, Ms Molebatsi and Mr Phillip are included in Annexure 2 to this document.

The ordinary resolutions 1.1 to 1.3 constitute separate resolutions and will be considered by separate votes.

### 2. Ordinary Resolution Number 2: The election of directors appointed during the year

"To elect the following directors, in terms of the company's MOI, who were appointed to the board during the year:

- 2.1 Valentine (Val) Nichas as executive director;
- 2.2 Cristina Teixeira as executive director."

The reason for Ordinary Resolutions Numbered 2.1 to 2.2 is that in terms of the Companies Act any new appointments to the board be confirmed by the shareholders at the next annual general meeting of the company.

Ms Nichas and Ms Teixeira were appointed to the board on 1 January 2021 and 1 February 2021 respectively.

Brief biographies of the aforementioned directors are included in Annexure 2 to this document.

The appointments numbered 2.1 to 2.2 constitute separate ordinary resolutions and will be considered by separate votes.

### 3. Ordinary Resolution Number 3: The appointment of the audit committee for the ensuing year

"To elect the following independent non-executive directors, who are eligible and offer themselves for election, to the audit committee for the ensuing year, as recommended by the board in accordance with section 94(2) of the Act:

- 3.1 Cora Fernandez (chair);
- 3.2 André Parker, subject to the passing of Ordinary Resolution Number 1.1;
- 3.3 Jesmane Boggenpoel; and
- 3.4 Sandile Phillip, subject to the passing of Ordinary Resolution Number 1.3."

Brief biographies of the aforementioned directors are included in Annexure 3 to this document.

The appointments numbered 3.1 to 3.4 constitute separate ordinary resolutions and will be considered by separate votes.

#### **4. Ordinary Resolution Number 4: The appointment of the independent auditor and the designated auditor**

“To appoint, as recommended by the company’s audit committee and endorsed by the board, the firm PricewaterhouseCoopers Incorporated (“PwC”) as the external auditor of Spur Corporation, with Mr Anton Hugo as the designated individual audit partner, of the company for the ensuing period terminating on the conclusion of the next annual general meeting of the company.”

Subsequent to year-end, shareholders were advised that in anticipation of the mandatory audit firm rotation requirements of the Independent Regulatory Board for Auditors (“IRBA”), the company had concluded a Request for Proposal (“RFP”) process to appoint a new external audit firm for its 2022 financial year. In terms of section 90(1) of the Act, the external auditor of the company must be appointed at the AGM each year. To be appointed as auditor, the auditor must satisfy the requirements of section 90(2) of the Act and section 22 of the JSE Listings Requirements. A qualifying criterion of the RFP process was the independence of the proposed auditor to the company. The audit committee and the board (based on the findings and recommendations of the audit committee) are satisfied that PwC meets the requirements of section 90(2) of the Companies Act and section 22 of the JSE Listings Requirements and that the external auditor, PwC, is independent of the company, as set out in section 94(8) of the Companies Act.

#### **5. Ordinary Resolution Number 5: The endorsement of the remuneration report**

“To endorse, by way of non-binding advisory votes:

5.1 the company’s remuneration policy; and

5.2 the company’s remuneration implementation report of the company’s integrated report.”

The ordinary resolutions numbered 5.1 and 5.2 constitute separate ordinary resolutions and will be considered by separate votes.

The company’s remuneration policy and remuneration implementation report are available for download on the company’s website at <https://www.spurcorporation.com/wp-content/uploads/2021/Remuneration-Policy-FINAL.pdf> and <https://www.spurcorporation.com/wp-content/uploads/2021/Remuneration-Report-FINAL.pdf>.

In accordance with Principle 14 of the King Report on Corporate Governance for South Africa, 2016 (“King IV™”), the company’s remuneration policy and remuneration implementation report are tabled for consideration by shareholders. These votes enable shareholders to express their views on the remuneration policies adopted by the company and on the implementation thereof.

Ordinary Resolutions Numbered 5.1 and 5.2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements; however, the board will take the outcome of the votes on these resolutions into consideration when considering amendments to the company’s remuneration policy. Should either of the resolutions, or both, be opposed by 25% or more of the total number of votes exercisable by shareholders present at the virtual meeting or represented by proxy at the meeting, the board will issue an invitation, included in the announcement to shareholders advising of the results of the AGM to be published on SENS on 10 December 2021, to those shareholders who voted against the applicable resolution to engage with the company for this purpose.

### **SPECIAL BUSINESS**

To consider, and, if deemed fit, pass, the following special resolutions (numbered 1 to 3), with or without modification (in order to be adopted, these resolutions require the support of at least 75% of the total number of votes exercisable by shareholders present at the virtual meeting or represented by proxy at the meeting):

## 6. Special Resolution Number 1: The authority to repurchase shares

“To authorise the company (or one of its subsidiaries) to repurchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may from time to time determine, but subject always to the provisions of sections 46 and 48 of the Act, the Listings Requirements and the following limitations:

- (i) 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);
- (ii) 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;
- (iii) that authorisation thereto is given by the company's MOI;
- (iv) that an announcement be made giving such details as may be required in terms of the Listings Requirements when the company (or a subsidiary or subsidiaries collectively) has cumulatively repurchased 3% of the initial number (the number of that class of shares 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;
- (v) at any one time, the company (or any subsidiary) may only appoint one agent to effect any repurchase on behalf of the company or any subsidiary (as the case may be);
- (vi) the repurchase of shares by the company or its subsidiaries will not take place during a prohibited period as defined by the Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and this programme has been submitted to the JSE in writing. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the company, prior to commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- (vii) 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, provided that a subsidiary of the company (or subsidiaries of the company collectively) shall not hold in excess of 10% of the number of shares issued by the company;
- (viii) 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; and
- (ix) prior to entering the market to proceed with the repurchase, the board shall have passed a resolution that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity tests as set out in section 4 of the Act and confirming that, since the tests were performed, there had been no material changes to the financial position of the group.”

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, 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 (or subsidiaries) 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

In terms of the Listings Requirements, the following disclosures are required with reference to the repurchase of the company's shares as set out in Special Resolution Number 1 above:

### Statement of directors

As at the date of this report, the company's directors undertake that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 months after such general repurchase:

- (i) the company and the group will be able, in the ordinary course of business, to pay its debts;
- (ii) 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 International Financial Reporting Standards;
- (iii) the share capital and reserves of the company and the group will be adequate for ordinary business purposes;
- (iv) the working capital resources of the company and the group will be adequate for ordinary business purposes; and
- (v) the company and the group have complied with the applicable provisions of the Act and the Listings Requirements.

### Directors' responsibility statement

The current directors, whose names are given in Annexure 10 to this report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution 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 contains all information required by law and the Listings Requirements.

### Material changes

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

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

- Major shareholders of the company (refer Annexure 6 to this report); and
- Share capital (refer Annexure 7 to this report).

## 7. Special Resolution Number 2: The authority to provide financial assistance

"To authorise the directors in terms of, and subject to, the provisions of sections 44 and/or 45 of the Act to cause the company to, from time to time, provide any direct and/or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) for a period of two years commencing on the date of this special resolution to any of its present or future subsidiaries and/or any other company or corporation which is, or becomes, related or interrelated to the company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued, or to be issued, by the company or a related or interrelated company or for the purchase of any securities of the company or related or interrelated company; provided that the board is satisfied that immediately after providing the financial assistance, the company will satisfy the solvency and liquidity tests contemplated in section 4 of the Act, that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the company's MOI have been satisfied; and provided further that such financial assistance is not provided to any company or corporation which is, or becomes, related or interrelated to the company solely by virtue of any director or prescribed officer of the company having, or acquiring, an interest in such other company or corporation."



The reason for this special resolution is, and the effect thereof will be, to authorise the board to cause the company to provide financial assistance to any entity which is related or interrelated to the company, other than such entities which are related or interrelated to the company solely by virtue of the fact that any director or prescribed officer of the company has, or acquires, an interest in that entity.

## 8. Special Resolution Number 3: The authority to pay non-executive directors' remuneration

Special Resolutions Numbered 3.1 and 3.2 are proposed to obtain shareholder approval for the payment of remuneration to the non-executive directors in respect the fees payable to non-executive directors for the financial year from 1 July 2021 to 30 June 2022 ("the 2022 financial year") and for additional meetings or special assignments that specific non-executive directors may be engaged for at the request of the board or chairman.

### 8.1 Special Resolution Number 3.1: Fees payable to non-executive directors for the 2022 financial year

"To approve the board's recommendation in respect of remuneration of non-executive directors for services in their capacity as directors (including services rendered on any board committee), as contemplated in section 66(9) of the Act, with effect from 1 July 2021, until the expiry of a period of 24 months from the date of passing of this Special Resolution Number 3.1 (or until amended by special resolution of shareholders prior to the expiry of such period), which remuneration is determined as per the following table:

	Proposed fee per annum 2022	Fee per annum 2021
Chairman of the board (inclusive of all committee memberships and scheduled meeting attendances)	R1 200 000	<b>R1 200 000</b>
Member of board	R450 000	<b>R450 000</b>
Chair/member of audit committee	R84 000/R42 000	<b>R84 000/R42 000</b>
Chair/member of nominations and remuneration committee	R84 000/R42 000	<b>R84 000/R42 000</b>
Chair/member of social, ethics and environmental sustainability committee	R84 000/R42 000	<b>R84 000/R42 000</b>
Chair/member of risk committee	R84 000/R42 000	<b>R84 000/R42 000</b>

Where such amounts are stated exclusive of VAT, where applicable, as detailed in Annexure 4 to this report."

Please refer to Annexure 4 to this report for a detailed analysis of the basis of calculation.

### 8.2 Special Resolution Number 3.2: Fees payable to non-executive directors for additional meetings and assignments

"Subject to the passing of Special Resolution Number 3.1, and in addition to those fees payable for scheduled meetings contemplated in Special Resolution Number 3.1, to further approve the board's recommendation in respect of fees payable to non-executive directors for services in their capacity as directors, as contemplated in section 66(9) of the Act, with effect from 1 July 2021, until the expiry of a period of 24 months from the date of passing of this Special Resolution Number 3.2 (or until amended by special resolution of shareholders prior to the expiry of such period), in the amount of R3 500 per hour (2021: R3 500 per hour) or part thereof for special assignments and/or attendance at meetings in addition to those scheduled meetings, provided that where the duration of such a meeting exceeds three hours, the fee for such meeting shall be R25 000 (2021: R25 000), where such amounts are stated exclusive of VAT, where applicable."

The special resolutions numbered 3.1 and 3.2 constitute separate special resolutions and will be considered by separate votes.

The reason for, and the effect of, these special resolutions are to enable the company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that remuneration to directors for their services as directors may be paid only in accordance with a special resolution approved by shareholders within the previous two years. Please refer to Annexure 4 to this report for fees payable to non-executive directors.

## **VOTING PROXIES AND PROCEDURES**

### **Shareholders who wish to vote, but not attend the AGM**

#### **Certificated shareholders and own-name dematerialised shareholders**

Complete the form of proxy attached to this notice of AGM and email same, together with proof of identification (i.e. South African ("SA") identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), to the transfer secretary, Computershare Investor Services (Pty) Ltd ("transfer secretary"), at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by the transfer secretary by no later than 11:00 on Thursday, 9 December 2021, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary (who will provide same to the chairman of the AGM) at any time prior to the AGM, provided that such form of proxy and identification must be verified and registered before the commencement of the AGM.

#### **Dematerialised shareholders (excluding own-name dematerialised shareholders)**

- Provide your central securities depository Participant ("CSDP") or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker.
- You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them.
- If your broker or CSDP does not receive voting instructions from you, it will be obliged to vote in accordance with the instructions in the custody agreement.

### **Shareholders who wish to attend and vote at the AGM**

#### **Certificated shareholders and own-name dematerialised shareholders**

- Register online at [www.smartagm.co.za](http://www.smartagm.co.za) by no later than 11:00 on Thursday, 9 December 2021. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM. Identification must be verified and registered before the commencement of the AGM.
- As part of the registration process you will be requested to upload proof of identification (i.e. SA identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), as well as to provide details, such as your name, surname, email address and contact number.
- Following successful registration, the transfer secretary will provide you with a meeting ID number, username and password in order to connect electronically to the AGM.
- Participate in the AGM through the Lumi website by following the steps set out at [www.smartagm.co.za](http://www.smartagm.co.za).

#### **Dematerialised shareholders (excluding own-name dematerialised shareholders)**

- Request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker.
- Register online at [www.smartagm.co.za](http://www.smartagm.co.za) by no later than 11:00 on Thursday, 9 December 2021. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.

- As part of the registration process you will be requested to upload your letter of representation and proof of identification (i.e. SA identity document, SA driver's license or passport), as well as to provide details, such as your name, surname, email address and contact number.
  - Following successful registration, the transfer secretary will provide you with a meeting ID number, username and password in order to connect electronically to the AGM.
  - Participate in the AGM through the Lumi website by following the steps set out at [www.smartagm.co.za](http://www.smartagm.co.za).
1. Each Spur Corporation Limited shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to participate, speak and vote in their stead at the AGM.
  2. Voting will take place by way of a poll and accordingly each shareholder will have one vote in respect of each share held.
  3. The cost (e.g. mobile data consumption or internet connectivity) of electronic participation in the AGM will be carried by the Participant.
  4. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies the company and its directors/employees/company secretary/transfer secretary/service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the company or its directors/employees/company secretary/transfer secretary/ service providers, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
  5. Shares held by a share trust or scheme will not have their votes at the AGM taken into account for purposes of the resolutions proposed in terms of the Listings Requirements. Shares held as treasury shares will not have their votes taken into account at the AGM.

By order of the board



**Donfrey Meyer**  
Company Secretary

29 October 2021

# ANNEXURE 1 – Summarised consolidated financial statements (extracted from audited information)

## COMMENTARY ON RESULTS

### TRADING PERFORMANCE

The macro-economic impact of COVID-19, and the resultant erratic trading restrictions imposed in South Africa and globally, continue to create uncertainty in the restaurant industry.

In these conditions, consumer anxiety has increased, with a focus on safety and the well-being of families. Consumers are concerned about retaining employment and reduced or loss of income in households. Lifestyles have changed to accommodate a new reality, with more time spent at home cooking meals, as well as relying on convenient food solutions and searching for value.

The desire from many consumers is to return to the normality of dining and celebrating with friends and families in restaurants with out of home options.

New restaurant turnover trends therefore emerged that were closely aligned to these changing consumer requirements and ongoing government regulation of seating capacity, take-away/deliveries only and curfew hours.

Despite the continuation of these difficult trading conditions, the group's casual dining restaurants were better positioned to manage deliveries and takeaways, loyal customers were more responsive to convenience channels such as click and collect, and, overall, the second half of the F2021 trading year produced improved results that indicate a slow, but positive, recovery.

### Restaurant sales

	Total restaurant sales growth (%)		
	H1 F2021 vs H1 F2020	H2 F2021 vs H2 F2020	F2021 vs F2020
Spur	(31.0)	81.0	2.7
Panarottis and Casa Bella	(36.6)	63.5	(5.7)
John Dory's	(40.1)	65.0	(9.1)
The Hussar Grill	(37.6)	50.5	(8.3)
RocoMamas	(15.3)	65.3	13.1
Nikos	(34.5)	31.6	(12.8)
<b>Total South Africa</b>	(31.0)	74.5	1.5
<b>Total International</b>	(17.3)	22.3	(3.0)
<b>Total Group</b>	(29.5)	67.6	1.0

After declining by 31% in the first half, the group grew franchised restaurant sales in South Africa by 1.5% for the financial year. This represents a 74.5% increase in the second half of the year, over the same period in F2020, which was severely impacted by the total prohibition on sit-down trade in the fourth quarter.

The growth was mainly driven by the Spur Steak Ranches (Spur) brand, which increased restaurant sales by 81.0% in the second half. This resulted in 2.7% growth for F2021 over the comparative period, when the most stringent lockdown restrictions were in place. RocoMamas, with their fast casual hospitality and distinctive Smashburger range, increased sales by 13.1%. This was mainly due to its high proportion of takeaway and delivery sales.

The core offering of the group's restaurants is casual dining and fast casual restaurants, with takeaways during the year representing 18% of the group's South African turnover. The top three contributing brands in terms of percentage of takeaways to total sales are RocoMamas (48%), Panarottis (37%) and Spur (11%).

As remote office working conditions continue to evolve and the demand for convenience and online purchases drives the need for increased technology and touchless solutions, click and collect was the most used form of takeaway orders, with Mr D second due to its larger national footprint, followed by Uber Eats.

**ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)**

International franchised restaurant sales declined by 3.0%. Based on a constant exchange rate, international restaurant sales were 1.1% higher. Sales in Australasia declined by 9.4% while sales from the rest of the international restaurants declined by 1.7%. This was largely based on the extended period of lockdown, especially in the key market of Mauritius where the group has 17 restaurants.

Widespread concessions in franchise and marketing fees were in place for the first eight months of the financial year. From March 2021, concessions were granted to franchise partners based on individual requirements only, with an emphasis on sites that are still severely impacted by the COVID-19 restrictions, such as high tourist traffic sites, casinos, resorts and airports. Further support included assisting franchisees with restaurant cost restructures and deferrals, including rental negotiations.

**RESTAURANT FOOTPRINT**

In South Africa, 19 restaurants were opened during the year and 27 were closed. The key reasons for the closures include unsustainable businesses due to weak site positioning and expensive rental costs. Unfortunately, for some restaurants where profitability was already marginal, the impact of reduced trading due to COVID-19 restrictions forced final closure.

The group's international growth strategy has been repositioned to focus on areas in Africa where the brands resonate with local consumers, such as in Zambia, Namibia, Kenya and Mauritius.

During the year, eight restaurants were opened internationally, with three in Zambia, two in Eswatini and one each in Zimbabwe, Ghana and Oman.

A total of seven international restaurants were closed in Cyprus, Lesotho, Zambia, Mauritius and Australia. The group continued to de-risk its presence, closing another Panarottis and one Spur in Australia, with only two Spur restaurants remaining. The RocoMamas outlet in Australia has been trading consistently, and further expansion opportunities have been identified for the brand in that market.

Active agreements – franchised restaurants	30 June 2021			30 June 2020		
	South Africa	International	Total	South Africa	International	Total
Spur	296	34	330	298	34	332
Panarottis and Casa Bella	89	29	118	91	31	122
John Dory's	49	3	52	52	3	55
The Hussar Grill	20	2	22	22	2	24
RocoMamas	78	17	95	75	14	89
Nikos	7	–	7	9	–	9
<b>Total</b>	<b>539</b>	<b>85</b>	<b>624</b>	547	84	631

**ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)**

**FINANCIAL PERFORMANCE**

R'000	<b>F2021</b>	F2020	% change
South Africa			
External revenue	<b>652 597</b>	729 019	(10.5)
Profit before income tax	<b>143 227</b>	133 288	7.5
International			
External revenue	<b>28 839</b>	32 601	(11.5)
Profit before income tax*	<b>5 012</b>	(5 051)	199.2
<b>Group</b>			
<b>External revenue</b>	<b>681 436</b>	761 620	(10.5)
<b>Profit before income tax</b>	<b>148 239</b>	127 774	16.0
<b>Profit after tax</b>	<b>99 759</b>	70 657	41.2

\* Excluding share of loss of equity-accounted investee.

Although restaurant sales in the second half of the financial year improved over the first half, group revenue was impacted by concessions to franchise and marketing fees charged to franchisees during the year to support their financial sustainability.

These concessions, together with lower sales in company-owned restaurants, resulted in group revenue declining by 10.5% to R681.4 million (2020: R761.6 million). Revenue from company-owned restaurants declined by 22.9% as four of the five company-owned restaurants are The Hussar Grill outlets, which were directly impacted by reduced footfall due to the ban on incoming international travel and restrictions on the sale of alcohol.

Revenue from the South African operations accounted for 95.8% of total group revenue. The balance represents international revenue, which declined by 11.5%.

South African franchise revenue increased only in RocoMamas, as the product mix is more conducive to takeaway and delivery trade, which has been a critical market during lockdown conditions. Revenue in this brand increased by 12.9% but declined in the other brands, with a 7.0% decline in Spur, 15.3% in Panarottis and Casa Bella, 19.3% in John Dory's, 5.7% in The Hussar Grill and 29.7% in Nikos.

Revenue in the manufacturing and distribution division increased by 4.7% due to a strong recovery in the second half. The higher restaurant sales, along with a price increase of 10.2% in November 2020, allowed for an improved contribution by the group's manufacturing operations. Sales of retail sauces grew by 6.7%. The group has already seen good traction on its new supply chain strategy, which is aimed at increasing volume in strategic categories to improve franchisee profitability while offering consumers a quality product at best price.

Group profit before income tax increased by 16.0%.

Profit before income tax in the South African operations increased by 7.5% despite profit earned from franchise segments declining by 7.2%. This is due to the increased contribution to profit from the group's manufacturing operations and company-owned stores, as well as the impact of the consolidation of net marketing contributions.

The local marketing funds experienced a year-on-year positive movement of R43.4 million. In 2020, a deficit of R19.1 million arose as marketing fees were reduced during the hard lockdown, while the funds generated a surplus of R24.3 million in the current year to recover the prior year's deficit.

Profit in the company-owned stores benefited from R14.8 million in COVID-19 business interruption insurance claims in the second half of the financial year, which is reported as other income. The claims amounts have been received in cash subsequent to year-end.

Profit in the manufacturing and distribution segment increased by 6.2% in line with higher restaurant sales. In addition, the prior year profit was impacted by costs relating to the refurbishment of the group's sauce manufacturing facility.

## ANNEXURE 1 – Summarised consolidated financial statements (extracted from audited information)(continued)

As reported in the first half of the financial year, profit was impacted by costs of R3.9 million related to the voluntary retrenchment programme undertaken as part of the group's COVID-19 austerity measures. The prior year also includes a financial instrument impairment net reversal of R10.2 million relating to the termination of the Grand Parade Investments (GPI) black economic empowerment transaction, which was not repeated in the current year.

Net finance income was R10.5 million lower, as a result of lower cash generated by the group through the pandemic and the decline in cash reserves following the repurchase and cancellation of the GPI shares in the prior year.

In the international operations, profit from franchise operations increased to R10.8 million (2020: R2.7 million). The prior year included allowances for credit losses of R6.6 million in Australia. In addition, savings were realised in the current year due to reduced travel by operations employees due to travel restrictions in place for most of the year.

Comparable profit before income tax, excluding once-off and unusual items such as those detailed above, as well as the impact of marketing funds, decreased by 18.6%. This is typical of a high-margin franchise business where the majority of expenditure is employment-related and not variable in the short term.

The prior year's income tax charge includes an impairment of foreign withholding tax credits of R11.7 million, contributing to a reduction in the effective tax rate from 44.7% in the prior year to 32.7% in the current year.

Headline earnings increased by 28.3% to R93.0 million, with diluted headline earnings per share 33.0% higher at 110.37 cents. Earnings increased by 39.1% to R93.1 million, with diluted earnings per share 44.2% higher at 110.48 cents.

### **PAYMENT OF DEFERRED CASH DIVIDEND**

Shareholders are referred to the interim dividend for the year ended 30 June 2020 ("interim 2020 cash dividend") of R70.978 million which was declared on 26 February 2020 ("declaration date") and was due to be paid on 6 April 2020. Following the outbreak of COVID-19 and the potential impact of long-term trading restrictions on the group's cash reserves, the board of directors of Spur Corporation Limited ("board") advised shareholders on 30 March 2020 that payment of the dividend would be deferred until 5 October 2020. On 3 September 2020, the board advised shareholders that payment of the dividend would be further deferred. Shareholders were advised at the time of releasing interim results for the six months ended 31 December 2020 on 2 March 2021 that the board had determined it appropriate, in compliance with the Companies Act and the directors' fiduciary duties, to defer the payment of the dividend until future cash flows could be predicted with a greater confidence level.

Shareholders are advised that the board has, on Wednesday, 22 September 2021, resolved to authorise the payment of the interim 2020 cash dividend of R70.978 million, which equated to 78.0 cents per share for each of the 90 966 932 shares in issue, subject to the applicable tax levied in terms of the Income Tax Act, Act 58 of 1962, as amended ("dividend withholding tax").

The interim 2020 cash dividend was declared from income reserves. The dividend withholding tax is 20% and a net dividend of 62.4 cents per share will be paid to those shareholders who are not exempt from dividend withholding tax. The company's income tax reference number is 9695015033. The company had 90 966 932 shares in issue at the declaration date and this remains unchanged at the date of publication of this report.

In accordance with the provisions of Strate, the electronic settlement and custody system used by the JSE, the relevant dates for the dividend are as follows:

<b>Event</b>	<b>Date</b>
Publication date	Thursday, 23 September 2021
Last day to trade 'cum dividend'	Tuesday, 19 October 2021
Shares commence trading 'ex dividend'	Wednesday, 20 October 2021
Record date	Friday, 22 October 2021
Payment date	Monday, 25 October 2021

Those shareholders of the company who are recorded in the company's register as at the record date will be entitled to the dividend. Share certificates may not be dematerialised or rematerialised between Wednesday, 20 October 2021 and Friday, 22 October 2021, both days inclusive.

## TRADING POST YEAR-END

As the third wave of COVID-19 hit South Africa, level 4 lockdown was imposed from 28 June to 25 July 2021, which once again prevented sit-down trade and limited trading time to 20:00. From 26 July 2021, restrictions were lowered to level 3, with sit-down trade permitted subject to restrictions of 50% capacity or 50 people, with the trading time extended to 21:00.

Trading in July 2021 proved difficult due to the continuing restrictions and curfew hours. A one-month discounted fee structure for all restaurants was granted on franchise and marketing fees payable by franchisees.

In addition, July was adversely impacted by the widespread civil unrest in KwaZulu-Natal in the second week of July 2021. This resulted in nine of the group's franchised restaurants being looted and vandalised, with damages totalling R29.5 million. Franchised restaurant turnover loss in July alone was R14.6 million due to the closure of the restaurants. A third of the loss was experienced in the civil unrest week. Franchisees have started to receive insurance pay-outs on these claims in August and September. Five of the nine looted restaurants have reopened for trade.

August 2021 was a buoyant trading month, stimulated by increased marketing activity and value-added campaigns across most brands. This positive trend continued into September.

From 13 September, the lockdown level was shifted to level 2, with extended trading hours and increased capacity for seated dining restaurants. This has been well received by franchisees and customers.

The group is currently rolling out a new network development strategy, the R8 model, that focuses on restaurant revamps, relocation and revival strategies to evolve the brand networks into leading experiences for customers. This will continue in the new financial year across all brands in South Africa and internationally.

In September alone, nine restaurants opened, including four Spur restaurants (three of which are stores restored post-looting), three RocoMamas restaurants, one The Hussar Grill and a new iconic Nikos restaurant in Montecasino.

## OUTLOOK

As the COVID-19 vaccination programme gathers momentum in South Africa, the frequency of restaurant visits is expected to increase.

The group is resilient and well positioned to respond to any further changing market conditions.

The collaboration with the franchise network is ensuring that all strategic initiatives are effectively mobilised, and transformation and innovation is underway in line with the group's stated strategic intention towards a common purpose of Leading for the Greater Good.

The focus will be on the brand experience. The team has commenced a process of defining the experience, processes and developing a strategy and plan to stimulate growth for each brand. The plant-based protein trend is set to continue as the number of vegetarian and vegan consumers increases, demanding a larger variety of plant-based menu options. Our brands currently offer a selection of vegan menu items and the opportunity exists to expand this choice. The COVID-19 pandemic has increased consumers' reliance on technology. Online options to have meals delivered to customers in a contactless manner is becoming the norm. Related new trends and technologies include contactless delivery, contactless payments, digital/online ordering, QR codes, ghost/virtual kitchens and contactless dining experiences. Innovations will be developed around the future needs of customers to ensure the group remains ahead of global and local lifestyle changes.

Recent independent consumer research commissioned by the group (source: Kantar TNS) confirmed that the Spur brand remains meaningful, relevant and well entrenched with customers, with a particular affinity with consumers that sets it apart and results in the chain indexing well above its relevant category average on key measures. The study also confirmed the strength of the RocoMamas brand, with its unique positioning and strong differentiator above the category index.

In line with the refocused strategy, to dominate with brands leading the experience, the group plans to open 32 new restaurants in South Africa and seven internationally in the 2022 financial year.



## SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

	Note	2021 R'000	2020 R'000	Change
<b>Revenue</b>				
Cost of sales	4	<b>681 436</b> <b>(165 428)</b>	761 620 (198 132)	(10.5%) (16.5%)
<b>Gross profit</b>		<b>516 008</b>	563 488	(8.4%)
Other income	5	<b>27 071</b>	7 449	
Administration expenses		<b>(155 540)</b>	(143 463)	
Impairment reversal/(losses) – financial instruments and lease receivable	6	<b>2 523</b>	(2 805)	
Marketing expenses		<b>(120 130)</b>	(173 962)	
Operations expenses		<b>(93 189)</b>	(98 994)	
Other non-trading losses	6	<b>(7 677)</b>	(7 076)	
Retail company store expenses		<b>(24 335)</b>	(30 434)	
<b>Operating profit before finance income</b>	6	<b>144 731</b>	114 203	26.7%
Net finance income		<b>3 508</b>	14 034	(75.0%)
Interest income <sup>1</sup>		<b>8 273</b>	19 336	
Interest expense <sup>2</sup>		<b>(4 765)</b>	(5 302)	
Share of loss of equity-accounted investee (net of income tax)		–	(463)	
<b>Profit before income tax</b>		<b>148 239</b>	127 774	16.0%
Income tax expense <sup>3</sup>	7	<b>(48 480)</b>	(57 117)	(15.1%)
<b>Profit</b>		<b>99 759</b>	70 657	41.2%
<b>Other comprehensive income<sup>4</sup></b>		<b>14</b>	(1 357)	
Foreign currency translation differences for foreign operations		<b>(80)</b>	(1 575)	
Foreign exchange gain/(loss) on net investments in foreign operations		<b>115</b>	(30)	
Current tax on foreign exchange gain on net investments in foreign subsidiaries		<b>(21)</b>	–	
Reclassification of foreign currency loss from other comprehensive income to profit or loss, on abandonment of foreign operations		–	248	
<b>Total comprehensive income</b>		<b>99 773</b>	69 300	44.0%
<b>Profit attributable to:</b>				
Equity owners of the company		<b>93 082</b>	66 924	39.1%
Non-controlling interests		<b>6 677</b>	3 733	
<b>Profit</b>		<b>99 759</b>	70 657	41.2%
<b>Total comprehensive income attributable to:</b>				
Equity owners of the company		<b>93 096</b>	65 567	42.0%
Non-controlling interests		<b>6 677</b>	3 733	
<b>Total comprehensive income</b>		<b>99 773</b>	69 300	44.0%
<b>Earnings per share (cents)</b>				
Basic earnings	8	<b>110.85</b>	76.87	44.2%
Diluted earnings	8	<b>110.48</b>	76.62	44.2%

<sup>1</sup> Interest income comprises interest revenue calculated using the effective interest method.

<sup>2</sup> Interest expense includes interest on lease liabilities of R4,441 million (2020: R5,245 million) and interest on employee benefits of R0,302 million (2020: Rnil).

<sup>3</sup> Income tax expense for the current year includes an accrual of R4,110 million relating to withholding tax credits not deducted by franchisees on payments of franchise fees in foreign jurisdictions in prior years. The prior year expense includes an impairment of the receivable for foreign withholding tax credits of R11,746 million, which were not considered recoverable in a reasonable period of time as a result of the expected impact of COVID-19 on global economic activity in the short to medium term.

<sup>4</sup> All items included in other comprehensive income are items that are, or may be, reclassified to profit or loss.

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE

	Note	2021 R'000	Restated 2020* R'000	Restated 2019* R'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
		<b>500 311</b>	518 466	519 516
Property, plant and equipment		93 957	102 182	100 390
Right-of-use assets		36 002	41 921	38 286
Intangible assets and goodwill		365 402	365 253	369 092
Lease receivable		–	–	3 480
Loans receivable	9	962	2 929	5 391
Deferred tax		3 988	6 181	2 877
<b>Current assets</b>				
		<b>409 038</b>	282 440	559 741
Inventories		11 618	16 148	10 299
Tax receivable <sup>1</sup>		25 168	28 073	36 939
Trade and other receivables <sup>2</sup>		93 978	55 619	106 011
Lease receivable		–	–	664
Loans receivable	9	1 359	4 022	105 961
Contingent consideration receivable <sup>3</sup>		4 047	4 555	–
Restricted cash <sup>4</sup>		11 998	8 671	18 009
Cash and cash equivalents		260 870	165 352	281 858
<b>TOTAL ASSETS</b>				
		<b>909 349</b>	800 906	1 079 257
<b>EQUITY</b>				
<b>Total equity</b>				
		<b>635 173</b>	535 615	871 543
Ordinary share capital		1	1	1
Share premium		34 309	34 309	294 663
Shares repurchased by subsidiaries		(15 118)	(15 118)	(126 811)
Foreign currency translation reserve		29 026	29 012	30 369
Share-based payments reserve <sup>5</sup>		4 751	3 473	4 400
Retained earnings		568 890	475 501	658 015
<b>Total equity attributable to owners of the company</b>				
		<b>621 859</b>	527 178	860 637
Non-controlling interests		13 314	8 437	10 906
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
		<b>116 291</b>	127 883	124 665
Contingent consideration liability <sup>3</sup>		–	1 589	1 011
Employee benefits	10	2 304	–	–
Contract liabilities <sup>6</sup>		24 771	29 342	29 045
Lease liabilities <sup>7</sup>		33 690	39 740	37 469
Deferred tax		55 526	57 212	57 140
<b>Current liabilities</b>				
		<b>157 885</b>	137 408	83 049
Tax payable <sup>8</sup>		6 772	2 229	1 396
Trade and other payables <sup>9</sup>		60 922	49 710	68 194
Loans payable		196	196	–
Provision for lease obligation	11	7 175	–	–
Employee benefits	10	4 300	–	–
Contract liabilities <sup>6</sup>		4 749	5 808	4 226
Lease liabilities <sup>7</sup>		7 514	13 208	8 519
Shareholders for dividend <sup>10</sup>		66 257	66 257	714
<b>TOTAL EQUITY AND LIABILITIES</b>				
		<b>909 349</b>	800 906	1 079 257

\* Restated. Refer note 19.

**ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)**

- <sup>1</sup> Tax receivable includes payments of tax and interest related to the 2004 share incentive scheme dispute with SARS (refer note 14.1) of R22.034 million (2020: R22.034 million) as well as a receivable in respect of foreign withholding tax credits of R3.893 million (2020: R5.783 million) which are expected to be utilised within a reasonable period as a credit against foreign taxes payable.
- <sup>2</sup> Trade and other receivables comprise largely accruals for franchise fee and related income receivable in respect of the last month of the financial year. The increase relative to June 2020 is due to restaurant sales in June 2021 being significantly higher than in June 2020, with the group's franchised restaurants operating under stricter lockdown trading restrictions in the last quarter of the 2020 financial year than the corresponding period in the 2021 financial year. In addition, the current year includes accrual of R14.773 million for business interruption insurance claims (refer note 5).
- <sup>3</sup> The contingent consideration receivable/liability relates to the purchase consideration of 51% of the Nikos Coalgrill Greek business acquired in August 2018. The total purchase consideration is calculated as five times earnings before interest tax and depreciation of the Nikos business for the period August 2020 to July 2021. An initial amount of R5 million was paid to the sellers on the acquisition date and the contingent consideration receivable reflects the estimated amount repayable by the sellers to the group following the finalisation of the financial performance of the business to July 2021.
- <sup>4</sup> Restricted cash balances represent cash surpluses in the group's marketing funds that may be used exclusively for marketing purposes in accordance with the franchise agreements concluded between franchisees and the group, other than those cash balances that have been funded by the respective franchise businesses, as well as cash held in reserve to honour unredeemed gift vouchers (refer note 19).
- <sup>5</sup> The share-based payments reserve arises from the group's equity-settled long-term share-linked incentive schemes. No new awards were granted and no existing awards vested during the current year.
- <sup>6</sup> Contract liabilities relate to the initial franchise fees paid by franchisees to the group on conclusion of franchise agreements. The revenue is recognised over the period of the franchise agreement.
- <sup>7</sup> The reduction in lease liabilities relates primarily to the derecognition of a lease for a franchised restaurant in Australia, Apache Spur, in the amount of R7.012 million (refer note 11).
- <sup>8</sup> The increase in tax payable relates to the accrual of foreign withholding tax credits (refer footnote 3 to the statement of profit or loss and other comprehensive income).
- <sup>9</sup> The increase in trade and other payables relative to the prior year is partly due to a R6.5 million increase in the leave pay and short-term bonus accruals. During lockdown in the prior year, employees who were unable to work from home, were required to take half the time off as paid leave which resulted in a reduction in the leave pay accrual. In the current year, the group received compensation from government's Temporary Employer/Employee Relief Scheme (TERS) which resulted in the employees being partially credited with the leave previously taken, resulting in a significant increase in the leave pay accrual. No accruals were raised in the prior financial year in respect of any short-term incentive or thirteenth cheque bonuses as part of the group's COVID-19 austerity measures. An accrual has been raised in the current financial year for half a thirteenth cheque bonus for those employees who would ordinarily qualify for such a bonus. General trade creditors as well as VAT and other indirect taxes payable are higher than the prior year due to the increase in activity in June 2021 relative to June 2020.
- <sup>10</sup> The interim 2020 dividend of R70.978 million was declared on 26 February 2020 and was due to be paid on 6 April 2020. Following the outbreak of COVID-19 and the potential impact of long-term trading restrictions on the group's cash reserves, the board advised shareholders on 30 March 2020 that payment of the dividend would be deferred until 5 October 2020. On 3 September 2020, the board advised shareholders that payment of the dividend would be further deferred. Shareholders were advised at the time of releasing interim results for the six months ended 31 December 2020 on 2 March 2021 that the board had determined it appropriate, in compliance with the Companies Act and the directors' fiduciary duties, to defer the payment of the dividend until future cash flows could be predicted with a greater confidence level. At its meeting on 22 September 2021, the board resolved to proceed with payment of the interim 2020 dividend on Monday, 25 October 2021.

## SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

	Note	Attributable to owners of the company		
		Ordinary share capital R'000	Share premium R'000	Shares repurchased by subsidiaries R'000
<b>Balance at 1 July 2019</b>		1	294 663	(126 811)
<b>Total comprehensive income</b>				
<b>Profit</b>		–	–	–
<b>Other comprehensive income (OCI)</b>		–	–	–
Foreign currency translation differences for foreign operations		–	–	–
Foreign exchange loss on net investments in foreign subsidiaries		–	–	–
Reclassification of foreign currency loss from OCI to profit or loss, on abandonment of foreign operations		–	–	–
<b>Total comprehensive income</b>		–	–	–
<b>Transactions with owners recorded directly in equity</b>				
<b>Contributions by and distributions to owners</b>		–	(260 354)	111 693
Equity-settled share-based payment		–	–	–
Indirect costs arising on intragroup sale of shares related to equity-settled share-based payment		–	–	–
Issue of shares on vesting of FSP awards		–	–	–
Repurchase and cancellation of shares	8.4	–	(260 354)	114 649
Costs relating to repurchase and cancellation of shares	8.4	–	–	–
Purchase of treasury shares <sup>1</sup>		–	–	(2 956)
Dividends		–	–	–
<b>Total transactions with owners</b>		–	(260 354)	111 693
<b>Balance at 30 June 2020</b>		1	34 309	(15 118)

<sup>1</sup> During the prior year, a wholly-owned subsidiary of the company, Share Buy-back (Pty) Ltd, acquired 110 000 Spur Corporation Ltd shares at an average cost of R26.87 per share, or R2.956 million in aggregate.

ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)

**Attributable to owners of the company**

<b>Foreign currency translation reserve R'000</b>	<b>Share-based payments reserve R'000</b>	<b>Retained earnings R'000</b>	<b>Total R'000</b>	<b>Non- controlling interests R'000</b>	<b>Total equity R'000</b>
30 369	4 400	658 015	860 637	10 906	871 543
–	–	66 924	66 924	3 733	70 657
(1 357)	–	–	(1 357)	–	(1 357)
(1 575)	–	–	(1 575)	–	(1 575)
(30)	–	–	(30)	–	(30)
248	–	–	248	–	248
(1 357)	–	66 924	65 567	3 733	69 300
–	(927)	(249 438)	(399 026)	(6 202)	(405 228)
–	2 228	347	2 575	–	2 575
–	–	(898)	(898)	–	(898)
–	(3 155)	3 155	–	–	–
–	–	(114 649)	(260 354)	–	(260 354)
–	–	(2 702)	(2 702)	–	(2 702)
–	–	–	(2 956)	–	(2 956)
–	–	(134 691)	(134 691)	(6 202)	(140 893)
–	(927)	(249 438)	(399 026)	(6 202)	(405 228)
29 012	3 473	475 501	527 178	8 437	535 615

ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)

	Note	Attributable to owners of the company		
		Ordinary share capital R'000	Share premium R'000	Shares repurchased by subsidiaries R'000
<b>Balance at 1 July 2020</b>		<b>1</b>	<b>34 309</b>	<b>(15 118)</b>
<b><u>Total comprehensive income</u></b>				
<b>Profit</b>				
<b>OCI</b>		-	-	-
Foreign currency translation differences for foreign operations		-	-	-
Foreign exchange gain on net investments in foreign subsidiaries		-	-	-
Current tax on foreign exchange gain on net investments in foreign subsidiaries		-	-	-
<b>Total comprehensive income</b>		-	-	-
<b><u>Transactions with owners recorded directly in equity</u></b>				
<b>Contributions by and distributions to owners</b>		-	-	-
Equity-settled share-based payment		-	-	-
Dividends		-	-	-
<b>Total transactions with owners</b>		-	-	-
<b>Balance at 30 June 2021</b>		<b>1</b>	<b>34 309</b>	<b>(15 118)</b>

ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)

**Attributable to owners of the company**

<b>Foreign currency translation reserve R'000</b>	<b>Share-based payments reserve R'000</b>	<b>Retained earnings R'000</b>	<b>Total R'000</b>	<b>Non- controlling interests R'000</b>	<b>Total equity R'000</b>
29 012	3 473	475 501	527 178	8 437	535 615
		93 082	93 082	6 677	99 759
14	-	-	14	-	14
(80)	-	-	(80)	-	(80)
115	-	-	115	-	115
(21)	-	-	(21)	-	(21)
14	-	93 082	93 096	6 677	99 773
-	1 278	307	1 585	(1 800)	(215)
-	1 278	307	1 585	-	1 585
-	-	-	-	(1 800)	(1 800)
-	1 278	307	1 585	(1 800)	(215)
29 026	4 751	568 890	621 859	13 314	635 173

## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

	<b>2021</b>	Restated
	<b>R'000</b>	2020* R'000
<b>Cash flow from operating activities</b>		
Operating profit before working capital changes	<b>171 486</b>	147 804
Working capital changes	<b>(29 782)</b>	30 129
<b>Cash generated from operations</b>	<b>141 704</b>	177 933
Interest income received <sup>1</sup>	<b>7 561</b>	56 638
Interest expense paid <sup>2</sup>	<b>(4 117)</b>	(4 721)
Tax paid	<b>(41 071)</b>	(53 410)
Dividends paid <sup>3</sup>	<b>(1 800)</b>	(75 350)
<b>Net cash flow from operating activities</b>	<b>102 277</b>	101 090
<b>Cash flow from investing activities</b>		
Additions of intangible assets	<b>(1 119)</b>	(2 817)
Additions of property, plant and equipment <sup>4</sup>	<b>(1 935)</b>	(14 565)
Increase in investment in associate	–	(899)
Loans receivable advanced	–	(3 879)
Proceeds from disposal of property, plant and equipment	<b>131</b>	592
Proceeds from settlement of GPI receivable (note 9.2)	–	72 328
Repayment of loans receivable	<b>3 307</b>	5 737
<b>Net cash flow from investing activities</b>	<b>384</b>	56 497
<b>Cash flow from financing activities</b>		
Acquisition of treasury shares	–	(2 956)
Loan received from non-controlling shareholders	–	196
Payment of lease liabilities	<b>(7 088)</b>	(8 335)
Repurchase of shares (including transaction costs) (note 8.4)	–	(263 056)
<b>Net cash flow from financing activities</b>	<b>(7 088)</b>	(274 151)
<b>Net movement in cash and cash equivalents</b>	<b>95 573</b>	(116 564)
Effect of foreign exchange fluctuations	<b>(55)</b>	58
Net cash and cash equivalents at beginning of year	<b>165 352</b>	281 858
<b>Net cash and cash equivalents at end of year</b>	<b>260 870</b>	165 352

\* Restated. Refer note 19.

<sup>1</sup> The prior year includes interest on the GPIRF receivable of R40,832 million received in cash (refer note 9.2).

<sup>2</sup> Includes interest on lease liabilities of R4,441 million net of interest of R0,346 million in respect of sublease not settled in cash (2020: R5,245 million net of interest of R0,581 million in respect of sublease not settled in cash).

<sup>3</sup> Refer footnote 10 of statement of financial position. The dividend paid in the current year relates to dividends paid by a subsidiary company to non-controlling interests.

<sup>4</sup> Additions for the prior year include R6,759 million relating to a refurbishment of the group's sauce manufacturing facility and R4,3 million relating to the refurbishment of The Hussar Grill in Camps Bay.



## NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

### 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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These summarised consolidated financial statements for the year ended 30 June 2021 (Summarised AFS) are prepared in accordance with the requirements of the JSE Ltd Listings Requirements (Listings Requirements) for abridged reports and the requirements of the Companies Act of South Africa (Act No. 71 of 2008), amended. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA *Financial Reporting Guides* and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – *Interim Financial Reporting*. The Summarised AFS do not include all the information for a complete set of financial statements in compliance with IFRS.

The Summarised AFS have not been reviewed or audited but are an extract from the audited consolidated financial statements for the year ended 30 June 2021 (the Consolidated AFS) which are available online at [www.spurcorporation.com/investors/results-centre](http://www.spurcorporation.com/investors/results-centre), at the company's registered office or on request at [companysecretary@spur.co.za](mailto:companysecretary@spur.co.za).

The Summarised AFS do not (in compliance with the Listings Requirements) include the information required pursuant to paragraph 16A(j) of IAS 34 (relating to fair value disclosures required by IFRS 7 – *Financial Instruments: Disclosures* and IFRS 13 – *Fair Value Measurement*). The IFRS 7 and IFRS 13 disclosures are detailed in note 42 (and certain other notes, where applicable) of the Consolidated AFS.

The accounting policies applied in the preparation of the Summarised AFS are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements for the year ended 30 June 2020. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Full details of the group's accounts policies are included in note 47 of the Consolidated AFS.

The Summarised AFS are presented in South African rands, which is the group's presentation currency, rounded to the nearest thousand, unless otherwise stated. They are prepared on the going concern basis (refer note 2).

The Summarised AFS have been prepared on the historical cost basis except in the case of the contingent consideration receivable which is measured at fair value.

The Summarised AFS were prepared under the supervision of the group chief financial officer, Cristina Teixeira CA(SA), and authorised for issue by the directors on Wednesday, 22 September 2021. The Summarised AFS were published on Thursday, 23 September 2021.

## 2. IMPACT OF COVID-19 AND GOING CONCERN

The first positive case of the COVID-19 virus in South Africa was reported on 5 March 2020. In an attempt to curb the spread of the virus, the South African Government imposed a complete (hard) national lockdown in South Africa commencing on 27 March 2020. Subsequent to the hard lockdown, while lockdown trading restrictions have eased, various levels of more severe trading restrictions have been re-imposed for certain periods in response to the second and third waves of the pandemic in South Africa.

The immediate impact of the hard lockdown was a sudden and severe reduction in economic activity in the second quarter of the 2020 calendar year. Economic activity subsequently recovered to some extent following the easing of lockdown trading restrictions. A general correlation exists between economic activity and the severity of the lockdown restrictions in place at any point in time, and the commensurate level of trading within the group's franchise network. Notwithstanding the modest improvements in economic activity following the hard lockdown, the continuing impact of the pandemic has resulted in lower formal employment, lower discretionary income and a drop in consumer confidence, which have impacted on the ability of the group's target market to frequent restaurants.

The general macro-economic impact of COVID-19 and the resulting trading restrictions imposed in South Africa and globally have had a material impact on the group's independently owned franchises and, as a consequence, the group's business and financial performance. In addition, the hospitality industry (including restaurants) has been particularly hard hit by the impact of travel restrictions and customer concerns regarding safety.

A timeline of trading restrictions imposed on the restaurant industry in South Africa is listed below:

<b>27 March 2020 to 30 April 2020 (first wave)</b>	– Complete prohibition on trading
<b>1 May 2020 to 31 May 2020</b>	– Trading for delivery business only
<b>1 June 2020 to 28 June 2020</b>	– Trading for delivery and collection business only
<b>29 June 2020</b>	– Sit-down trade recommenced, subject to strict social distancing protocols (including capacity limitations)
<b>18 August 2020</b>	– Resumption of alcohol sales in restaurants permitted
<b>20 September 2020 to 28 December 2020</b>	– Lockdown level reduced to level 1; restaurants still subject to social distancing protocols
<b>29 December 2020 to 31 January 2021 (second wave)</b>	– Lockdown level 3 re-imposed; sale of alcohol prohibited; capacity restricted to lower of 50% capacity or 50 people; beaches closed in designated hot spots; trading time limited to 20:00
<b>1 February 2021</b>	– Trading time extended to 22:00; resumption of alcohol sales permitted
<b>1 March 2021 to 14 June 2021</b>	– Lockdown level reduced to level 1; trading time extended to 23:00; capacity restricted to 100 people, subject to social distancing protocols
<b>15 June 2021 to 27 June 2021</b>	– Lockdown level 3 re-imposed; trading time limited to 21:00; capacity restricted to lower of 50% capacity or 50 people
<b>28 June 2021 to 25 July 2021 (third wave)</b>	– Lockdown level 4 re-imposed; sit-down trade prohibited; trading time limited to 20:00
<b>26 July 2021</b>	– Lockdown level reduced to level 3; sit-down trade permitted subject to capacity restrictions (lower of 50% capacity or 50 people); trading time extended to 21:00
<b>13 September 2021</b>	– Lockdown level reduced to level 2; capacity limited to 250 people observing social distancing requirements (or 50% of capacity if venue cannot accommodate 250 people); trading time extended to 22:00

## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

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Various levels of trading restrictions have similarly been imposed in most of the international markets in which the group trades.

The sustainability of the group is highly dependent on the sustainability of its independently owned and operated franchised business units.

### 2.1 The impact on our franchisees

The restaurant business operates on a relatively low cash flow margin, which is very much dependent on sales to customers. While cost of sales and franchise and marketing fees are direct variable costs, much of the remaining cost base is either fixed (including costs of occupancy) or semi-variable (including employment costs, utilities and various administration costs).

The group's brands are predominantly targeted at sit-down customers: the impact of not being able to serve the sit-down market is therefore pronounced. The exception is the RocoMamas brand, where the brand's product is more conducive to delivery and takeaway, which has been the least impacted by trading restrictions.

The hard lockdown therefore resulted in franchisees incurring significant cash flow losses for that period. These losses have been limited with the resumption of sit-down trade. While restaurants are able to mitigate losses to some extent by serving takeaway and delivery customers, sit-down business is essential to ensure financial sustainability. Current capacity restrictions limit the extent to which franchisees are able to trade profitably, and to recoup their losses incurred during the hard lockdown. The group moved decisively with the introduction of virtual kitchen (VK) prototype brands and a focus on sales via third party aggregators in an attempt to compensate for lost sales.

Most franchisees have been able to take advantage of the South African Government's Temporary Employee/ Employer Relief Scheme (TERS) which partially funded reduced employee wages during the various lockdown periods.

In most cases, the single biggest overhead cost for franchisees is property rentals. Most franchisees approached their landlords for temporary relief. Various formal and informal arrangements have been concluded between certain franchisees and landlords, but this is not the case in all instances. The negotiation of repayment plans and restructuring of rentals between franchisees and landlords is ongoing.

The group discounted its franchise and marketing fund contribution fee structures in response to the various lockdown levels in an effort to assist franchisees' cash flow. In addition, extended payment terms were granted to franchisees in response to the initial hard lockdown: upon application, payment of franchise and marketing fund contribution fees for March 2020 were deferred until October 2020; upon application, payment holidays of up to six months were extended on certain franchisees' historic debts and loans (which recommenced no later than October 2020).

## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

### 2.2 The impact on the group

The combined impact of lower restaurant sales and discounted franchise and marketing fund contribution fees has resulted in a material reduction in revenue (franchise and marketing fund contribution fee revenue) from April 2020, with severity directly related to the level of trading restrictions in force in any particular trading month. Reduced trading hours, along with a ban on alcohol sales at various times during the pandemic, have negatively impacted restaurant sales volumes significantly.

Most of the group's revenue is either directly or indirectly linked to restaurant sales. The group has therefore seen commensurate reductions in revenue earned on the sales of sauces and peripheral supplies through its manufacturing division, as well as commission revenue earned on the sales of restaurant supplies through the group's outsourced distributor.

As a franchise business, most of the group's franchise-related overhead costs are employment-related costs. These are not directly variable in the short term. As part of the group's austerity measures, the group:

- reduced the standard workweek of all employees to four days (or 30 hours) and reduced salaries commensurately across the board by 20%\* with effect from 1 June 2020 to 30 September 2020;
- implemented a voluntary retrenchment programme locally: 15 employees accepted the voluntary retrenchment offer which comprised a severance payment of two weeks' salary for each completed year of service. A further post was made redundant in the Australian operations. The aggregate cost of the retrenchments was R3.9 million; and
- suspended its short-term profit share and thirteenth cheque bonus schemes in June 2020. This resulted in a reversal of all related accruals in the prior year. The board subsequently authorised an *ex gratia* payment of a half month's salary to all employees in December 2020, the cost of which is included in the current financial year. No short-term profit share incentives are payable for the 2021 financial year, although provision has been made for a half month's thirteenth cheque which may be payable to eligible employees in December 2021, subject to certain performance criteria.

Marketing expenses are typically funded by marketing fund contributions from franchisees. The reduction in marketing fund contribution revenue during the fourth quarter of the 2020 financial year necessitated an immediate and substantial reduction in marketing expenditure which was implemented from April 2020. A number of suppliers of marketing-related services are subject to contractual terms for defined periods. The group engaged with all suppliers subject to more than a one-month contract period or notice period to negotiate more favourable terms with mixed success. Despite these interventions, the marketing funds incurred substantial losses to the end of the 2020 financial year of R20.209 million in aggregate. These losses were largely recouped during the current year, with the marketing funds realising a surplus of R23.934 million in aggregate. To the extent that the respective marketing funds are in a cumulative deficit position, this deficit has been funded by the group and will be recovered from future marketing fund contribution revenue by planned underspending in the respective marketing funds in future years.

All other discretionary costs have been reduced to the extent possible, without having a negative impact on the group's operations.

The group deferred payment of the interim 2020 dividend declared on 26 February 2020.

\* Applicable to employees earning more than R25 000 per month for June 2020 to August 2020 and to those employees earning more than R15 000 per month for September 2020.

## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

### 2.2 The impact on the group continued

The tables below provide details on trading performance and fees during the period from the commencement of the initial hard lockdown.

Following the initial hard lockdown during which trade was prohibited, the vast majority of the group's restaurants have recommenced trading.

#### Number of restaurants trading per month (excluding temporarily closed restaurants)

	May 2020*	June 2020	July 2020	Sept 2020	Dec 2020	March 2021	June 2021	No. of active franchise agree- ments June 2021
Spur	142	210	263	288	296	294	294	296
Panarottis and Casa Bella	42	56	74	80	90	89	87	89
John Dory's	23	36	44	47	49	48	48	49
The Hussar Grill	1	5	17	20	20	20	20	20
RocoMamas	57	61	69	75	78	78	78	78
Nikos	3	6	7	7	7	7	7	7
<b>Total South Africa</b>	268	374	474	517	540	536	534	539
International	64	80	81	83	87	84	83	85
<b>Total group</b>	332	454	555	600	627	620	617	624

\* April 2020 is not presented as trading was prohibited for the month.

#### Franchised restaurant sales as a percentage of corresponding month in pre-COVID-19 year

%	March 2020*	May 2020*	June 2020*	July 2020*	Aug 2020*	Sept 2020*	Oct 2020*	Nov 2020*	Dec 2020*
Spur	54.8	8.8	12.8	34.6	56.2	72.1	93.9	79.8	74.4
Panarottis and Casa Bella	51.0	11.1	17.2	31.7	49.6	63.2	89.3	75.4	70.2
John Dory's	46.3	4.3	11.0	24.8	45.1	66.5	78.9	72.9	68.3
The Hussar Grill	62.1	0.2	2.5	22.6	45.6	93.7	80.4	69.3	63.1
RocoMamas	47.9	47.1	46.8	66.5	78.6	86.5	103.7	86.4	87.0
Nikos	51.8	15.2	26.9	41.7	61.3	85.3	82.2	67.2	65.5
<b>Total South Africa</b>	53.3	12.8	16.4	36.5	56.7	73.8	92.8	79.0	74.2
International	62.5	26.8	60.6	76.0	69.0	83.9	97.5	86.5	88.9
<b>Total group</b>	54.2	14.3	21.0	40.9	58.2	74.8	93.3	79.8	75.6

\* Relative to corresponding month in previous calendar year.

## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

### 2.2 The impact on the group continued

	Jan 2021*	Feb 2021*	March 2021 <sup>#</sup>	April 2021 <sup>#</sup>	May 2021 <sup>#</sup>	June 2021 <sup>#</sup>
Spur	66.7	82.4	78.9	104.3	101.2	77.5
Panarottis and Casa Bella	64.5	76.8	68.1	90.3	90.8	69.4
John Dory's	55.9	75.3	69.3	92.1	85.1	67.3
The Hussar Grill	32.6	61.2	81.2	93.2	106.0	84.3
RocoMamas	87.9	97.2	89.4	111.9	93.2	87.2
Nikos	47.0	71.6	64.0	82.9	73.4	60.8
<b>Total South Africa</b>	<b>66.3</b>	<b>81.8</b>	<b>77.9</b>	<b>101.9</b>	<b>97.9</b>	<b>76.9</b>
International	87.0	72.4	62.9	67.5	89.3	70.7
<b>Total group</b>	<b>68.5</b>	<b>80.8</b>	<b>76.4</b>	<b>98.0</b>	<b>97.0</b>	<b>76.2</b>

\* Relative to corresponding month in previous calendar year.

<sup>#</sup> Relative to corresponding month in 2019 calendar year.

#### Base franchise fee (FF) and marketing fund contribution fee (MF) (percentage of restaurant turnover charged per month)

% FF:MF	May to		Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
	March 2020*	July 2020							
Spur <sup>#</sup> (standard 5:4)	4.0:3.0	3.0:1.0	3.0:1.0	4.0:2.0	4.0:3.0	4.5:3.5	4.5:3.5	3.5:2.5	4.0:3.0
Panarottis and Casa Bella <sup>#</sup> (standard 5:4)	4.0:3.0	3.0:1.0	3.0:1.0	3.5:1.5	4.0:2.0	4.0:2.5	4.0:2.5	3.5:2.5	3.5:2.5
John Dory's (standard 5:4)	4.0:3.0	3.0:1.0	3.0:1.0	3.5:1.5	3.5:2.0	4.0:2.5	4.0:3.0	3.5:2.5	3.5:2.5
The Hussar Grill (standard: 5:2)	4.0:2.0	3.0:1.0	3.0:1.0	3.5:1.5	4.5:1.5	4.5:1.5	4.5:1.5	4.5:1.5	4.5:1.5
RocoMamas <sup>#</sup> (standard: 5:2)	4.0:2.0	3.0:1.0	3.5:1.5	4.5:1.5	4.5:1.5	5.0:2.0	5.0:2.0	4.5:1.5	5.0:2.0
Nikos (standard 5:2)	4.0:2.0	3.0:1.0	3.0:1.0	3.5:2.0	3.5:2.0	4.0:2.0	4.0:2.0	3.0:1.5	3.0:1.5

\* Effective until 15 March 2020, thereafter 0%/0%.

<sup>#</sup> Refers only to the main brand variant of each segment; the smaller brand variants are not material.

Subsequent to February 2021, the standard fees were reinstated, but individual restaurants have been granted discounts month-to-month depending on their financial circumstances at the time, determined on a case-by-case basis.

The recovery trajectory has been positive, although the analysis above depicts the strong correlation between trading performance and the various levels of trading restrictions.

## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

### 2.3 Impact on specific elements of the consolidated financial statements

In addition to the impact on revenue and trading profits highlighted above, the following items have been impacted by COVID-19:

Item	Impact – prior year	Update – current year	Reference
<b>Property, plant and equipment</b>	Subdued future prospects in relation to company-owned retail restaurants resulted in an impairment of The Hussar Grill in Morningside's property, plant and equipment.	No further impairments necessary.	3(d)
<b>Goodwill, trademarks and intellectual property</b>	The impact of a protracted economic recovery resulted in impairments of goodwill, and trademarks and related intellectual property attributable to Nikos Coalgrill Greek.	No further impairments necessary.	3(b)
<b>Expected credit losses – loan, lease and trade receivables</b>	The economic impact of COVID-19 has generally resulted in a significant increase in the probability of default on financial instruments, and in particular in the group's Australian operations. This resulted in additional impairments in the prior year on Australian loan, lease and trade receivables as well as higher allowances for expected credit losses on local receivables.	Relative to the prior year, the probabilities of default have generally been assessed as lower, given the lower uncertainty based on the experience of the past year, although still higher than pre-COVID-19 levels. This has resulted in lower allowances for expected credit losses on local receivables.	6.1
<b>Tax receivable</b>	The short-term impact on the group's international business's profitability and the significant uncertainty regarding the likelihood of being able to realise the benefit of the foreign withholding tax credits (by reducing tax payable on future taxable income) resulted in an impairment of the withholding tax receivable.	No further impairments necessary.	–

## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

### 2.3 Impact on specific elements of the consolidated financial statements continued

Item	Impact – prior year	Update – current year	Reference
Leave pay and incentives	The accruals for short-term incentives and bonuses were reduced to nil in the prior year. No share price-linked long-term incentive awards in issue were anticipated to vest. Those employees who were unable to work during the lockdown period in the prior financial year were required to take half of the time off as leave which resulted in a substantial reduction in the accrual for leave pay as at June 2020 (where employees had gone into negative leave, a receivable for leave pay was recognised).	The group was able to claim a TERS benefit for the forced leave taken in the prior year; employees were consequently credited in the current year with some of the leave previously taken which has resulted in an increase in the leave pay provision in the current year (and a reduction in the leave pay receivable). While no short-term incentives are payable in respect of the current year, an accrual has been raised for half a thirteenth cheque bonus for eligible employees payable in December 2021, subject to certain performance criteria.	–
Insurance claims	–	Subsequent to the reporting date, the group received business interruption insurance proceeds as compensation for COVID-19-related loss of profits attributable to the group's retail company stores for the period from April 2020 to March 2021, which were accrued for in the 2021 financial year.	5



## 2. IMPACT OF COVID-19 AND GOING CONCERN continued

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### 2.4 The ability of the group to continue to meet current obligations for the 12 months following the date of this report

As highlighted above, there has been a reasonable recovery in trading performance during the year compared to the last quarter of the previous financial year. While the group consumed cash during the initial hard lockdown and the months up to September 2020, the group has been able to recover this lost cash and generate further cash, despite the impact of the second and third waves of the pandemic. This has demonstrated the relative resilience of the group.

The directors have considered the group's projected cash flows for a period of 12 months following the date of issue of this report. The projected cash flows are based on the operating budgets approved by the board, which in turn are based on detailed operating plans prepared by the executives and approved by the board.

The following broad principles have been applied in setting the budgets:

- Restaurant turnovers (and resulting group revenue) are budgeted based on actual turnovers achieved over the past 12 months, taking cognisance of the group's experience during the first and second waves of infection. While the impact of subsequent waves of infection has not been specifically budgeted for, a conservative outlook has been adopted such that turnovers are budgeted to be lower than pre-COVID-19 levels in nominal terms until June 2022. It is anticipated that the roll out of vaccines locally should culminate in a reasonable degree of community immunity by the end of the 2022 financial year. Turnovers are accordingly expected to recover to 2019 financial year turnovers in nominal terms only during the 2023 financial year.
- Expense budgets are in line with actual costs incurred for the second half of the 2021 financial year, adjusted by inflation, known changes in operating capacity and the impact of key strategic projects. Most of the group's costs are relatively fixed in the short term and can therefore be forecast with a relatively high confidence level.

Based on the base case budgeted cash flows, the group will be able to meet its financial obligations for a period of at least 12 months from the date of this report.

In order to mitigate the significant uncertainty regarding the continuing financial impact of COVID-19 on the group and its impact on the going concern assessment, the board has considered alternative likely scenarios, all of which indicate that the group will be able to meet its obligations for a period of 12 months from the date of this report.

The break-even scenario indicates that, in the event that budgeted costs continue to be incurred, revenue would need to fall to 24% of that budgeted for the 12 months to September 2022 for the group's cash flow reserves to be exhausted by September 2022. The directors consider the probability of this scenario materialising to be negligible, given the group's experience of the first, second and third waves. On this basis, the board has concluded that it is satisfied that the group will continue to trade as a going concern for at least a period of 12 months from the date of this report, and the financial statements have therefore been prepared on this basis.

### 3. OPERATING SEGMENTS

External revenue	Note	2021 R'000	2020 R'000	% change
<b>South Africa</b>				
Franchise		<b>230 539</b>	247 191	(6.7%)
Spur		<b>158 978</b>	170 893	(7.0%)
Pinarottis and Casa Bella		<b>22 987</b>	27 126	(15.3%)
John Dory's		<b>12 322</b>	15 265	(19.3%)
The Hussar Grill		<b>5 106</b>	5 417	(5.7%)
RocoMamas		<b>29 475</b>	26 113	12.9%
Nikos		<b>1 671</b>	2 377	(29.7%)
Manufacturing and distribution		<b>194 251</b>	185 468	4.7%
Retail company stores		<b>41 376</b>	53 694	(22.9%)
Marketing		<b>165 487</b>	184 288	(10.2%)
Other segments	e	<b>20 037</b>	57 203	(65.0%)
<b>Total South African segments</b>		<b>651 690</b>	727 844	(10.5%)
Shared services		<b>907</b>	1 175	(22.8%)
<b>Total South Africa</b>		<b>652 597</b>	729 019	(10.5%)
<b>International</b>				
Australasia		<b>1 709</b>	1 817	(5.9%)
Rest of Africa and Middle East		<b>23 387</b>	26 270	(11.0%)
Marketing		<b>3 743</b>	4 514	(17.1%)
<b>Total International</b>		<b>28 839</b>	32 601	(11.5%)
<b>Total external revenue</b>		<b>681 436</b>	761 620	(10.5%)

### 3. OPERATING SEGMENTS continued

Profit/(loss) before income tax and share of loss of equity-accounted investee	Note	2021 R'000	2020 R'000	% change
<b>South Africa</b>				
Franchise		<b>156 816</b>	168 921	(7.2%)
Spur	a	<b>120 049</b>	134 461	(10.7%)
Panarottis and Casa Bella		<b>10 060</b>	13 202	(23.8%)
John Dory's		<b>1 808</b>	5 053	(64.2%)
The Hussar Grill		<b>2 905</b>	4 025	(27.8%)
RocoMamas		<b>21 278</b>	17 645	20.6%
Nikos	b	<b>716</b>	(5 465)	113.1%
Manufacturing and distribution	c	<b>62 210</b>	58 564	6.2%
Retail company stores	d	<b>11 725</b>	(3 761)	411.8%
Marketing		<b>24 300</b>	(19 115)	227.1%
Other segments	e	<b>(7 074)</b>	(2 122)	(233.4%)
<b>Total South African segments</b>		<b>247 977</b>	202 487	22.5%
Shared services	f	<b>(104 750)</b>	(69 199)	(51.4%)
<b>Total South Africa</b>		<b>143 227</b>	133 288	7.5%
<b>International</b>				
Australasia	g	<b>(1 543)</b>	(9 822)	84.3%
Rest of Africa and Middle East		<b>12 376</b>	12 509	(1.1%)
Marketing		<b>(366)</b>	(1 094)	66.5%
<b>Total international segments</b>		<b>10 467</b>	1 593	557.1%
Shared services	h	<b>(5 455)</b>	(6 644)	17.9%
<b>Total International</b>		<b>5 012</b>	(5 051)	199.2%
<b>Total profit before income tax and share of loss of equity-accounted investee</b>		<b>148 239</b>	128 237	15.6%
Share of loss of equity-accounted investee (net of income tax)		–	(463)	100.0%
<b>Profit before income tax</b>		<b>148 239</b>	127 774	16.0%

Details of intersegment revenues are included in note 6 of the Consolidated AFS.

### 3. OPERATING SEGMENTS continued

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#### Notes

The financial and operating performance for each material segment is explained elsewhere in this report. The notes below provide additional quantitative information on specific items that have impacted on the financial performance of each segment.

#### a) South Africa Franchise – Spur

Profit for the year includes development costs of R4.088 million.

#### b) South Africa Franchise – Nikos

Profit for the prior year includes impairments of goodwill (R3.722 million) and trademarks and related intellectual property (R2.032 million).

#### c) South Africa Manufacturing and distribution

The group's sauce manufacturing facility undertook a revamp during the prior year at a cost of R8.529 million of which R1.770 million could not be capitalised and is included in the profit for the prior year. The current year includes retrenchment costs of R0.025 million as part of the group's COVID-19 austerity measures.

#### d) South Africa Retail company stores

Profit for the current financial year includes business interruption insurance proceeds of R14.773 million as compensation for COVID-19-related loss of profits for the period from April 2020 to March 2021. An accrual of R0.583 million has been raised in respect of rental rebates which are refundable to landlords as a result of the insurance claims.

The group undertook a major refurbishment of The Hussar Grill in Camps Bay during the prior year. The total cost of the refurbishment was R4.5 million, of which R0.169 million could not be capitalised and was included in profit for the prior year. In addition, the restaurant was unable to trade for six weeks during the refurbishment during the prior year.

The profit for the prior year includes an impairment of property, plant and equipment relating to The Hussar Grill Morningside of R1.322 million.

#### e) South Africa Other

The decline in revenue and profit is attributable to a significant reduction in sales volumes in the group's export and décor manufacturing businesses as a result of fewer restaurant openings and refurbishments locally and abroad. Profit for the current year includes retrenchments costs of R0.515 million as part of the group's austerity measures implemented in response to COVID-19.

### 3. OPERATING SEGMENTS continued

#### f) South Africa Shared services

The segment loss includes:	<b>2021</b>	2020
	<b>R'000</b>	R'000
Marketing fund administration cost recoveries (intersegment) <sup>1</sup>	<b>13 943</b>	16 245
Net finance income <sup>2</sup>	<b>7 453</b>	16 886
Impairment reversal – GPI receivable (refer note 9.2)	<b>–</b>	10 812
Impairment reversal/(loss) – net expected credit losses on other financial instruments (refer note 6.1)	<b>2 103</b>	(5 367)
Equity-settled share-based payment charge	<b>(1 278)</b>	(2 228)
Contingent consideration fair value adjustment (net of allowance for expected credit losses)	<b>1 081</b>	3 977
Retrenchment costs <sup>3</sup>	<b>(2 824)</b>	–
Retirement benefit (excluding interest) (refer note 10)	<b>(8 502)</b>	–
Loss (before net finance income) of The Spur Foundation Trust, all of which is attributable to non-controlling interests	<b>(416)</b>	(135)
Non-executive directors' fees (including VAT where applicable) <sup>4</sup>	<b>(7 917)</b>	(3 606)

<sup>1</sup> The group recovers certain of the costs of administering the marketing funds on behalf of franchisees from the marketing funds. The administration cost recovery is determined as a percentage of the marketing fund contribution revenue earned by the marketing funds. The reduction in the cost recovery is as a result of lower marketing fund contribution revenue following the implementation of COVID-19 lockdown restrictions in March 2020 that continued through to the 2021 financial year.

<sup>2</sup> Net finance income declined as a result of the conclusion of the GPI share repurchase during the prior year (refer note 8.4), lower interest rates and lower cash generated from trading activities as a result of COVID-19.

<sup>3</sup> Retrenchment costs relate to the voluntary retrenchment of employees as part of the group's austerity measures implemented in response to COVID-19.

<sup>4</sup> Non-executive directors' fees for the current year include R2,757 million (including VAT where applicable) for additional assignments, as approved by shareholders at the annual general meeting on 23 December 2020.

#### g) Australasia

The segment loss includes:	<b>2021</b>	2020
	<b>R'000</b>	R'000
Impairment reversal/(loss) – expected and actual credit losses on financial instruments (refer note 6.1)	<b>190</b>	(3 639)
Impairment reversal/(loss) – expected and actual credit losses on lease receivable and Apache lease deposit (refer note 11)	<b>314</b>	(2 997)
Provision for lease obligation net of gain on derecognition of lease liability on early termination of lease relating to Apache Spur (refer note 11)	<b>(665)</b>	–
Impairment of investment in associate	<b>–</b>	(436)
Retrenchment costs	<b>(550)</b>	(308)
Foreign exchange gain	<b>4</b>	19

#### h) International Shared services

The segment loss includes:	<b>2021</b>	2020
Impairment reversal/(loss) – expected credit losses on financial instruments (refer note 6.1)	<b>370</b>	(734)
Foreign exchange loss	<b>(732)</b>	(126)

### 3. OPERATING SEGMENTS continued

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Operating segments are identified based on financial information regularly reviewed by the Spur Corporation Ltd executive directors (identified as the chief operating decision-maker (CODM) of the group) for performance assessments and resource allocations.

No segment assets or liabilities have been disclosed as such information is not regularly provided to the CODM. As the group operates predominantly as a franchise business, there are limited tangible assets directly attributable to individual segments. The key driver for making decisions regarding resource allocation is primarily profitability. Working capital is managed at a group level.

The group identified the following reportable segments, with no individual customer accounting for more than 10% of revenue:

South Africa Franchise:

- Spur (Spur Steak Ranches and Spur Grill & Go)
- Panarottis Pizza Pasta and Casa Bella
- John Dory's (John Dory's Fish Grill Sushi)
- The Hussar Grill
- RocoMamas
- Nikos (Nikos Coalgrill Greek)

South Africa: Manufacturing and distribution

- Sauce manufacturing, warehousing and product distribution business including commissions from sales by the group's outsourced logistics service provider to franchisees, rebates and sales of retail sauces to supermarkets

South Africa: Retail company stores

- Four company-owned The Hussar Grill restaurants, operating in Camps Bay, Rondebosch and Mouille Point in the Western Cape and Morningside in Gauteng, as well as a RocoMamas outlet in Green Point in the Western Cape

South Africa and International: Marketing

- These segments comprise the surplus or deficit of marketing fund contributions from franchisees relative to marketing fund expenses for the year. The group is obligated, in accordance with the franchise agreements concluded between franchisees and the group, to spend the marketing fund contributions for the benefit of franchisees. Accordingly, any cumulative surplus recognised in profit is not for the benefit of the owners of the company and will not, in the ordinary course of business, be distributable to shareholders

South Africa: Other

- The group's training division, export business, décor manufacturing business, call centre and radio station which are each individually not material

International: Australasia

- Franchise business in Australia and New Zealand

International: Rest of Africa and Middle East

- Franchise operations in the rest of Africa (including Mauritius), India and the Middle East. Rest of Africa comprises the majority of the segment. India and Middle East components are not individually material, operate on the same basis as the rest of Africa and are exposed to similar risks.

ANNEXURE 1 – Summarised consolidated financial statements  
(extracted from audited information)(continued)

#### 4. REVENUE

	<b>2021</b>	2020
	<b>R'000</b>	R'000
Sales-based royalties	<b>395 649</b>	436 528
Ongoing franchise fee income	<b>247 495</b>	266 081
Marketing fund contributions	<b>148 154</b>	170 447
Recognised at a point in time	<b>259 029</b>	300 573
Sales of purchased and manufactured sauces	<b>148 921</b>	137 863
Retail company stores' sales	<b>41 376</b>	53 694
Distribution income	<b>41 572</b>	43 653
Sales of franchisee supplies	<b>15 569</b>	50 975
Sales of marketing materials	<b>7 391</b>	9 809
Rebate income	<b>4 200</b>	4 579
Recognised over time	<b>26 758</b>	24 519
Initial franchise fee income	<b>7 356</b>	6 432
Services rendered	<b>5 586</b>	8 349
Marketing supplier contributions	<b>13 816</b>	9 738
<b>Total revenue</b>	<b>681 436</b>	761 620

The disaggregation of revenue is included in note 6 of the Consolidated AFS.

#### 5. OTHER INCOME

	<b>2021</b>	2020
	<b>R'000</b>	R'000
Bad debts recovered	–	61
Expired gift vouchers <sup>1</sup>	<b>2 249</b>	–
Fair value gain on contingent consideration receivable	<b>901</b>	4 283
Gain on derecognition of lease	<b>7 069</b>	–
Derecognition of lease liabilities on early termination of leases <sup>2</sup>	<b>9 845</b>	–
Derecognition of right-of-use assets on early termination of leases <sup>3</sup>	<b>(2 776)</b>	–
Insured loss recoveries <sup>4</sup>	<b>14 773</b>	–
Profit on disposal of property, plant and equipment	<b>131</b>	259
Rental concession income	<b>646</b>	757
Spur Foundation donation income <sup>5</sup>	<b>725</b>	1 865
Other	<b>577</b>	224
<b>Total other income</b>	<b>27 071</b>	7 449

<sup>1</sup> Expired gift vouchers relate to the value of gift vouchers sold to customers which have not been redeemed within a period of three years from date of issue. The validity period of three years is prescribed by local legislation.

<sup>2</sup> Includes the early termination of leases for corporate offices as well as the early termination of the Apache Spur lease (refer note 11).

<sup>3</sup> Comprises predominantly the property utilised for corporate offices where the lease was terminated early.

<sup>4</sup> Insured loss recoveries are business interruption insurance proceeds received (subsequent to the reporting date) as compensation for COVID-19-related loss of profits attributable to the group's retail company stores for the period from April 2020 to March 2021.

<sup>5</sup> Spur Foundation donation income relates to donations received by The Spur Foundation Trust, a consolidated structured entity, from parties external to the group. The income may be used exclusively for the benefit of the beneficiaries of the trust in accordance with the trust deed (which exclude any group entities). Related expenditure is included in Administration expenses in the statement of profit or loss and other comprehensive income.

## 6. OPERATING PROFIT BEFORE FINANCE INCOME

The following items have been taken into account in determining operating profit before finance income (other than those items disclosed in other income (refer note 5)):

	<b>2021</b>	2020
	<b>R'000</b>	R'000
Amortisation – intangible assets	<b>970</b>	902
Depreciation – property, plant and equipment	<b>10 160</b>	11 118
Depreciation – right-of-use assets	<b>10 409</b>	12 293
Employment costs	<b>199 108</b>	186 716
Salaries and wages (excluding executive directors and prescribed officer)	<b>168 267</b>	166 776
Executive directors' and prescribed officer's emoluments (refer note 12) <sup>1</sup>	<b>17 147</b>	17 404
Retirement benefit (refer note 10)	<b>8 502</b>	–
Retrenchment costs <sup>2</sup>	<b>3 914</b>	308
Share-based payments expense – equity-settled – long-term employee share incentive schemes	<b>1 278</b>	2 228
Foreign exchange loss	<b>724</b>	340
Impairment (reversal)/losses – financial instruments and lease receivable	<b>(2 523)</b>	2 805
Trade receivables (refer note 6.1)	<b>(1 193)</b>	6 348
Bad debts – trade receivables	<b>838</b>	444
Write-off of lease deposit (refer note 11)	<b>937</b>	–
Movement in Impairment allowance	<b>(2 968)</b>	5 904
Loan receivables (refer notes 6.1 and 9)	<b>101</b>	(7 282)
Impairment allowance	<b>881</b>	5 058
Reversal of impairment allowance	<b>(855)</b>	(12 340)
Impairment allowance reversed against actual write-off of loans receivable	<b>(4 000)</b>	(5 286)
Write-off of loans receivable	<b>4 075</b>	5 286
Impairment of loan advanced to equity-accounted investee	–	436
(Reversal of)/impairment of contingent consideration receivable	<b>(180)</b>	306
Lease receivables (refer note 11)	<b>(1 251)</b>	2 997
Impairment allowance	–	2 997
Impairment allowance reversed against actual write-off of lease receivable	<b>(8 263)</b>	–
Write-off of lease receivable	<b>7 012</b>	–
Other non-trading losses	<b>7 677</b>	7 076
Impairment of goodwill (refer note 3(b))	–	3 722
Impairment of trademarks and intellectual property (refer note 3(b))	–	2 032
Impairment of plant, property and equipment (refer note 3(d))	–	1 322
Provision for lease obligation (refer note 11)	<b>7 677</b>	–

<sup>1</sup> Includes short-term performance bonuses but excludes equity compensation benefits and retirement lumpsum disclosed separately within employment costs.

<sup>2</sup> The retrenchments costs relate to 16 posts that were made redundant during the year; as part of the group's COVID-19 austerity measures, the group implemented a voluntary retrenchment programme.



## 6. OPERATING PROFIT BEFORE FINANCE INCOME continued

### 6.1 Credit losses

The probabilities of default (PDs) applied in the prior year were increased relative to the group's standard benchmark for normal trading conditions, taking cognisance of the detrimental impact of the COVID-19 pandemic on the group's debtors leading up to 30 June 2020. This generally resulted in a significant increase in the impairment allowances for expected credit losses (ECLs) in the prior year. The PDs applied in the current year are lower than the prior year, based on the past year's experience which has shown a reasonable recovery and less than expected actual credit losses, but still higher than the standard benchmark due to the uncertain medium to long-term systemic macro-economic impact of the pandemic on the local and global economies. The impairment allowances for ECLs in the current year are therefore generally lower than the prior year, all other things being equal.

#### Trade receivables

The decrease in the allowance for ECLs in the current year, notwithstanding that gross receivables have increased relative to prior year, arises due to the fact that:

- the PD rates applied have decreased relative to prior year as explained above; and
- relative to the prior year, the majority of franchisees re-commenced trading early in the current financial year and have complied with normal credit terms granted, resulting in a greater number of debtors being restaged from stage 2 or 3 to stage 1.

R'000	2021		2020	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
<b>The gross carrying amounts of trade receivables are allocated to each stage as follows:</b>				
Stage 1	69 122	3 231	25 672	1 734
Stage 2	3 821	417	14 525	1 942
Stage 3	6 099	3 248	11 855	5 938
<b>Total trade receivables</b>	<b>79 042</b>	<b>6 896</b>	<b>52 052</b>	<b>9 614</b>

#### Loans receivable

The reduction in the impairment allowance during the year relates primarily to the reversal of the allowance on the loan to Avecor Investments Pty Ltd, which was written off in full during the year (refer note 9.1).

R'000	2021		2020	
	Gross carrying amount	Impairment allowance	Gross carrying amount	Impairment allowance
<b>The following table presents an analysis of the credit quality of loan receivables and related impairment allowances:</b>				
Stage 1	1 230	52	3 181	200
Stage 2	1 341	264	2 807	376
Stage 3	11 739	11 673	18 078	16 539
<b>Total loans receivable</b>	<b>14 310</b>	<b>11 989</b>	<b>24 066</b>	<b>17 115</b>

## 7. INCOME TAX

### 7.1 Reconciliation of tax rate

	<b>2021</b>	2020
	<b>%</b>	<b>%</b>
South African corporate income tax rate	<b>28.0</b>	28.0
Non-deductible bad debts	<b>0.8</b>	–
Non-deductible intangible asset impairments	–	0.8
Non-deductible listings related costs	<b>2.1</b>	1.5
Non-deductible loan impairments	–	0.9
Non-deductible marketing expenditure	<b>23.4</b>	41.6
Non-deductible provision for lease obligation	<b>1.4</b>	–
Non-deductible retrenchment costs	<b>0.6</b>	–
Non-deductible other expenditure (capital items and items not in production of income)	<b>1.6</b>	1.6
Non-taxable interest income	–	(0.6)
Non-taxable fair value gain on contingent consideration receivable	<b>(0.2)</b>	(0.9)
Non-taxable gain on derecognition of lease liability	<b>(1.3)</b>	–
Non-taxable marketing income	<b>(28.1)</b>	(36.7)
Non-taxable other income	–	(0.2)
Non-taxable reversal of impairment allowance for expected credit losses	<b>(0.8)</b>	(2.2)
Prior year under/(over) provision	<b>2.6</b>	(1.2)
Share of loss of equity-accounted investee	–	0.1
Tax losses on which deferred tax asset not recognised	<b>0.9</b>	1.1
Tax losses utilised on which deferred tax not previously recognised	<b>(0.1)</b>	(1.3)
Tax on foreign attributed income not included in profit	–	0.1
Tax at rates other than corporate income tax rate	<b>(0.2)</b>	(0.1)
Withholding taxes	<b>2.0</b>	3.0
Withholding tax impairment	–	9.2
<b>Effective tax rate</b>	<b>32.7</b>	44.7

The statutory rates of tax applicable to group entities in the Netherlands, Australia and Namibia are 25%, 26% (2020: 27.5%) and 32% respectively. The tax rate in the Netherlands operates on a sliding scale.

## 8. EARNINGS PER SHARE

### 8.1 Statistics

	<b>2021 '000</b>	2020 '000	% change
Total shares in issue	<b>90 997</b>	90 997	
Less: shares repurchased by wholly-owned subsidiary companies	<b>596</b>	596	
Less: shares held by The Spur Management Share Trust (consolidated structured entity)	<b>5 933</b>	5 933	
Less: shares held by The Spur Foundation Trust (consolidated structured entity).	<b>500</b>	500	
<b>Net shares in issue</b>	<b>83 968</b>	83 968	0.0%
Weighted average number of shares in issue	<b>83 968</b>	87 061	(3.6%)
Diluted weighted average number of shares in issue	<b>84 253</b>	87 343	(3.5%)
Earnings per share (cents)			
Basic earnings	<b>110.85</b>	76.87	44.2%
Diluted earnings	<b>110.48</b>	76.62	44.2%
Headline earnings per share (cents)			
Basic headline earnings	<b>110.74</b>	83.23	33.1%
Diluted headline earnings	<b>110.37</b>	82.96	33.0%
Net asset value per share (rands)	<b>7.56</b>	6.38	18.6%
Dividend per share (cents) <sup>1</sup>	–	78.00	(100.0%)

<sup>1</sup> Refers to interim and final dividend declared for the respective financial year, as applicable.

### 8.2 Reconciliation of weighted average number of shares in issue

Gross shares in issue at beginning of year	<b>90 997</b>	108 481
Shares repurchased at beginning of year	<b>(7 029)</b>	(13 692)
Less: Shares repurchased during year weighted for period held by the group	–	(63)
Less: Specific share repurchase and cancellation weighted for period held by the group (refer note 8.4)	–	(7 698)
Less: Shares issued during the year weighted for period in issue (vested long-term share-linked incentive awards)	–	33
<b>Weighted average number of shares in issue for the year</b>	<b>83 968</b>	87 061
Dilutive potential ordinary shares weighted for period outstanding (non-vested long-term share-linked incentive awards)	<b>285</b>	282
<b>Diluted weighted average number of shares in issue for the year</b>	<b>84 253</b>	87 343

## 8. EARNINGS PER SHARE continued

### 8.3 Reconciliation of headline earnings

	<b>2021</b> <b>R'000</b>	2020 R'000	% change
Profit attributable to equity owners of the company	<b>93 082</b>	66 924	39.1%
Headline earnings adjustments:			
Impairment of intangible assets	–	5 754	
Impairment of property, plant and equipment	–	1 322	
Profit on disposal of property, plant and equipment	<b>(131)</b>	(259)	
Reclassification of foreign currency loss from other comprehensive income to profit, on abandonment of foreign operations	–	248	
Income tax impact of above adjustments	<b>37</b>	(808)	
Amount of above adjustments attributable to non-controlling interests	–	(718)	
<b>Headline earnings</b>	<b>92 988</b>	72 463	28.3%

### 8.4 Prior year repurchase of shares from Grand Parade Investments and share cancellation

The group previously concluded a broad-based black economic empowerment transaction with Grand Parade Investments Ltd (GPI) in October 2014. In terms of the transaction, the group previously advanced a loan to a wholly-owned subsidiary of GPI, GPI Investments 1 (RF) (Pty) Ltd (GPIRF), for that company to acquire 10 848 093 shares in Spur Corporation Ltd (the GPIRF Shares). The loan had been partially impaired by R10.812 million as at 30 June 2019.

With effect from 15 October 2019, the group re-acquired the GPIRF Shares from GPIRF at a cost of R260.354 million. The loan receivable, with a gross value of R113.160 million (comprising capital of R72.328 million and cumulative interest of R40.832 million) at the date of the transaction, was settled by GPIRF in cash on the same date. Accordingly, the full cumulative impairment allowance was reversed to profit in the prior year.

The GPIRF Shares, as well as an additional 6 635 901 previously acquired treasury shares held by the group, were subsequently cancelled. The total legal and advisory costs, regulatory fees, and securities transfer tax relating to the transactions amounted to R2.806 million. Of this amount, R2.702 million was charged directly against equity (retained earnings) in the prior year as it related to the transaction for the company to re-acquire its own shares, and R0.104 million was charged to profit or loss in the prior year.

## 9. LOANS RECEIVABLE

	<b>2021</b>	2020
	<b>R'000</b>	R'000
<b>Total gross carrying amount of loans at end of year</b>	<b>14 310</b>	24 066
Impairment allowance	<b>(11 989)</b>	(17 115)
Opening impairment allowance	<b>(17 115)</b>	(27 148)
Current year impairment allowance	<b>(881)</b>	(5 058)
Reversal of impairment allowance	<b>855</b>	12 340
Effect of foreign exchange fluctuations	<b>1 152</b>	(2 535)
Impairment allowance reversed against actual write-off	<b>4 000</b>	5 286
<b>Total net carrying amount of loans at end of year</b>	<b>2 321</b>	6 951
Current portion included in current assets	<b>1 359</b>	4 022
Non-current portion included in non-current assets	<b>962</b>	2 929
The following significant loans are included in the above:		
<b>9.1 Avecor Investments Pty Ltd trading as Panarottis Tuggerah</b>		
<b>Gross carrying amount</b>	–	4 165
Impairment allowance	–	(4 165)
Opening impairment allowance	<b>(4 165)</b>	(646)
Current year impairment allowance	–	(2 972)
Impairment allowance reversed against actual write-off	<b>4 000</b>	–
Effect of foreign exchange fluctuations	<b>165</b>	(547)
<b>Net carrying amount</b>	–	–
Current portion included in current assets	–	–
Non-current portion included in non-current assets	–	–

This loan was previously advanced to an Australian franchisee. The loan was secured by a pledge of shares in the borrower and personal suretyship of the borrower's shareholder. The entity had previously been unable to honour its commitments in terms of the loan as a result of deteriorating trading conditions in Australia, exacerbated by COVID-19. As a result of the entity's poor financial performance, the shares serving as security were considered to have negligible value. Accordingly an allowance for ECLs had been raised in respect of the full loan in previous years. During the current year, the loan (with a value of R4.075 million) was formally forgiven, in exchange for the franchisee agreeing to terminate its franchise agreement prematurely.

## 9. LOANS RECEIVABLE continued

### 9.2 GPI Investments 1 (RF) (Pty) Ltd

	<b>2021</b>	2020
	<b>R'000</b>	R'000
<b>Gross carrying amount</b>	–	–
Impairment allowance	–	–
Opening impairment allowance	–	(10 812)
Reversal of impairment allowance	–	10 812
<b>Net carrying amount</b>	–	–
Current portion included in current assets	–	–
Non-current portion included in non-current assets	–	–
Refer note 8.4 for details regarding the loan.		
The gross inflow on settlement of the loan was allocated in the statement of cash flows in the prior year as follows:		
Capital repayment included in cash flows from investing activities	–	72 328
Cumulative interest repayment included in cash flows from operating activities	–	40 832
<b>Total cash inflow</b>	–	113 160
<b>9.3 Hunga Busters Pty Ltd*</b>		
<b>Gross carrying amount</b>	<b>4 637</b>	5 167
Impairment allowance	<b>(4 637)</b>	(5 167)
Opening impairment allowance	<b>(5 167)</b>	(5 032)
Reversal of impairment allowance	–	464
Impairment allowance reversed against actual write-off	–	324
Effect of foreign exchange fluctuations	<b>530</b>	(923)
<b>Net carrying amount</b>	–	–
Current portion included in current assets	–	–
Non-current portion included in non-current assets	–	–

\* Related party. Refer note 15.

This loan arose on the disposal of two former company-owned restaurants in Australia by the group to the borrower during the 2015 financial year. The loan bears interest at 1.5% above the Reserve Bank of Australia's cash rate of interest and is repayable in 60 equal monthly instalments which commenced in October 2015. No loan repayments were made during the year. The loan is secured by a personal suretyship of the shareholder of the borrower and a pledge of the shares in the borrowing entity. The loan was fully impaired in previous financial years. During the current year, the entity commenced with liquidation proceedings. The prospects of recovering any amount of the loan is considered negligible.

## 9. LOANS RECEIVABLE continued

### 9.4 Panawest Pty Ltd trading as Panarottis MacArthur

	<b>2021</b> <b>R'000</b>	2020 R'000
<b>Gross carrying amount</b>	–	–
Impairment allowance	–	–
Opening impairment allowance	–	(4 691)
Impairment allowance reversed against actual write-off	–	4 962
Effect of foreign exchange fluctuations	–	(271)
<b>Net carrying amount</b>	–	–
Current portion included in current assets	–	–
Non-current portion included in non-current assets	–	–

This loan was previously advanced to an Australian franchisee. The restaurant in question ceased trading during the 2018 financial year and commenced with liquidation proceedings in the prior year. The loan, amounting to R4.962 million, and which had been impaired in full in previous financial years, was written off during the prior year.

### 9.5 Loan receivable from former executive director, Pierre van Tonder\*

<b>Gross carrying amount</b>	–	2 200
Impairment allowance	–	(139)
Opening impairment allowance	<b>(139)</b>	–
Current year impairment allowance	–	(139)
Reversal of impairment allowance	<b>139</b>	–
<b>Net carrying amount</b>	–	2 061
Current portion included in current assets	–	1 008
Non-current portion included in non-current assets	–	1 053

\* Related party. Refer note 15.

The loan was subject to interest at the prime overdraft rate of interest and was secured over Mr Van Tonder's provident fund and group life cover. The loan was originally repayable in equal monthly instalments of R100 000 from July 2020. During the year, the group concluded a mutual separation agreement with the former group CEO as detailed in note 10, which modified the terms of the original loan, such that the full amount of the loan of R2.2 million was deductible from the amount owing to Mr Van Tonder in terms of the mutual separation agreement.

**9. LOANS RECEIVABLE** continued

**9.6 White Cloud Restaurant Pty Ltd\***

	<b>2021</b>	2020
	<b>R'000</b>	R'000
<b>Gross carrying amount</b>	<b>382</b>	1 087
Impairment allowance	<b>(160)</b>	(456)
Opening impairment allowance	<b>(456)</b>	(1 056)
Reversal of impairment allowance	<b>267</b>	716
Effect of foreign exchange fluctuations	<b>29</b>	(116)
<b>Net carrying amount</b>	<b>222</b>	631
Current portion included in current assets	<b>222</b>	631
Non-current portion included in non-current assets	<b>–</b>	–

\* Related party. Refer note 15.

This loan is denominated in Australian dollars with a gross carrying amount of AU\$35 549 (2020: AU\$90 885) at the reporting date. The entity operates a Spur restaurant in New Zealand. The loan was advanced in the 2017 financial year to assist the franchisee in funding the fit-out costs of the group's first franchised restaurant in New Zealand. The loan is subject to interest at a fixed rate of 4.5% and was repayable by 30 June 2019. During the year, the loan terms were amended such that the loan was repayable in full by 30 June 2021. While the restaurant was trading profitably prior to COVID-19, the entity is undercapitalised and has had liquidity constraints since it commenced operations. The onset of COVID-19 has negatively impacted on the liquidity of the entity further. The security provided (in the form of a personal suretyship of the shareholder of the franchisee) is restricted to the jurisdiction of New Zealand and is therefore considered to be insufficient to mitigate the risk of expected credit losses in the event of default. Payments were made against the loan during the current and prior years, which resulted in a partial reversal of the impairment allowance previously recognised. The remaining balance of the loan was settled in full subsequent to the reporting date.



## 10. EMPLOYEE BENEFITS

	<b>2021</b> <b>R'000</b>	2020 R'000
<b>Retirement benefit payable to former director</b>		
Accrual charged to profit or loss	<b>8 502</b>	–
Interest charged to profit or loss	<b>302</b>	–
Set off of loan to former director (refer note 9.5)	<b>(2 200)</b>	–
<b>Balance at end of year</b>	<b>6 604</b>	–
Current portion included in current liabilities	<b>4 300</b>	–
Long term portion included in non-current liabilities	<b>2 304</b>	–

In July 2020, the group concluded a mutual separation agreement with former group CEO, Pierre van Tonder, in terms of which Mr Van Tonder retired as the group CEO and executive director of the company with effect from 31 December 2020, after 38 years of service of which 24 was as group CEO. Mr Van Tonder's employment agreement provided for a six-month notice period and 24-month restraint of trade. The group accordingly agreed to pay Mr Van Tonder his monthly salary of R516 615 (total guaranteed remuneration) per month for the months of January 2021 to June 2021, amounting to R3.1 million in aggregate, which is included in profit or loss for the current year.

In terms of the mutual separation agreement, a further amount of R9.3 million (the equivalent of 18 months' guaranteed remuneration) was to be paid to Mr Van Tonder from July 2021 in 18 equal monthly instalments and was linked to Mr Van Tonder's compliance with his restraint, and other material, provisions of the mutual separation agreement. Mr Van Tonder was entitled to retain any long-term share-linked incentive allocations granted to him as at the date the mutual separation agreement was concluded. Mr Van Tonder passed away on 9 May 2021. The restraint of trade period would have terminated on 31 December 2022. An accrual equivalent to the present value of the R9.3 million has been recognised in the current year. The group had previously advanced a loan to Mr Van Tonder, the outstanding balance of which was, in terms of the mutual separation agreement, set off against the payments due to Mr Van Tonder by the company at 30 June 2021.

## 11. PROVISION FOR LEASE OBLIGATION

	<b>2021</b>	2020
	<b>R'000</b>	R'000
Provision raised charged to profit or loss	<b>7 677</b>	–
Effect of foreign exchange fluctuations	<b>(502)</b>	–
<b>Balance at end of year</b>	<b>7 175</b>	–
<b>Apache Spur Australia</b>		
<p>The group had previously concluded a lease for a retail property for the Apache Spur in Australia, which it previously sublet to a franchisee in Australia. A lease liability and corresponding lease receivable were therefore recognised in respect of the head lease and sublease respectively. In terms of the sublease, the franchisee previously settled the lease payments directly to the landlord. Any reduction in the lease receivable arising from rental payments was previously recognised as a reduction in the corresponding lease liability. An impairment allowance for ECLs in respect of the full gross carrying amount of the lease receivable had been recognised in previous years.</p> <p>During the current year, the landlord terminated the head lease on 17 February 2021 due to non-payment by the sublessee who had commenced liquidation proceedings earlier during the financial year. The lease makes provision for the lessee continuing to be liable for the aggregate rental payments due for the remainder of the unexpired lease term, notwithstanding the cancellation, on demand, although the landlord has not taken formal legal action to recover these amounts from the group as at the date of this report. The extent of the liability is subject to the landlord mitigating its losses (including for example by reletting the premises). The premises remain vacant. The timing and amount of the potential cash outflows are uncertain as at the reporting date. Consequently, the group has derecognised the lease obligation, derecognised the lease receivable (reversing the allowance for ECLs and charging the actual credit loss to profit or loss), and raised a provision for the full gross amounts due in terms of the lease from the date of termination to the expiration of the original lease.</p>		
<b>The impact on profit or loss of the above is summarised as follows:</b>		
Gain on derecognition of lease liability	<b>7 012</b>	–
Provision raised for lease obligation	<b>(7 677)</b>	–
Net reversal/(impairment) allowance	<b>314</b>	(2 997)
Impairment allowance – lease receivable	–	(2 997)
Impairment allowance reversed against actual write-off of lease receivable	<b>8 263</b>	–
Write-off of lease receivable	<b>(7 012)</b>	–
Write-off of lease deposit	<b>(937)</b>	–
<b>Net impact on profit before income tax</b>	<b>(351)</b>	(2 997)

## 12. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

The following emoluments were paid by the company and subsidiary companies:

2021	Variable remuneration						Total remuneration included in profit or loss
	Guaranteed remuneration <sup>1</sup>	Equity compensation benefits <sup>2</sup>	Ex gratia bonus <sup>3</sup>	Leave pay <sup>4</sup>	Termination leave <sup>5</sup>	Retirement benefit <sup>6</sup>	
<b>R'000</b>							
<b>Executive directors and prescribed officer</b>							
<i>For services, as employees, to subsidiary companies</i>							
<i>Directors serving during the year</i>							
Val Nichas <sup>7</sup>	2 600	-	-	-	-	-	2 600
Cristina Teixeira <sup>8</sup>	1 792	-	-	-	-	-	1 792
Kevin Robertson <sup>9</sup>	2 480	(36)	130	-	-	-	2 574
Sacha du Plessis <sup>9</sup>	1 895	(17)	105	-	-	-	1 983
Pierre van Tonder <sup>10</sup>	2 784	(202)	220	77	-	8 502	11 381
Mark Farrelly <sup>11</sup>	1 466	-	-	179	176	-	1 821
Phillip Matthee <sup>12</sup>	1 736	(99)	135	50	-	-	1 822
Graeme Kiewitz <sup>9,13</sup>	577	(5)	81	-	87	-	740
<b>Total executive directors</b>	<b>15 330</b>	<b>(359)</b>	<b>671</b>	<b>306</b>	<b>263</b>	<b>8 502</b>	<b>24 713</b>
<i>Prescribed officer</i>							
Kevin Robertson <sup>14</sup>	577	(12)	-	-	-	-	565
<b>Total executive directors and prescribed officer</b>	<b>15 907</b>	<b>(371)</b>	<b>671</b>	<b>306</b>	<b>263</b>	<b>8 502</b>	<b>25 278</b>

R'000	Base non-executive director fees <sup>15</sup>	Additional meeting fees – prior year <sup>16</sup>	Additional meeting fees – current year <sup>17</sup>	Non-executive director additional fees <sup>18</sup>	Total remuneration included in profit or loss
<b>Non-executive directors</b>					
<i>For services, as directors, to the company<sup>19</sup></i>					
<i>Directors serving during the year</i>					
André Parker <sup>9</sup>	432	-	25	-	457
Cora Fernandez	582	24	116	454	1 176
Jesmane Boggendoel <sup>9</sup>	401	-	24	25	450
Lerato Molebatsi <sup>9</sup>	432	-	4	50	486
Mike Bosman	1 140	15	84	1 050	2 289
Sandile Phillip <sup>9</sup>	401	-	24	-	425
Shirley Zinn	547	15	88	825	1 475
Dineo Molefe <sup>20</sup>	77	24	28	-	129
Mntungwa Morojele <sup>21</sup>	82	25	28	-	135
<b>Total non-executive directors</b>	<b>4 094</b>	<b>103</b>	<b>421</b>	<b>2 404</b>	<b>7 022</b>
<b>Total remuneration</b>					<b>32 300</b>

Refer footnotes on page 52.

**12. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS** continued

2020	Variable remuneration				Total remuneration included in profit or loss
	Guaranteed remuneration <sup>1</sup>	Equity compensation benefits <sup>2</sup>	Performance bonus <sup>22</sup>	Leave pay <sup>4</sup>	
R'000					
<b>Executive directors and prescribed officer</b>					
<b>For services, as employees, to subsidiary companies</b>					
<i>Directors serving during the year</i>					
Pierre van Tonder	6 096	(18)	502	–	6 580
Mark Farrelly	3 920	4	323	60	4 307
Phillip Matthee	3 190	(15)	263	–	3 438
<b>Total executive directors</b>	<b>13 206</b>	<b>(29)</b>	<b>1 088</b>	<b>60</b>	<b>14 325</b>
<i>Prescribed officer</i>					
Kevin Robertson	2 836	(9)	214	–	3 041
<b>Total executive directors and prescribed officer</b>	<b>16 042</b>	<b>(38)</b>	<b>1 302</b>	<b>60</b>	<b>17 366</b>
<b>R'000</b>					
<b>Non-executive directors</b>					
<b>For services, as directors, to the company<sup>19</sup></b>					
<i>Directors serving during the year</i>					
Cora Fernandez				487	487
Dineo Molefe <sup>20</sup>				526	526
Mike Bosman				959	959
Mntungwa Morojele <sup>21</sup>				561	561
Muzi Kuzwayo <sup>23</sup>				213	213
Shirley Zinn				492	492
<b>Total non-executive directors</b>				<b>3 238</b>	<b>3 238</b>
<b>Total remuneration</b>					<b>20 604</b>

The board considers there to be no prescribed officers (as defined in section 1 of the Companies Act) with the exception of Kevin Robertson, who was appointed as a director during the year.

No directors or prescribed officers were paid for services to associates.

Refer footnotes on page 52.

## 12. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS continued

The following share awards allocated to directors and prescribed officers in terms of the equity-settled Forfeitable Share Plan (FSP) vested during the year:

<b>Tranche 2</b>	<b>2021 '000</b>	2020 '000
Pierre van Tonder	–	15
Mark Farrelly	–	10
Phillip Matthee	–	5
Kevin Robertson (prescribed officer)	–	10
	–	40

The cost of these awards (calculated in accordance with IFRS 2) has been expensed to profit or loss over the vesting period of the awards and has similarly been included in the emoluments disclosed for directors in each year of the vesting period. The actual vesting is therefore not reflected as additional remuneration in the year of vesting.

The following share-linked awards have been allocated to directors and prescribed officers in terms of the equity-settled FSP and Share Appreciation Rights (SAR) Scheme and were outstanding as at the reporting date:

	FSP shares		SAR rights	
	2021 '000	2020 '000	2021 '000	2020 '000
Pierre van Tonder <sup>10</sup> – tranche 3 <sup>24</sup>	–	–	964	964
Pierre van Tonder <sup>10</sup> – tranche 4 <sup>24</sup>	–	–	920	920
Mark Farrelly <sup>11</sup> – tranche 3 <sup>25</sup>	–	–	–	496
Mark Farrelly <sup>11</sup> – tranche 4 <sup>25</sup>	–	–	–	473
Phillip Matthee <sup>12</sup> – tranche 3 <sup>26</sup>	–	–	403	403
Phillip Matthee <sup>12</sup> – tranche 4 <sup>26</sup>	–	–	385	385
Kevin Robertson – tranche 3	–	–	329	329
Kevin Robertson – tranche 4	5	5	178	178
Sacha du Plessis <sup>9</sup> – tranche 3	4	–	161	–
Sacha du Plessis <sup>9</sup> – tranche 4	5	–	165	–
<b>Total awards allocated</b>	<b>14</b>	<b>5</b>	<b>3 505</b>	<b>4 148</b>

Refer footnotes on page 52.

## 12. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS continued

- <sup>1</sup> Guaranteed remuneration includes any company/employee contributions to the provident fund and medical aid, as well as any travel allowance where applicable. Any change to provident fund and medical aid contributions will result in a corresponding opposite change to cash remuneration such that the guaranteed remuneration remains unchanged. In response to the impact of COVID-19 on the group's cash reserves, the group reduced its workweek to four days and reduced salaries of all employees (including executive directors) commensurately by 20% from 1 June 2020 until 30 September 2020.
- <sup>2</sup> The equity compensation benefit is the pro rata share-based payments expense (in terms of IFRS 2 – Share-based Payments) attributable to each of the directors or employees.
- <sup>3</sup> An ex gratia bonus payment of 50% of monthly cost to company was paid to all employees (including executive directors) in December 2020, in recognition of the efforts of all employees to trade through COVID-19 lockdown.
- <sup>4</sup> The group's HR policies do not typically permit employees to encash leave. However, following the 20% reduction in salaries from 1 June 2020 to 30 September 2020 as part of the group's COVID-19 austerity measures, employees (including executive directors) were permitted to sell up to four days of leave per month back to the company in exchange for cash.
- <sup>5</sup> Leave balance on termination of employment settled in cash.
- <sup>6</sup> Refer note 10 regarding retirement benefit to the former CEO, Pierre van Tonder. The amount disclosed represents the present value on the date of retirement of the gross value of payments of R9.3m, which is to be settled in instalments from July 2021.
- <sup>7</sup> Appointed with effect from 1 January 2021.
- <sup>8</sup> Appointed with effect from 1 February 2021.
- <sup>9</sup> Appointed with effect from 15 October 2020 (remuneration includes full month of October 2020).
- <sup>10</sup> Resigned with effect from 31 December 2020.
- <sup>11</sup> Resigned with effect from 31 August 2020.
- <sup>12</sup> Resigned with effect from 31 January 2021.
- <sup>13</sup> Resigned with effect from 18 January 2021 (deceased).
- <sup>14</sup> Prior to being appointed an executive director (refer footnote 9).
- <sup>15</sup> Comprises base non-executive director fee per annum plus an additional fee as chair or member per subcommittee on which served; reduced by 20% for the months of June 2020 to September 2020 as part of the group's COVID-19 austerity measures (in line with the salary reduction applied to all salaried employees (including executive directors)).
- <sup>16</sup> Fees paid to non-executive directors for additional meetings held during the 2020 financial year (refer special resolution 3.1 adopted by shareholders at the AGM of 23 December 2020).
- <sup>17</sup> Fees paid to non-executive directors for additional meetings held during the 2021 financial year (refer special resolution 3.3 adopted by shareholders at the AGM of 23 December 2020).
- <sup>18</sup> Fees paid to non-executive directors for additional assignments (as approved by the board) during the 2021 financial year (refer special resolution 3.3 adopted by shareholders at the AGM of 23 December 2020).
- <sup>19</sup> Certain of the non-executive directors' fees are subject to VAT. Notwithstanding that the company is not able to claim VAT input credits on these services, as the VAT paid is not for the benefit of the directors in question, the amounts disclosed above are stated exclusive of VAT.
- <sup>20</sup> Resigned with effect from 3 September 2020.
- <sup>21</sup> Resigned with effect from 1 September 2020.
- <sup>22</sup> Includes payments during the financial year (relating to performance criteria in respect of the prior year), but excludes accrual for payments due in the subsequent financial year (relating to performance criteria in respect of the current year).
- <sup>23</sup> Retired with effect from 6 December 2019.
- <sup>24</sup> In accordance with the mutual separation agreement concluded with Mr Van Tonder, Mr Van Tonder retained the non-vested FSP shares and SARs awarded to him as at the date of his resignation.
- <sup>25</sup> In accordance with the rules of the respective schemes, upon resignation, Mr Farrelly forfeited all non-vested FSP shares and SARs awarded to him.
- <sup>26</sup> While Mr Matthee resigned as director, he remains an employee of the group. He has therefore retained the non-vested FSP shares and SARs awarded to him prior to his resignation as a director.

## 13. SUBSEQUENT EVENTS

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Subsequent to the reporting date, but prior to the date of issue of this report, the following significant transactions occurred:

### 13.1 Payment of interim 2020 dividend

On 22 September 2021, the board resolved to authorise the payment, on Monday, 25 October 2021, of the interim cash dividend for the year ended 30 June 2020 of R70.978 million, which equated to 78 cents per share for each of the 90 966 932 shares in issue, and which was originally declared on 26 February 2020.

### 13.2 Nikos Coalgrill Greek purchase price settlement arrangement

Details of the contingent consideration arrangement relating to the acquisition of the Nikos Coalgrill Greek business on 1 August 2018 are detailed in footnote 3 to the statement of financial position. In respect of the contingent consideration recognised at 30 June 2021, the amount receivable was due to be recovered after finalisation of the purchase price based on the financial performance of the acquired business to 31 July 2021. One of the founding shareholders of the business has tragically passed away. The amount due has accordingly not been recovered subsequent to the reporting date. The board is considering the group's options, including potentially extending the period over which the purchase consideration is determined. As at the date of this report, no agreement has yet been concluded in this regard with the sellers.

### 13.3 Resignation of executive director

Mr Sacha du Plessis has resigned as executive director and chief marketing officer with effect from 15 September 2021.

### 13.4 COVID-19 business interruption insurance claims

On 8 September 2021, certain subsidiaries of the group reached agreement on disputed COVID-19-related business interruption insurance claims with their insurer. The claims relate to loss of profits incurred in the group's company-owned restaurants as a result of the COVID-19 lockdown trading restrictions from March 2020. The claims were initially lodged in March 2020 and rejected by the insurer. Following various court cases (not involving the group) relating to similar claims, the insurer reinstated the claims on 6 January 2021, subject to quantification of the losses. The quantification of the losses was agreed on 8 September 2021. As the claims relate to compensation for a loss event occurring prior to the reporting date, the claim amounts have been accrued as income in the 2021 financial year (refer note 5). The claim amounts have been settled in cash subsequent to the reporting date.

## 14. CONTINGENT LIABILITIES

### 14.1 Income Tax in respect of 2004 – 2009 share incentive scheme

As previously reported, SARS had previously issued additional assessments to wholly-owned subsidiary, Spur Group (Pty) Ltd (Spur Group), in respect of the 2005 to 2012 years of assessment totalling R22.034 million (comprising R13.996 million in additional income tax and R8.038 million in interest). The additional assessments were issued following the disallowance of a deduction claimed in respect of the 2004 share incentive scheme. The total of the additional assessments was paid in previous financial years. Following failed alternative dispute resolution proceedings, the matter was heard in the Income Tax Court in February 2018. The Tax Court found in favour of Spur Group, but SARS appealed the ruling. The appeal was heard by a full bench of the Income Tax Court on 29 July 2019 and judgement was issued on 26 November 2019 in favour of Spur Group to dismiss SARS' appeal and award costs to Spur Group. In December 2019, SARS applied for leave to appeal the matter to the Supreme Court of Appeals, and the leave to appeal was subsequently granted. The appeal was heard by the Supreme Court of Appeals on 17 August 2021, with judgement having been reserved. The board, in consultation with its tax advisors, remains confident that the probability of SARS' appeal being successful is low. Consequently, no liability has been raised in respect of the assessments issued to date and the payments made to date are accounted for as prepayments of income tax. In the event that the matter is ultimately resolved in Spur Group's favour, interest on the overpayment of tax would be payable to Spur Group. This interest has not been accrued for.

## 14. CONTINGENT LIABILITIES continued

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### 14.2 Legal dispute with GPS Foods

On 24 December 2019, companies within the group were served with a summons by GPS Food Group RSA (Pty) Ltd (GPS). GPS is a subsidiary of a global business specialising in the management of the procurement, production, logistics and marketing elements of supply chain. The group has engaged with GPS over several years regarding product supply and the prospect of a rib processing joint venture.

GPS alleges that an oral agreement was concluded between GPS and the group on or about 2 February 2017 in terms of which the parties would establish a joint venture to acquire, develop and manage a rib processing facility. No written agreement was ever executed with GPS. GPS further alleges that on or about 28 January 2019, the group repudiated the alleged oral agreement and claims damages of R183.3 million comprising alleged capital expenditure, start-up losses and projected operating losses for a five-year period ending November 2022.

GPS alleges in the alternative that, in the event of it being found that the group did not become bound by the oral joint venture agreement, the group's conduct represented that it regarded itself as bound by the agreement and that this gives rise to a delictual claim in the sum of R60.0 million, comprising GPS's alleged losses to date.

The group denies the allegations. To date, the parties have not sought to address the merits of the case and legal correspondence has focused on remedying deficiencies in pleas. It is consequently not considered feasible at this early stage of legal proceedings to determine with any reasonable certainty the likelihood of the group successfully defending the matter or the value of a successful claim against the group. A further assessment of the merits has been conducted as the parties have, on 28 June 2021, exchanged discovery affidavits. All parties have exchanged copies of all the documents in their respective discovery schedules and the group's attorneys, together with senior counsel, have assessed the probative value thereof, and presented a review of the merits and prospects of success. Supported by the opinion of its legal advisers, the board considers there to be reasonable prospects of defending the claims successfully. It is likely that it may take several years for a court to finally resolve the matter. As a result of the uncertainty referred to above, no liability has been raised at the reporting date regarding the matter.

Refer note 46 of the Consolidated AFS for details of other contingent liabilities.

## 15. RELATED PARTIES

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Save for the items listed below, the identity of related parties as well as the nature and extent of transactions with related parties, are similar to prior years and full details are included in note 44 of the Consolidated AFS.

- Loan to former group CEO, Pierre van Tonder (refer note 9.5)
- Loan to White Cloud Restaurant Pty Ltd (95% owned by former group COO, Mark Farrelly) (refer note 9.6)
- Loan to Hunga Busters Pty Ltd (50% owned by former franchise executive: Australia, José Vilar) (refer note 9.3)
- Retirement benefit payable to former group CEO (refer note 10)



## 16. ESTIMATES AND CONTINGENCIES

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The group makes estimates and assumptions concerning the future, particularly with regard to provisions, arbitrations, claims and various fair value accounting policies. Accounting estimates and judgements can, by definition, only approximate results, as the actual results may differ from such estimates. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 17. CHANGE IN DIRECTORS

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Details of changes in the composition of the board during the financial year, as well as subsequent to the reporting date and up to the date of this report are included on page 68 of this report.

## 18. APPOINTMENT OF COMPANY SECRETARY

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Mr Donfrey Meyer was appointed as company secretary with effect from 1 March 2021.

## 19. CORRECTION OF ERROR

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### **Changes in statements of financial position and cash flows relating to restricted cash and unredeemed gift vouchers**

The group sells gift vouchers to the public which may be redeemed at franchised restaurants. The franchisees in turn are entitled to a reimbursement of the face value of the vouchers from the group, upon presentation. The group makes use of two types of vouchers (collective, the gift vouchers): corporate paper vouchers administered entirely by the group (paper vouchers); and physical and virtual gift cards which are managed by an outsourced service provider (gift cards).

The value of unredeemed paper vouchers has been correctly recorded as a current liability, while the cash received on the sale of the paper vouchers has been included in cash and cash equivalents in all previous reporting periods.

The value of unredeemed gift cards was erroneously set off against the corresponding balance of the group's dedicated bank account used by the outsourced service provider to fund the gift card redemptions, and the net balance recorded as cash and cash equivalents in all previous reporting periods.

In both cases, a liability exists in respect of the unredeemed gift vouchers and the corresponding cash balances, which, notwithstanding that the bank accounts are in the name of the group, are property of the bearers of the gift vouchers as prescribed by section 63(3) of the Consumer Protection Act (Act No. 68 of 2008), as amended. The cash balances corresponding to the liability for unredeemed gift vouchers are accordingly not available for general use by the company as contemplated by IAS 7 – *Statement of Cash Flows*.

The *statements of financial position* as at 1 July 2019 and 30 June 2020 have been restated to correctly reflect the value of unredeemed gift cards as a liability, and to reflect the cash balances equivalent to the aggregate value of all unredeemed gift vouchers as restricted cash. The *statement of cash flows* for the prior year ended 30 June 2020 has been restated to reflect the correct movement in the liability for unredeemed gift vouchers and cash that is not restricted cash.

The restatements had no impact on the consolidated statements of profit or loss and other comprehensive income previously reported.

## 19. CORRECTION OF ERROR continued

The impact of the restatements referred to above are listed below:

### Extract from consolidated statements of financial position

R'000	As at 30 June 2020 as previously reported	Correction of gift vouchers	Restated as at 30 June 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Restricted cash	731	7 940	8 671
Cash and cash equivalents	167 289	(1 937)	165 352
<b>Total current assets</b>	<b>276 437</b>	<b>6 003</b>	<b>282 440</b>
<b>TOTAL ASSETS</b>	<b>794 903</b>	<b>6 003</b>	<b>800 906</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	43 707	6 003	49 710
<b>Total current liabilities</b>	<b>131 405</b>	<b>6 003</b>	<b>137 408</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>794 903</b>	<b>6 003</b>	<b>800 906</b>
<b>R'000</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Restricted cash	14 305	3 704	18 009
Cash and cash equivalents	283 979	(2 121)	281 858
<b>Total current assets</b>	<b>558 158</b>	<b>1 583</b>	<b>559 741</b>
<b>TOTAL ASSETS</b>	<b>1 077 674</b>	<b>1 583</b>	<b>1 079 257</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	66 611	1 583	68 194
<b>Total current liabilities</b>	<b>81 466</b>	<b>1 583</b>	<b>83 049</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 077 674</b>	<b>1 583</b>	<b>1 079 257</b>

\* Based on 30 June 2019, after transitional adjustment relating to IFRS 16 on 1 July 2019.

**19. CORRECTION OF ERROR** continued

**Extract from consolidated statement of cash flows**

<b>R'000</b>	Year ended 30 June 2020 as previously reported	Correction of gift vouchers	Restated year ended 30 June 2020
<b>Cash flow from operating activities</b>			
Operating profit before working capital changes	147 804	–	147 804
Working capital changes	29 945	184	30 129
<b>Cash generated from operations</b>	177 749	184	177 933
Interest income received	56 638	–	56 638
Interest expense paid	(4 721)	–	(4 721)
Tax paid	(53 410)	–	(53 410)
Dividends paid	(75 350)	–	(75 350)
<b>Net cash flow from operating activities</b>	100 906	184	101 090
<b>Net cash flow from investing activities</b>	56 497	–	56 497
<b>Net cash flow from financing activities</b>	(274 151)	–	(274 151)
<b>Net movement in cash and cash equivalents</b>	(116 748)	184	(116 564)
Effect of foreign exchange fluctuations	58	–	58
Net cash and cash equivalents at beginning of year	283 979	(2 121)	281 858
<b>Net cash and cash equivalents at end of year</b>	167 289	(1 937)	165 352

## ANNEXURE 2

### **CURRICULUM VITAE OF DIRECTORS UP FOR RE-ELECTION OR ELECTION, AS THE CASE MAY BE**

#### **NON-EXECUTIVE DIRECTORS**

##### **André Parker (70)**

*Appointed 15 October 2020*

*MCom – Stellenbosch*

André spent most of his career with the SAB/SAB Miller group and was managing director of SAB Miller's Africa and Asia portfolio for 10 years. He is currently a non-executive director of Distell (lead independent director) and Carozzi SARL, a leading food company in Chile. He previously served as chairman of Tiger Brands and Remgro's TSB, and on the boards of SAB plc, SAB Ltd, AECI and Standard Bank.

André chairs the risk committee and is also a member of the audit committee.

##### **Lerato Molebatsi (52)**

*Appointed 15 October 2020*

*BA (Psych), PG Diploma in Rural Development and Management, Senior Management Development Programme (USB), Senior Prog. for Africa (Harvard Business School)*

Lerato is a non-executive director of the SA Reserve Bank and deputy chair of telecommunications company, the Adrian Group, in Kenya. Having accumulated a vast amount of experience within the Financial Services, Mining, Government, Non-profit and Professional Services industries over the past 25 years, Lerato Molebatsi has amassed a great deal of experience. She was formerly CEO of General Electric South Africa, executive vice president of Lonmin plc and held senior positions in corporate communications, public affairs and corporate social investment, and worked in the Departments of Labour and Transport, Old Mutual and Sanlam.

Lerato chairs the social, ethics and environmental sustainability committee and serves as a member of the risk committee.

##### **Sandile Phillip (39)**

*Appointed 15 October 2020*

*BCom – Nelson Mandela University; BCompt (Hons) – Unisa; CA(SA)*

Sandile is a non-executive director of the SA Post Office and previously served as a board member of the SA Institute of Chartered Accountants. His business experience is mainly in the areas of structured funding and leveraged finance in business banking at First National Bank, private banking at Investec and financial management at British American Tobacco and Peninsula Beverages.

Sandile serves as a member of both the audit committee and risk committee.

## EXECUTIVE DIRECTORS

### **Val Nichas (58)**

*Appointed 1 January 2021*

*Oxford Strategic Leadership Program – Said Business School – University of Oxford Diploma in Public Relations and Franchise Management*

Val is a highly experienced strategist and leader, who has extensive experience in the restaurant sector and was formerly managing executive of franchise brands Wimpy and Steers at Famous Brands.

Starting her career in marketing and advertising, she has served as marketing director of Edgars between 1994 and 1998, senior vice president of multinational food company, Rich Products Corporation, and managing director of Tequila Advertising. She has also consulted to Nando's Chickenland and was one of the leaders of the Nando's advertising account team while at TBWA.

Val joined Famous Brands in 1999 as marketing director of Debonairs Pizza and later served as managing executive of Wimpy (then 506 restaurants) and Steers (then 492 restaurants) before her appointment as head of QSR Brands. Val has run her own consulting business for the past eight years, specialising in business strategy and planning. Her consulting clients have included companies in the healthcare, agricultural, fashion and food sectors.

### **Cristina Teixeira (48)**

*Appointed 1 February 2021*

*BCom, BCompt (Hons), CA(SA), AMP (Insead)*

Cristina has over 20 years' experience in financial management with the last 13 years as chief financial officer of JSE listed entities with operations in multiple countries in Africa, the Middle East, and Eastern Europe. She has extensive experience in finance, risk, governance, stakeholder management and business restructuring. Cristina has led finance teams that have been recognised in the Investment Analysts Society annual awards for reporting and disclosure and in the Institute of Chartered Secretaries/JSE reporting awards. Cristina was voted Businesswoman of the year (corporate category) by the Businesswomen's Association in 2013.

Cristina is the chief financial officer of the group.

## ANNEXURE 3

### **DIRECTORS NOMINATED FOR ELECTION AS MEMBERS OF THE AUDIT COMMITTEE**

#### **Cora Fernandez (48)**

*Appointed 17 June 2019*

*BCompt (Hons), Chartered Accountant*

Cora is a chartered accountant with extensive board experience. She is a non-executive director of Tiger Brands, Capitec Bank and Sphere Holdings, and serves as an independent trustee on retirement funds in the Allan Gray stable. She serves on the investment committees of 27Four Black Business Growth Fund and the National Empowerment Fund. Cora previously served as managing director of Sanlam Investment Management and CEO of Sanlam Private Equity. Cora chairs the audit committee and serves as a member of both the risk committee and nominations and remuneration committee.

#### **André Parker (70) (as member)**

Refer Annexure 2.

#### **Jesmane Boggenpoel (48)**

*Appointed 15 October 2020*

*BCom, BAcc, MPub Admin (Harvard), CA(SA)*

Jesmane is a chartered accountant with private equity, high technology and entrepreneurial experience. Jesmane is a founder and Principal of private equity firm AIH Capital. She was formerly head of business engagement for Africa for the World Economic Forum, based in Switzerland, and currently serves on the boards of EOH Holdings and Murray & Roberts. She is chairperson of Dubai-based ETG Inputs Holdco. Jesmane was nominated as a Young Global Leader of the World Economic Forum in 2013. Jesmane is the author of a book on diversity and inclusion *My Blood Divides and Unites*. Jesmane serves as a member of both the audit committee and the social, ethics and environmental sustainability committee.

#### **Sandile Phillip (39) (as member)**

Refer Annexure 2.

## ANNEXURE 4

### NON-EXECUTIVE DIRECTORS' REMUNERATION

	Proposed fee per annum*,% 2022	Fee per annum*,% 2021
Chairman of the board (inclusive of all committee memberships and scheduled meeting attendances)	R1 200 000#	<b>R1 200 000#</b>
Member of board	R450 000	<b>R450 000</b>
Chair/member of audit committee	R84 000/R42 000	<b>R84 000/R42 000</b>
Chair/member of nominations and remuneration committee	R84 000/R42 000	<b>R84 000/R42 000</b>
Chair/member of social, ethics and environmental sustainability committee	R84 000/R42 000	<b>R84 000/R42 000</b>
Chair/member of risk committee	R84 000/R42 000	<b>R84 000/R42 000</b>

The above fees comprise an annual retainer of 25% of the fees listed, with the remaining 75% being attendance fees at three scheduled board meetings and two scheduled committee meetings per annum.

In addition to the above proposed fees for scheduled ordinary meetings, it is proposed that directors be paid a fee of R3 500\* per hour (2021: R3 500 per hour) or part thereof for any special assignments or any meetings outside of the scheduled ordinary meetings (unless such a meeting exceeds three hours in duration, in which case a fee of R25 000\* per meeting (2021: R25 000) is proposed).

In proposing the fees for the financial year ending 30 June 2022, the board has considered market information relating to JSE small and medium cap companies in the consumer services sector, as detailed in the Non-executive directors: Practices and fees trends report issued by PwC in January 2021. Fees proposed are approximately at the upper quartile for small caps.

The board is of the opinion that the proposed fees take into account the qualifications, experience and opportunity cost of the targeted profile of non-executive directors for the company, and are appropriate to retain existing, and attract potential new, non-executive directors.

\* Amounts stated exclusive of VAT, where applicable.

% Amounts exclude fees in respect of additional meetings referred to in Special Resolution Number 3.2.

# The chairman's fee is inclusive of all committee memberships and scheduled meeting attendances.

## ANNEXURE 5

### DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

#### Shares

Details of directors' interests in the ordinary shares as at the reporting date are as follows:

	2021			2020		
	Direct beneficial	Indirect beneficial	Held by associates	Direct beneficial	Indirect beneficial	Held by associates
Kevin Roberson <sup>1</sup>	15 350 <sup>6</sup>	–	–	–	–	–
Sacha du Plessis <sup>1,5</sup>	10 000 <sup>7</sup>	–	–	–	–	–
Pierre van Tonder <sup>2</sup>	–	–	–	30 000	–	–
Mark Farrelly <sup>3</sup>	–	–	–	20 000	–	–
Phillip Matthee <sup>4</sup>	–	–	–	10 000	–	–
<b>Total</b>	<b>25 350</b>	<b>–</b>	<b>–</b>	<b>60 000</b>	<b>–</b>	<b>–</b>
<b>% interest*</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>0.1</b>	<b>–</b>	<b>–</b>

<sup>1</sup> Appointed with effect from 15 October 2020.

<sup>2</sup> Resigned with effect from 31 December 2020.

<sup>3</sup> Resigned with effect from 31 August 2020.

<sup>4</sup> Resigned with effect from 31 January 2021.

<sup>5</sup> Resigned with effect from 15 September 2021.

<sup>6</sup> Of these shares, 10 000 shares are subject to a holding period expiring on 1 April 2022, during which the shares may not be freely traded.

<sup>7</sup> Of these shares, 5 000 shares are subject to a holding period expiring on 1 April 2022, during which the shares may not be freely traded.

\* These percentages are based on shares in issue less shares repurchased by subsidiary companies, Share Buy-back (Pty) Ltd and Spur Group (Pty) Ltd.

The above shares have been issued to the individuals in terms of the group's long-term Forfeitable Share Plan. While the shares have vested and are beneficially owned by the participants, they are still subject to a holding period of two years following the vesting date, during which the participants may not freely trade in the shares.

There have been no changes in directors' interests in share capital from 30 June 2021 to the date of issue of this report.



## ANNEXURE 6

### SHAREHOLDER ANALYSIS

#### Major shareholders

The following are shareholders (excluding directors and consolidated structured entities) holding 3% or more of the company's issued share capital at 30 June 2021:

	No. of shares	%*
Coronation Fund Managers	15 807 462	17.5
Allan Gray	8 922 424	9.9
Grand Parade Investments Ltd	8 447 731	9.3
Foord Asset Management	8 320 244	9.2
Aylett & Co	3 925 224	4.3
Alexander Forbes Investments	3 121 900	3.5
Goldman Sachs (Custodian)	3 000 000	3.3

\* These percentages are based on shares in issue less shares repurchased by subsidiary companies, Share Buy-back (Pty) Ltd and Spur Group (Pty) Ltd.

#### Public/non-public shareholders

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

	No. of shareholders	No. of shares	%
<b>Non-public shareholders</b>			
Directors and associates	2	25 350	–
Subsidiaries holding treasury shares	2	595 587	0.7
The Spur Foundation Trust	1	500 000	0.5
The Spur Management Share Trust	1	5 933 111	6.5
Major shareholder	1	15 807 462	17.4
<b>Public shareholders</b>			
<b>Total</b>	<b>4 532</b>	<b>68 135 422</b>	<b>74.9</b>
	<b>4 539</b>	<b>90 996 932</b>	<b>100.0</b>

**Analysis of shareholding**

An analysis of the spread of shareholding is presented below:

<i>Shareholder spread</i>	<b>No. of shareholders</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
1 – 10 000 shares	4 164	91.8	2 848 462	3.1
10 001 – 25 000 shares	156	3.4	2 611 665	2.9
25 001 – 50 000 shares	80	1.8	2 903 810	3.2
50 001 – 100 000 shares	41	0.9	2 905 696	3.2
100 001 – 500 000 shares	65	1.4	14 724 757	16.2
500 001 – 1 000 000 shares	15	0.3	9 989 843	11.0
1 000 001 shares and over	18	0.4	55 012 699	60.4
<b>Total</b>	<b>4 539</b>	<b>100.0</b>	<b>90 996 932</b>	<b>100.0</b>

<i>Distribution of shareholders</i>	<b>No. of shareholders</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Banks/brokers	27	0.6	4 771 859	5.2
Endowment Funds	21	0.5	576 716	0.6
Individuals	3 952	87.1	3 838 058	4.2
Insurance companies	23	0.5	1 965 045	2.2
Medical funds	6	0.1	202 740	0.2
Mutual funds	95	2.1	50 826 074	55.9
Pension and retirement funds	171	3.8	10 043 796	11.0
Own holdings	2	0.0	595 587	0.7
Spur Management Share Trust	1	0.0	500 000	0.5
The Spur Foundation Trust	1	0.0	5 933 111	6.5
Other corporate bodies	240	5.3	11 743 946	13.0
<b>Total</b>	<b>4 539</b>	<b>100.0</b>	<b>90 996 932</b>	<b>100.0</b>

## ANNEXURE 7

### SHARE CAPITAL

	Number of shares			
	2021 '000	2020 '000	2021 R'000	2020 R'000
<b>Ordinary share capital</b>				
<b>Authorised</b>				
Ordinary shares of 0.001 cents each	<b>201 000</b>	201 000	<b>2</b>	2
<b>Issued and fully paid</b>				
In issue at beginning of year	<b>90 997</b>	108 481	<b>1</b>	1
Repurchase and cancellation of shares by the company	–	(10 848)	–	–
Cumulative shares repurchased by subsidiaries	<b>(596)</b>	(7 232)*	–	–
Cumulative shares held by The Spur Management Share Trust (consolidated structured entity)	<b>(5 933)</b>	(5 933)	–	–
Cumulative shares held by The Spur Foundation Trust (consolidated structured entity)	<b>(500)</b>	(500)	–	–
<b>In issue at end of year</b>	<b>83 968</b>	83 968	<b>1</b>	1

\* Includes 6 635 901 shares previously repurchased by a subsidiary and cancelled during the prior year.

The ordinary shares have equal rights to dividends declared by the company.

In terms of the company's Memorandum of Incorporation, the unissued shares of the company may be issued by the directors of the company only with the approval of the shareholders by way of an ordinary resolution passed at a general meeting. No such authority has been granted.

The company does not have any unlisted shares.

During the prior year, at a meeting of shareholders on 25 September 2019, shareholders approved the repurchase and cancellation of 10 848 093 shares in the company (the GPI Shares) previously issued to a subsidiary of Grand Parade Investments Ltd in October 2014 as part of a broad-based black economic empowerment transaction, as well as the repurchase and cancellation of 6 635 901 treasury shares (the Buy-back Shares) previously acquired by the group. The transactions were implemented with effect from 15 October 2019. The purchase consideration of the GPI Shares was R260.354 million.

The total legal and advisory costs, regulatory fees, and securities transfer tax relating to the transactions amounted to R2.806 million. Of this amount, R2.702 million was charged directly against equity (retained earnings) as it related to the transaction for the company to reacquire its own shares, and R0.104 million was charged to profit or loss, in the prior year.

During the prior year, a wholly-owned subsidiary of the company, Share Buy-back (Pty) Ltd, acquired 110 000 Spur Corporation Ltd shares at an average cost of R26.87 per share, totalling R2.956 million, following the sale of the 6 635 901 shares to the company referred to above and their subsequent cancellation.

In addition, a wholly-owned subsidiary of the company, Spur Group (Pty) Ltd, acquired 231 787 shares to be held in escrow on behalf of participants of the Spur Group Forfeitable Share Plan (refer note 24.4), at a cost of R6.218 million from The Spur Management Share Trust, while, in terms of the same plan, 137 000 shares were vested with participants (refer note 24.4).

At the reporting date, the group owned 595 587 (2020: 595 587) Spur Corporation Ltd treasury shares, held by Share Buy-back (Pty) Ltd and Spur Group (Pty) Ltd.

The balance per the statement of financial position comprises the cost of the Spur Corporation Ltd shares that have been repurchased by subsidiaries, Share Buy-back (Pty) Ltd and Spur Group (Pty) Ltd, those held by The Spur Management Share Trust, a consolidated structured entity, for the purposes of the group's share incentive schemes (refer note 24.4) and those held by The Spur Foundation Trust, a consolidated structured entity. At the reporting date, the entities in question held 7 028 698 (2020: 7 028 698) of the company's shares in aggregate.

## ANNEXURE 8

### **MATERIAL CHANGE STATEMENT**

The directors report that there have been no material changes to the affairs, financial or trading position of the company and group since 30 June 2021 to the date of posting of this report, other than disclosed in this report.

## ANNEXURE 9

### **GOING CONCERN**

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

Refer note 2 of the Summarised AFS for further information regarding the going concern assertion.

# ANNEXURE 10

## CORPORATE INFORMATION

**Registration number:** 1998/000828/06 (Incorporated in the Republic of South Africa)

**Registered address:** 14 Edison Way, Century Gate Business Park, Century City, 7441

**Postal address:** PO Box 166, Century City, 7446

**Telephone:** +27 21 555 5100 **Fax:** +27 21 555 5111

**Email:** spur@spur.co.za

**Internet:** <http://www.spurcorporation.com>

### Transfer secretaries

Computershare Investor Services (Pty) Ltd  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
Private Bag X9000, Saxonwold 2132  
Telephone: +27 11 370 5000

### External auditors:

F2021: KPMG Inc.

F2022: PwC Inc.\*

\* Appointed as auditors as from the year ending 30 June 2022, subject to approval by shareholders at the 2021 AGM.

**Sponsor:** Sasfin Capital (a member of the Sasfin Group)

### Company secretary

Mr D Meyer

Email: [companysecretary@spur.co.za](mailto:companysecretary@spur.co.za)

## DIRECTORS SERVING AT THE DATE OF THIS REPORT

Mr M Bosman (independent non-executive chair)

### Executive directors

Ms V Nichas (CEO)<sup>1</sup>

Ms C Teixeira (CFO)<sup>2</sup>

Mr K Robertson (COO)<sup>3</sup>

### Independent non-executive directors

Ms C Fernandez (lead independent)

Dr S Zinn

Ms J Boggenpoel<sup>3</sup>

Ms L Molebatsi<sup>3</sup>

Mr A Parker<sup>3</sup>

Mr S Phillip<sup>3</sup>

## PAST DIRECTORS

Mr P Van Tonder (executive)<sup>4</sup>

Mr P Mathee (executive)<sup>5</sup>

Mr M Farrelly (executive)<sup>6</sup>

Mr S du Plessis (executive)<sup>3,7</sup>

Mr G Kiewitz (executive)<sup>3,8</sup>

Ms D Molefe (independent non-executive)<sup>9</sup>

Mr M Morojele (independent non-executive)<sup>10</sup>

<sup>1</sup> Appointed 1 January 2021.

<sup>2</sup> Appointed 1 February 2021.

<sup>3</sup> Appointed 15 October 2020.

<sup>4</sup> Resigned 31 December 2020.

<sup>5</sup> Resigned 31 January 2021.

<sup>6</sup> Resigned 31 August 2020.

<sup>7</sup> Resigned 15 September 2021.

<sup>8</sup> Resigned 18 January 2021 (deceased).

<sup>9</sup> Resigned 3 September 2020.

<sup>10</sup> Resigned 1 September 2020.

# 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

For use at the annual general meeting of ordinary shareholders of the company to be conducted entirely by electronic communication as permitted by the Companies Act, No. 71 of 2008, as amended and by the company's Memorandum of Incorporation at 11:00 on Friday, 10 December 2021 (the AGM).

I/We \_\_\_\_\_

of (address) \_\_\_\_\_

telephone number \_\_\_\_\_ cell phone number \_\_\_\_\_

email address \_\_\_\_\_

being a member of the company and holding \_\_\_\_\_ ordinary shares, appoint

1. \_\_\_\_\_ or failing him

2. \_\_\_\_\_ or failing him

the chairman of the AGM as my/our proxy to attend and speak and, on a poll, vote for me/us on my/our behalf at the AGM 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
<b>Ordinary resolutions</b>			
Ordinary Resolution Number 1 – The re-election of independent non-executive directors			
1.1 André Parker			
1.2 Lerato Molebatsi			
1.3 Sandile Phillip			
Ordinary Resolution Number 2 – The election of directors appointed during the year			
2.1 Valentine Nichas			
2.2 Cristina Teixeira			
Ordinary Resolution Number 3 – The appointment of the audit committee for the ensuing year			
3.1 Cora Fernandez (chair)			
3.2 André Parker			
3.3 Jesmane Boggenpoel			
3.4 Sandile Phillip			
Ordinary Resolution Number 4 – The appointment of the independent auditor and the designated auditor			
Ordinary Resolution Number 5 – The endorsement of the remuneration report			
5.1 Remuneration policy			
5.2 Remuneration implementation report			
<b>Special resolutions</b>			
Special Resolution Number 1 – The authority to repurchase shares			
Special Resolution Number 2 – The authority to provide financial assistance			
Special Resolution Number 3 – The authority to pay non-executive directors' remuneration			
3.1 Fees payable to non-executive directors for the 2022 financial year			
3.2 Fees payable to non-executive directors for additional meetings and assignments			

(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 AGM 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 \_\_\_\_\_ 2021

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 AGM 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 AGM 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 AGM 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 AGM.
7. The completion and lodging of this form of proxy will not preclude the signatory from attending the AGM 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 AGM 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. Proxy forms should be lodged with the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, South Africa, or posted to the transfer secretaries at Private Bag, X9000, Saxonwold, 2132, South Africa, or emailed to proxy@computershare.co.za, to be received by them not later than Thursday, 9 December 2021, at 11:00 (South African time), provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via email at proxy@computershare.co.za, at any time before the appointed proxy exercises any shareholder rights at the AGM.

Please note that in terms of section 58 of the Act:

- the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the company. The revocation will take effect on the later of (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the company;
- a proxy may delegate his/her authority to act on a member's behalf to another person, subject to any restriction set out in this proxy form; and
- a proxy form must be delivered to the company, or to the transfer secretary of the company, namely Computershare Investor Services (Pty) Ltd, before a proxy exercises any of a member's rights as a shareholder at the general meeting.



# PARTICIPATION IN THE AGM VIA ELECTRONIC COMMUNICATION

**Capitalised terms used in this form shall bear the meanings ascribed thereto in the notice of AGM to which this participation form is attached.**

1. Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication ("Participants"), must either 1. register online using the online registration portal at [www.smartagm.co.za](http://www.smartagm.co.za); or 2. apply to Computershare, by delivering this duly completed form to: Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by Computershare by no later than 11:00 on Thursday, 9 December 2021. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided.
2. Important notice: Computershare shall by no later than 17:00 on Thursday, 9 December 2021, notify Participants that have delivered valid notices in the form of this form, by email of the relevant details through which Participants can participate electronically.

## Application form

Full name of Participant: \_\_\_\_\_

ID number: \_\_\_\_\_

Email address: \_\_\_\_\_

Cell number: \_\_\_\_\_

Telephone number: Code \_\_\_\_\_ Number \_\_\_\_\_

Name of CSDP or broker (if shares are held in dematerialised format): \_\_\_\_\_

Contact number of CSDP/broker: \_\_\_\_\_

Contact person of CSDP/broker: \_\_\_\_\_

Number of share certificate (if applicable): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Terms and conditions for participation in the AGM via electronic communication

1. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies Spur Corporation Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.
4. The company cannot guarantee there will not be a break in electronic communication that is beyond the control of the company

Participant's name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



