



NOTICE AND PROXY OF ANNUAL  
GENERAL MEETING AND  
SUMMARISED CONSOLIDATED  
FINANCIAL STATEMENTS 2022

(EXTRACTED FROM AUDITED INFORMATION)  
FOR THE YEAR ENDED 30 JUNE 2022

TWENTY 22

Prepared under the supervision of the group chief financial officer, Cristina Teixeira CA(SA)

**Spur Corporation Limited**  
(Registration number: 1998/000828/06)

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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, 09 December 2022 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 2022 (“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 2022 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

31 October 2022

# 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, 09 December 2022 at 11:00 ("AGM").

## RELEVANT DATES

Record date to determine which shareholders are entitled to receive the notice of AGM	Friday, 21 October 2022
Date of posting of this notice of AGM and announcement of AGM on SENS	Monday, 31 October 2022
Last day to trade in order to be eligible to attend and vote at the AGM	Tuesday, 29 November 2022
Record date to determine which shareholders are entitled to attend and vote at the AGM	Friday, 2 December 2022
Forms of proxy to be lodged at the company's transfer secretaries by 11:00 on	Thursday, 8 December 2022
AGM of the company to be held at 11:00 on	Friday, 09 December 2022
Results of the AGM announced on SENS	Friday, 09 December 2022

## FORM OF AGM

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, 8 December 2022.

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, 8 December 2022, 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 2022 (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, CEO and CFO responsibility statement, directors and independent auditor reports are set out on pages 2,5, 6 and 13 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, Mr Mike Bosman, Ms Cora Fernandez, Dr Shirley Zinn and Ms Jesmane Boggenpoel 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 4), with or without modification (in order to be adopted, Ordinary Resolutions Numbered 1 to 4 require the support of more than 50% 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. Mike Bosman;
- 1.2. Cora Fernandez; and
- 1.3. Shirley Zinn; and
- 1.4. Jesmane Boggenpoel."

Brief biographies of Mr Bosman, Ms Fernandez, Dr Zinn and Ms Boggenpoel are included in Annexure 2 to this document.

The ordinary resolutions 1.1 to 1.4 constitute separate resolutions and will be considered by separate votes.

### 2. Ordinary Resolution Number 2: 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:

- 2.1 Cora Fernandez (chair) subject to the passing of Ordinary Resolution Number 1.2;
- 2.2 André Parker;
- 2.3 Jesmane Boggenpoel, subject to the passing of Ordinary Resolution Number 1.4; and
- 2.4 Sandile Phillip."

Brief biographies of Ms Fernandez, Mr Parker, Ms Boggenpoel and Mr Phillip are included in Annexure 3 to this document.

The ordinary resolutions 2.1 to 2.4 constitute separate resolutions and will be considered by separate votes.

### **3. Ordinary Resolution Number 3: 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.”

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 Request for Proposal 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.

### **4. Ordinary Resolution Number 4: The endorsement of the remuneration report**

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

- 4.1 the company’s remuneration policy; and
- 4.2 the company’s remuneration implementation report of the company’s integrated report.”

The ordinary resolutions numbered 4.1 and 4.2 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/2022/Remuneration-Policy-FINAL.pdf> and <https://www.spurcorporation.com/wp-content/uploads/2022/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 4.1 and 4.2 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 9 December 2022, 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 4), 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):

### 5. Special Resolution Number 1: Specific authority to amend Spur Corporation's Memorandum of Incorporation ("MOI")

To authorise the amendment of Spur Corporation's MOI as follows:

#### 5.1 By the insertion of the following clause 1.10 and sub-clauses 1.10.1 to 1.10.4 to clause 1 – "Interpretation" of Spur Corporation's MOI:

- "1.10 For the purposes of clause 30 or elsewhere in this MOI, any reference (unless the context otherwise indicates) to
- 1.10.1 "Deliver" means deliver in the manner in which the Company is entitled to give notice or deliver documents in accordance with clause 30 of this MOI or the Act and "Delivery", "Delivering" and "Delivered" shall have a corresponding meaning.
- 1.10.2 "Electronic Address" means in regard to Electronic Communication, any email address furnished to the Company by a Shareholder or any other permissible person for the purposes of receiving notices and communications in terms of the Act or this MOI.
- 1.10.3 "Electronic Communication" has the meaning set out in section 1 of the Electronics Communications and Transactions Act, No 25 of 2002 (as amended or replaced from time to time).
- 1.10.4 "Writing" includes Electronic Communication (in a manner and form permitted in terms of the Act) but as regards any Shareholder entitled to vote, only to the extent that such Shareholder has notified the Company of an Electronic Address, and "Written" shall have a corresponding meaning.";

#### 5.2 By the insertion of the following heading and sub-clauses 14.2 and 14.2.1 to 14.2.4 to clause 14 – "Corporate Actions" of Spur Corporation's MOI:

"14. Corporate Actions and Odd Lot Offers

##### 14.2 Odd Lot Offers

- 14.2.1 For the purpose of this clause 14.2, "odd-lot" means a total holding by an Equity Securities holder of (a) less than 100 (one hundred) Equity Securities (or such other number as may be permitted by the JSE); or (b) 100 (one hundred) or more Equity Securities (or such other number as may be permitted by the JSE), provided that it can be illustrated to the JSE that the costs associated with a holder disposing of such number of Equity Securities is equal to or exceeds the total value of such number of Equity Securities.
- 14.2.2 Where the Company intends reducing administrative costs resulting from a large number of odd-lot holders and the Company proposes to make an odd-lot offer, the Company shall do so in accordance with the JSE Listings Requirements or as otherwise permitted by the JSE and in such instances a two-way election shall be provided for in terms of which the Equity Securities holders may:
  - 14.2.2.1 elect to retain their odd-lot holding; or
  - 14.2.2.2 elect to sell their odd-lot holding, being the default action applicable if the Equity Securities holders do not make any election in terms of this clause 14.2.2.
- 14.2.3 When the Company proposes to make an odd-lot offer, the Board shall pass a resolution approving the odd-lot offer and confirming that the Company and its Subsidiaries (the "Company Group") have passed the Solvency and Liquidity Test (in respect of the maximum payment that will be made to holders of Equity Securities as a result of the odd lot-offer) and that, since the Solvency and Liquidity Test was performed, there have been no material changes to the financial position of the Company Group.

- 14.2.4 If any holders of Equity Securities who qualify to participate in the odd-lot offer do not make an election in terms of clause 14.2.2, such holders (and any Person with a Beneficial Interest in such odd-lots) shall be deemed to have agreed to sell their odd-lot holdings, and the Company shall be entitled (on implementation of the odd lot offer) to expropriate all of the odd-lots held by such holders, provided that the odd-lot offer has been approved by Shareholders in Shareholders Meeting by Ordinary Resolution.

**5.3 By the insertion of the following clauses 16.4 and 16.14 to 16.15 to clause 16 – “Shareholders’ resolutions and meetings” of Spur Corporation’s MOI:**

- 16.4 Subject to clause 16.15 below, all Shareholder meetings convened in terms of the JSE Listings Requirements must be held “in person” and must not be held by means of a written resolution as is contemplated in Section 60 of the Act.
- 16.14 A Shareholders’ Meeting or a Directors’ meeting may be conducted entirely by Electronic Communication, and provision may be made for participation in a Shareholders’ Meeting or Directors’ meeting by Electronic Communication so long as the Electronic Communication employed complies with the requirements of the Act and the JSE Listings Requirements.
- 16.5.1 Notwithstanding the provisions of clause 16.4 of this MOI, but subject, if applicable, to the JSE Listing Requirements, the Act or any other provisions of this MOI, the following resolutions may be proposed as written resolutions in accordance with Section 60 of the Act:
- 16.15.1 change of name;
  - 16.15.2 odd lot offers;
  - 16.15.3 increase in authorised share capital;
  - 16.15.4 approval of amendments to this MOI; and
  - 16.15.5 any other resolutions as permitted by the JSE Listings Requirements from time to time.”

**5.4 By insertion of the words “subject to any applicable law to the contrary” in clause 26.1 of clause 26 – “Register and Certificates of Spur Corporation’s MOI, as follows:**

- 26.1 Securities of the Company are to be issued in certificated or uncertificated form, as shall be determined by the Board from time to time, subject to any applicable law to the contrary.

**5.5 By the insertion of the following clauses 30.3 to 30.11 to clause 30 – “Notices” of Spur Corporation’s MOI:**

- 30.3 The Company may give personal Delivery of notices, documents, records or statements or notice of the availability of the foregoing (collectively “Notices”) to Shareholders by sending Notices to them via prepaid post or by transmitting same to them by fax or Electronic Communication or via any other method permissible under the Act. The Company must give notice of any Shareholders’ Meeting to each such person entitled to vote at such meeting who has elected to receive such notice. Notices must be Delivered by the Company to a Shareholder either to his last known address or last known Electronic Address.
- 30.4 Any Shareholder who has furnished an Electronic Address to the Company, by doing so:
- 30.4.1 authorises the Company to use Electronic Communication to Deliver Notices (or of availability of Notices) to him; and
  - 30.4.2 confirms that same can conveniently be printed by the Shareholder within a reasonable time and at a reasonable cost.



- 30.5 A Shareholder or person entitled to Equity Securities (or his executor) shall be bound by all Notices in respect of the Equity Securities Delivered to the Person who was, at the date on which that Notice was Delivered, shown in the Securities Register or established to the satisfaction of the Directors (as the case may be) as the holder of or person entitled to the Equity Securities, notwithstanding that the holder or person entitled to Equity Securities may then have been dead or may subsequently have died or have been or become otherwise incapable of acting in respect of the Equity Securities, and notwithstanding any transfer of the Equity Securities was not registered at that date. The Company shall not be bound to enter any person in the Securities Register as entitled to any Equity Securities until that person gives the Company an address for entry on the Securities Register.
- 30.6 If joint holders are registered in respect of any Equity Securities or if more than 1 (one) person is entitled to Equity Securities, all Notices shall be Delivered to the person named first in the Register in respect of the Equity Securities, and Notices so Delivered shall be sufficient notice to all the holders of or persons entitled to or otherwise interested in the Equity Securities.
- 30.7 Subject to the Act, the Company shall not be bound to use any method of giving Notices (including notices of availability of the foregoing), contemplated in the Regulations in respect of which provision is made for deemed delivery, but if the Company does use such a method, the Notices (or notice of availability of the foregoing) shall be deemed to be delivered on the date and time determined in accordance with Table CR3 of the Regulations.
- 30.8 As regards signature of an Electronic Communication by a Shareholder, it shall be in such form as the Directors may specify to demonstrate that the Electronic Communication is genuine, or failing any such specification by the Directors, the Directors shall be entitled to assume by virtue of the Shareholder responding by way of Electronic Communication, that it is the Shareholder's intention to use the Electronic Communication as the medium to indicate the Shareholder's approval of the information in, or the Shareholder's signature of the document in or attached to, the Electronic Communication which contains the names of the Shareholder sending it in the body of the Electronic Communication.
- 30.9 If, and for as long as, any Equity Securities of the Company are listed on the JSE, Notices to Shareholders shall, to the extent required, also be served on the JSE in any permitted manner.
- 30.10 Every person who, by operation of law, transfer or other means whatsoever becomes entitled to any Equity Security, shall be bound by every notice in respect of such Equity Security which, prior to his name and address being entered on the Securities Register, would have been given to the person from whom he derives his title to such Equity Security.
- 30.11 The Company shall not be held liable in any manner whatsoever for any Notices (or notice of the availability of the foregoing) Delivered or deemed to have been Delivered to the incorrect address, including (without limitation) any email address, where such address has been furnished to the Company by any Shareholder and the risk in all such Delivery shall lie with the Shareholder in question."

The reason for this special resolution is, and the effect thereof will be, to amend and align Spur Corporation's MOI with the JSE Listings Requirements and the Act, as amended and to grant the directors of the company the authority to communicate with its shareholders by means of Electronic Communication, to propose an odd lot offer in terms of the JSE Listings Requirements to its shareholders, should it be deemed appropriate to reduce administrative costs and to pass written resolutions where appropriate. "

## 6. Special Resolution Number 2: 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 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 2 above:

## Statement of directors

As at the date of the Integrated Annual 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 AGM notice, 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 the integrated report, there have been no material changes in the affairs, financial or trading position of the group since the signature date of the integrated 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 this AGM notice:

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

## 7. Special Resolution Number 3: 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, including, but not limited to, for the purposes of the subscription for options or securities issued by, or for the purchase of any securities of, the company, 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 4: The authority to pay non-executive directors' remuneration

Special Resolutions Numbered 4.1 and 4.2 are proposed to obtain shareholder approval for the payment of remuneration to the non-executive directors in respect of the fees payable to non-executive directors for the financial year from 1 July 2022 to 30 June 2023 ("the 2023 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 4.1: Fees payable to non-executive directors for the 2023 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 2022, until the expiry of a period of 24 months from the date of passing of this Special Resolution Number 4.1 (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 2023	<b>Fee per annum 2022</b>
Chairman of the board (inclusive of all committee memberships and scheduled meeting attendances)	R 1 280 000	<b>R1 200 000</b>
Member of board	R480 000	<b>R450 000</b>
Chair/member of audit committee	R 89 500/R44 700	<b>R84 000/R42 000</b>
Chair/member of nominations and remuneration committee	R 89 500/R44 700	<b>R84 000/R42 000</b>
Chair/member of social, ethics and environmental sustainability committee	R 89 500/R44 700	<b>R84 000/R42 000</b>
Chair/member of risk committee	R 89 500/R44 700	<b>R84 000/R42 000</b>

Amounts are stated exclusive of VAT, where applicable, as detailed in Annexure 4 to this AGM notice.

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

### 8.2 Special Resolution Number 4.2: Fees payable to non-executive directors for additional meetings and assignments

"Subject to the passing of Special Resolution Number 4.1, and in addition to those fees payable for scheduled meetings contemplated in Special Resolution Number 4.1, 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 2022, until the expiry of a period of 24 months from the date of passing of this Special Resolution Number 4.2 (or until amended by special resolution of shareholders prior to the expiry of such period), in the amount of R3 700 per hour (2022: 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 R26 500 (2022: R25 000), excluding VAT where applicable. During the 2022 year, there were a mixture of five special committee meetings and *ad hoc* meetings that were attended by various directors resulting in additional fees totalling R165 000 (excluding VAT where applicable) for all non-executive directors in aggregate for the year."

The special resolutions numbered 4.1 and 4.2 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 AGM notice 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, 8 December 2022, 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, 8 December 2022. 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, 8 December 2022. 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



**Company Secretary**

31 October 2022

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

## COMMENTARY ON RESULTS

### TRADING PERFORMANCE

The group delivered a strong trading performance for the year, following a recovery from the impact of the global COVID-19 pandemic over the past two years. Increased customer foot traffic is evident in the group's restaurants, although new trading patterns are emerging, and these levels are erratic.

Franchised restaurant sales for the year ended 30 June 2022 (the period) increased by 28.2% over the prior financial year, and are pleasingly slightly ahead of the 2019 financial year pre-pandemic levels.

Following the relaxation of lockdown restrictions, trading conditions improved from August 2021 with franchised restaurant sales in the first half of the period growing by 28.3% over the prior comparable period to December 2020.

This strong growth trend continued into the second half of the period, with a 28.5% increase in local restaurant sales and a 24.7% increase in international restaurant sales over the second half of the 2021 financial year.

Although economic conditions remain challenging in the face of higher inflation and severe pressure on consumer disposable income, the group's business model continues to demonstrate its resilience. The group embarked on robust and aggressive marketing campaigns to increase brand awareness, everyday value and consumer convenience, including takeaways, click and collect services and third-party deliveries.

The focus on core brand categories ensured that strategic product lines gained market share. In the Spur brand, breakfast sales increased by 31% and the popular Spur ribs trebled sales volumes.

The group has already seen good traction on its new supply chain strategy aimed at increasing volume in strategic categories to improve franchisee profitability while offering consumers a quality product at the best price. Supply chain initiatives include eliminating single use packaging, phasing out avoidable packaging and working with ethical and environmentally-aware suppliers to procure responsibly. This supply chain strategy will be amplified in the forthcoming financial year.

In addition to sustainable seafood procurement, the group has also centrally listed cage-free eggs which are being purchased by 40% of restaurants. The group's drive to eliminate the use of palm oil has been temporarily halted due to the Ukraine war impact on oil prices.

Restaurant sales	Total restaurant sales growth (%)			Restaurant sales (R'm)	
	6 months to Dec 2021 vs 6 months to Dec 2020	6 months to June 2022 vs 6 months to June 2021	Full year to June 2022 vs full year to June 2021	2022	2021
	Spur	32.6	27.9	30.1	4 744.8
Panarottis	33.4	29.5	31.4	698.4	531.7
John Dory's	31.5	23.2	27.0	413.4	325.4
RocoMamas	29.4	21.5	25.3	789.0	629.5
Speciality brands <sup>4</sup>	41.8	60.6	52.0	359.8	236.7
<b>Total South Africa</b>	32.6	28.5	30.5	7 005.4	5 369.7
<b>Total International</b>	(1.8)	24.7	10.3	736.4	667.8
<b>Total group</b>	28.3	28.2	28.2	7 741.8	6 037.5

<sup>4</sup> Speciality brands include The Hussar Grill, Casa Bella and Nikos.

In South Africa, growth in volume was driven mainly by the Spur brand, which increased restaurant sales by 30.1%. Panarottis increased restaurant sales by a third with John Dory's and RocoMamas increasing by 27.0% and 25.3% respectively. The Speciality brands increased sales by 52.0% driven by a strong performance by The Hussar Grill brand.

While the group's core offering is casual and fast casual restaurants, takeaways grew by 30% year-on-year. The top two contributing brands in terms of percentage of takeaways to total sales are RocoMamas at 57% and Panarottis at 39%. Pizza and burgers are the most popular product lines for takeaway and delivery.

Convenience and online purchases continue to be driven by technology and touchless solutions, with collections (click, call or walk-in) representing over 52% of takeaway sales, followed by Mr D Food, with its large national footprint, and then Uber Eats.

International franchised restaurant sales increased by 10.3% with improved trading conditions in the rest of Africa. Africa represent 67% of the international portfolio with solid performances in Zambia, Namibia, Zimbabwe and Kenya.

## RESTAURANT FOOTPRINT

At year end, the group trades through 631 restaurants and in 15 countries.

In South Africa, 23 restaurants were opened during the period, including nine RocoMamas, five Spur and four Panarottis restaurants. The Speciality brands opened two The Hussar Grills, two Nikos restaurants and one Casa Bella restaurant. Fifteen local restaurants closed mainly due to the current market conditions. Black franchise partners now represent 28% (2021: 22%) of the group's network.

The group's international growth strategy gained momentum and eight restaurants opened internationally, with four Panarottis and two RocoMamas in Zambia as well as a RocoMamas in both Namibia and India.

The group continued to de-risk its presence in Australia and New Zealand, with only three restaurants remaining in this region at year-end. Subsequent to year-end, the New Zealand restaurant closed.

Number of restaurants	June 2022			June 2021		
	South Africa	International	Total	South Africa	International	Total
Spur	297	32	329	296	34	330
Panarottis <sup>#</sup>	82	33	115	84	29	113
John Dory's	47	2	49	49	3	52
RocoMamas	85	15	100	78	17	95
Speciality brands <sup>#</sup>	36	2	38	32	2	34
The Hussar Grill	22	2	24	20	2	22
Casa Bella	6	–	6	5	–	5
Nikos	8	–	8	7	–	7
<b>Total group</b>	<b>547</b>	<b>84</b>	<b>631</b>	<b>539</b>	<b>85</b>	<b>624</b>

<sup>#</sup> Speciality brands include The Hussar Grill, Casa Bella and Nikos. Casa Bella was previously included with Panarottis as the Pizza Pasta segment in prior years. Comparative information has been reclassified to accord with current year classifications.

## FINANCIAL PERFORMANCE

R'000	Audited 2022	Restated <sup>®</sup> 2021	% change
<b>South Africa</b>			
External revenue	2 343 224	1 768 076	32.5
Profit before income tax	197 461	142 424	38.6
<b>International</b>			
External revenue	47 968	36 869	30.1
Profit before income tax	12 207	5 378	127.0
<b>Group</b>			
External revenue	2 391 192	1 804 945	32.5
Profit before income tax	209 668	147 802	41.9

<sup>®</sup> Prior year financial information has been restated to correctly account for sales by the group's outsourced distributor and marketing fund contribution revenue in accordance with IFRS 15 – Revenue from Contracts with Customers.



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

The improved trading performance together with a focus on expanding margins, and to a lesser extent the reduced level of financial support in discounted franchise and marketing fund fees required by franchisees post pandemic, led to a strong recovery in both group revenue and profit.

The improved revenue was supported by higher sales in retail company stores (+52.0%), increased sales from the manufacturing and distribution division (+30.5%) and improved restaurant turnovers. The improved trading volumes contributed to an increase in marketing revenue from R168.5 million to R204.5 million. Group revenue is thus reported at R2.4 billion, an increase of 32.5% (2021: R1.8 billion). Group profit before income tax increased by 41.9% to R209.7 million (2021: R147.8 million).

Profit before income tax in the South African operations includes a marketing fund surplus of R2.4 million (2021: R23.2 million).

The prior period includes an amount of R14.8 million in COVID-19 business interruption insurance claims due to the retail company stores, with the proceeds received in the first half of the current financial year.

The prior period was also impacted by costs of R3.9 million related to a voluntary retrenchment programme as well as the present value of a once-off employee benefit liability of R8.5 million.

The most material once-off item in the current period is a charge against earnings of R22.0 million, previously paid to the South African Revenue Service (SARS), as reported on SENS on 18 October 2021. Of this charge, R14.0 million is reflected as an income tax expense and R8.0 million as an interest expense.

The current period's results include a fair value loss charged against earnings of R2.5 million relating to the contingent consideration receivable due on the purchase of 51% of the Nikos business. The group extended the period of the purchase price determination by 12 months.

The allowance for expected credit losses increased in the current period primarily due to the group's exposure to franchisees in Saudi Arabia which have not been able to adhere to their payment obligations. This contributed to a net charge against earnings of R2.5 million (2021: net credit of R3.0 million).

A net finance income of R0.7 million is reported which includes the charge of R8.0 million on the SARS matter referred to above. Interest increased with higher cash generated by the group and higher interest rates during the period.

In the international operations, profit before income tax increased to R12.2 million (2021: R5.4 million) with reduced losses in Australia and improved trading in the rest of Africa.

Headline earnings increased by 31.0% to R121.1 million, with diluted headline earnings per share 30.9% higher at 143.68 cents. Earnings increased by 31.0% to R121.2 million, with diluted earnings per share 30.9% higher at 143.80 cents.

During the period the group repurchased 1 475 000 of the company's shares at an average cost of R20.16 per share, totalling R29.7 million. Subsequent to year-end, the group repurchased an additional 575 000 of the company's shares at an average cost of R21.22 per share, totalling R12.2 million, in terms of an approval granted by the JSE to trade in shares during a closed period. A total of 2 050 000 company shares were thus purchased to date this calendar year, at an average cost per share of R20.46 totalling R41.9 million.

The balance sheet remains ungeared with unrestricted cash of R290.7 million at 30 June 2022. The allocation of the group's available capital remains a key focus area of, and requires the approval of the board.

During the year, as shareholders were previously advised, the company appointed PricewaterhouseCoopers Inc. as the external auditor of the group from this 2022 financial year.

## CASH DIVIDEND

Shareholders are advised that the board of directors of the company has, on Thursday, 18 August 2022, resolved to declare a final gross cash dividend for the year ended 30 June 2022 of R70.954 million, which equates 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 No. 58 of 1962), as amended (dividend withholding tax).

The dividend has been 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 has 90 966 932 shares in issue at the date of declaration.

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

Event	Date
Last day to trade "cum dividend"	Tuesday, 13 September 2022
Shares commence trading "ex dividend"	Wednesday, 14 September 2022
Record date	Friday, 16 September 2022
Payment date	Monday, 19 September 2022

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, 14 September 2022 and Friday, 16 September 2022, both days inclusive.

## OUTLOOK

South Africa is facing a range of macroeconomic issues, including political instability, an ongoing electricity crisis, rising inflation driven by higher fuel, food and electricity prices, and the impact of the Russia-Ukraine war on supply chain costs. Statistics SA has recorded food inflation at 7.8% for June 2022 year-on-year, and an increase of 8.2% in the year-on-year basket of basic grocery essentials. Petrol has increased by 41% in the past year.

These issues are likely to continue to challenge the local restaurant market by impacting the operating environment as well as consumer disposable income. Should current market conditions remain stable the group remains optimistic for growth.

The widespread changes in the trading environment and the shifting consumer trends provide opportunities for innovation for the group, including new meal solutions, expansion of restaurant formats and alternative trading channels.

E-commerce and on-demand delivery have seen rapid growth in recent years due to the global pandemic and lockdown, which interrupted traditional purchasing behaviour and diverted consumers online. Consumers have grown accustomed to convenience, resulting in increased sales of food products on e-commerce platforms.

A heightened awareness of eating habits of the conscious consumer is an ongoing global and local trend that is continuing to gain momentum in the local market, with more brands adding plant-based and vegan options to their menus to meet the growing demands of health-conscious and environmentally aware consumers. There remains a constant need for providing value and reward.

According to Euromonitor, the limited services restaurant segment, which includes fast food, chained and independent restaurants, compound annual growth rate from 2022 to 2026 is projected at 8.6% (R43.3 billion to R60.2 billion sales), which offers a positive outlook and an opportunity for the group to leverage this projected growth.

The group plans to open 32 new restaurants in South Africa and nine internationally in the new financial year.

# INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SPUR CORPORATION LIMITED

## OPINION

The summary consolidated financial statements of Spur Corporation Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 30 June 2022, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Spur Corporation Limited for the year ended 30 June 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

## THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 18 August 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

## DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

**Director: JA Hugo**  
Registered Auditor

Cape Town, South Africa

18 August 2022

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

FOR THE YEAR ENDED 30 JUNE

R'000	Note	2022	Restated 2021*	% Change
<b>Revenue</b>	5	<b>2 391 192</b>	1 804 945	32.5
Cost of sales <sup>1</sup>		(1 695 194)	(1 289 374)	31.5
<b>Gross profit</b>		<b>695 998</b>	515 571	35.0
Other income	6	3 958	27 071	(85.4)
Administration expenses		(183 430)	(155 540)	17.9
Impairment (losses)/reversal – expected and actual credit losses – financial instruments and lease receivable	7	(2 957)	2 523	(217.2)
Marketing expenses		(175 111)	(120 130)	45.8
Operations expenses		(95 123)	(93 189)	2.1
Other non-trading losses	7	(2 525)	(7 677)	(67.1)
Retail company store expenses		(31 889)	(24 335)	31.0
<b>Operating profit before net finance income</b>	7	<b>208 921</b>	144 294	44.8
Net finance income		747	3 508	(78.7)
Interest income <sup>2</sup>		13 325	8 273	
Interest expense <sup>3</sup>		(12 578)	(4 765)	
<b>Profit before income tax</b>		<b>209 668</b>	147 802	41.9
Income tax expense <sup>4</sup>	8	(81 328)	(48 557)	67.5
<b>Profit</b>		<b>128 340</b>	99 245	29.3
<b>Other comprehensive income<sup>#</sup></b>		<b>(1 146)</b>	14	
Foreign currency translation differences for foreign operations		(1 256)	(80)	
Foreign exchange gain on net investments in foreign operations		135	115	
Current tax on foreign exchange gain on net investments in foreign subsidiaries		(25)	(21)	
<b>Total comprehensive income</b>		<b>127 194</b>	99 259	28.1
<b>Profit attributable to:</b>				
Equity owners of the company		121 235	92 568	31.0
Non-controlling interests		7 105	6 677	
<b>Profit</b>		<b>128 340</b>	99 245	29.3
<b>Total comprehensive income attributable to:</b>				
Equity owners of the company		120 089	92 582	29.7
Non-controlling interests		7 105	6 677	
<b>Total comprehensive income</b>		<b>127 194</b>	99 259	28.1
<b>Earnings per share (cents)</b>				
Basic earnings	9	144.33	110.24	30.9
Diluted earnings	9	143.80	109.87	30.9

\* Refer note 3.

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

<sup>1</sup> Includes cost of inventory expense of R1 528.1 million (2021: R1 163.6 million).

<sup>2</sup> Interest income comprises interest revenue calculated using the effective interest method.

<sup>3</sup> Interest expense includes interest on tax liabilities of R8.038 million (refer note 8.2), lease liabilities of R3.683 million (2021: R4.441 million) and interest on employee benefits (refer note 11) of R0.496 million (2021: R0.302 million).

<sup>4</sup> Income tax expense for the current year includes R13.996 million of tax relating to the group's 2004-2009 share incentive scheme previously paid to SARS but disputed and charged against earnings in the current year as a result of a judgement by the Supreme Court of Appeals in October 2021 (refer note 8.2). The prior year includes a charge of R4.110 million relating to withholding tax credits not deducted by franchisees on payments of franchise fees in foreign jurisdictions in respect of previous financial years.

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

R'000	Note	<b>2022</b>	Restated 2021*	Restated 2020*
<b>ASSETS</b>				
<b>Non-current assets</b>				
		<b>489 339</b>	500 311	518 466
Property, plant and equipment <sup>1</sup>		<b>92 516</b>	93 957	102 182
Right-of-use assets <sup>2</sup>		<b>27 555</b>	36 002	41 921
Intangible assets and goodwill <sup>3</sup>		<b>364 300</b>	365 402	365 253
Loans receivable		<b>350</b>	962	2 929
Deferred tax		<b>4 618</b>	3 988	6 181
<b>Current assets</b>				
		<b>558 637</b>	473 515	350 879
Inventories <sup>4</sup>		<b>97 692</b>	76 095	84 587
Tax receivable <sup>5</sup>		<b>2 325</b>	25 168	28 073
Trade and other receivables <sup>6</sup>		<b>101 352</b>	93 978	55 619
Loans receivable		<b>597</b>	1 359	4 022
Contingent consideration receivable <sup>7</sup>		<b>1 594</b>	4 047	4 555
Restricted cash <sup>8</sup>		<b>64 381</b>	11 998	8 671
Cash and cash equivalents		<b>290 696</b>	260 870	165 352
<b>TOTAL ASSETS</b>		<b>1 047 976</b>	973 826	869 345
<b>EQUITY</b>				
<b>Total equity</b>				
		<b>686 017</b>	631 035	531 991
Ordinary share capital		<b>1</b>	1	1
Share premium		<b>34 309</b>	34 309	34 309
Shares repurchased by subsidiaries	10.1	<b>(44 852)</b>	(15 118)	(15 118)
Foreign currency translation reserve		<b>27 880</b>	29 026	29 012
Share-based payments reserve	10.2	<b>8 248</b>	4 751	3 473
Retained earnings		<b>647 720</b>	564 752	471 877
<b>Total equity attributable to owners of the company</b>		<b>673 306</b>	617 721	523 554
Non-controlling interests		<b>12 711</b>	13 314	8 437
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
		<b>92 187</b>	116 051	127 566
Contingent consideration liability		–	–	1 589
Employee benefits	11	–	2 304	–
Contract liabilities <sup>9</sup>		<b>23 458</b>	24 771	29 342
Lease liabilities <sup>2</sup>		<b>26 039</b>	33 690	39 740
Deferred tax		<b>42 690</b>	55 286	56 895
<b>Current liabilities</b>				
		<b>269 772</b>	226 740	209 788
Tax payable		<b>11 424</b>	6 772	2 229
Trade and other payables	12	<b>184 847</b>	126 257	119 281
Loans payable		<b>196</b>	196	196
Provision for lease obligation <sup>10</sup>		<b>7 514</b>	7 175	–
Employee benefits	11	–	4 300	–
Contract liabilities <sup>9</sup>		<b>56 226</b>	8 269	8 617
Lease liabilities <sup>2</sup>		<b>8 679</b>	7 514	13 208
Shareholders for dividend <sup>11</sup>		<b>886</b>	66 257	66 257
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 047 976</b>	973 826	869 345

\* Refer note 3.

- <sup>1</sup> Property, plant and equipment comprises predominantly owner-occupied land and buildings, but includes plant and equipment relating to the group's corporate offices, manufacturing facilities and retail company stores.
- <sup>2</sup> Right-of-use assets and related lease liabilities are in respect of primarily the group's Johannesburg corporate office and retail company store premises, but includes the group's fleet of vehicles used by operations personnel. The reduction in the right-of-use assets for the year is as a result of depreciation and a remeasurement relating to a retail company store lease where the group had previously assessed that it was highly likely that a renewal option would be exercised, but has re-evaluated that assessment in the current year to determine that it is not highly likely.
- <sup>3</sup> Intangible assets and goodwill comprises predominantly the value of the Spur, Panarottis, John Dory's, The Hussar Grill, RocoMamas and Nikos trademarks and related intellectual property and goodwill relating to The Hussar Grill restaurant and franchise operations and RocoMamas franchise operations, but includes software licences.
- <sup>4</sup> The increase in inventories relates primarily to increased inventories held by the group's outsourced distributor of R85.238 million (2021: R64.477 million) (refer note 3.1).
- <sup>5</sup> The tax receivable balance in prior years included payments of tax and interest related to the group's 2004-2009 share incentive scheme dispute with SARS (refer note 8.2) of R22.034 million, which has been charged to profit or loss in the current year. The tax receivable also includes an asset in respect of withholding tax credits of R2.272 million (30 June 2021: R3.893 million) which are expected to be utilised within a reasonable period as a credit against foreign taxes payable.
- <sup>6</sup> Trade and other receivables comprise largely accruals for ongoing franchise fee revenue, marketing fund contributions revenue and related income receivable in respect of the last month of the financial year. The increase relative to the prior year is due to restaurant sales in June 2022 being significantly higher than in June 2021, with the group's franchised restaurants operating under less stringent lockdown trading restrictions relative to the prior year. The balance at 30 June 2021 included accruals of R14.773 million for COVID-19-related business interruption insurance claims relating to the group's retail company stores which were received in cash during the current year.
- <sup>7</sup> The contingent consideration receivable relates to the purchase consideration of 51% of the Nikos Coalgrill Greek business acquired in August 2018. The total purchase consideration was initially calculated as five times earnings before interest tax and depreciation (EBITDA) 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 previously reflected the estimated amount repayable by the sellers to the group following the finalisation of the financial performance of the business to July 2021. During the current year, following the passing of one of the founders of the brand, and in consideration of the impact of COVID-19 on the business, the group extended the period of the purchase price determination by 12 months, such that the total purchase consideration is now calculated as five times EBITDA for the period August 2021 to July 2022. The contingent consideration receivable at 30 June 2022 accordingly represents the present value of the estimated amount repayable by the sellers to the group following the finalisation of the financial performance of the business to July 2022.
- <sup>8</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 (refer also footnote 9), as well as cash held in reserve to honour unredeemed gift vouchers.
- <sup>9</sup> Contract liabilities relate to the initial franchise fees paid by franchisees to the group on conclusion of franchise agreements as well as marketing fund contributions made by franchisees to marketing funds administered by the group on behalf of franchisees. Initial franchise fee revenue is recognised over the period of the franchise agreement; the balance of the liability accordingly represents the revenue not yet recognised relating to the unexpired portions of current franchise agreements. Marketing fund contributions received by franchisees may be used exclusively for marketing expenditure for the benefit of franchisees and are accordingly recognised as revenue over time as the funds are spent on marketing expenditure; the balance of the liability accordingly represents the value of marketing fund contributions received by the group that have not yet been spent on marketing activities for the benefit of franchisees and therefore not yet recognised as revenue (refer note 3.2 for a more detailed explanation).
- <sup>10</sup> During the prior year, the landlord of the former Apache Spur premises in Australia cancelled the head lease concluded with the group relating to these premises due to non-payment by the sublessee. 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. The extent of the liability is subject to the landlord mitigating its losses (including for example by reletting the premises). While the landlord has not taken formal legal action to recover these amounts from the group, the premises remain vacant, and a provision was accordingly raised for the total gross value of the remaining lease payments over the term of the lease in the prior year. The timing and amount of the potential cash outflows are uncertain as at the reporting date.
- <sup>11</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 resolved, 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 the payment of the interim 2020 dividend on 25 October 2021.

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

R'000	Note	Attributable to owners of the company		
		Ordinary share capital	Share premium	Shares repurchased by subsidiaries
<b>Balance at 1 July 2020 as previously reported</b>		1	34 309	(15 118)
Prior period restatements	3	–	–	–
<b>Restated balance at 1 July 2020*</b>		1	34 309	(15 118)
<b><u>Total comprehensive income</u></b>		–	–	–
Restated profit*		–	–	–
Other comprehensive income		–	–	–
<b><u>Transactions with owners recorded directly in equity</u></b>				
<b>Contributions by and distributions to owners</b>		–	–	–
Equity-settled share-based payment	10.2	–	–	–
Dividends		–	–	–
<b>Restated balance at 30 June 2021*</b>		1	34 309	(15 118)
<b><u>Total comprehensive income</u></b>		–	–	–
Profit		–	–	–
Other comprehensive income		–	–	–
<b><u>Transactions with owners recorded directly in equity</u></b>				
<b>Contributions by and distributions to owners</b>		–	–	(29 734)
Equity-settled share-based payment	10.2	–	–	–
Transfer within equity on vesting of equity-settled share-based payment	10.2	–	–	–
Purchase of treasury shares	10.1	–	–	(29 734)
Dividends		–	–	–
<b>Balance at 30 June 2022</b>		<b>1</b>	<b>34 309</b>	<b>(44 852)</b>

\* Refer note 3.

**Attributable to owners of the company**

<b>Foreign currency translation reserve</b>	<b>Share-based payments reserve</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
29 012	3 473	475 501	527 178	8 437	535 615
–	–	(3 624)	(3 624)	–	(3 624)
29 012	3 473	471 877	523 554	8 437	531 991
14	–	92 568	92 582	6 677	99 259
–	–	92 568	92 568	6 677	99 245
14	–	–	14	–	14
–	1 278	307	1 585	(1 800)	(215)
–	1 278	307	1 585	–	1 585
–	–	–	–	(1 800)	(1 800)
29 026	4 751	564 752	617 721	13 314	631 035
<b>(1 146)</b>	–	<b>121 235</b>	<b>120 089</b>	<b>7 105</b>	<b>127 194</b>
–	–	<b>121 235</b>	<b>121 235</b>	<b>7 105</b>	<b>128 340</b>
<b>(1 146)</b>	–	–	<b>(1 146)</b>	–	<b>(1 146)</b>
–	<b>3 497</b>	<b>(38 267)</b>	<b>(64 504)</b>	<b>(7 708)</b>	<b>(72 212)</b>
–	<b>6 309</b>	<b>155</b>	<b>6 464</b>	–	<b>6 464</b>
–	<b>(2 812)</b>	<b>2 812</b>	–	–	–
–	–	–	<b>(29 734)</b>	–	<b>(29 734)</b>
–	–	<b>(41 234)</b>	<b>(41 234)</b>	<b>(7 708)</b>	<b>(48 942)</b>
<b>27 880</b>	<b>8 248</b>	<b>647 720</b>	<b>673 306</b>	<b>12 711</b>	<b>686 017</b>



## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

R'000	Note	<b>2022</b>	Restated 2021*
<b>Cash flow from operating activities</b>			
Operating profit before working capital changes	13	<b>306 159</b>	175 195
Working capital changes		<b>856</b>	(30 164)
<b>Cash generated from operations</b>		<b>306 015</b>	145 031
Interest income received		<b>12 930</b>	7 561
Interest expense paid <sup>1</sup>		<b>(4 044)</b>	(4 117)
Tax paid		<b>(75 768)</b>	(41 071)
Dividends paid <sup>2</sup>		<b>(113 509)</b>	(1 800)
<b>Net cash flow from operating activities</b>		<b>125 624</b>	105 604
<b>Cash flow from investing activities</b>			
Additions of intangible assets		<b>(48)</b>	(1 119)
Additions of property, plant and equipment <sup>3</sup>		<b>(7 997)</b>	(1 935)
Proceeds from disposal of property, plant and equipment		<b>353</b>	131
Repayment of loans receivable		<b>2 268</b>	3 307
<b>Net cash flow from investing activities</b>		<b>(5 424)</b>	384
<b>Cash flow from financing activities</b>			
Acquisition of treasury shares	10.1	<b>(29 734)</b>	–
Payment of lease liabilities		<b>(8 348)</b>	(7 088)
<b>Net cash flow from financing activities</b>		<b>(38 082)</b>	(7 088)
<b>Net movement in cash and cash equivalents</b>		<b>82 118</b>	98 900
Effect of foreign exchange fluctuations		<b>91</b>	(55)
Net cash and cash equivalents at beginning of year		<b>272 868</b>	174 023
<b>Net cash and cash equivalents at end of year</b>		<b>355 077</b>	272 868

\* Refer note 3.

<sup>1</sup> Includes interest on lease liabilities of R3.683 million (2021: R4.095 million), but excludes R8.038 million of interest on tax liability paid in prior years (refer note 8.2).

<sup>2</sup> Refer footnote 11 of the summary consolidated statement of financial position; included in dividends paid in the current year is the delayed payment of the 2020 interim dividend, in addition to the 2022 interim dividend payment.

<sup>3</sup> Additions for the current year include the fit out of a pilot proof of concept MODROCKERS retail company store and the refurbishment of The Hussar Grill Morningside.

# 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 summary consolidated financial statements for the year ended 30 June 2022 (Summary AFS) are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for provisional reports and the requirements of the Companies Act of South Africa (No. 71 of 2008 amended) applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the IFRS Interpretations Committee interpretations, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee 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 Summary AFS do not include all the information for a complete set of financial statements in compliance with IFRS.

The Summary AFS have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified audit opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements for the year ended 30 June 2022 (the Consolidated AFS) from which the Summary AFS were derived. The Consolidated AFS and the auditor's report thereon are available for inspection 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@spurcorp.com](mailto:companysecretary@spurcorp.com).

The Summary 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 41 (and certain other notes, where applicable) of the Consolidated AFS.

The accounting policies applied in the preparation of the Consolidated AFS, from which the Summary AFS were derived, are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements for the year ended 30 June 2021, except as disclosed in note 3. 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 accounting policies are included in note 46 of the Consolidated AFS.

The Summary 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 Summary 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 Summary AFS were prepared under the supervision of the group chief financial officer, Cristina Teixeira CA(SA), and authorised for issue by the directors on 18 August 2022. The Summary AFS were published on 19 August 2022.

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

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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 various trading restrictions (which impacted on restaurant businesses) in South Africa from 27 March 2020 until 22 June 2022. A general correlation existed between economic activity and the severity of the lockdown restrictions that were in place at any point in time, and the commensurate level of trading within the group's franchise network. The trading restrictions had a severe impact on the South African economy and, relevant to the group's performance, employment, discretionary income, consumer confidence and the ability of the group's regular customer base to frequent restaurants. This had a direct impact on the group's independently owned franchises and, as a consequence, the group's business and financial performance.

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</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</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</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
<b>1 October 2021</b>	– Lockdown level reduced to level 1; trading time extended to 23:00; capacity limitations increased to lower of 50% of capacity or 750 people
<b>31 December 2021</b>	– Curfew scrapped; capacity limitations increased to lower of 50% of capacity or 1 000 people
<b>5 April 2022</b>	– State of disaster lifted, although capacity limitations as before still in place
<b>22 June 2022</b>	– Remaining regulations repealed; no trading restrictions in place

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

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### 2.1 The impact on the group

The group discounted its franchise and marketing fund contribution fee structures for certain periods in response to the various lockdown levels in an effort to assist franchisees' cash flow.

The combined impact of changes in restaurant sales and the temporarily revised franchise and marketing fund contribution fee rates has resulted in a 'multiplier effect' on the group's revenue (franchise and marketing fund contribution fee revenue).

Most of the group's revenue is either directly or indirectly linked to restaurant sales. The group has therefore seen commensurate changes in revenue earned on the sales of sauces and peripheral supplies through its manufacturing division, as well as sales of restaurant supplies through the group's outsourced distributor, as franchised restaurant sales have been affected by changes in the trading restrictions imposed.

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 (i.e. for three months in the prior year); fees paid to non-executive directors were similarly reduced;
- implemented a voluntary retrenchment programme locally during the prior year: 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 in the prior financial year was R3.9 million; and
- suspended its short-term profit share and thirteenth cheque bonus schemes in June 2020. 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 previous financial year. No short-term profit share incentives were payable for the 2021 financial year, although an accrual was made in the 2021 financial year for a half month's thirteenth cheque. The board subsequently authorised an *ex gratia* payment pool equivalent to a full month's salary bill which was allocated and paid to all employees in the current financial year, based on individual performance, which has been expensed in the current financial year (net of the reversal of the accrual raised in the prior year). A new short-term incentive scheme was implemented in respect of the 2022 financial year.

All other discretionary costs were reduced to the extent possible, without having a negative impact on the group's operations. Certain suspended projects recommenced in the current year.

The group deferred payment of the interim 2020 dividend declared on 26 February 2020. This dividend was settled on 25 October 2021.

The group's retail company stores were also impacted by the trading restrictions and experienced a significant decline in profitability relative to pre-COVID-19 times. During the year, the group received business interruption insurance proceeds in the amount of R14.773 million 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.

Following the hard lockdown in South Africa prior to July 2020, the group's recovery trajectory has trended positive over the past two years and, for the most part, restaurant turnovers have returned to pre-COVID-19 levels in nominal terms with Spur, RocoMamas and Speciality brands trading well over pre-COVID-19 turnovers in the last quarter of the 2022 financial year. Group revenue and profitability have followed suit.

\* 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

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

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, third and fourth waves of the pandemic. This has demonstrated the relative resilience of the group.

The complete withdrawal of trading restrictions in South Africa on 22 June 2022 and the similar relaxation of restrictions internationally bode well for the group's continued recovery and future performance.

The board has assessed that the group's current cash resources will be sufficient to meet the group's financial obligations for a period of at least 12 months from the date of this report. In addition, the group remains ungeared with potential access to credit if necessary. 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. PRIOR PERIOD RESTATEMENTS**

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### **3.1 IFRS 15 – Revenue from Contracts with Customers – Sales by outsourced distributor**

IFRS 15 requires that an entity should determine whether the nature of its promise to deliver goods or services is a performance obligation to provide the specified goods or services itself (i.e. acting as a principal) or to arrange for those goods or services to be provided by another party (i.e. acting as an agent). The group has a commercial arrangement with an outsourced distributor in terms of which that outsourced distributor procures certain products from suppliers appointed by the group, warehouses those products and then supplies those products to the group's franchisees. The group earns a commission on these sales.

The group previously accounted for the sales by the distributor to franchisees as agent, and accordingly previously only recognised the commission payable by the distributor to the group as distribution income revenue. The group has reassessed the requirements of IFRS 15 and their application to the transactions in question and concluded that the determination that the group acts as agent is erroneous. Taking into consideration the provisions of a number of inter-linked commercial agreements impacting on these transactions and in particular the risks that the group is exposed to in relation to the inventory procured by the distributor, the group has concluded that it acts as principal. Accordingly the gross sales should be recognised as revenue, with the related cost of inventory sold and the distributor's distribution fee being recognised in cost of sales. In addition, the group should recognise the inventory held by the distributor on the group's behalf at the reporting date as an asset, with a corresponding payable to the distributor as a liability.

This incorrect application of IFRS 15 in prior years has been corrected retrospectively: the cumulative impact of the correction has been adjusted as at the beginning of the comparative period and the comparative information has been restated as detailed in note 3.4.

### 3. PRIOR PERIOD RESTATEMENTS continued

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#### 3.2 IFRS 15 – Revenue from Contracts with Customers – Accounting for marketing funds

The group previously concluded that marketing fund contributions revenue and ongoing franchise fee income revenue arose from a single distinct performance obligation in accordance with IFRS 15 and therefore needed to be recognised as revenue on the same basis. It was previously determined that the most appropriate method to recognise the revenue from the single performance obligation was as a sales-based royalty.

In assessing the group's underlying obligations per the franchise agreements concluded with franchisees to provide marketing services and utilise the marketing fund contributions revenue collected from franchisees to incur marketing-related expenditure for the benefit of franchisees, it has been determined that there is sufficient justification to treat the obligation to provide marketing services to franchisees as a performance obligation distinct from the provision of franchise support services. The group therefore previously erred in accounting for the two obligations as a single performance obligation in prior years.

As a distinct performance obligation, the revenue relating to marketing services may be recognised on a basis different to ongoing franchise fee income revenue. As the group's performance obligation to provide marketing support services, and spend marketing fund contributions on marketing-related costs, is satisfied over time, the revenue should be recognised over the period that the group's obligation is satisfied. As the group has no profit motive in rendering the services, the input method has been determined as the most appropriate method to measure the progress towards satisfying the performance obligation. Revenue is consequently recognised to the extent that costs have been incurred, and deferred to the extent that the group has an obligation to incur marketing-related costs for the benefit of franchisees in the future, resulting in a nil impact on profit or loss. Where cumulative expenditure is incurred in excess of the marketing fund contributions, a loss is recognised in profit or loss; and to the extent that such a cumulative deficit is recovered from marketing fund contributions received in a subsequent period, a profit is recognised in profit or loss in that subsequent period.

This incorrect application of IFRS 15 in prior years has been corrected retrospectively: the cumulative impact of the correction has been adjusted as at the beginning of the comparative period and the comparative information has been restated as listed in note 3.4. The restatement has resulted in a reduction in revenue in the statement of profit or loss and other comprehensive income and the recognition of a contract liability in the statement of financial position relating to the unsatisfied performance obligation.

#### 3.3 IAS 7 – Statement of Cash Flows – Treatment of restricted cash in the statement of cash flows

The group discloses cash deposits relating to marketing fund surpluses and cash deposits held to settle its obligation in respect of unredeemed gift vouchers as restricted cash in the consolidated statement of financial position. The group has however previously excluded the movements in these restricted cash balances from the cash flow movements presented in the statement of cash flows. While IAS 7 defines the term *restricted cash* and requires separate disclosure thereof, it does not preclude the requirement to include restricted cash within total cash and cash equivalents for the purposes of the statement of cash flows. The group has accordingly erred in excluding the movement in restricted cash from its statement of cash flows in prior years. The incorrect application of IAS 7 in the prior year has been corrected retrospectively and the prior year statement of cash flows has been restated as detailed in note 3.4.

### 3. PRIOR PERIOD RESTATEMENTS continued

#### 3.4 Restatements of statements of financial position, profit or loss and other comprehensive income and cash flows

Extract from consolidated statements of financial position

R'000	Adjustments to correct errors				Restated as at 1 July 2020
	As at 1 July 2020 as previously reported	Sales by outsourced distributor (3.1)	Accounting for marketing funds (3.2)	Restricted cash (3.3)	
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>518 466</b>	–	–	–	<b>518 466</b>
<b>Current assets</b>	<b>282 440</b>	<b>68 439</b>	–	–	<b>350 879</b>
Inventories	16 148	68 439	–	–	84 587
Other current assets	266 292	–	–	–	266 292
<b>TOTAL ASSETS</b>	<b>800 906</b>	<b>68 439</b>	–	–	<b>869 345</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>535 615</b>	<b>(815)</b>	<b>(2 809)</b>	–	<b>531 991</b>
Other equity	51 677	–	–	–	51 677
Retained earnings	475 501	(815)	(2 809)	–	471 877
<b>Total equity attributable to owners of the company</b>	<b>527 178</b>	<b>(815)</b>	<b>(2 809)</b>	–	<b>523 554</b>
Non-controlling interests	8 437	–	–	–	8 437
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>	<b>127 883</b>	<b>(317)</b>	–	–	<b>127 566</b>
Deferred tax	57 212	(317)	–	–	56 895
Other non-current liabilities	70 671	–	–	–	70 671
<b>Current liabilities</b>	<b>137 408</b>	<b>69 571</b>	<b>2 809</b>	–	<b>209 788</b>
Trade and other payables	49 710	69 571	–	–	119 281
Contract liabilities	5 808	–	2 809	–	8 617
Other current liabilities	81 890	–	–	–	81 890
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>800 906</b>	<b>68 439</b>	–	–	<b>869 345</b>

### 3. PRIOR PERIOD RESTATEMENTS continued

#### 3.4 Restatements of statements of financial position, profit or loss and other comprehensive income and cash flows continued

Extract from consolidated statements of financial position continued

R'000	Adjustments to correct errors				Restated as at 30 June 2021
	As at 30 June 2021 as previously reported	Sales by outsourced distributor (3.1)	Accounting for marketing funds (3.2)	Restricted cash (3.3)	
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>500 311</b>	–	–	–	<b>500 311</b>
<b>Current assets</b>	<b>409 038</b>	<b>64 477</b>	–	–	<b>473 515</b>
Inventories	11 618	64 477	–	–	76 095
Other current assets	397 420	–	–	–	397 420
<b>TOTAL ASSETS</b>	<b>909 349</b>	<b>64 477</b>	–	–	<b>973 826</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>635 173</b>	<b>(618)</b>	<b>(3 520)</b>	–	<b>631 035</b>
Other equity	52 969	–	–	–	52 969
Retained earnings	568 890	(618)	(3 520)	–	564 752
<b>Total equity attributable to owners of the company</b>	<b>621 859</b>	<b>(618)</b>	<b>(3 520)</b>	–	<b>617 721</b>
Non-controlling interests	13 314	–	–	–	13 314
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>	<b>116 291</b>	<b>(240)</b>	–	–	<b>116 051</b>
Deferred tax	55 526	(240)	–	–	55 286
Other non-current liabilities	60 765	–	–	–	60 765
<b>Current liabilities</b>	<b>157 885</b>	<b>65 335</b>	<b>3 520</b>	–	<b>226 740</b>
Trade and other payables	60 922	65 335	–	–	126 257
Contract liabilities	4 749	–	3 520	–	8 269
Other current liabilities	92 214	–	–	–	92 214
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>909 349</b>	<b>64 477</b>	–	–	<b>973 826</b>



### 3. PRIOR PERIOD RESTATEMENTS continued

#### 3.4 Restatements of statements of financial position, profit or loss and other comprehensive income and cash flows continued

Extract from consolidated statement of profit or loss and other comprehensive income

R'000	Adjustments to correct errors				Restated for the year ended 30 June 2021
	For the year ended 30 June 2021 as previously reported	Sales by outsourced distributor (3.1)	Accounting for marketing funds (3.2)	Restricted cash (3.3)	
<b>Revenue</b>	<b>681 436</b>	<b>1 124 220</b>	<b>(711)</b>	<b>–</b>	<b>1 804 945</b>
Cost of sales	(165 428)	(1 123 946)	–	–	(1 289 374)
<b>Gross profit</b>	<b>516 008</b>	<b>274</b>	<b>(711)</b>	<b>–</b>	<b>515 571</b>
<b>Operating profit before finance income</b>	<b>144 731</b>	<b>274</b>	<b>(711)</b>	<b>–</b>	<b>144 294</b>
<b>Profit before income tax</b>	<b>148 239</b>	<b>274</b>	<b>(711)</b>	<b>–</b>	<b>147 802</b>
Income tax expense	(48 480)	(77)	–	–	(48 557)
<b>Profit</b>	<b>99 759</b>	<b>197</b>	<b>(711)</b>	<b>–</b>	<b>99 245</b>
<b>Total comprehensive income</b>	<b>99 773</b>	<b>197</b>	<b>(711)</b>	<b>–</b>	<b>99 259</b>
<b>Profit attributable to:</b>	<b>99 759</b>	<b>197</b>	<b>(711)</b>	<b>–</b>	<b>99 245</b>
Equity owners of the company	93 082	197	(711)	–	92 568
Non-controlling interests	6 677	–	–	–	6 677
<b>Total comprehensive income attributable to:</b>	<b>99 773</b>	<b>197</b>	<b>(711)</b>	<b>–</b>	<b>99 259</b>
Equity owners of the company	93 096	197	(711)	–	92 582
Non-controlling interests	6 677	–	–	–	6 677
<b>Earnings per share (cents)</b>					
Basic earnings	110.85	0.24	(0.85)	–	110.24
Diluted earnings	110.48	0.23	(0.84)	–	109.87

### 3. PRIOR PERIOD RESTATEMENTS continued

#### 3.4 Restatements of statements of financial position, profit or loss and other comprehensive income and cash flows continued

Extract from consolidated statement of cash flows

R'000	For the year ended 30 June 2021 as previously reported	Adjustments to correct errors			Restated for the year ended 30 June 2021
		Sales by outsourced distributor (3.1)	Accounting for marketing funds (3.2)	Restricted cash (3.3)	
<b>Cash flow from operating activities</b>					
Operating profit before working capital changes	171 486	274	–	3 435	175 195
Working capital changes	(29 782)	(274)	–	(108)	(30 164)
<b>Cash generated from operations</b>	<b>141 704</b>	<b>–</b>	<b>–</b>	<b>3 327</b>	<b>145 031</b>
<b>Net cash flow from operating activities</b>	<b>102 277</b>	<b>–</b>	<b>–</b>	<b>3 327</b>	<b>105 604</b>
<b>Net cash flow from investing activities</b>	<b>384</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>384</b>
<b>Net cash flow from financing activities</b>	<b>(7 088)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(7 088)</b>
<b>Net movement in cash and cash equivalents</b>	<b>95 573</b>	<b>–</b>	<b>–</b>	<b>3 327</b>	<b>98 900</b>
Effect of foreign exchange fluctuations	(55)	–	–	–	(55)
Net cash and cash equivalents at beginning of year	165 352	–	–	8 671	174 023
<b>Net cash and cash equivalents at end of year</b>	<b>260 870</b>	<b>–</b>	<b>–</b>	<b>11 998</b>	<b>272 868</b>

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

#### 4. OPERATING SEGMENTS

External revenue	Note	2022 R'000	Restated 2021** R'000	% change
<b>South Africa</b>				
Franchise		<b>333 395</b>	230 539	44.6
Spur		<b>232 167</b>	158 978	46.0
Pinarottis		<b>31 267</b>	21 575	44.9
John Dory's		<b>17 948</b>	12 322	45.7
RocoMamas		<b>38 573</b>	29 475	30.9
Speciality brands		<b>13 440</b>	8 189	64.1
Manufacturing and distribution	b	<b>1 710 414</b>	1 310 807	30.5
Retail company stores		<b>62 907</b>	41 376	52.0
Marketing		<b>199 538</b>	164 410	21.4
Other segments	d	<b>36 759</b>	20 037	83.5
<b>Total South African segments</b>		<b>2 343 013</b>	1 767 169	32.6
Shared services		<b>211</b>	907	(76.7)
<b>Total South Africa</b>		<b>2 343 224</b>	1 768 076	32.5
<b>International</b>				
Australasia		<b>645</b>	1 709	(62.3)
Rest of Africa and Middle East	g	<b>42 362</b>	31 051	36.4
Marketing		<b>4 961</b>	4 109	20.7
<b>Total International segments</b>		<b>47 968</b>	36 869	30.1
<b>Total International</b>		<b>47 968</b>	36 869	30.1
<b>Total</b>		<b>2 391 192</b>	1 804 945	32.5

\* Refer note 3.

\*\* 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 IFRS 8 – Operating Segments reporting purposes) for performance assessments and resource allocations. Following a restructure of the business and responsibilities of certain brand chief operating officers during the year, the financial information reviewed by the CODM has been reconfigured during the current year and segmental information has been updated accordingly. The following changes were made:

- A new segment has been created, 'Franchise – Speciality brands'.
- Casa Bella was previously reported with Panarottis as a single segment and is now reported under Speciality brands.
- The Hussar Grill and Nikos were both previously reported separately and are now reported under Speciality brands.
- Expenses of the group's procurement department were previously reported under Shared services and are now reported under Manufacturing and distribution (where the related sales by the outsourced distributor and rebate revenue are included).

Accordingly, the group has restated the previously reported segment information in line with the current year.

Refer page 26 for notes.

Refer note 5 for further details of revenue.

#### 4. OPERATING SEGMENTS continued

Profit/(loss) before income tax	Note	2022 R'000	Restated 2021*# R'000	% change
<b>South Africa</b>				
Franchise		258 933	156 816	65.1
Spur	a	194 990	120 049	62.4
Panarottis		19 794	9 665	104.8
John Dory's		6 641	1 808	267.3
RocoMamas		27 876	21 278	31.0
Speciality brands		9 632	4 016	139.8
Manufacturing and distribution	b	73 612	56 884	29.4
Retail company stores	c	(1 185)	11 725	(110.1)
Marketing		2 410	23 223	(89.6)
Other segments	d	(3 981)	(7 074)	43.7
<b>Total South African segments</b>		<b>329 789</b>	241 574	36.5
Shared services	e	(132 328)	(99 150)	(33.5)
<b>Total South Africa</b>		<b>197 461</b>	142 424	38.6
<b>International</b>				
Australasia	f	(119)	(1 543)	92.3
Rest of Africa and Middle East	g	18 938	12 376	53.0
<b>Total International segments</b>		<b>18 819</b>	10 833	73.7
Shared services	h	(6 612)	(5 455)	(21.2)
<b>Total International</b>		<b>12 207</b>	5 378	127.0
<b>Total</b>		<b>209 668</b>	147 802	41.9

#### 4. OPERATING SEGMENTS continued

##### Notes

An explanation of the financial and operating performance for each material segment is included in the commentary on page 2 of 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 prior year includes development costs of R4.088 million.

##### b) South Africa Manufacturing and distribution

Manufacturing and distribution revenue includes sales by the group's outsourced distributor of R1.633 billion (2021: R1.229 billion) (refer note 3.1). The prior year profit includes retrenchment costs of R0.025 million as part of the group's COVID-19 austerity measures.

##### c) South Africa Retail company stores

Profit for the prior 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 had been raised in respect of rental rebates which were refunded to landlords as a result of the insurance claims.

The group undertook a major refurbishment of The Hussar Grill in Morningside in the current year to the amount of R2.200 million of which R2.109 million was capitalised and R0.091 million was expensed.

##### d) South Africa Other segments

The increase in revenue and decrease in loss is attributable to the group's export and decor businesses recovering from COVID-19 as restaurant openings and refurbishments locally and abroad were more frequent. Profit for the prior year includes retrenchments costs of R0.515 million as part of the group's austerity measures implemented in response to COVID-19.

##### e) South Africa Shared services

The segment loss includes:	<b>2022</b> <b>R'000</b>	2021 R'000
Marketing fund administration cost recoveries (intersegment) <sup>1</sup>	<b>14 552</b>	13 943
Net finance income <sup>2</sup>	<b>2 302</b>	7 453
Impairment reversal – net expected credit losses on financial instruments	<b>562</b>	2 103
Equity-settled share-based payment charge (refer note 10.2)	<b>(6 309)</b>	(1 278)
Contingent consideration fair value (loss)/gain (net of allowance for expected credit losses)	<b>(2 453)</b>	1 081
Retrenchment costs <sup>3</sup>	–	(2 824)
Retirement benefit (excluding interest) (refer note 11)	–	(8 502)
Loss (before net finance income) of The Spur Foundation Trust, all of which is attributable to non-controlling interests	<b>(145)</b>	(416)
Non-executive directors' fees (including VAT where applicable) <sup>4</sup>	<b>(5 317)</b>	(7 917)

<sup>1</sup> The group recovers certain of the costs of administering the marketing funds on behalf of franchisees from the marketing funds.

<sup>2</sup> Net finance income declined as a result of the interest expense on the SARS dispute to the amount of R8.038 million (refer note 8.2).

<sup>3</sup> Retrenchment costs in the prior year related 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 prior year included R2.757 million (including VAT where applicable) for special assignments, as approved by shareholders at the annual general meeting on 23 December 2020.

#### 4. OPERATING SEGMENTS continued

##### f) Australasia

	<b>2022</b>	2021
	<b>R'000</b>	R'000
The segment loss includes:		
Impairment reversal – net expected and actual credit losses on financial instruments	68	190
Impairment reversal – net expected and actual credit losses on lease receivable	–	314
Provision for lease obligation net of gain on derecognition of lease liability on early termination of lease relating to Apache Spur	–	(665)
Retrenchment costs	–	(550)
Foreign exchange gain	5	4

##### g) Rest of Africa and Middle East

Rest of Africa and Middle East revenue includes sales by the group's outsourced distributor of R10.602 million (2021: R7.809 million) (refer note 3.1).

##### h) International Shared services

	<b>2022</b>	2021
	<b>R'000</b>	R'000
The segment loss includes:		
Impairment (loss)/reversal – net expected and actual credit losses on financial instruments	(2 035)	370
Foreign exchange gain/(loss)	467	(732)

In accordance with IFRS 8, 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 has 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
- John Dory's (John Dory's Fish Grill Sushi)
- RocoMamas
- Speciality brands (Casa Bella, The Hussar Grill and Nikos Coalgrill Greek)

##### South Africa: Manufacturing and distribution

- Sauce manufacturing, warehousing and product distribution business including sales by the group's outsourced distributor to franchisees (refer note 3.1), 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; a RocoMamas outlet in Green Point in the Western Cape and a pilot proof of concept, MODROCKERS, in Rosebank in Gauteng

#### 4. OPERATING SEGMENTS continued

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. Any surplus recognised in profit is in respect of the recovery of a prior year's cumulative marketing fund deficit and is accordingly not for the benefit of the owners of the company and will not, in the ordinary course of business, be distributable to shareholders. Losses are only recognised to the extent that a marketing fund is in a cumulative deficit position

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

#### 5. REVENUE

	<b>2022</b>	Restated
	<b>R'000</b>	2021*
		R'000
Sales-based royalties	<b>357 607</b>	247 495
Ongoing franchise fee income	<b>357 607</b>	247 495
Recognised at a point in time	<b>1 824 133</b>	1 383 249
Sales of franchisee supplies (outsourced)	<b>1 643 400</b>	1 237 452
Sales of purchased and manufactured sauces	<b>71 761</b>	77 261
Retail company stores' sales	<b>62 907</b>	41 376
Sales of franchisee supplies	<b>29 464</b>	15 569
Sales of marketing materials	<b>10 302</b>	7 391
Rebate income	<b>6 299</b>	4 200
Recognised over time	<b>209 452</b>	174 201
Initial franchise fee income	<b>7 161</b>	7 356
Marketing fund contributions	<b>181 984</b>	147 443
Services rendered	<b>8 029</b>	5 586
Marketing supplier contributions	<b>12 278</b>	13 816
<b>Total revenue</b>	<b>2 391 192</b>	1 804 945

\* Refer note 3.

## 5. REVENUE continued

Revenue is disaggregated based on method of recognition by segment as follows:

R'000	Sales-based royalties	Recognised at a point in time	Recognised over time	Total
<b>2022</b>				
<b>South Africa</b>				
Franchise	328 954	273	4 168	333 395
Spur	230 488	–	1 679	232 167
Panarottis	30 363	273	631	31 267
John Dory's	17 576	–	372	17 948
RocoMamas	37 386	–	1 187	38 573
Speciality brands	13 141	–	299	13 440
Manufacturing and distribution	–	1 710 414	–	1 710 414
Retail company stores	–	62 907	–	62 907
Marketing	–	10 302	189 236	199 538
Other segments	–	28 980	7 779	36 759
<b>Total South African segments</b>	<b>328 954</b>	<b>1 812 876</b>	<b>201 183</b>	<b>2 343 013</b>
Shared services	–	211	–	211
<b>Total South Africa</b>	<b>328 954</b>	<b>1 813 087</b>	<b>201 183</b>	<b>2 343 224</b>
<b>International</b>				
Australasia	558	–	87	645
Rest of Africa and Middle East	28 095	11 046	3 221	42 362
Marketing	–	–	4 961	4 961
<b>Total International</b>	<b>28 653</b>	<b>11 046</b>	<b>8 269</b>	<b>47 968</b>
<b>Total external revenue</b>	<b>357 607</b>	<b>1 824 133</b>	<b>209 452</b>	<b>2 391 192</b>



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

**5. REVENUE continued**

R'000	Sales-based royalties	Recognised at a point in time	Recognised over time	Total
<b>Restated 2021**</b>				
<b>South Africa</b>				
Franchise	224 822	141	5 576	230 539
Spur	156 624	–	2 354	158 978
Pinarottis	20 532	141	902	21 575
John Dory's	11 844	–	478	12 322
RocoMamas	28 130	–	1 345	29 475
Speciality brands	7 692	–	497	8 189
Manufacturing and distribution	–	1 310 807	–	1 310 807
Retail company stores	–	41 376	–	41 376
Marketing	–	7 391	157 019	164 410
Other segments	–	14 521	5 516	20 037
<b>Total South African segments</b>	<b>224 822</b>	<b>1 374 236</b>	<b>168 111</b>	<b>1 767 169</b>
Shared services	–	907	–	907
<b>Total South Africa</b>	<b>224 822</b>	<b>1 375 143</b>	<b>168 111</b>	<b>1 768 076</b>
<b>International</b>				
Australasia	1 305	–	404	1 709
Rest of Africa and Middle East	21 368	8 106	1 577	31 051
Marketing	–	–	4 109	4 109
<b>Total International</b>	<b>22 673</b>	<b>8 106</b>	<b>6 090</b>	<b>36 869</b>
<b>Total external revenue</b>	<b>247 495</b>	<b>1 383 249</b>	<b>174 201</b>	<b>1 804 945</b>

\* Refer note 3.

\*\* Restated for segment reallocations as explained on page 24.

## 6. OTHER INCOME

	<b>2022</b>	2021
	<b>R'000</b>	R'000
Expired gift vouchers <sup>1</sup>	<b>1 598</b>	2 249
Fair value gain on contingent consideration receivable	–	901
Gain on derecognition of lease	–	7 069
Derecognition of lease liabilities on early termination of leases	–	9 845
Derecognition of right-of-use assets on early termination of leases	–	(2 776)
Insured loss recoveries <sup>2</sup>	–	14 773
Profit on disposal of property, plant and equipment	<b>125</b>	131
Rental concession income	<b>201</b>	646
Spur Foundation donation income <sup>3</sup>	<b>1 378</b>	725
Other	<b>656</b>	577
<b>Total other income</b>	<b>3 958</b>	27 071

<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> Insured loss recoveries in the prior year are business interruption insurance proceeds accrued for in the prior year and received during the current year 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>3</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.

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

## 7. 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 6):

	<b>2022</b>	2021
	<b>R'000</b>	R'000
Auditor's remuneration <sup>1</sup>	<b>5 533</b>	3 477
Amortisation – intangible assets	<b>1 150</b>	970
Depreciation – property, plant and equipment	<b>9 210</b>	10 160
Depreciation – right-of-use assets	<b>10 511</b>	10 409
Employment costs	<b>221 645</b>	199 108
Salaries and wages (excluding executive directors and prescribed officer) <sup>2</sup>	<b>190 150</b>	168 267
Executive directors' and prescribed officer's emoluments (refer note 14) <sup>3</sup>	<b>25 186</b>	17 147
Retirement benefit (refer note 11)	–	8 502
Retrenchment costs <sup>4</sup>	–	3 914
Share-based payments expense – equity-settled – long-term employee share incentive schemes (refer note 10.2)	<b>6 309</b>	1 278
Foreign exchange loss	–	724
Impairment losses/(reversal) – expected and actual credit losses – financial instruments and lease receivable <sup>5</sup>	<b>2 957</b>	(2 523)
Trade receivables	<b>2 822</b>	(1 193)
Bad debts – trade receivables	<b>345</b>	838
Write off of lease deposit	–	937
Movement in Impairment allowance	<b>2 477</b>	(2 968)
Loan receivables	<b>207</b>	101
Impairment allowance	<b>395</b>	881
Reversal of impairment allowance	<b>(188)</b>	(855)
Impairment allowance reversed against actual write off of loans receivable	<b>(1 310)</b>	(4 000)
Write off of loans receivable	<b>1 310</b>	4 075
Reversal of impairment of contingent consideration receivable	<b>(72)</b>	(180)
Lease receivables	–	(1 251)
Impairment allowance reversed against actual write off of lease receivable	–	(8 263)
Write off of lease receivable	–	7 012
Other non-trading losses	<b>2 525</b>	7 677
Fair value loss on contingent consideration receivable <sup>6</sup>	<b>2 525</b>	–
Provision for lease obligation	–	7 677

<sup>1</sup> Remuneration of the company's auditor for services to the company and its subsidiaries. The increase relative to the prior year relates to the change in audit approach adopted by PwC relative to KPMG: PwC's audit approach includes a greater focus on audit work performed prior to the year-end while KPMG's approach allocated more focus to audit work performed subsequent to the year-end.

<sup>2</sup> Includes short-term performance bonuses and short-term incentive scheme costs (refer note 12.1).

<sup>3</sup> Includes short-term performance bonuses but excludes equity compensation benefits and retirement lumpsum disclosed separately within employment costs.

<sup>4</sup> The retrenchment costs in the prior year related to 16 posts that were made redundant during the prior year; as part of the group's COVID-19 austerity measures, the group implemented a voluntary retrenchment programme.

<sup>5</sup> The increase in the allowance for expected credit losses in the current year relates primarily to the group's local and foreign trade receivable exposure to certain franchisees in Saudi Arabia (in respect of franchise fees, marketing fund contributions and exported restaurant supplies) which have defaulted on their payment obligations to the group due to financial difficulty brought on by COVID-19. The decrease in the prior year related largely to an improved credit risk outlook in an environment of more relaxed COVID-19 trading restrictions. Probability of default rates were generally assessed as lower in the current year relative to the prior year due to the improved credit risk outlook as the global economy recovers from the COVID-19 pandemic, while loss given default rates were generally consistent with those applied in previous periods.

<sup>6</sup> Refer footnote 7 to the summary consolidated statement of financial position.

## 8. INCOME TAX

### 8.1 Income tax expense

	<b>2022</b> <b>R'000</b>	Restated 2021* R'000
Total current corporate income tax	90 636	41 167
Total deferred corporate tax	(13 049)	370
Total withholding taxes	3 741	7 020
<b>Income tax expense</b>	<b>81 328</b>	<b>48 557</b>

\* Refer note 3.

### 8.2 Income tax dispute in respect of 2004-2009 share incentive scheme – resolved during the year

As previously reported, the South African Revenue Services (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 Income 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. SARS appealed the ruling. The appeal was heard by the Supreme Court of Appeals (SCA) on 17 August 2021, with judgement handed down on 15 October 2021. The SCA upheld SARS' appeal, effectively ruling against Spur Group and issued its judgement against Spur Group. Consequently, the aforementioned tax and interest previously recognised as an asset have been charged to profit or loss as additional income tax and interest expense respectively in the current year. In terms of the judgement, Spur Group may be required to settle SARS' legal costs which have not yet been determined. The group has estimated SARS' legal costs based on its own costs incurred and accrued for these in the current year. Spur Group had applied for leave to appeal the SCA judgement to the Constitutional Court, but the request for appeal was denied by the Constitutional Court.

## 8. INCOME TAX continued

### 8.3 Reconciliation of tax rate

	<b>2022</b> %	Restated 2021* %
South African corporate income tax rate	<b>28.0</b>	28.0
Non-deductible bad debts	–	0.8
Non-deductible interest and penalties	<b>1.1</b>	–
Non-deductible listings related costs	<b>1.2</b>	2.1
Non-deductible/(non-taxable) fair value loss/(gain) on contingent consideration receivable	<b>0.3</b>	(0.2)
Non-deductible marketing expenditure	<b>24.5</b>	23.5
Non-deductible provision for lease obligation	–	1.4
Non-deductible retrenchment costs	–	0.6
Non-deductible other expenditure (capital items and items not in production of income)	<b>0.5</b>	1.6
Non-taxable gain on derecognition of lease liability	–	(1.3)
Non-taxable marketing income	<b>(24.7)</b>	(28.0)
Non-taxable reversal of impairment allowance for expected credit losses	–	(0.8)
Prior year under provision	<b>6.3</b>	2.6
Tax losses on which deferred tax asset not recognised	<b>0.2</b>	0.9
Tax losses utilised on which deferred tax not previously recognised	–	(0.1)
Tax on foreign attributed income not included in profit	<b>0.3</b>	–
Tax at rates other than corporate income tax rate	<b>0.1</b>	(0.2)
Tax rate change	<b>(0.8)</b>	–
Withholding taxes	<b>1.8</b>	2.0
<b>Effective tax rate</b>	<b>38.8</b>	32.9

\* Refer note 3.

During the year, the South African Minister of Finance enacted a change in the corporate income tax rate from 28% to 27%. The change was substantively enacted prior to the reporting date, but is only effective for the group's South African entities for the financial year ending 30 June 2023 and thereafter. The group's local deferred tax balances as at 30 June 2022 have been adjusted to reflect the reduced corporate income tax rate.

The statutory rates of tax applicable to group entities in the Netherlands, Australia and Namibia are 25.8% (2021: 25%), 25% (2021: 26%) and 32% respectively. The tax rate in the Netherlands operates on a sliding scale.

## 9. EARNINGS PER SHARE

### 9.1 Statistics

	<b>2022</b> <b>'000</b>	Restated 2021* '000	% change
Total shares in issue	<b>90 997</b>	90 997	
Less: shares repurchased by wholly-owned subsidiary companies	<b>(1 888)</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>82 676</b>	83 968	
Weighted average number of shares in issue	<b>83 997</b>	83 968	
Diluted weighted average number of shares in issue	<b>84 310</b>	84 253	
Basic earnings per share (cents)	<b>144.33</b>	110.24	30.9
Diluted earnings per share (cents)	<b>143.80</b>	109.87	30.9
Headline earnings per share (cents)	<b>144.22</b>	110.13	31.0
Diluted headline earnings per share (cents)	<b>143.68</b>	109.76	30.9
Dividend per share (cents) <sup>1</sup>	<b>127.00</b>	–	

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

\* Refer note 3.

The earnings used for diluted earnings per share are the same as the earnings used for basic earnings per share, which equates to profit attributable to the owners of the company of R121.235 million (2021: R92.568 million) for the group.

### 9.2 Reconciliation of shares in issue to weighted average and dilutive weighted average number of ordinary shares

	<b>2022</b> <b>'000</b>	2021 '000
Shares in issue at beginning of year	<b>90 997</b>	90 997
Shares repurchased at beginning of year (refer note 10.1)	<b>(7 029)</b>	(7 029)
Shares repurchased during the year weighted for period held by the group (refer note 10.1)	<b>(80)</b>	–
Shares issued during the year weighted for period in issue (refer note 10.2)	<b>109</b>	–
<b>Weighted average number of ordinary shares in issue for the year</b>	<b>83 997</b>	83 968
Dilutive potential ordinary shares weighted for period outstanding (refer note 10.2)	<b>313</b>	285
<b>Dilutive weighted average number of shares in issue for the year</b>	<b>84 310</b>	84 253

## 9. EARNINGS PER SHARE continued

### 9.3 Reconciliation of headline earnings

	2022 R'000	Restated 2021* R'000	% change
Profit attributable to owners of the company	121 235	92 568	31.0
Profit on disposal of property, plant and equipment	(125)	(131)	
Income tax impact on above adjustments	27	37	
<b>Headline earnings</b>	<b>121 137</b>	92 474	31.0

\* Refer note 3.

## 10. CAPITAL AND RESERVES

### 10.1 Shares repurchased

#### Shares repurchased by subsidiaries

During the year, a wholly-owned subsidiary of the company, Share Buy-back (Pty) Ltd, acquired 1 475 000 Spur Corporation Ltd shares at an average cost of R20.16 per share, totalling R29.734 million.

183 200 shares held by a wholly-owned subsidiary of the company, Spur Group (Pty) Ltd, in escrow on behalf of participants of the Spur Group Forfeitable Share Plan, were vested with participants (refer note 10.2) during the year.

At the reporting date, the group owned 1 887 387 (2021: 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 10.2) and those held by The Spur Foundation Trust, a consolidated structured entity. At the reporting date, the entities in question held 8 320 498 (2021: 7 028 698) of the company's shares in aggregate.

## 10. CAPITAL AND RESERVES continued

### 10.2 Share-based payments reserve

	<b>2022</b> <b>R'000</b>	2021 R'000
Balance at beginning of year	4 751	3 473
Share-based payments expense for the year	6 309	1 278
FSP – November 2018 tranche	204	1 004
FSP – November 2019 tranche	616	1 320
SAR – November 2019 tranche	–	(1 046)
FSP – October 2021 tranche	1 235	–
SAR – October 2021 tranche	4 254	–
Transfer to retained earnings on vesting of shares/rights	(2 812)	–
<b>Balance at end of year</b>	<b>8 248</b>	4 751
Comprising:		
FSP – November 2018 tranche	–	2 608
FSP – November 2019 tranche	2 759	2 143
FSP – October 2021 tranche	1 235	–
SAR – October 2021 tranche	4 254	–

Number of shares/rights in issue	2022		2021	
	FSP shares	SAR rights	FSP shares	SAR rights
Balance at beginning of year	416 347	5 040 492	422 347	6 050 224
Granted during the year	373 459	2 409 745	–	–
Forfeited/lapsed during the year	(58 866)	(3 262 386)	(6 000)	(1 009 732)
Vested during the year	(183 200)	–	–	–
<b>Balance at end of year</b>	<b>547 740</b>	<b>4 187 851</b>	416 347	5 040 492
Comprising:				
November 2018 tranche	–	–	196 200	2 655 406
November 2019 tranche	174 281	2 037 101	220 147	2 385 086
October 2021 tranche	373 459	2 150 750	–	–

The November 2018 and November 2019 tranches relate to two equity-settled share incentive schemes for managers and directors, approved by shareholders at the annual general meeting (AGM) of 4 December 2015: the Spur Group Forfeitable Share Plan (FSP) and Spur Group Share Appreciation Rights (SAR) Scheme. At the AGM of 23 December 2020, shareholders approved new equity-settled long-term incentive schemes. The October 2021 tranche of long-term incentive awards was issued in terms of these new schemes.



## 10. CAPITAL AND RESERVES continued

### 10.2 Share-based payments reserve continued

The terms of each tranche are as follows:

FSP	November 2018 tranche	November 2019 tranche	October 2021 tranche
Date of grant	26 November 2018	26 November 2019	7 October 2021
Number of shares awarded	209 800	231 787	373 459 <sup>1</sup>
Initial vesting date	25 November 2021	25 November 2022	7 October 2025 <sup>2</sup>
Date from which shares may be traded	24 November 2023	22 November 2024	7 October 2025 <sup>2</sup>
Service condition	3 years from grant date	3 years from grant date	4 years from grant date <sup>2</sup>
Performance conditions	Personal performance	Personal performance	N/A <sup>3</sup>
Grant-date fair value per share (R)	15.35	18.29	18.10
Proportion of shares expected to vest as assessed at reporting date (based on number of employees expected to meet service condition) (%)	N/A	75.2	100.0
Number of shares that vested	183 200	N/A	N/A

<sup>1</sup> The number of FSP shares awarded in respect of the October 2021 tranche is calculated with reference to the participants' short-term incentive (STI) payments relating to the financial year ended 30 June 2022. The shares are therefore contingently issuable upon the determination of the STI. The number of shares included is an estimate based on expected STI payments for the 2022 financial year, and is subject to change pending a final determination of the STI payments due (refer note 12.1).

<sup>2</sup> The initial vesting date is three years from the date on which the final number of shares awarded is determined (i.e. only when the STI amount is finalised and paid). The date included is an estimate, and is subject to change, but in any event will not be later than 31 October 2025.

<sup>3</sup> As the October 2021 tranche of FSPs is awarded (and the actual number of shares determined) based on the group's STI (which incorporates performance conditions), no further performance conditions apply.

The November 2018 and November 2019 forfeitable shares awarded are held in escrow by Spur Group (Pty) Ltd until such time as the participants are free to trade in the shares. During the initial vesting period, participants have none of the rights ordinarily associated with shares (including voting rights, or the right to dividends). The shares held in escrow are accordingly not recognised as shares in issue, but instead as shares held in treasury, for the duration of the initial vesting period. During the period from the initial vesting date to when the shares may be traded by the participants, the participants are entitled to exercise voting rights that attach to the shares and are entitled to receive dividends on the shares.

The October 2021 forfeitable shares are contingently issuable shares determined with reference to the participants' short-term incentive (STI) payments calculated for the financial year ended 30 June 2022 which will only be finalised subsequent to the date of issue of this report.

## 10. CAPITAL AND RESERVES continued

### 10.2 Share-based payments reserve continued

SAR	November 2018 tranche	November 2019 tranche	October 2021 tranche
Date of grant	26 November 2018	26 November 2019	7 October 2021
Number of rights awarded	3 189 176	2 899 115	2 409 745
Strike price per right (R)	23.13	27.01	19.14
Initial vesting date	25 November 2021	25 November 2022	7 October 2024
Date from which shares may be traded	24 November 2023	22 November 2024	Dependent on exercise date <sup>4</sup>
Service conditions	3 years from grant date	3 years from grant date	3 years from grant date
Performance conditions	Return on equity, growth in adjusted headline earnings per share and personal performance	Return on equity, growth in adjusted headline earnings per share and personal performance	Growth in adjusted headline earnings and adjusted headline earnings per share and personal performance <sup>5</sup>
Grant-date fair value per right (R)	4.91	5.96	8.48
Proportion of rights expected to vest as assessed at reporting date (based on number of employees expected to meet service condition) (%)	N/A	70.3	89.3
Proportion of rights expected to vest based on meeting of non-market performance conditions (%)	N/A	–	95.7
No. of rights that vested	–	N/A	N/A

<sup>4</sup> In respect of the October 2021 tranche of SARs, participants will have a two-year period (starting from the initial vesting date) during which to exercise vested rights. Participants who are executive directors are required to hold the shares for a period of two years following the date that the SARs are exercised. Other participants are not subject to this restriction.

<sup>5</sup> Performance conditions for participants who are executive directors include only the financial performance measures stipulated, although the participant must maintain a 'meets expectations' personal performance rating during the initial vesting period for the rights to vest. For all other participants, the performance conditions are split 50/50 between the financial performance measures stipulated and personal performance rating.

The value of each vested share appreciation right, determined as the difference between share price of the company's shares at the exercise date and the strike price, is to be settled by the issue of an equivalent number of full value shares at the exercise date. The November 2018 and November 2019 SARs are compulsorily exercisable on the initial vesting date. Once the rights have been exercised, the resulting shares will be held in escrow until the participants are free to trade in the shares. The participants are entitled to exercise the voting rights that attach to the shares and receive dividends accruing on the shares, from the exercise date.

## 10. CAPITAL AND RESERVES continued

### 10.2 Share-based payments reserve continued

Financial performance conditions applicable to SARs:	November 2019 tranche		October 2021 tranche	
	Criteria	Vesting (%)	Criteria	Vesting (%)
Return on equity (%)	14.45 to 19.55	0 to 100	N/A	N/A
Adjusted headline earnings growth at compounded annual growth rate over initial vesting period (%)	N/A	N/A	CPI+GDP to CPI+GDP+2	30 to 100
Adjusted headline earnings per share growth at compounded annual growth rate over initial vesting period (%)	CPI to CPI+6	33 to 100	CPI+GDP to CPI+GDP+2	30 to 100

#### Fair value measurement

The grant-date fair values of the November 2018 and November 2019 FSP shares and SAR Scheme rights were determined at the grant date by an independent external professional financial instruments specialist using the Black-Scholes European Call Option pricing model. The grant-date fair values of the October 2021 tranche of FSP shares and SARs were determined at the grant date by an independent external professional financial instruments specialist using, in the case of the SARs, a Monte-Carlo pricing model and, in the case of the FSPs, the Black-Scholes European Call Option pricing model, based on the following assumptions:

	November 2018 tranche	November 2019 tranche	October 2021 tranche
Risk-free rate (based on R186 South African Government bond) (%)	7.5	7.4	7.1
Expected dividend yield (based on historic dividend yield over historic period equivalent to vesting period) (%)	5.5	5.1	3.7
Expected volatility (based on historic volatility over historic period equivalent to vesting period) (%)	39.0	38.7	40.0

#### Dilution

The FSP forfeitable shares granted resulted in 312 936 (2021: 284 881) dilutive potential ordinary shares for the year (refer note 9.2). As the performance conditions of the November 2019 SARs, as assessed at the reporting date, had not been met to result in any vesting of the rights, no adjustment has been made to the dilutive weighted average number of shares in issue in respect of these contingently issuable shares. In the case of the October 2021 SARs, while the performance conditions, as assessed at the reporting date, would have resulted in vesting, the rights are not dilutive as at the reporting date.

## 11. EMPLOYEE BENEFITS

	<b>2022</b>	2021
	<b>R'000</b>	R'000
<b>Retirement benefit payable to former director</b>		
Balance at beginning of year	6 604	–
Accrual charged to profit or loss	–	8 502
Interest charged to profit or loss	496	302
Set off of loan to former director	–	(2 200)
Settlement of retirement benefit	(7 100)	–
<b>Balance at end of year</b>	<b>–</b>	<b>6 604</b>
Short-term portion included in current liabilities	–	4 300
Long-term portion included in non-current liabilities	–	2 304

In July 2020, the group concluded a mutual separation agreement (MSA) 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 was included in profit or loss for the prior year.

In terms of the MSA, 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 MSA. An accrual equivalent to the present value of this amount was recognised in the prior financial year (on 31 December 2020). The group had previously advanced a loan to Mr Van Tonder, the outstanding balance of which, as at 30 June 2021, amounted to R2.2 million and was, in terms of the MSA, set off against the payments due to Mr Van Tonder by the company. Mr Van Tonder was entitled to retain any long-term share-linked incentive allocations granted to him as at the date the MSA was concluded. Mr Van Tonder passed away on 9 May 2021. Subsequent to Mr Van Tonder's passing, the group concluded a settlement agreement with the executors of his estate, in terms of which the group agreed to settle the net obligation on 27 May 2022 to his estate.

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

## 12. TRADE AND OTHER PAYABLES

	<b>2022</b> <b>R'000</b>	Restated 2021* R'000
Trade payables	<b>130 464</b>	95 211
Group payables	<b>44 159</b>	29 876
Payable to outsourced distributor <sup>1</sup>	<b>86 305</b>	65 335
Income received in advance <sup>2</sup>	<b>1 188</b>	1 857
Short-term employee benefits	<b>38 438</b>	13 043
Short-term incentive scheme (refer note 12.1)	<b>22 009</b>	–
Leave pay and other short-term employee benefits <sup>3</sup>	<b>16 429</b>	13 043
VAT and other indirect taxes payable	<b>9 069</b>	8 817
Unredeemed gift vouchers	<b>5 541</b>	6 849
Other sundry payables	<b>147</b>	480
<b>Total trade and other payables</b>	<b>184 847</b>	126 257

<sup>1</sup> This payable relates to inventory held by the group's outsourced distributor which is recognised as inventory of the group (refer footnote 4 of the summary consolidated statement of financial position) as the group is considered to act as principal in relation to the sales of this inventory (refer note 3.1).

<sup>2</sup> Income received in advance in the current and prior years comprises predominantly initial franchise fee receipts where the related franchise agreement has not been signed as at the reporting date.

<sup>3</sup> Other short-term employee benefits include an accrual for bonuses payable to employees who are not participants of the group's short-term incentive scheme. The bonus pool available is determined as one month's guaranteed remuneration for eligible employees and is allocated to individuals based on line manager recommendations and approval by the board. While no contractual obligation exists to pay these bonuses, there is a constructive obligation based on past experience.

\* Refer note 3.

### 12.1 Short-term incentive scheme

	<b>2022</b> <b>R'000</b>	2021 R'000
Balance at beginning of year	–	–
Recognised in profit or loss	<b>22 009</b>	–
<b>Balance at end of year</b>	<b>22 009</b>	–

The accrual for the short-term incentive scheme (STI) is determined in accordance with the rules of the scheme approved by the group's remuneration committee. Participants include middle management to executive directors. Each participant's incentive is determined with reference to their guaranteed remuneration, divisional performance, group performance and individual performance, subject to certain limits. The accrual represents the best estimate of the incentive payments due as at the date of issue of these financial statements; the actual incentive payments will only be finally determined subsequent to the date of issue of these financial statements. In terms of the group's long-term incentive scheme, forfeitable share plan (FSP) shares, the value of which are calculated with reference to the STI payments, are awarded to STI participants at the same time that the STI payments are settled. These FSP shares awarded are subject to the applicable scheme rules (refer note 10.2).

### 13. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	<b>2022</b> <b>R'000</b>	Restated 2021* R'000
Profit before income tax	<b>209 668</b>	147 802
<i>Adjusted for:</i>		
Amortisation – intangible assets	<b>1 150</b>	970
Depreciation	<b>19 721</b>	20 569
Fair value loss/(gain) on contingent consideration receivable	<b>2 525</b>	(901)
Foreign exchange (gain)/loss (excluding losses/gains on intercompany accounts)	<b>(306)</b>	555
Foreign currency translations not disclosed elsewhere in the statement of cash flows	<b>(724)</b>	(1 396)
Impairment losses/(reversal) – financial instruments and lease receivable (refer note 7)	<b>2 957</b>	(2 523)
Interest expense	<b>12 578</b>	4 765
Interest income	<b>(13 325)</b>	(8 273)
Gain on derecognition of lease	–	(7 069)
Derecognition of lease liabilities on early termination	–	(9 845)
Derecognition of right-of-use assets on early termination of leases	–	2 776
Movement in bonus, leave pay and short-term incentive accruals	<b>25 456</b>	7 313
Movement in contract liabilities	<b>46 576</b>	(3 297)
Provision for lease obligation	–	7 677
Profit on disposal of property, plant and equipment	<b>(125)</b>	(131)
Rental concession income	<b>(201)</b>	(646)
Retirement benefit accrued in the prior year and paid in the current year (refer note 11)	<b>(7 100)</b>	8 502
Share-based payments expense – equity-settled – long-term employee share incentive schemes (refer note 10.2)	<b>6 309</b>	1 278
<b>Operating profit before working capital changes</b>	<b>305 159</b>	175 195

\* Refer note 3.

## 14. DIRECTORS', PRESCRIBED OFFICER'S AND SENIOR MANAGEMENT'S EMOLUMENTS

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

R'000	Guaranteed remuneration <sup>1</sup>	Variable remuneration						Total remuneration included in profit or loss
		Equity compensation benefits <sup>2</sup>	Performance bonus <sup>3</sup>	Long service award	Petrol allowance	Termination leave <sup>4</sup>	Short-term incentive <sup>5</sup>	
<b>2022</b>								
<b>Executive directors</b>								
<i>For services, as employees, to subsidiary companies</i>								
<i>Directors serving during the year</i>								
Val Nichas	5 200	1 182	1 500	–	4	–	4 200	12 086
Cristina Teixeira	4 300	560	750	–	1	–	2 100	7 711
Kevin Robertson	3 427	444	571	286	–	–	1 599	6 327
Sacha du Plessis <sup>6</sup>	853	–	213	–	8	187	–	1 261
<b>Total executive directors</b>	<b>13 780</b>	<b>2 186</b>	<b>3 034</b>	<b>286</b>	<b>13</b>	<b>187</b>	<b>7 899</b>	<b>27 385</b>
<b>Non-executive directors</b>								
<i>For services, as directors, to the company<sup>9</sup></i>								
<i>Directors serving during the year</i>								
André Parker					576	29		605
Cora Fernandez					618	43		661
Jesmane Boggenpoel					534	29		563
Lerato Molebatsi					576	–		576
Mike Bosman					1 200	–		1 200
Sandile Phillip					534	39		573
Shirley Zinn					576	25		601
<b>Total non-executive directors</b>					<b>4 614</b>	<b>165</b>		<b>4 779</b>
<b>Total remuneration</b>								<b>32 164</b>

Refer footnotes on page 58.

## 14. DIRECTORS', PRESCRIBED OFFICER'S AND SENIOR MANAGEMENT'S EMOLUMENTS continued

The following share-linked long-term incentive (LTI) awards were granted to directors during the year:

	<b>No. of October 2021 SARs</b>	<b>Fair value of SARs<sup>10</sup> R'000</b>	<b>No. of October 2021 FSPs<sup>11</sup></b>	<b>Fair value of FSPs<sup>10</sup> R'000</b>	<b>Total fair value of instru- ments awarded R'000</b>
Val Nichas	521 229	4 420	30 657	555	4 975
Cristina Teixeira	229 954	1 950	25 547	462	2 412
Kevin Robertson	175 133	1 485	19 457	352	1 837
<b>Total fair value of share-linked long-term incentive awards relating to the year</b>		<b>7 855</b>		<b>1 369</b>	<b>9 224</b>

Details of the LTIs awarded are included in note 10.2. The corresponding charge to profit or loss, determined in accordance with *IFRS 2 – Share-based Payments*, of these awards is included in equity compensation benefits as part of remuneration over the vesting period (refer footnote 2).

Refer footnotes on page 58.



## 14. DIRECTORS', PRESCRIBED OFFICER'S AND SENIOR MANAGEMENT'S EMOLUMENTS continued

R'000	Guaranteed remuneration <sup>1</sup>	Variable remuneration					Total remuneration included in profit or loss
		Equity compensation benefits <sup>2</sup>	Ex gratia bonus <sup>3</sup>	Leave pay <sup>12</sup>	Termination leave <sup>4</sup>	Retirement benefit <sup>13</sup>	
<b>2021</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>14</sup>	2 600	–	–	–	–	–	2 600
Cristina Teixeira <sup>15</sup>	1 792	–	–	–	–	–	1 792
Kevin Robertson <sup>16</sup>	2 480	(36)	130	–	–	–	2 574
Sacha du Plessis <sup>16, 6</sup>	1 895	(17)	105	–	–	–	1 983
Pierre van Tonder <sup>17</sup>	2 784	(202)	220	77	–	8 502	11 381
Mark Farrelly <sup>18</sup>	1 466	–	–	179	176	–	1 821
Phillip Mathee <sup>19</sup>	1 736	(99)	135	50	–	–	1 822
Graeme Kiewitz <sup>16, 20</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>21</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						Total remuneration included in profit or loss	
	Base non-executive director fees <sup>7</sup>	Additional meeting fees – prior year <sup>8</sup>	Additional meeting fees – current year <sup>8</sup>	Non-executive director additional fees <sup>22</sup>			
<b>2021</b>							
<b>Non-executive directors</b>							
<i>For services, as directors, to the company<sup>9</sup></i>							
<i>Directors serving during the year</i>							
André Parker <sup>16</sup>	432	–	25	–	–	457	
Cora Fernandez	582	24	116	454	–	1 176	
Jesmane Boggendoel <sup>16</sup>	401	–	24	25	–	450	
Lerato Molebatsi <sup>16</sup>	432	–	4	50	–	486	
Mike Bosman	1 140	15	84	1 050	–	2 289	
Sandile Phillip <sup>16</sup>	401	–	24	–	–	425	
Shirley Zinn	547	15	88	825	–	1 475	
Dineo Molefe <sup>23</sup>	77	24	28	–	–	129	
Mntungwa Morojele <sup>24</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 58.

## 14. DIRECTORS', PRESCRIBED OFFICER'S AND SENIOR MANAGEMENT'S EMOLUMENTS *continued*

The board considers there to be no prescribed officers (as defined in section 1 of the Companies Act) other than as that disclosed above.

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

The following share-linked awards have been allocated to directors and prescribed officers in terms of the equity-settled Forfeitable Share Plan (FSP) and Share Appreciation Rights (SAR) Scheme and were outstanding as at the reporting date (refer note 10.2):

	FSP shares		SAR rights	
	2022	2021	2022	2021
<b>Executive directors and prescribed officer</b>				
<b>Current directors</b>				
Val Nichas – October 2021 tranche	31 752	–	521 229	–
Cristina Teixeira – October 2021 tranche	25 547	–	229 954	–
Kevin Robertson – October 2021 tranche	19 457	–	175 133	–
Kevin Robertson – November 2019 tranche	5 000	5 000	177 535	177 535
Kevin Robertson – November 2018 tranche	–	–	–	329 126
<b>Past directors</b>				
Pierre van Tonder <sup>17</sup> – November 2019 tranche <sup>25</sup>	–	–	919 781	919 781
Pierre van Tonder <sup>17</sup> – November 2018 tranche <sup>25</sup>	–	–	–	963 582
Phillip Matthee <sup>19</sup> – November 2019 tranche <sup>26</sup>	–	–	385 100	385 100
Phillip Matthee <sup>19</sup> – November 2018 tranche <sup>26</sup>	–	–	–	403 439
Sacha du Plessis <sup>16, 6</sup> – November 2019 tranche <sup>27</sup>	–	5 000	–	165 219
Sacha du Plessis <sup>16, 6</sup> – November 2018 tranche <sup>27</sup>	–	4 000	–	160 969
<b>Total awards allocated</b>	<b>81 756</b>	<b>14 000</b>	<b>2 408 732</b>	<b>3 504 751</b>

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.

Refer footnotes on page 58.

## 14. DIRECTORS', PRESCRIBED OFFICER'S AND SENIOR MANAGEMENT'S EMOLUMENTS continued

### Footnotes

- <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. Refer note 10.2.
- <sup>3</sup> A performance bonus payment of approximately 50% of the directors' on-target short-term incentive bonus for the 2022 financial year was paid to directors in December 2021 in light of the fact that all incentive schemes were suspended during the COVID-19 period as part of the group's austerity measures. Other employees were typically paid a bonus of approximately one month's salary. In the prior year, 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 the COVID-19 lockdown.
- <sup>4</sup> Leave balance on termination of employment settled in cash.
- <sup>5</sup> This represents a best estimate of the likely short-term incentive (STI) payable in respect of the 2022 financial year (refer note 12.1). The actual amount will be determined in accordance with the scheme rules subsequent to the date of issue of this report and is expected to be settled in cash in October 2022. In addition to the cash payment, a number of FSP shares, calculated with reference to the actual STI payment, will be issued to the directors, which will be subject to the terms of the group's FSP scheme rules (refer note 10.2).
- <sup>6</sup> Resigned with effect from 15 September 2021.
- <sup>7</sup> Comprises a 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)), as approved at the AGM each year.
- <sup>8</sup> Fees paid to non-executive directors for additional meetings held during the year as approved at the AGM each year.
- <sup>9</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 are stated exclusive of VAT.
- <sup>10</sup> Grant-date fair value of the October 2021 share appreciate rights/forfeitable share plan shares granted (refer note 10.2).
- <sup>11</sup> This represents a best estimate of the likely number of FSPs that will be issued. The shares are expected to be acquired in October 2022. The actual number of shares will be determined based on a percentage of the final STI payable in respect of the 2022 financial year (which will be finalised subsequent to the date of issue of this report) as well as the prevailing share price on the date the shares are acquired.
- <sup>12</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>13</sup> Refer note 11 regarding a 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 R9.3 million, which was settled in cash to Mr Van Tonder's deceased estate during the current financial year.
- <sup>14</sup> Appointed with effect from 1 January 2021.
- <sup>15</sup> Appointed with effect from 1 February 2021.
- <sup>16</sup> Appointed with effect from 15 October 2020 (remuneration includes full month of October 2020).
- <sup>17</sup> Resigned with effect from 31 December 2020.
- <sup>18</sup> Resigned with effect from 31 August 2020.
- <sup>19</sup> Resigned with effect from 31 January 2021.
- <sup>20</sup> Resigned with effect from 18 January 2021 (deceased).
- <sup>21</sup> Prior to being appointed an executive director (refer footnote 16).
- <sup>22</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>23</sup> Resigned with effect from 3 September 2020.
- <sup>24</sup> Resigned with effect from 1 September 2020.
- <sup>25</sup> In accordance with the mutual separation agreement concluded with Mr Van Tonder, Mr Van Tonder retained the non-vested SARs awarded to him as at the date of his resignation.
- <sup>26</sup> While Mr Matthee resigned as director, he remains as an employee of the group. He has therefore retained the non-vested SARs awarded to him prior to his resignation as a director.
- <sup>27</sup> In accordance with the rules of the respective schemes, upon resignation, Mr Du Plessis forfeited all non-vested FSP shares and SARs awarded to him.

## **15. 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:

### **15.1 Dividend**

On 18 August 2022, the board declared a final dividend in respect of the 2022 financial year of 78 cents per share, payable on 19 September 2022.

### **15.2 Shares repurchased by subsidiary**

Subsequent to 30 June 2022, a wholly-owned subsidiary acquired an additional 818 000 of the company's shares at an average cost of R21.10 per share, totalling R17.260 million.

## **16. CONTINGENT LIABILITIES**

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### **16.1 Legal dispute with GPS Foods**

As previously reported, 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 the date of the claim.

The group denies the allegations. The parties exchanged discovery affidavits in June 2021 and discovered documents have since been exchanged between the parties. A further exchange of pleadings between the parties is anticipated in due course. The group's attorneys, together with senior counsel, have assessed the probative value of the matter and presented a review of the merits and prospects of success that it is more likely than not that the group will be able to successfully defend the claim. 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. No liability has been raised at the reporting date regarding the matter.

## 16. CONTINGENT LIABILITIES continued

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### 16.2 Legal dispute with former franchisee – Tzaneen, South Africa

In January 2018, wholly-owned subsidiary, Spur Group, instituted legal action against Magnacorp 544 CC (Magnacorp) for outstanding franchise and marketing fees in the amount of R0.078 million. Magnacorp had previously operated a Spur Steak Ranch franchise restaurant in Tzaneen, South Africa, but Spur Group cancelled the franchise agreement after Magnacorp breached the terms of the franchise agreement. Magnacorp has defended the action and alleges that Spur Group repudiated the franchise agreement, in that the cancellation thereof was unlawful. Magnacorp has lodged a counterclaim in the amount of R19.488 million, primarily for loss of profits arising out of the alleged repudiation. Spur Group denies the repudiation of the franchise agreement and maintains that the cancellation was valid. The board is confident that it will be able to defeat Magnacorp's counterclaim and noted an exception to Magnacorp's counterclaim in that, among other things, in terms of the franchise agreement, the franchisor is not liable to the franchisee for any consequential loss, loss of profits or any other form of indirect loss or damages howsoever arising or caused. A court date to hear the matter has yet to be determined. There have been no further developments, correspondence or exchange of pleadings during the current financial year and up to the issue date of these financial statements. The board, in consultation with its legal advisors, is confident that it will be able to successfully defend this claim and, consequently, no liability has been raised.

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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The group has not disclosed the fair values of loans receivable, financial assets included in trade and other receivables, cash and cash equivalents, loans payable, financial liabilities included in trade and other payables and shareholders for dividend as their carrying amounts are a reasonable approximation of their fair values. In the case of loans receivable and loans payable, the directors consider the terms of the instruments (including in particular, the interest rates applicable) to be commensurate with similar financial instruments between unrelated market participants and the carrying amounts are therefore assumed to approximate their fair values. In the case of financial assets included in trade and other receivables, cash and cash equivalents, financial liabilities included in trade and other payables and shareholders for dividend, the durations of the financial instruments are short and it is therefore assumed that the carrying amounts approximate their fair values.

## 18. 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 43 of the Consolidated AFS:

- The remaining balance of the loan to White Cloud Restaurant Pty Ltd (95% owned by former group COO, Mark Farrelly), amounting to R0.382 million as at 30 June 2021, was settled in full during the current year.
- Retirement benefit paid to former group CEO, Pierre van Tonder (refer note 11).
- Fees of R266 087 for the year were paid to VBN Consultants (sole proprietor – Val Nichas' son) for customer experience consulting expertise.

## 19. 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.

## 20. CHANGE IN DIRECTORS

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Details of changes in the composition of the board during the financial year are included on page 51 of this report.

## ANNEXURE 2

### CURRICULA VITAE OF DIRECTORS UP FOR RE-ELECTION

#### NON-EXECUTIVE DIRECTORS

##### **Mike Bosman (61)**

*BCom (Hons), LL.M, AMP (Harvard), CA(SA)*  
*Appointed 2018*

Member of the nominations and remuneration committee

Mike was appointed chairman of the board on 1 March 2019. He is an independent non-executive director of AVI, MTN South Africa and EOH Holdings, and serves on the audit and risk committees of these companies.

He is non-executive chairman of Vinimark, the largest independent wine distribution company in South Africa. Mike has a background in advertising and in corporate and project finance. He served as CEO of communications groups FCB and TBWA, as well as CEO and later chairman of One Digital Media.

##### **Cora Fernandez (49)**

*BCompt (Hons), Chartered Accountant*  
*Appointed 2019*

Chair of the audit committee, member of the risk committee, member of the nominations and remuneration committee

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.

##### **Dr Shirley Zinn (61)**

*BA, HDipEd, BEd (Hons), MEd, EdM and EdD (Harvard)*  
*Appointed 2019 and as lead independent in August 2022*

Chair of the nominations and remuneration committee, member of the social, ethics and environmental sustainability committee

Shirley is an acclaimed human resources practitioner who has held senior positions in the corporate and public sectors. She holds a doctorate from Harvard University and was formerly the head of human resources at Woolworths Holdings, Standard Bank South Africa, Nedbank Group and the South African Revenue Service. She currently provides consulting and advisory services in human resources, transformation, leadership and education. Shirley serves on the boards of Sanlam, MTN South Africa, BCG-SA, WWF and V&A Waterfront, where she is the chairman.

##### **Jesmane Boggenpoel (49)**

*BCom, BA, Acc, MPub Admin (Harvard), CA(SA)*  
*Appointed October 2020*

Member of the audit committee, member of the social, ethics and environmental sustainability committee

Jesmane is a chartered accountant with private equity, high technology and entrepreneurial experience. She is a Managing Partner of private equity firm AIH Capital and was head of business engagement for Africa for the World Economic Forum (WEF) in Switzerland. She currently serves on the boards of EOH Holdings and Murray & Roberts and is chairman of Dubai-based ETG Inputs Holdco. Jesmane is the author of a book on diversity and inclusion, *My Blood Divides and Unites*. She is the creator of the online Udemy course: *Dealing with the Heart of Race and Gender Inequality in the Workplace*. Jesmane was nominated as a Young Global Leader of the WEF in 2013.

## ANNEXURE 3

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

#### **Cora Fernandez (49) (as chairman)**

Refer Annexure 2.

#### **André Parker (71)**

*MCom*

*Appointed October 2020*

Chair of the risk committee, member of the audit committee

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 ten years. He is currently a non-executive director of Distell (lead independent director). He previously served as chairman of Tiger Brands and Remgro's TSB, and on the boards of SAB plc, SAB Ltd, AECL, Standard Bank and Carozzi SARL.

#### **Jesmane Boggenpoel (49)**

Refer Annexure 2.

#### **Sandile Phillip (40)**

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

*Appointed October 2020*

Member of the audit committee, member of the risk committee

Sandile is a non-executive director of the SAICA Enterprise Development and previously served as a board member of the SA Institute of Chartered Accountants and the South African Post Office. His business experience is mainly in the areas of general banking, 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.

## ANNEXURE 4

### NON-EXECUTIVE DIRECTORS' REMUNERATION

	Proposed fee per annum 2023	Fee per annum 2022
Chairman of the board (inclusive of all committee memberships and scheduled meeting attendances)	R1 280 000	<b>R1 200 000</b>
Member of board	R480 000	<b>R450 000</b>
Chair/member of audit committee	R89 500/R44 700	<b>R84 000/R42 000</b>
Chair/member of nominations and remuneration committee	R 89 500/R44 700	<b>R84 000/R42 000</b>
Chair/member of social, ethics and environmental sustainability committee	R 89 500/R44 700	<b>R84 000/R42 000</b>
Chair/member of risk committee	R 89 500/R44 700	<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 per annum.

In addition to the above proposed fees for scheduled ordinary meetings, it is proposed that directors be paid a fee of R3 700\* per hour (2022: 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 R26 500\* per meeting (2022: R25 000) is proposed). During the 2022 year, there were a mixture of five special committee meetings and *ad hoc* meetings that were attended by various directors resulting in additional fees totalling R165 000 (excluding VAT where applicable) for all non-executive directors in aggregate for the year.

In proposing the fees for the financial year ending 30 June 2023, 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 2022. Fees proposed are approximately at the upper quartile for small caps and lower quartile for medium 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 4.2

# 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 30 June are as follows:

	2022			2021		
	Direct beneficial	Indirect beneficial	Held by associates	Direct beneficial	Indirect beneficial	Held by associates
Kevin Robertson <sup>1</sup>	10 700	–	–	15 350 <sup>3</sup>	–	–
Sacha du Plessis <sup>1,2</sup>	–	–	–	10 000 <sup>4</sup>	–	–
<b>Total</b>	<b>10 700</b>	<b>–</b>	<b>–</b>	<b>25 350</b>	<b>–</b>	<b>–</b>
<b>% interest*</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>0.0</b>	<b>–</b>	<b>–</b>

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

<sup>2</sup> Resigned with effect from 15 September 2021.

<sup>3</sup> Of these shares, 10 000 shares were subject to a holding period which expired on 1 April 2022; during the holding period, the shares could not be freely traded.

<sup>4</sup> Of these shares, 5 000 shares were subject to a holding period which expired on 1 April 2022; during the holding period, the shares could 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.

In addition to the above shares, pursuant to the group's long-term FSP (as detailed in note 24.4 of the consolidated financial statements), certain shares have been acquired by a wholly-owned subsidiary to hold in escrow on behalf of the participants of the scheme but had not vested at the reporting date as detailed in the table below. During the vesting period of three years from grant date, the participants are not permitted to trade in these shares, to exercise any voting rights attached to these shares, or entitled to any dividends accruing to these shares and accordingly have no beneficial rights of ownership. The participants become entitled to voting and dividend rights only after the initial three-year vesting period, provided they remain employed by the group throughout the period.

	2022	2021
Kevin Robertson <sup>1</sup>	5 000	5 000
Sacha du Plessis <sup>1,2</sup>	–	9 000

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

<sup>2</sup> Resigned with effect from 15 September 2021; upon his resignation, Mr Du Plessis forfeited his right to any share awards that had not yet vested.

## 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 2022:

	No. of shares	%*
Coronation Fund Managers	16 182 009	18.2
Allan Gray	8 996 128	10.1
Foord Asset Management	6 649 557	7.5
Aylett & Co	4 787 620	5.4
Goldman Sachs (Custodian)	3 000 000	3.4

\* 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	1	10 700	–
Subsidiaries holding treasury shares	2	1 887 387	2.1
The Spur Foundation Trust	1	500 000	0.5
The Spur Management Share Trust	1	5 933 111	6.5
Major shareholder	1	16 182 009	17.8
<b>Public shareholders</b>	11 931	66 483 725	73.1
<b>Total</b>	11 937	90 996 932	100.0

## 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	11 509	96.4	4 097 593	4.5
10 001 – 25 000 shares	171	1.4	2 801 351	3.1
25 001 – 50 000 shares	87	0.7	3 072 987	3.4
50 001 – 100 000 shares	55	0.5	3 976 088	4.4
100 001 – 500 000 shares	85	0.7	19 394 276	21.3
500 001 – 1 000 000 shares	12	0.1	9 187 279	10.1
1 000 001 shares and over	18	0.2	48 467 358	53.2
<b>Total</b>	<b>11 937</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	45	0.4	5 579 687	6.1
Endowment funds	26	0.2	634 152	0.7
Individuals	11 015	92.2	4 895 598	5.4
Insurance companies	26	0.2	2 171 151	2.4
Medical funds	7	0.1	501 770	0.6
Mutual funds	108	0.9	51 199 201	56.2
Pension and retirement funds	197	1.7	12 086 356	13.3
Own holdings	2	–	1 887 387	2.1
The Spur Management Share Trust	1	–	5 933 111	6.5
The Spur Foundation Trust	1	–	500 000	0.5
Other corporate bodies	509	4.3	5 608 519	6.2
<b>Total</b>	<b>11 937</b>	<b>100.0</b>	<b>90 996 932</b>	<b>100.0</b>

## ANNEXURE 7

### SHARE CAPITAL

	Number of shares			
	2022 '000	2021 '000	2022 R'000	2021 R'000
<b>Ordinary share capital</b>				
<b>Authorised</b>				
Ordinary shares of 0.001 cents each	201 000	201 000	2	2
<b>Issued and fully paid</b>				
Gross number of shares in issue at reporting date	90 997	90 997	1	1
Cumulative shares repurchased by subsidiaries	(1 888)	(596)	–	–
Cumulative shares held by The Spur Management Share Trust (consolidated structured entity)	(5 933)	(5 933)	–	–
Cumulative shares held by The Spur Foundation Trust (consolidated structured entity)	(500)	(500)	–	–
<b>Net number of shares in issue at reporting date</b>	<b>82 676</b>	<b>83 968</b>	<b>1</b>	<b>1</b>

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.

### Shares repurchased

#### Shares repurchased by subsidiaries

During the year, a wholly-owned subsidiary of the company, Share Buy-back (Pty) Ltd, acquired 1 475 000 Spur Corporation Ltd shares at an average cost of R20.16 per share, totalling R29.734 million.

183 200 shares held by a wholly-owned subsidiary of the company, Spur Group (Pty) Ltd, in escrow on behalf of participants of the Spur Group Forfeitable Share Plan, were vested with participants during the year.

At 30 June 2022, the group owned 1 887 387 (2021: 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 and those held by The Spur Foundation Trust, a consolidated structured entity. At the reporting date, the entities in question held 8 320 498 (2021: 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 2022 to the date of posting of this AGM notice, other than disclosed in this AGM notice.

## 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

## COMPANY INFORMATION

### Administration

**Registration number:** 1998/000828/06

**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:** PricewaterhouseCoopers Inc.

**Internal auditors:** BDO Advisory Services Proprietary Limited

**Attorneys:** Bernadt Vukic Potash & Getz

**Sponsor:** Questco Corporate Advisory Proprietary Limited

### Company secretary

Donfrey Meyer  
14 Edison Way, Century Gate Business Park, Century City, 7441  
PO Box 166 Century City, 7441  
Telephone: +27 21 555 5100  
Email address: [companysecretary@spurcorp.com](mailto:companysecretary@spurcorp.com)

## Directors serving at the date of this AGM notice

### Independent non-executive directors

Mr Mike Bosman – chairman  
Dr Shirley Zinn – lead independent\*  
Ms Cora Fernandez\*  
Ms Jesmane Boggenpoel  
Ms Lerato Molebatsi  
Mr André Parker  
Mr Sandile Phillip

### Executive directors

Ms Val Nichas – group chief executive officer  
Ms Cristina Teixeira – group chief financial officer  
Mr Kevin Robertson – group chief operations officer

### Past directors

Mr Sacha du Plessis – chief marketing officer (resigned 15 September 2021)

\* Dr Shirley Zinn succeeded Ms Cora Fernandez as lead independent director on 18 August 2022. Ms Fernandez served as lead independent director for two years. Dr Zinn's appointment as lead independent director is for a period of one year (subject to reappointment) in terms of the company's lead independent director charter.

[spurcorporation.com](http://spurcorporation.com)

[www.linkedin.com/company/spur-group](http://www.linkedin.com/company/spur-group)