SPUR CORP

LEADING FOR THE GREATER GOOD

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June

2024

Spur Corporation Limited

(Registration number: 1998/000828/06)

Annual Financial Statements
for the year ended 30 June 2024

CONTENTS

The consolidated and separate financial statements on pages 15 to 97 of this report have been audited in accordance with the requirements of section 30 of the Companies Act of South Africa (Act No. 71 of 2008, as amended) and have been prepared under the supervision of the group chief financial officer, Cristina Teixeira CA(SA).

Audit committee report

The audit committee is pleased to present its report for the financial year ended 30 June 2024.

Spur Corporation Limited's audit committee (the committee) is an independent statutory committee constituted in terms of section 94 of the Companies Act (Act No. 71 of 2008, as amended) (the Companies Act). The committee's responsibilities include statutory duties in terms of the Companies Act, as well as responsibilities assigned to it by the group's board of directors (the board).

COMPOSITION, DUTIES AND FUNCTIONING OF THE COMMITTEE

The committee comprises of three independent non-executive directors, Ms Cora Fernandez as the committee chair, Ms Jesmane Boggenpoel and Mr André Parker. The committee members' biographies are available on the group's website.

Three formal meetings were held during the financial year that were attended by all members.

The committee discharged its responsibilities as set out in its approved terms of reference for the year ended 30 June 2024.

The committee performed the following statutory duties during the year under review:

- Satisfied itself that the external audit firm, PricewaterhouseCoopers Incorporated (PwC), and designated audit partner, Anton Hugo, are independent of the group or any company in the group, as set out in section 94(8) of the Companies Act, and are suitable for reappointment.
- Satisfied itself that the appointment of the auditor complied with the Companies Act and any other legislation relating to the appointment of auditors.
- The committee, in consultation with executive management, agreed to the auditors' engagement letter, terms, audit plan and fees for the 2024 financial year.
- Approved the nature and extent of non-audit services that the external auditors may provide and confirmed that the non-audit services did not compromise the external auditors' independence.
- Nominated at the AGM the re-appointment of PwC as the external auditor, with Mr Anton Hugo as the designated individual audit partner.
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditors and internal auditors, that the system of internal financial controls of all the companies included in the consolidated financial statements is effective and forms a basis for the preparation of reliable financial statements.
- Reviewed the accounting policies and the consolidated and separate financial statements for the year ended 30 June 2024 and, based on the information provided to the committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, and IFRS® Accounting Standards (IFRS).
- Discharged all committee responsibilities on behalf of local subsidiaries of the group.
- Reviewed and submitted relevant matters concerning the company's accounting policies, financial controls, and reporting to the board.
- Performed functions delegated to the committee by the board.

The committee further performed the duties assigned to it by the board of directors and in its terms of reference, including:

- Reviewed the group's interim and annual results (including the annual financial statements) prior to publication.
- Satisfied itself as to the quality and effectiveness of the external auditor.
- Reviewed the external auditor's reports for the period under review.
- Reviewed and considered significant areas of judgement in the preparation of the financial statements.
- Considered the going concern status of the company and of the group as presented by management and has made recommendations to the board in this regard.
- Reviewed management's assessment of the resources and future cash flow to support the recommendations of dividend payments to the board.
- Satisfied itself that the group's internal auditor is independent and had the necessary capacity and capabilities to enable it to discharge its duties.
- Assessed the reasonableness of assumptions and methodologies applied by management and the valuation specialists to determine the fair values of the acquired assets and liabilities for Doppio Collection.
- Reviewed the purchase price allocation that included assessing the reasonableness of assumptions and methodologies applied by valuation specialists for the Doppio Collection transaction.

- Reviewed the internal audit charter and approved the internal audit plan.
- Considered and noted the annual conclusion on the adequacy and effectiveness of the system of internal controls, risk management and combined assurance by internal audit.
- Reviewed the non-audit services by external auditor policy.
- Reviewed the assessment of information technology (IT) risks insofar as these had an impact on financial reporting and ensuring that these had been mitigated.
- Confirmed that an appropriate anonymous ethics whistleblowing line was in place.
- Satisfied itself, in terms of JSE listings requirement 3.84(g)(i), that the group financial director, Cristina Teixeira, has appropriate expertise and experience to meet her responsibilities in that position.
- Assessed the appropriateness of the expertise and adequacy of resources of the finance function and experience of senior members of management responsible for the finance function and concluded that these are adequate.
- Satisfied itself, as contemplated in paragraph 3.84(g)(ii) of the JSE listings requirements, that appropriate financial reporting procedures exist and are working, including consideration of all the entities included in the consolidated financial statements.
- Determined that the arrangements for combined assurance have been established.
- The committee chair met in confidence with the external auditors, as well as the heads of internal audit and compliance, in order to review the overall health of the control environment.
- Reviewed the committee's terms of reference.
- Reported summaries of committee meeting proceedings to the board.

Cora Fernandez
Audit committee chair

Directors' responsibility and approval

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Spur Corporation Ltd, comprising the consolidated and separate statements of financial position at 30 June 2024, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and group to continue as going concerns, and have concluded that the businesses will be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with IFRS.

APPROVAL OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate financial statements of Spur Corporation Ltd, as identified in the first paragraph were approved by the board of directors on Tuesday, 20 August 2024 and are signed by

Mike Bosman
Chairman
(Authorised director)

Val Nichas
Group chief executive officer
(Authorised director)

CEO AND CFO RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

Each of the directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 15 to 97 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer has been provided to effectively prepare the annual financial statements of the issuer;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

Val Nichas
Group chief executive officer
20 August 2024

Cristina Teixeira
Group chief financial officer
20 August 2024

Declaration by company secretary

In terms of section 88(2)(e) of the Companies Act (Act No. 71 of 2008, as amended), I certify that the company has lodged with the Commissioner all such returns and notices as required by the Companies Act and that all such returns and notices appear to be true, correct and up to date.

Donfrey Meyer
Company secretary
20 August 2024

Directors' report

The directors present their twenty-fifth annual report for the year ended 30 June 2024.

NATURE OF THE BUSINESS

Spur Corporation Limited (company registration number: 1998/000828/06), which is domiciled and incorporated in the Republic of South Africa and listed on the JSE Ltd, the recognised securities exchange in South Africa, is an investment holding company. Through various subsidiaries, the group carries on the business of franchisor in predominantly the family sit-down and quick service restaurant markets. Through other subsidiaries, the group provides marketing and promotional services to franchisees. A subsidiary of the company, Spur Group Properties (Pty) Ltd, owns certain properties which are owner-occupied from a group perspective. A subsidiary, Share Buy-back (Pty) Ltd, holds treasury shares as authorised by shareholders by way of special resolution on an annual basis. The company also has indirect interests in five local entities that operate four The Hussar Grills and one RocoMamas. With effect from 1 December 2023, the company acquired an indirect 60% interest in the Doppio Collection (Pty) Ltd, an entity operating as the franchisor of the Doppio Zero and Piza e Vino brands, and operating seven Doppio Zero, one Piza e Vino, a Ciccio and a Modern Tailors company-owned restaurant.

The group operates as franchisor for the Spur Steak Ranches, Panarottis Pizza Pasta, John Dory's Fish Grill Sushi, The Hussar Grill, RocoMamas (including RocoGo), Casa Bella, Nikos, Doppio Zero and Piza e Vino brands. It trades predominantly in South Africa, but has a presence in Australia, Mauritius, the Middle East, India and certain African countries (outside of South Africa) including Namibia, Nigeria, Zambia and Kenya.

FINANCIAL REVIEW

The group's statement of profit or loss and other comprehensive income is presented on page 15 and reflects the group's financial results.

Trading patterns have been erratic over the past year. The first quarter of the reporting period delivered a strong performance off a high base, which translated to increased customer foot traffic. While the second quarter was marked by slower trading patterns, restaurant turnovers were boosted by robust trading in December 2023. The second half of the financial year continued with slower trading volumes, demonstrating the pressure on the disposable income of our customers. A positive upturn in trade was experienced in June during the mid-year school holidays.

The group achieved a good trading performance with franchised restaurant sales increasing by 11.5% over the prior year. The specialist dining portfolio was amplified with the group's acquisition of a 60% interest in Doppio Collection, effective 1 December 2023. Doppio Collection includes a portfolio of franchised and company-owned restaurants, as well as a bakery and central supply business. Restaurant sales for the seven months contributed R393.5 million to total group restaurant sales.

Brand	2024 R'm	2023 R'm	% Change
Spur	**6 339.2**	5 925.2	7.0
Panarottis	**918.1**	828.3	10.8
John Dory's	**445.2**	449.6	(1.0)
RocoMamas	**932.8**	865.0	7.8
Speciality brands[1]	**945.6**	511.8	84.8[2]
Total South Africa	**9 580.9**	8 579.9	11.7
International	**1 038.1**	939.8	10.5[3]
Total group	**10 619.0**	9 519.7	11.5[4]

[1] Speciality brands comprise The Hussar Grill, Casa Bella, Nikos, Doppio Zero, Piza e Vino (including Ciccio) and Modern Tailors.
[2] Excluding Doppio Collection restaurants, sales in Speciality brands increased by 7.9%.
[3] International restaurant turnovers increased by 19.9% on a constant currency basis.
[4] Excluding Doppio Collection restaurants, total group restaurant sales increased by 7.4%.

The number of restaurants are listed below:

Brand	30 June 2024			30 June 2023		
	South Africa	**International**	**Total**	South Africa	International	Total
Spur	**307**	**30**	**337**	304	30	334
Panarottis	**88**	**40**	**128**	78	35	113
John Dory's	**46**	**1**	**47**	42	2	44
RocoMamas	**85**	**26**	**111**	85	22	107
Speciality brands	**77**	**1**	**78**	40	1	41
Total group	**603**	**98**	**701**	549	90	639

During the year, in addition to the 37 Doppio Collection restaurants acquired, 27 restaurants were opened in South Africa and 11 internationally, while nine restaurants closed permanently in South Africa and four internationally.

Group revenue increased by 14.1% to R3 473.6 million (2023: R3 045.2 million).

Group profit before income tax increased by 7.3% to R341.7 million (2023: R318.4 million).

Headline earnings increased by 10.8% to R236.1 million, with diluted headline earnings per share 9.4% higher at 284.34 cents. Earnings increased by 10.1% to R233.6 million, with diluted earnings per share 8.7% higher at 281.31 cents.

SHARE CAPITAL

The number of authorised shares has remained at 201 000 000 ordinary shares of 0.001 cents each, for the year ended 30 June 2024.

During the prior year, a wholly-owned subsidiary of the company, Share Buy-back (Pty) Ltd, acquired 1 309 000 Spur Corporation Ltd shares at an average cost of R21.16 per share, totalling R27.7 million. During the year, a wholly-owned subsidiary of the company, Spur Group (Pty) Ltd, acquired 248 661 (2023: 190 891) shares at a cost of R7.0 million (2023: R4.3 million), in order to allocate to participants of the Spur Group Forfeitable Share Plan (FSP) relating to the November 2022 (2023: October 2021) tranche of FSPs, which are being held for the benefit of the FSP participants, pending their vesting. During the prior year, in November 2022, 166 281 shares were issued to participants of the November 2019 tranche of FSPs.

At the reporting date, the group owned 3 516 771 (2023: 3 225 104) treasury shares held by Share Buy-back (Pty) Ltd and Spur Group (Pty) Ltd. In addition, 5 885 998 (2023: 5 929 004) shares are held by The Spur Management Share Trust and 500 000 (2023: 500 000) by The Spur Foundation Trust. The Spur Management Share Trust and The Spur Foundation Trust are special purpose entities that are required to be consolidated by the group for financial reporting purposes only. Consequently, the net number of shares in issue at 30 June 2024 was 81 094 163 (2023: 81 342 824).

EMPLOYEE SHARE-LINKED INCENTIVE SCHEMES

Details of employee share-linked incentive schemes are detailed in note 22.4 of the consolidated financial statements.

INTEREST IN SUBSIDIARY COMPANIES

Details of the share capital and the company's interests in the subsidiary companies are included in note 4 of the consolidated financial statements.

CASH DIVIDEND

At its meeting on 27 February 2024, the board of directors declared an interim dividend for the 2024 financial year of 95.0 cents per share. At its meeting on 20 August 2024, the board of directors has approved a final dividend of 118.0 cents per share in respect of the 2024 financial year, funded by income reserves, to be paid in cash on 16 September 2024. The dividend is subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962, as amended) (dividend withholding tax) of 20%. The net dividend is therefore 94.4 cents per share for shareholders liable to pay dividend withholding tax.

SPECIAL RESOLUTIONS

On 1 December 2023, at the company's annual general meeting (AGM), a special resolution was passed in terms of which the directors were granted the authority to contract the company, or one of its wholly-owned subsidiaries, to acquire shares in the company issued by it, should the company comply with the relevant statutes and authorities applicable thereto. Further resolutions were passed in terms of which the directors were granted the authority to cause the company to provide financial assistance to any entity which is related or inter-related to the company, and to remunerate non-executive directors for their services as directors.

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

DIRECTORS AND SECRETARY

Details of the directors as at the date of this report, together with the name, business and postal address of the company secretary, are set out on page 98.

At the AGM of 1 December 2023, shareholders confirmed the re-election of Ms Lerato Molebatsi and Mr André Parker, who retired by rotation at the AGM in accordance with the company's MOI, to the board.

In terms of the company's MOI, Mr Mike Bosman and Ms Cora Fernandez retire at the forthcoming AGM and, being eligible, offer themselves for re-election. Resolutions to this effect will be tabled at the AGM of 5 December 2024.

Service agreements with the directors of Spur Corporation at the date hereof do not impose any abnormal notice periods on the company or the directors in question.

The board has considered, and is satisfied, that Mr Donfrey Meyer has the necessary competence, qualifications and experience to adequately fulfil the role of company secretary.

DIRECTORS' INTERESTS

No contracts in which the directors or officers of the company or group had an interest and that significantly affected the affairs or business of the company or any of its subsidiaries were entered into during the year, save for those disclosed in note 39 of the consolidated financial statements.

Shares

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

	2024			2023		
	Direct beneficial	**Indirect beneficial**	**Held by associates**	Direct beneficial	Indirect beneficial	Held by associates
Kevin Robertson	**15 700**[1]	**–**	**–**	15 700[1]	–	–
Total	**15 700**	**–**	**–**	15 700	–	–
% interest	**0.0**	**–**	**–**	0.0	–	–

[1] Of these shares, 5 000 shares are subject to a holding period which expires on 22 November 2024.

In addition to the above shares, pursuant to the group's long-term FSP (as detailed in note 22.4 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 have not vested at the reporting date. In respect of these shares held at 30 June 2024 and 30 June 2023, during the vesting period of three years from grant date, the participants are not permitted to trade in these shares, but are able to exercise any voting rights attached to these shares, and are entitled to any dividends accruing to these shares. Details of these shares are as follows:

	2024	2023
Val Nichas	**52 151**	28 065
Cristina Teixeira	**43 305**	23 387
Kevin Roberson	**33 530**	17 812

There have been no changes in directors' interests in share capital from 30 June 2024 to the date of issue of this report.

SHAREHOLDERS' INTEREST IN SHARES

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 2024:

	No. of shares	%*
Coronation Fund Managers	**15 133 744**	17.3
Allan Gray	**8 697 937**	9.9
Government Employees Pension Fund	**4 888 912**	5.6
Aylett & Co	**4 602 151**	5.3
Foord Asset Management	**4 099 714**	4.7
Goldman Sachs (Custodian)	**3 300 000**	3.8
Camissa Asset Management	**2 853 748**	3.3

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

Public/non-public shareholders

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

	No. of shareholders	No. of shares	%
Non-public shareholders			
Directors and associates	1	15 700	–
Subsidiaries holding treasury shares	2	3 516 771	3.9
The Spur Foundation Trust	1	500 000	0.5
The Spur Management Share Trust	1	5 885 998	6.5
Major shareholder	1	15 133 744	16.6
Public shareholders	12 373	65 944 719	72.5
Total	12 379	90 996 932	100.0

Analysis of shareholding

An analysis of the spread of shareholding is presented below:

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 10 000 shares	11 983	96.8	4 206 075	4.6
10 001 – 25 000 shares	159	1.3	2 563 680	2.8
25 001 – 50 000 shares	74	0.6	2 620 220	2.9
50 001 – 100 000 shares	54	0.4	3 901 944	4.3
100 001 – 500 000 shares	73	0.6	16 514 106	18.2
500 001 – 1 000 000 shares	16	0.1	9 667 742	10.6
1 000 001 shares and over	20	0.2	51 523 165	56.6
Total	12 379	100.0	90 996 932	100.0

Distribution of shareholders	No. of shareholders	%	No. of shares	%
Banks/brokers	43	0.3	6 494 965	7.1
Endowment Funds	25	0.2	837 442	0.9
Individuals	11 530	93.2	5 113 256	5.6
Insurance companies	23	0.2	1 645 817	1.8
Medical funds	7	0.1	867 026	1.0
Mutual funds	105	0.8	47 211 283	52.0
Pension and retirement funds	158	1.3	15 332 199	16.8
Own holdings	2	0.0	3 516 771	3.9
Spur Management Share Trust	1	0.0	5 885 998	6.5
The Spur Foundation Trust	1	0.0	500 000	0.5
Other corporate bodies	484	3.9	3 592 175	3.9
Total	12 379	100.0	90 996 932	100.0

BORROWINGS

In terms of the MOI of the company and its main local operating entity, Spur Group (Pty) Ltd, the borrowing powers of the directors of these companies are unlimited. Save for the loans owing to non-controlling shareholders relating to the acquisition of Doppio Collection during the year (as detailed in note 28 to the consolidated financial statements), the group has no formal borrowings as at 30 June 2024.

GOING CONCERN

The financial statements have been prepared on the going concern basis.

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

There are no pending or threatened legal or arbitration proceedings which have had or may have a material effect on the financial position of the company or group, save for those disclosed in note 41 of the consolidated financial statements.

SUBSEQUENT EVENTS

Details of material events occurring subsequent to 30 June 2024 but prior to the date of issue of this report are detailed in note 40 of the consolidated financial statements. Save for these matters, there have been no material changes in the financial or trading position of the company or group after 30 June 2024 to the date of this report.

COMPLIANCE WITH APPLICABLE LAWS

The board confirms that the company has complied with the provisions of the Companies Act relating to the company's incorporation and that the company is operating in conformity with its MOI.

COMPANY INFORMATION

The company's registration number and registered address are presented on page 98. Shareholders and members of the public are advised that the register of the interests of directors, executives, senior management and other shareholders in the shares of the company is available upon request from the company secretary.

Independent auditor's report

To the shareholders of Spur Corporation Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Spur Corporation Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Spur Corporation Limiteds consolidated and separate financial statements set out on pages 15 to 97 comprise:

- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

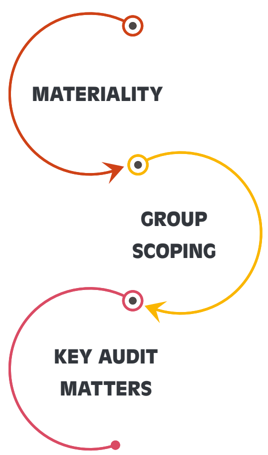
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R 17,087,000 which represents 5% of consolidated profit before income tax.

Group audit scope

- A combination of full scope audits and specified audit procedures were performed for components that were financially significant and components scoped in based on indicators such as their contribution to consolidated assets, consolidated revenue and consolidated profit before income tax. Analytical review procedures were performed over the remaining insignificant components.

Key audit matters

- Impairment assessment of goodwill and intangible assets with indefinite useful lives; and
- Acquisition of Doppio Collection (Pty) Ltd.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R 17 087 000
How we determined it	5% of consolidated profit before income tax
Rationale for the materiality benchmark applied	We chose consolidated profit before income tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of the Company and its thirty-six subsidiaries (directly and indirectly held, and which represent trading entities, marketing entities, dormant entities, a property company and two trusts) (each considered a 'component' for purposes of our group audit scope). The Group's main operating subsidiary is Spur Group Proprietary Limited. Full scope audits were performed on all financially significant components based on their contribution to consolidated profit before income tax. Specified audit procedures were performed over those components that were not considered to be financially significant but contributed significantly to consolidated assets, consolidated revenue or consolidated profit before income tax. Analytical review procedures were performed over the remaining components that were considered to be insignificant.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team in order to issue our audit opinion on the consolidated financial statements of the Group. All work was performed by the group engagement team. We also performed procedures in respect of the consolidation process, in order to gain sufficient evidence over the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and intangible assets with indefinite useful lives Refer to the following notes to the consolidated financial statements for disclosures relating to this key audit matter: – Note 2.2.3: Assumptions and estimates: Impairment of non-financial assets; – Note 14: Intangible assets and goodwill; – Note 42.5: Material accounting policies – Intangible assets (other than goodwill); and – Note 42.7.1: Material accounting policies – Impairment – non-financial assets. As at 30 June 2024 the Group recognised goodwill with a carrying value of R135.1 million, which arose from business combinations undertaken in prior years and due to the nature of the business, the Group has also recognised intangible assets with indefinite useful lives relating to trademarks and intellectual property with a carrying value of R362.4 million. IAS® Standards (IAS) 36 – Impairment of Assets requires management to conduct an annual impairment test, or more frequently if there is an indication of impairment, to assess the recoverability of carrying value of goodwill and the indefinite life intangible assets. The Group performs an impairment test on intangible assets with indefinite useful lives and goodwill at every reporting date, irrespective of whether an indication of impairment exists. The recoverable amounts of the cash-generating units (CGUs) to which trademarks and intellectual property and goodwill have been allocated have been determined based on their value-in-use. No impairment was recognised. The key assumptions applied by management in their value-in-use calculation are disclosed in note 14.3 to the consolidated financial statements. The impairment assessment of goodwill and intangible assets with indefinite useful lives was considered to be a matter of most significance to the current year audit due to the following: – significant judgement and estimation applied by management in determining the value-in-use of each CGU or group of CGU's; and – the magnitude of the carrying amounts of intangible assets with indefinite useful lives and goodwill in relation to the consolidated financial statements.	Our audit addressed this key audit matter as follows: We obtained management's value-in-use calculation per CGU which formed the basis of our audit work. With regard to management's value-in-use calculations, our audit procedures included an assessment of the reasonableness of management's key assumptions by performing the following procedures: – We assessed the reasonableness of the budgeting process applied by management, by comparing the current year actual results for the 2024 financial year to the budgeted amounts. We found management's cash flow forecasts to be within an acceptable range consistent with the historical actual results. – We tested the mathematical accuracy of the value-in-use calculations and found no material exceptions. – We assessed the reasonableness of the cash outflows used in the discounted cash flow analysis through discussions with management to understand the basis for the assumptions used in respect of the cash outflows and corroborated their explanations against historic performance as well as the other strategic initiatives implemented by management. We assessed the cash outflows to be reasonable. – We utilised our valuations experts to independently calculate a discount rate considering independently obtained data. This was compared to the discount rate used by management. We further applied these independently sourced calculated inputs to management's forecasts and compared the recoverable amount of each CGU to the results of our independent calculations and no material differences were noted. – We assessed the reasonableness of the terminal growth rates by comparing the terminal growth rates to long term growth rates obtained from independent sources. The growth rates used by management were assessed as reasonable. – We tested the mathematical accuracy of the discounted cash flow model and compared the model to the prior year model to confirm that there were no changes. We did not note any aspects which required further consideration. – We assessed the reasonableness of the discount rates, long-term growth rates and forecasted cash flows by performing a sensitivity analysis to determine the impact that any changes in discount rates, long-term growth rates and forecast cash flows would have on the discounted cash flow analysis and the resultant recoverable amount. We compared the results of our sensitivity analysis to management's results in order to identify those CGUs considered sensitive to a change in assumptions for disclosure purposes and found no material exceptions.

Key audit matter	How our audit addressed the key audit matter
Acquisition of Doppio Collection (Pty) Ltd Refer to note 2.1.3 acquisition through business combination of the accounting estimates and judgements note, note 3 Acquisition of Doppio Collection and note 42.1.5 business combination and goodwill of the accounting policies to the consolidated financial statements. Spur Group acquired a 60% shareholding in a new entity, Doppio Collection (Pty) Ltd, which in turn acquired certain business units of the Doppio Group from Nadostax (Pty) Ltd for a total consideration of R122 million. The transaction became effective on 1 December 2023 after various conditions were met. In accordance with IFRS 3 Business Combinations, the Group has consolidated Doppio Group from the acquisition date. The acquisition resulted in the recognition at fair value of total net assets amounting to R58 million. Intangible assets of R74 million and goodwill of R64 million were recognised. Total assets assumed at fair value consisted mainly of intangibles, right of use assets, lease liabilities and property, plant and equipment. Management performed the purchase price allocation as required by IFRS 3, Business Combinations. Management identified two separate intangible assets, namely the Doppio Zero trademarks and Piza e Vino trademarks. Management has assigned an indefinite useful life to both of these intangible assets. The purchase consideration was settled through cash by Spur Group and shareholders loan accounts for the non-controlling shareholders. We considered the accounting for the acquisition of the Doppio Group to be a matter of most significance to our current year audit due to the following: – The magnitude of the transaction and judgement involved in the identification and determination of the tangible and intangible assets acquired; – The determination of the fair value of the intangible assets required specialist skills and knowledge; and – Management assigned indefinite useful lives to these intangible assets acquired.	Regarding the contractual terms of the transaction, the following procedures were performed: – We obtained the contractual agreements and read the significant contract terms relevant to the accounting and disclosures in the financial statements; – Based on our understanding of the transaction, we agreed the purchase price to the contract. No material differences were noted; and – Through inspection of the agreements and consideration of all the suspensive conditions precedent, we concur with the transaction date of 1 December 2023, as determined by management. Regarding the valuation of assets acquired and liabilities assumed, the following procedures were performed: – We obtained the analysis prepared by management that identifies and values the assets and liabilities acquired; – Based on our knowledge of the business and the industry we assessed the completeness of the intangible assets identified. We satisfied that all significant intangible assets have been identified; – We deployed our valuation experts to assess the methodology adopted and the underlying assumptions applied by management which included the following: • the market multiple; • the discount rates; • the underlying cash flows used; and • the underlying valuation methods of the intangible assets identified. – We found the methodology adopted and the assumptions applied by management to be reasonable. – We also tested the mathematical accuracy of the valuation models for the intangible assets acquired. No material differences were noted. – We noted no matters in relation to the independence and competence of the expert used by management. No material differences were noted. – We concluded that management's assigned indefinite useful lives to the trademarks is reasonable and in line with IFRS. – We reviewed the disclosures regarding the transaction in the consolidated financial statements and no material differences were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled *"Spur Corp. Annual Financial Statements for the year ended 30 June 2024",* which includes the Directors' Report, the Audit Committee's Report and the Declaration by Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the the document titled *"Spur Corp. Integrated Annual Report 2024",* which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Spur Corporation Limited for three years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: JA Hugo
Registered Auditor
Cape Town, South Africa
20 August 2024

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June

	Note	2024 R'000	2023 R'000	% Change
Revenue	6	**3 473 648**	3 045 201	14.1
Cost of sales		**(2 360 644)**	(2 113 305)	11.7
Gross profit		**1 113 004**	931 896	19.4
Other income	7	**6 848**	3 402	101.3
Administration expenses		**(228 163)**	(208 221)	9.6
Impairment losses – expected and actual credit losses – financial instruments	8	**(6 301)**	(2 622)	140.3
Marketing expenses		**(344 695)**	(299 097)	15.2
Operations expenses		**(124 005)**	(93 045)	33.3
Other non-trading losses	8	**(5 815)**	(1 776)	227.4
Retail company store expenses		**(98 857)**	(38 078)	159.6
Operating profit before net finance income	8	**312 016**	292 459	6.7
Net finance income	9	**29 580**	25 965	13.9
Interest income		**35 722**	28 659	24.6
Interest expense		**(6 142)**	(2 694)	128.0
Share of profit of equity-accounted investee (net of income tax)	15	**145**	–	
Profit before income tax		**341 741**	318 424	7.3
Income tax expense	10	**(97 079)**	(97 414)	(0.3)
Profit		**244 662**	221 010	10.7
Other comprehensive income#		**(1 793)**	3 084	
Foreign currency translation differences for foreign operations		**(1 854)**	3 303	
Foreign exchange gain/(loss) on net investments in foreign operations		**80**	(278)	
Current tax (charge)/credit on foreign exchange (gain)/loss on net investments in foreign subsidiaries		**(19)**	59	
Total comprehensive income		**242 869**	224 094	8.4
Profit attributable to:				
Equity owners of the company		**233 598**	212 176	10.1
Non-controlling interests	23	**11 064**	8 834	25.2
Profit		**244 662**	221 010	10.7
Total comprehensive income attributable to:				
Equity owners of the company		**231 805**	215 260	7.7
Non-controlling interests	23	**11 064**	8 834	25.2
Total comprehensive income		**242 869**	224 094	8.4
Earnings per share (cents)				
Basic earnings	11	**287.92**	260.03	10.7
Diluted earnings	11	**281.31**	258.86	8.7

All items included in other comprehensive income are items that are, or may be, reclassified to profit or loss.

SPUR CORP
LEADING FOR THE GREATER GOOD

Consolidated statement of financial position

as at 30 June

	Note	2024 R'000	2023 R'000
ASSETS			
Non-current assets		**674 420**	476 061
Property, plant and equipment	12	**105 988**	87 202
Right-of-use assets	13	**63 040**	19 944
Intangible assets and goodwill	14	**499 552**	362 957
Interest in equity-accounted investee	15	**2 317**	–
Deferred tax	17	**3 523**	5 958
Current assets		**713 486**	690 892
Inventories	18	**136 125**	121 213
Tax receivable	19	**277**	233
Trade and other receivables	20	**148 662**	112 958
Restricted cash	21	**62 677**	81 679
Cash and cash equivalents	21	**365 745**	374 809
TOTAL ASSETS		**1 387 906**	1 166 953
EQUITY			
Total equity		**835 058**	751 709
Ordinary share capital	22.1	**1**	1
Share premium		**34 309**	34 309
Shares repurchased by subsidiaries	22.2	**(83 815)**	(76 848)
Foreign currency translation reserve	22.3	**29 171**	30 964
Share-based payments reserve	22.4	**39 090**	18 205
Retained earnings		**802 135**	731 511
Total equity attributable to owners of the company		**820 891**	738 142
Non-controlling interests	23	**14 167**	13 567
LIABILITIES			
Non-current liabilities		**124 663**	87 303
Contract liabilities	24	**25 880**	26 060
Lease liabilities	25	**52 939**	18 341
Deferred tax	17	**45 844**	42 902
Current liabilities		**428 185**	327 941
Tax payable	26	**10 664**	10 746
Trade and other payables	27	**278 003**	239 588
Loans payable	28	**70 780**	–
Provision for lease obligation	29	**8 142**	8 390
Contract liabilities	24	**37 391**	59 124
Lease liabilities	25	**21 457**	8 660
Shareholders for dividend	30	**1 748**	1 433
TOTAL EQUITY AND LIABILITIES		**1 387 906**	1 166 953

Consolidated statement of changes in equity

for the year ended 30 June

R'000	Note	Attributable to equity owners of the company: Ordinary share capital	Share premium	Shares repurchased by subsidiaries	Foreign currency translation reserve	Share-based payments reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 July 2022		1	34 309	(44 852)	27 880	8 248	647 720	673 306	12 711	686 017
Total comprehensive income for the year		–	–	–	3 084	–	212 176	215 260	8 834	224 094
Profit		–	–	–	–	–	212 176	212 176	8 834	221 010
Other comprehensive income		–	–	–	3 084	–	–	3 084	–	3 084
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners		–	–	(31 996)	–	9 957	(127 735)	(149 774)	(7 911)	(157 685)
Equity-settled share-based payment	22.4 & 10.4	–	–	–	–	12 998	333	13 331	–	13 331
Indirect costs arising on intragroup sale of shares related to equity-settled share-based payment	22.4 & 10.4	–	–	–	–	–	(15)	(15)	–	(15)
Transfer within equity on vesting of equity-settled share-based payment	22.4	–	–	–	–	(3 041)	3 041	–	–	–
Purchase of treasury shares	22.2	–	–	(31 996)	–	–	–	(31 996)	–	(31 996)
Dividends	30	–	–	–	–	–	(131 094)	(131 094)	(7 911)	(139 005)
Changes in ownership interests in subsidiaries		–	–	–	–	–	(650)	(650)	(67)	(717)
Acquisition of non-controlling interest in subsidiary without a change in control[1]		–	–	–	–	–	(650)	(650)	(67)	(717)
Total transactions with owners		–	–	(31 996)	–	9 957	(128 385)	(150 424)	(7 978)	(158 402)
Balance at 30 June 2023		1	34 309	(76 848)	30 964	18 205	731 511	738 142	13 567	751 709
Total comprehensive income for the year		**–**	**–**	**–**	**(1 793)**	**–**	**233 598**	**231 805**	**11 064**	**242 869**
Profit		**–**	**–**	**–**	**–**	**–**	**233 598**	**233 598**	**11 064**	**244 662**
Other comprehensive income		**–**	**–**	**–**	**(1 793)**	**–**	**–**	**(1 793)**	**–**	**(1 793)**
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners		**–**	**–**	**(6 967)**	**–**	**20 885**	**(162 974)**	**(149 056)**	**(10 464)**	**(159 520)**
Equity-settled share-based payment	22.4 & 10.4	**–**	**–**	**–**	**–**	**20 885**	**4 708**	**25 593**	**–**	**25 593**
Indirect costs arising on intragroup sale of shares related to equity-settled share-based payment	22.4 & 10.4	**–**	**–**	**–**	**–**	**–**	**(178)**	**(178)**	**–**	**(178)**
Purchase of treasury shares	22.2		**–**	**(6 967)**	**–**	**–**	**–**	**(6 967)**	**–**	**(6 967)**
Dividends	30	**–**	**–**	**–**	**–**	**–**	**(167 504)**	**(167 504)**	**(10 464)**	**(177 968)**
Balance at 30 June 2024		**1**	**34 309**	**(83 815)**	**29 171**	**39 090**	**802 135**	**820 891**	**14 167**	**835 058**

[1] During the prior year, the contingent consideration receivable of R1.709 million owing by the sellers of the Nikos Coalgrill Greek business to the group in August 2018, was settled by the offset of shareholder loans of R0.196 million, the offset of a dividend declared owing to the non-controlling shareholders of R0.796 million, and the balance of R0.717 million was settled by the transfer of additional shares in Nikos Franchise (Pty) Ltd from the non-controlling shareholders to the group, increasing the group's interest the subsidiary from 51% to 62.37%. The excess of the purchase consideration for the additional 11.37% acquired (R0.717 million) and the reduction in non-controlling interests (R0.067 million) was charged directly against equity (retained earnings).

Consolidated statement of cash flows

for the year ended 30 June

	Note	2024 R'000	2023 R'000
Cash flow from operating activities			
Operating profit before working capital changes	31	**344 501**	348 952
Working capital changes	32	**(14 045)**	6 900
Cash generated from operations		**330 456**	355 852
Interest income received	33	**35 119**	28 152
Interest expense paid		**(6 142)**	(2 694)
Tax paid	34	**(106 885)**	(97 565)
Dividends paid	35	**(177 027)**	(136 817)
Net cash flow from operating activities		**75 521**	146 928
Cash flow from investing activities			
Additions of intangible assets	14	**(2)**	–
Additions of property, plant and equipment	12	**(14 572)**	(5 457)
Cash outflow arising from business combination	3	**(67 433)**	–
Proceeds from disposal of property, plant and equipment	36	**537**	80
Repayment of loans receivable	15 & 16	**500**	1 070
Net cash flow from investing activities		**(80 970)**	(4 307)
Cash flow from financing activities			
Acquisition of treasury shares	22.2	**(6 967)**	(31 996)
Payment of lease liabilities	25	**(15 709)**	(9 146)
Net cash flow from financing activities		**(22 676)**	(41 142)
Net movement in cash and cash equivalents		**(28 125)**	101 479
Effect of foreign exchange fluctuations		**59**	(68)
Net cash and cash equivalents at beginning of year	21	**456 488**	355 077
Net cash and cash equivalents at end of year	21	**428 422**	456 488

Notes to the consolidated financial statements

for the year ended 30 June

1. ABOUT THESE FINANCIAL STATEMENTS

1.1 Reporting entity

Spur Corporation Limited (the company) is a company domiciled in South Africa. The consolidated financial statements of the company as at and for the year ended 30 June 2024 comprise the company, its subsidiaries, consolidated structured entities and interests in associates together referred to as the group.

Where reference is made to the group in the accounting policies, it should be interpreted as referring to the company where the context requires, unless otherwise stated.

1.2 Basis of accounting

The annual separate and consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and IFRIC® Interpretations issued by the IFRS Interpretations Committee, and comply with the Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the Companies Act of South Africa (Act no. 71 of 2008, as amended).

Details of the group's accounting policies are set out in note 42 and have been applied consistently, in all material respects, to all years presented in these consolidated and separate financial statements.

The financial statements were prepared under the supervision of the group chief financial officer, Cristina Teixeira CA(SA), and authorised for issue by the directors on Tuesday, 20 August 2024. The financial statements were published on Wednesday, 21 August 2024.

The financial statements are presented in South African rands, which is the company's functional currency and the group's presentation currency, rounded to the nearest thousand, unless otherwise stated. They are prepared on the going concern basis.

The financial statements have been prepared on the historical cost basis.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

2.1 Judgements

2.1.1 Accounting for marketing funds (notes 6, 21 and 24.1)

The franchise agreements concluded between the group and its franchisees provide for the payment by franchisees to the group of an ongoing franchise fee and a marketing fund contribution. Both the franchise fee and the marketing fund contribution are determined as a percentage of the franchised restaurants' sales. The franchise fee is paid by the franchisee to the group for the franchise support services provided by the group in terms of the franchise agreement, and for the ongoing access to intellectual property required by the franchisee to operate the franchised restaurant. The marketing fund contributions paid by the franchisee to the group are required, in terms of the franchise agreements, to be accounted for by the group separately to its own funds, and must be used on marketing-related costs for the benefit of the respective bodies of franchisees contributing to the respective marketing funds, save to the extent that the group may retain, for its own benefit, that amount of the marketing fund contributions required to defray the costs of administering the respective marketing funds on behalf of the respective bodies of franchisees. The group has accordingly established, and administers, a number of marketing funds, in accordance with the franchise agreements, to discharge its obligations to its franchisees in this regard.

IFRS 15 – Revenue from Contracts with Customers requires that the revenue attributable to a performance obligation be recognised to depict the transfer of control of the promised goods or services. In applying the provisions of IFRS 15, the group has considered whether its separate legal obligations to provide franchise support services to franchisees and administer the marketing fund contributions received from franchisees on their behalf are separate and distinct performance obligations or a single performance obligation. Upon detailed analysis of the obligations specified in the franchise agreements specifically relating to the provision of marketing services and the spending of marketing fund contributions on marketing-related costs, the group has determined that there is sufficient justification to treat the two separate legal obligations referred to above as two distinct performance obligations in terms of IFRS 15. The recognition of revenue relating to the respective performance obligations may accordingly differ.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS continued

2.1 Judgements continued

2.1.1 Accounting for marketing funds (notes 6, 21 and 24.1) continued

Ongoing franchise fee income is treated as a sales-based royalty, with revenue recognised in the period in which the sales (on which the fees are calculated) are made by franchisees to customers (refer note 42.13).

In relation to the marketing services as a distinct performance obligation, the obligation to incur marketing-related costs for the benefit of the respective bodies of franchisees is an obligation that is satisfied over time. Revenue relating to marketing fund contributions is accordingly recognised over time as the performance obligation is satisfied i.e. as the marketing fund contributions are utilised to pay for marketing-related costs incurred (refer note 42.13).

The marketing funds do not operate with a profit motive as any revenue is, in terms of the franchise agreement, required to be utilised for marketing-related expenditure for the benefit of franchisees. The group has assessed that the input method contemplated by IFRS 15 is therefore the most appropriate method to measure progress towards satisfying the obligation over time. The input costs considered in measuring the extent to which the marketing services performance obligation is satisfied includes all costs (direct marketing expenditure as well as employment and administrative costs associated with the provision of the marketing services) which are necessarily incurred and paid for by the marketing fund contributions (as permitted by the franchise agreements).

Any unspent marketing fund contributions represent an unsatisfied obligation to incur marketing costs for the benefit of franchisees in the future.

Marketing fund revenue is therefore recognised to the extent that it has been utilised in satisfying the marketing services performance obligation and deferred to the extent that it has not been utilised. The disbursement of marketing fund contributions on marketing services is recognised as an expense (disclosed as *Marketing expenses* in the statement of profit or loss and other comprehensive income) as incurred (refer note 42.18.3). In the event that a marketing fund incurs marketing-related costs in excess of the revenue collected (which would typically be funded by the franchisor), such excess is effectively accounted for as a loss on the contract and recognised in profit or loss.

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.

2.1.2 Accounting for initial franchise fees (notes 6 and 24.2)

Franchisees are charged an initial fixed-value franchise fee by the group, as franchisor, upon signature of the franchise agreements concluded with franchisees. The initial franchise fee is non-refundable. The franchise agreements oblige the group to undertake activities for the duration of the franchise agreement to, *inter alia*, support the franchisee's brand, where such activities significantly affect the intellectual property to which the franchisee has rights, without resulting in a transfer of control of specific goods or services. Accordingly, the group's performance obligation in relation to the initial franchise fee is satisfied over time, and IFRS 15 therefore requires that the revenue be recognised on a straight-line basis over the term of the franchise agreement.

2.1.3 Acquisition through business combination (note 3)

The group had to assess whether the transaction to acquire Doppio Collection (Pty) Ltd (Doppio Collection) concluded during the year qualified as a business combination as contemplated by *IFRS 3 – Business Combinations*.

In this regard, the transaction comprised the acquisition of all tangible and intangible assets of the target entity as well as access to the people, materials and processes necessary to operate the assets as they pertained to the restaurant, franchise and manufacturing operations of the target entity. All material contracts necessary to sustain the operations were ceded and assigned to the group. The group concluded agreements with the target to secure the services of the target's employees. As the target's pre-acquisition financial assets and liabilities are not essential to the operation of the target's business, their exclusion from the transaction was not considered to preclude the transaction from being recognised as a business; in addition, the shareholders committed to provide the necessary working capital to sustain operations should it have become necessary.

With regards the assessment of control in accordance with the requirements of *IFRS 10 – Consolidated Financial Statements*, the shareholders of Doppio Collection have concluded a shareholders agreement which grants the group the rights to exercise a majority of voting rights at both meetings of shareholders and directors of Doppio Collection. The shareholders agreement further grants the board of Doppio Collection complete control over all relevant activities of that company. While there are certain rights granted to the non-controlling shareholders, these rights are customary of a transaction involving a non-controlling minority shareholder and are largely protective in nature. The group accordingly controls the business of Doppio Collection and consolidates its results from the acquisition date.

With regards to the acquisition date, the group was legally entitled to exercise its rights over Doppio Collection from 1 December 2023 and did so from 1 December 2023. The transaction to acquire the target business was implemented on 1 December 2023. The group has therefore concluded that the acquisition date was 1 December 2023.

Judgement was used in identifying the intangible assets acquired as part of the business combination as well as allocating the purchase price to the various identifiable assets and liabilities acquired. Refer note 3 for details on the nature and fair values of assets acquired.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS continued

2.1 Judgements continued

2.1.3 Acquisition through business combination (note 3) continued

As part of the transaction, Doppio Collection acquired a 50% equity interest in Gremolata (Pty) Ltd (Gremolata), an entity operating a single Doppio Zero restaurant. The remaining 50% equity is owned by a single individual. The shareholders' agreement between the shareholders of Gremolata makes provision for Doppio Collection to appoint two of the three directors to the board of Gremolata and Doppio Collection therefore ostensibly is able to control the relevant activities of the entity. However, the shareholders' agreement provides for certain matters to be referred to a shareholders' meeting for a special resolution (requiring at least 75% of the shareholders' voting rights to pass). These matters include *inter alia* entering into any lease agreement, any financing arrangement or capital expenditure above R250 000. As there are only two shareholders, a special resolution will require unanimous shareholders' approval. The matters requiring a shareholders' special resolution are considered to be fundamental to the operation of the retail restaurant and the group has therefore concluded that Doppio Collection jointly controls Gremolata (with the other 50% shareholder). The investment in Gremolata is accordingly equity-accounted in accordance with *IAS28 – Investments in Associates and Joint Ventures*.

2.1.4 Assessment of control and significant influence (note 4)

The group has considered whether it controls certain entities, despite not owning a majority of shareholder rights, in accordance with the requirements of *IFRS 10 – Consolidated Financial Statements*. The board has determined that the group controls the entities below:

- The Spur Foundation Trust is a benevolent foundation established by the group on Mandela Day 2012. The purpose of the trust is to consolidate and implement the group's corporate social investment projects which have reputational benefits for the group. The reputational benefits are considered to be a key return to the group from its involvement with the trust. The trust deed defines who the beneficiaries of the trust are and these beneficiaries exclude any group entity. While there is no direct economic benefit to the group from the trust, in light of the fact that the trustees of the trust are appointed by the group, the group is able to control the key activities of the trust which affect the intangible returns for the group arising from the trust's activities.
- The Spur Management Share Trust was established in 2004. It initially served as a finance vehicle for the purchase of shares for the group's 2004 – 2009 management share incentive scheme. Upon winding up of that scheme, the trust acquired shares in the company which continue to be used in the group's share incentive schemes. The trustees of the trust serve at the behest of the company. The company is the only capital beneficiary of the trust. The main objective of the trust is to maintain a motivated and aligned work force through monetary and share incentives in order to improve future profitability of the group. On this basis, the group has concluded that it is able to exercise control over the relevant activities of the trust in order to influence the intangible returns for the group arising from the trust's activities.

2.1.5 Sales of franchisee supplies by outsourced distributor (notes 6, 18 and 27)

The group has appointed an outsourced distribution company to procure, warehouse, supply and distribute certain restaurant supplies to its franchised restaurants. In accordance with IFRS 15, the group has considered whether it acts as principal or agent with regards to the sale of these supplies. The outsourced distributor procures products from suppliers, warehouses the products and sells and delivers the products to the group's franchisees. The margin earned on the sales by the distributor is determined in consultation between the distributor and the group, such that the margin is sufficient to provide the distributor with its required profit margin, and the remaining margin is then paid by the distributor to the group as a commission.

In assessing whether the group acts as agent or principal, for the purposes of IFRS 15, in this commercial relationship, the following factors have been taken into account:

- The group's internal procurement department is responsible for approving suppliers and products supplied to the distributor, to ensure that these comply with the group's strict food safety and ethical sourcing policies and to ensure that the reputations of the group's brands are protected in this regard.
- The group's procurement department negotiates with these suppliers on behalf of franchisees to secure competitive pricing on goods supplied to the distributor.
- The distributor has a direct relationship with the suppliers of the goods in question and is responsible for placing orders, confirming receipt, processing invoices, and making payment in respect of the goods procured.
- The group has no obligations to the suppliers in question and the suppliers have no recourse to the group for whatever reason.
- The distributor takes physical possession of the goods delivered by the suppliers.
- The distributor has legal title of the goods from the date of delivery by the supplier until the goods are delivered to franchisees and carries substantially all of the day-to-day operational risk of inventory loss (including for insured events).
- The group has indemnified the distributor against losses arising from product defects and deficiencies, claims, damages, and any other liability arising from any cause to the extent that such liability is not directly attributable to the distributor. Such losses have incurred infrequently in the past.
- The distributor is operationally primarily responsible for providing the goods to franchisees and the franchisees interact directly with the distributor.
- The distributor is responsible for invoicing franchisees, maintaining delivery records and collecting the sales proceeds from franchisees.
- The distributor carries the full risk of credit losses arising from the sale of the goods to franchisees.
- While the group has influence in determining the selling price of the goods charged by the distributor to franchisees, the next most significant factor in determining the selling price (other than the cost price of the goods to the distributor) is the distributor's required distribution margin, which is negotiated by the distributor and the group from time to time.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS continued

2.1 Judgements continued

2.1.5 Sales of franchisee supplies by outsourced distributor (notes 6, 18 and 27) continued

The group has considered the provisions of IFRS 15 in relation to a number of related commercial agreements, including the franchise agreements concluded between the group and franchisees, the distribution agreement concluded between the group and the distributor and the agreements concluded between the group and suppliers to the distributor. Critical to the determination of whether the group acts as principal or agent is whether the group obtains control of the inventory in question before the inventory is ultimately sold to customers. In determining whether the group obtains control, it is necessary to assess a number of factors including whether the group is exposed to the significant risks and rewards of ownership of the inventory prior to delivery to franchisees.

In this regard, the group notes:

- The distribution agreement provides for the group indemnifying the distributor for any losses not directly attributable to the distributor.
- The group is obligated to purchase any inventory held by the distributor in the event of termination of the agreement for whatever reason.
- The group has absolute discretion over selling prices to franchisees as well as the products and suppliers of those products supplied by the distributor to franchisees.

The group has therefore concluded that it acts as principal, and not agent, with regards to the sales of product by the distributor to franchisees. Revenue is accordingly recorded on a gross basis, with the cost paid (by the distributor) to the supplier and the distributor's distribution margin (effectively paid by the group to the distributor) recorded in *Cost of sales* in the consolidated statement of profit or loss and other comprehensive income.

2.1.6 Intangible assets (note 14)

The directors reassess at each reporting date the appropriateness of the indefinite useful life assumption with regard to certain of the group's intangible assets, with particular reference to trademarks and related intellectual property.

In this regard, the board considers its strategy relating to the intangible assets in question and the group's ability to execute that strategy, whether there is any technical, technological, commercial or other type of obsolescence applicable to the assets, expected usage and lifecycle of the assets, future costs required to continue to obtain benefits from the assets and the period over which the group is legally able to control the assets. The directors confirm their assessment that the group's trademarks and related intellectual property have indefinite useful lives.

2.1.7 Leases (notes 13 and 25)

Accounting for leases in accordance with IFRS 16 requires an assessment of the term of the lease.

In considering the term of a lease, the board has had to consider the likelihood of the group exercising any contractual option of renewal. In this regard, the board considers each lease on a case-by-case basis. Where the underlying right-of-use asset is considered essential to the ongoing operations of the business, the business in question is a profitable business, and there is no known reasonable alternative, the board is likely to conclude that any renewal option will be exercised.

2.2 Assumptions and estimates

2.2.1 Fair values

A number of the group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

Fair value measurements and adjustments are made under the supervision of the group's chief financial officer. To the extent practicable, fair values are derived by external experts and, as far as possible, utilising market observable data.

Any significant valuation issues are reported to the group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- At-acquisition fair values of identifiable assets and liabilities acquired as part of a business combination (refer note 3); and
- Grant-date fair values of equity-settled share-based payments (refer note 22.4)

2. ACCOUNTING ESTIMATES AND JUDGEMENTS continued

2.2 Assumptions and estimates continued

2.2.2 Impairment of financial assets

At each reporting date, the group records an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. This requires an assessment of the probability of default as well as the potential loss in the event of default for each financial asset or group of assets. Further information is disclosed in note 37.3.1.

2.2.3 Impairment of non-financial assets (notes 12, 13 and 14)

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually. Intangible assets which do not have indefinite useful lives and property, plant and equipment are considered for impairment when an indication of possible impairment exists.

Determining if non-financial assets are impaired requires an estimation of the values-in-use of the cash-generating units to which goodwill, intangible assets, right-of-use assets and property, plant and equipment have been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable pre-tax discount rate that is reflective of the cash-generating unit's risk profile in order to calculate the present value. The variables applied in determining the above have been disclosed in the relevant notes to the financial statements with specific reference to notes 12, 13 and 14.

2.2.4 Leases (notes 13 and 25)

Accounting for leases in accordance with IFRS 16 requires an assessment of an appropriate discount rate.

In most cases, the interest rate implicit in a lease which is legally structured as an operating lease is not readily determinable. The board has therefore needed to consider the group's incremental borrowing rate to serve as a proxy for an appropriate discount rate in accordance with IFRS 16. The group currently has no formal external debt and an incremental borrowing rate is consequently also not readily determinable. The board has therefore considered the nature of the assets that are the subject of the leases and concluded that the prime overdraft rate of interest is a reasonable proxy for an appropriate discount rate.

2.2.5 Property, plant and equipment (note 12)

Items of property, plant and equipment are depreciated over the assets' remaining useful lives, taking into consideration their estimated residual values. The remaining useful lives and residual values of these assets are reviewed and considered at each reporting date, taking into account the nature and condition of the assets.

2.2.6 Share-based payments (note 22.4)

Accounting for equity-settled share-based payments, specifically relating to the group's Forfeitable Share Plan (FSP) and Share Appreciation Rights (SAR) long-term incentive schemes, requires a determination of the grant-date fair values of the rights/shares awarded. These are subject to a number of variables. In addition, the group is required to estimate the proportion of shares/rights that are likely to vest based on: employees meeting the required service conditions; and the extent to which the group is expected to achieve certain non-market performance conditions.

The detailed inputs into the determination of grant-date fair values, as well as the estimates made with regards to vesting conditions, are detailed in note 22.4.

3. ACQUISITION OF DOPPIO COLLECTION

On 26 July 2023, wholly-owned subsidiary, Spur Group (Pty) Ltd (Spur Group), concluded a binding heads of agreement with Nadostax (Pty) Ltd *et al* (Doppio Group) to acquire a 60% interest in certain business units of Doppio Group as part of a number of interlinked indivisible transactions. The transactions were subject to various conditions which were met and the transactions became effective on 1 December 2023. The transactions resulted in the establishment of a new entity, Doppio Collection (Pty) Ltd (Doppio Collection), in which Spur Group acquired 60% of the shares (equity interests), which in turn acquired the aforementioned Doppio Group business units from Doppio Group.

The Doppio Group is owned by founders, Paul Christie (50%) and Miki Milovanovic (50%) (collectively, the Sellers, via intermediate legal entities), who opened the first Doppio Zero restaurant in 2002. The Sellers each own 20% of the equity interests in Doppio Collection.

Doppio Collection acquired speciality restaurant brands Doppio Zero, Piza e Vino and Modern Tailors with a portfolio of 37 restaurants. This included 27 franchised stores (19 Doppio Zero and eight Piza e Vino stores) and ten retail company stores (seven Doppio Zero stores including a 50% interest in one store, two Piza e Vino stores (one of which is branded 'Ciccio') and one Modern Tailors restaurant) at the date of acquisition, as well as a bakery and central supply business, including franchise agreements, trademarks (registered and unregistered), copyrights and related intellectual property (Target Business). The Target Business constitutes a 'business' as defined by *IFRS 3 – Business Combinations* (refer note 2.1.3).

The acquisition strengthens the group's position in the day-time speciality dining segment and accelerates the group's entry into the speciality coffee market. In addition, the Target Business is currently largely represented in Gauteng, and there are therefore opportunities to leverage the group's relationships with existing franchisees to expedite national expansion of the acquired brands.

Doppio Collection's year end was 29 February 2024; on 18 April 2024, its year end was changed to June.

3. ACQUISITION OF DOPPIO COLLECTION continued

Structure of transaction

The acquisition of the Target Business by Doppio Collection from the Doppio Group was transferred on loan account (between Doppio Collection and Doppio Group). The Doppio Group ceded and assigned the loan receivable (from Doppio Collection) in Doppio Group to the Sellers in equal proportion. Spur Group was to fund in cash its share of the total consideration payable by Doppio Collection to Doppio Group, on shareholder's loan account with Doppio Collection. As detailed below, Spur Group settled part of its share of the purchase consideration on the acquisition date, with the balance still payable. Doppio Collection used the proceeds of the Spur Group shareholder's loan to part-settle the loans owing to the Sellers in equal share. The loans will be repaid out of future accumulated earnings.

Assets and liabilities acquired

The fair value of identifiable assets and liabilities acquired on 1 December 2023 comprise:

	1 December 2023 R'000
Intangible assets	73 587
Doppio Zero trademarks and related intellectual property	61 964
Piza e Vino trademarks and related intellectual property	11 623
Right-of-use assets[1]	47 861
Property, plant and equipment[2]	18 511
Inventory	3 788
Interest in equity-accounted investee[3]	2 672
Cost of shares	2 103
Loan receivable	569
Trade and other receivables	
Lease deposits	2 851
Contract liabilities	
Deferred marketing fund contributions revenue[4]	(4 449)
Lease liabilities[1]	(47 861)
Trade and other payables	(3 729)
Trade payables	(300)
Trade payables owing to Doppio Group	(3 017)
Unredeemed gift vouchers	(412)
Loans owing to non-controlling interests (NCI)[5]	(16 432)
Deferred tax[6]	(19 054)
Fair value of identifiable net assets acquired[8]	**57 745**
Purchase consideration for equity in Doppio Collection	–
Purchase consideration for net assets acquired funded by Spur Group	73 069
Settled in cash on shareholder's loan account	67 433
Consideration still owing[7]	5 636
Purchase consideration for net assets acquired funded by non-controlling shareholders on loan account	48 712
Total purchase consideration	**121 781**
Less: fair value of identifiable net assets acquired	(57 745)
Goodwill recognised on acquisition of Doppio Collection[8]	**64 036**

[1] Right-of-use assets and lease liabilities comprise the property leases for the retail company stores and the Doppio Collection head office and bakery. The leases concluded by Doppio Collection for the Doppio Collection head office and bakery are with entities related to the Sellers. The terms of the leases are considered to be market-related.

[2] Property, plant and equipment relates primarily to the restaurant fit-out and equipment assets in the company retail stores acquired as well as the equipment in the bakery.

[3] The interest in equity-accounted investee comprises a 50% interest in a legal entity operating a retail company store. The group exercises joint control (with the other 50% shareholder) of the key activities of the investee (refer note 2.1.3).

[4] The contract liabilities relate to marketing fund contributions received by the Doppio Group from franchisees which are in excess of the amounts spent by the Doppio Group on marketing for the respective brands as provided for in the respective franchise agreements concluded between the Doppio Group and its franchisees. The revenue will be recognised in future periods as it is used to fund future marketing expenditure on behalf of the bodies of franchisees.

[5] Loans owing to non-controlling interests included in the identifiable net assets acquired relate to Doppio Collection shareholders' loans to the extent that the loans are in excess of the *pro rata* shareholding of the respective shareholders. The excess loans arose from the sale of the Target Business by Doppio Group to Doppio Collection on loan account (which was subsequently ceded and assigned to the Sellers in equal share). The loans have no fixed repayment terms. The non-controlling shareholders have a preferential right to repayment of these loans before any amount may be repaid on other shareholder loans which are in proportion to the respective shareholders' shareholding.

[6] Deferred tax arises on the initial recognition of the intangible assets, right-of-use assets, lease liabilities and certain of the amounts owing to Doppio Group (included in trade an other payables).

[7] This represents the balance of the purchase consideration for the net assets acquired due by Spur Group to Doppio Collection in order for Doppio Collection to settle the remaining amount owing by Doppio Collection to the Doppio Group for the acquisition of the Target Business.

[8] The allocation of goodwill to cash-generating units is detailed in note 14.2.

3. ACQUISITION OF DOPPIO COLLECTION continued

Assets and liabilities acquired continued

Subsequent to the acquisition date, certain property, plant and equipment and a right-of-use asset relating to one of the retail company stores, Ciccio Melrose, were impaired to the extent of R3.285 million (refer note 12.1) and R2.530 million (refer note 13) respectively.

The purchase consideration equates to a 4.5 times EBITDA (earnings before interest, tax, depreciation and amortisation) multiple of the Target Business.

The NCI is determined as the fair value of the equity of Doppio Collection attributable to non-controlling shareholders' equity interest (40%) in the event of liquidation. As the equity of Doppio Collection is nil at the acquisition date, the non-controlling shareholders' entitlement to the net assets of Doppio Collection at the acquisition date is nil.

The goodwill arises principally from:

- the skills and expertise of the Sellers with specific reference to product development and innovation and speciality dining experience;
- the expertise gained by the group in the baked goods and speciality coffee markets;
- the customer relationships associated with the acquired brands (as these are not contractual, they have not been recognised as a separately identifiable intangible asset); and
- synergies expected to be realised as the Doppio Collection business is integrated with the group's infrastructure which is expected to facilitate national expansion of the acquired brands.

None of the goodwill is deductible for income tax purposes.

Cash flow impact

	Year ended 30 June 2024 R'000
Shareholder's loan advanced by Spur Group to Doppio Collection	**67 433**

The proceeds of the shareholder's loan were paid by Doppio Collection to the Sellers in part-settlement of their shareholders' loan accounts as referred to above.

3. ACQUISITION OF DOPPIO COLLECTION continued

Impact on results reported for the year ended 30 June 2024

R'000	Seven months from 1 December 2023 to 30 June 2024
Revenue	**152 398**
Earnings before interest, tax, depreciation and amortisation from trading	**12 936**
Net interest expense (other that IFRS 16 lease liability interest)	**(36)**
Depreciation (other than IFRS 16 right-of-use asset depreciation)	**(3 162)**
Profit excluding impairments and IFRS adjustments listed below from trading	**9 738**
Impairment of property, plant and equipment (refer note 12.1)	**(3 285)**
Impairment or right-of-use asset (refer note 13)	**(2 530)**
IFRS 9 – Expected Credit Losses	**(2 373)**
IFRS 16 – Leases	**(2 674)**
Depreciation of right-of-use assets	**(8 188)**
Interest on lease liabilities	**(3 237)**
Reversal of lease cash payments	**8 751**
IFRS 15 – deferred initial franchise fee revenue	**(249)**
Earnings from equity-accounted investee	**145**
Reported loss before income tax	**(1 228)**
Reported net loss	**(859)**
Loss attributable to equity owners of the company	**(515)**
Loss attributable to non-controlling interests	**(344)**

In addition, transaction costs included in profit before income tax for the year amount to R2.533 million (2023: R1.911 million) and relate largely to due diligence and legal professional services. The costs are included in *Administrative expenses* in the statement of profit or loss and other comprehensive income and within the *Shared services* operating segment.

It is not practicable at this time to estimate the group's consolidated revenue and net profit if the effective date of the acquisition was the beginning of the reporting period (1 July 2023), as required by IFRS 3. The reasons include:

- The group did not acquire an existing trading legal entity of the Sellers but rather acquired certain businesses and assets from the Doppio Group in a new entity, Doppio Collection;
- In light of the fact that not all businesses and assets of Doppio Group were acquired, the allocation of certain corporate/head office costs to assets/businesses excluded from the transaction could not be reasonably estimated;
- The Doppio Group did not prepare financial information in accordance with IFRS (but IFRS for SMEs);
- Certain transactions were processed by the Doppio Group only on an annual basis (at their year-end, which is February) including depreciation, bonuses, and leave pay;
- Certain liabilities were excluded from the transaction (including external bank financing which would impact interest); and
- A detailed computation of expected credit losses on existing receivables was not done as historic trade receivables were not included in the acquisition.

4. GROUP ENTITIES

4.1 Group structure

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

	Country of incorporation and place of business	Issued capital R'000	Loan from subsidiary R'000	Effective % interest in company
Trading				
Direct				
– Share Buy-back (Pty) Ltd	South Africa	0.1		100.00
– Spur Group (Pty) Ltd	South Africa	0.1	78 666 (2023: 119 993)	100.00
– Spur Group Properties (Pty) Ltd	South Africa	0.1		100.00
Indirect				
– Doppio Collection (Pty) Ltd	South Africa	0.1		60.00
– Green Point Burger Joint (Pty) Ltd trading as RocoMamas Green Point	South Africa	0.1		90.00[&]
– John Dory's Advertising (Pty) Ltd	South Africa	0.1		100.00
– Nikos Franchise (Pty) Ltd	South Africa	11 052.3		62.37
– Nickilor (Pty) Ltd trading as The Hussar Grill Rondebosch	South Africa	0.1		100.00
– Opilor (Pty) Ltd trading as The Hussar Grill Mouille Point	South Africa	17 500.1		68.00
– Opiset (Pty) Ltd trading as The Hussar Grill Camps Bay	South Africa	0.1		100.00
– Panarottis Advertising (Pty) Ltd	South Africa	0.2		100.00
– RocoMamas Advertising (Pty) Ltd	South Africa	0.1		70.00
– RocoMamas Franchise Co (Pty) Ltd	South Africa	0.1		70.00
– Spur Advertising (Pty) Ltd	South Africa	0.1		100.00
– Nikos Advertising (Pty) Ltd	South Africa	0.1		100.00
– The Hussar Grill Advertising (Pty) Ltd	South Africa	0.1		100.00
– The Morningside Grill (Pty) Ltd trading as The Hussar Grill Morningside	South Africa	0.1		100.00
– Spur International Ltd	British Virgin Islands	104 099.0		100.00
– Steak Ranches International BV	The Netherlands	240 675.0		100.00
– Spur Advertising Namibia (Pty) Ltd	Namibia	0.1		100.00
– Spur Services Namibia (Pty) Ltd	Namibia	0.1		100.00
– Spur Corporation Australia Pty Ltd	Australia	16 129.1		100.00
Dormant[#]		0.5		100.00

& The group is able to control 100% of the voting rights.
# A schedule of these companies is available upon request.

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

R'000	2024 R'000	2023 R'000
Profits	**235 250**	213 389
Losses	**(7 099)**	(3 150)

In addition to those entities in which the group holds a majority shareholder interest, the group has concluded that it controls The Spur Management Share Trust and The Spur Foundation Trust (refer note 2.1.4). These entities are consequently consolidated.

There were no changes to the group structure during the year, save for the acquisition of the Doppio Collection (refer note 3).

Details of material non-controlling interests are included in note 23.

There are no significant restrictions on the ability of the group to realise assets or settle liabilities of any of its subsidiaries.

4. GROUP ENTITIES continued

4.2 Consolidated structured entities

With regard consolidated structured entities, The Spur Management Share Trust and The Spur Foundation Trust:

- There are no contractual obligations on the company or any of its subsidiaries to provide financial support; and
- A wholly-owned subsidiary donated R0.390 million (2023: R0.390 million) to The Spur Foundation Trust during the year to assist in funding the trust's benevolent activities.

5. OPERATING SEGMENTS

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. 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 following reportable segments have been identified:

South Africa: Franchise

- Spur (Spur Steak Ranches)
- Panarottis (Panarottis Pizza Pasta)
- John Dory's (John Dory's Fish Grill Sushi)
- RocoMamas (including RocoGo)
- Speciality brands (Casa Bella, The Hussar Grill, Nikos Coalgrill Greek and, with effect from 1 December 2023, Doppio Zero and Piza e Vino (refer note 3))

South Africa: Manufacturing and distribution

- Sauce manufacturing, warehousing and product distribution business including sales by the group's outsourced distributor to franchisees (refer note 2.1.5), rebates and sales of retail sauces to supermarkets; and, with effect from 1 December 2023, The Doppio Collection bakery and product distribution business.

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; a pilot proof of concept, Modrockers, in Rosebank in Gauteng which was disposed of with effect from 1 September 2023; and, with effect from 1 December 2023, six Doppio Zero restaurants, two Piza e Vino restaurants (one of which is branded as Ciccio) and a Modern Tailors restaurant (refer note 3).

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, including, with effect from 1 December 2023, the Doppio Zero and Piza e Vino marketing funds (refer note 3). 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

- Comprises the group's training division, export business, décor manufacturing business and call centre which are each individually not material.

International: Australasia

- Franchise business in Australia and New Zealand. The group's only franchisee in New Zealand ceased trading during the current year as did the last Spur in Australia. As at 30 June 2024, two franchised RocoMamas restaurants operate in Australia.

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.

The CODM reviews the performance of each of the franchise brands, the retail company stores business, marketing funds and other business units independently of each other to assess the risks and contribution of each business unit, and, where appropriate, the possibility and financial feasibility of expanding, ceasing or outsourcing operations.

Intersegment transactions are accounted for on the same basis as equivalent transactions with parties external to the group.

5. **OPERATING SEGMENTS** continued

R'000	Note	2024 Total revenues	2024 Less: Inter-segment revenues	2024 External revenues	2023 Total revenues	2023 Less: Inter-segment revenues	2023 External revenues
South Africa							
Franchise		**476 668**	**15 778**	**460 890**	424 237	8 980	415 257
Spur		**315 861**	**1 388**	**314 473**	295 941	1 126	294 815
Panarottis		**42 982**	**428**	**42 554**	38 938	298	38 640
John Dory's		**20 058**	**480**	**19 578**	20 084	410	19 674
RocoMamas		**49 321**	**3 988**	**45 333**	46 074	3 276	42 798
Speciality brands		**48 446**	**9 494**	**38 952**	23 200	3 870	19 330
Manufacturing and distribution	b	**2 464 920**	**143 247**	**2 321 673**	2 241 316	128 887	2 112 429
Retail company stores		**190 115**	**–**	**190 115**	86 610	–	86 610
Marketing		**372 726**	**6 071**	**366 655**	324 707	4 837	319 870
Other segments	e	**71 776**	**10 410**	**61 366**	57 076	8 983	48 093
Total South African segments		**3 576 205**	**175 506**	**3 400 699**	3 133 946	151 687	2 982 259
Shared services		**22 612**	**22 478**	**134**	30 583	30 120	463
Total South Africa		**3 598 817**	**197 984**	**3 400 833**	3 164 529	181 807	2 982 722
International							
Australasia		**599**	**–**	**599**	678	–	678
Rest of Africa and Middle East	g	**63 927**	**300**	**63 627**	55 557	193	55 364
Marketing		**8 589**	**–**	**8 589**	6 437	–	6 437
Total International segments		**73 115**	**300**	**72 815**	62 672	193	62 479
Shared services		**720**	**720**	**–**	530	530	–
Total International		**73 835**	**1 020**	**72 815**	63 202	723	62 479
Total		**3 672 652**	**199 004**	**3 473 648**	3 227 731	182 530	3 045 201

Refer note 6 for further details of revenue.

Refer notes on page 31.

5. OPERATING SEGMENTS continued

R'000	Note	2024 Profit/(loss) before income tax	2024 Capital expenditure	2023 Profit/(loss) before income tax	2023 Capital expenditure
South Africa					
Franchise		**378 693**	**168**	342 352	–
Spur		**273 744**	**–**	257 116	–
Panarottis		**29 946**	**–**	26 845	–
John Dory's		**11 081**	**–**	11 427	–
RocoMamas	a	**35 157**	**–**	29 911	–
Speciality brands		**28 765**	**168**	17 053	–
Manufacturing and distribution		**84 784**	**1 367**	80 707	2 146
Retail company stores	c	**2 238**	**8 203**	4 871	752
Marketing	d	**(3 573)**	**154**	1 104	534
Other segments	e	**683**	**–**	2 710	–
Total South African segments		**462 825**	**9 892**	431 744	3 432
Shared services	f	**(144 260)**	**4 680**	(129 047)	2 004
Total South Africa		**318 565**	**14 572**	302 697	5 436
International					
Australasia		**(198)**	**–**	85	–
Rest of Africa and Middle East		**29 544**	**–**	25 489	–
Total international segments		**29 346**	**–**	25 574	–
Shared services	h	**(6 315)**	**–**	(9 847)	21
Total International		**23 031**	**–**	15 727	21
Total segment profit		**341 596**	**14 572**	318 424	5 457
Share of profit of equity-accounted investee (net of income tax)		**145**		–	
Profit before income tax		**341 741**		318 424	

Refer notes on page 31.

5. OPERATING SEGMENTS continued

Notes

a) South Africa Franchise – RocoMamas

Profit for the prior year included a one-off contribution to the RocoMamas marketing fund of R1.0 million to facilitate the implementation of the brand's marketing strategy.

b) South Africa Manufacturing and distribution

Manufacturing and distribution external revenue includes sales by the group's outsourced distributor of R2.190 billion (2023: R2.022 billion).

c) South Africa Retail company stores

The current year segment result includes outsourced restaurant operations costs of R40.407 million relating to Doppio Collection stores (refer footnote 4 to note 8). It also includes property, plant and equipment and right-of-use asset impairment losses of R3.285 million and R2.530 million respectively, relating to the Ciccio concept store (originally a Piza e Vino store) acquired as part of the Doppio Collection transaction (refer note 3). The prior year includes property, plant and equipment impairment losses of R1.210 million relating to the Modrockers proof of concept pilot restaurant and R0.566 million relating to the RocoMamas store in Green Point. Refer notes 12.1 and 13 for further details.

d) South Africa Marketing

As detailed in note 2.1.1, a surplus recognised in profit for marketing segments 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 in the marketing funds are only recognised to the extent that a marketing fund is in a cumulative deficit position. The loss for the current year reflects the fact that two of the group's marketing funds are in a net overspent position. These deficits have been funded by the group.

e) South Africa Other segments

The increase in revenue relates largely to the increase in export sales to support new business development in the rest of Africa. The contribution to profit from these sales has however been offset by increased costs in the group's training department, which is also reported in this segment, as the group invested in the evolution of the training model to meet the group's future skills development strategy.

f) South Africa Shared services

The loss includes:	2024 R'000	2023 R'000
Marketing fund administration cost recoveries (intersegment)[1]	**16 253**	15 456
Net finance income[2]	**29 202**	22 652
Impairment loss – net expected credit losses (ECLs) on other financial instruments (refer note 37.3.1)[3]	**(4 593)**	(1 137)
Equity-settled share-based payment charge (refer note 22.4)	**(20 885)**	(12 998)
Consulting fees – Doppio Collection due diligence costs (refer note 3)	**(981)**	(1 911)
Legal fees – Doppio Collection transaction costs (refer note 3)	**(1 552)**	–
Legal fees – GPS litigation (refer note 41.1)	**(5 950)**	–
Contingent consideration fair value gain (net of allowance for expected credit losses) (refer footnote 1 to the consolidated statement of changes in equity)	**–**	115
Loss (before net finance income) of The Spur Foundation Trust, all of which is attributable to non-controlling interests	**(4)**	(29)
Non-executive directors' fees (including VAT where applicable)[4]	**(5 806)**	(5 461)

1 The group recovers certain of the costs of administering the marketing funds on behalf of franchisees from the marketing funds.
2 Net finance income increased as a result of greater cash balances and higher interest rates relative to the prior year.
3 The increase in the allowance for ECLs relative to the prior year relates primarily to the inclusion of the Doppio Collection debtors book.
4 The non-executive directors fees are paid by a company which cannot claim VAT inputs where applicable. Notwithstanding that the company is not able to claim VAT input credits on these services, the VAT paid is not for the benefit of the directors in question.

g) Rest of Africa and Middle East

Rest of Africa and Middle East revenue includes sales by the group's outsourced distributor of R18.606 million (2023: R15.538 million).

h) International Shared services

The loss includes:	2024 R'000	2023 R'000
Impairment loss – net expected and actual credit losses on financial instruments (refer note 37.3.1)	**(9)**	(256)
Foreign exchange loss	**(478)**	(3 807)

5. OPERATING SEGMENTS continued

Geographical allocation of non-current assets

The group's non-current assets are allocated to the following geographic regions:

	2024 R'000	2023 R'000
South Africa	**670 821**	469 982
Other countries	**7**	121
Total non-current assets	**670 828**	470 103

For the purposes of the above analysis, non-current assets exclude deferred tax assets and loans receivable.

Supplementary information

Included in profit before income tax are depreciation and amortisation, interest expense and interest income allocated to the following segments:

	2024			2023		
R'000	Depreciation and amortisation	Interest expense	Interest income	Depreciation and amortisation	Interest expense	Interest income
South Africa						
Franchise	**(2 797)**	**(797)**	**30**	(2 156)	(228)	–
Spur	**(1 511)**	**(394)**	**–**	(1 369)	(159)	–
Panarottis	**(491)**	**(165)**	**–**	(367)	(25)	–
John Dory's	**(347)**	**(117)**	**–**	(301)	(25)	–
Speciality brands	**(448)**	**(121)**	**30**	(119)	(19)	–
Manufacturing and distribution	**(3 187)**	**(100)**	**–**	(2 514)	–	–
Retail company stores	**(16 293)**	**(4 400)**	**–**	(7 237)	(1 705)	–
Marketing	**(179)**	**–**	**5 505**	(93)	–	5 279
Other segments	**(340)**	**(20)**	**–**	(560)	(18)	–
Total South African segments	**(22 796)**	**(5 317)**	**5 535**	(12 560)	(1 951)	5 279
Shared services	**(6 174)**	**(823)**	**30 025**	(6 694)	(714)	23 366
Total South Africa	**(28 970)**	**(6 140)**	**35 560**	(19 254)	(2 665)	28 645
International						
Australasia	**–**	**–**	**–**	–	(1)	–
Total International segments	**–**	**–**	**–**	–	(1)	–
Shared services	**(133)**	**(2)**	**162**	(125)	(28)	14
Total International	**(133)**	**(2)**	**162**	(125)	(29)	14
Total	**(29 103)**	**(6 142)**	**35 722**	(19 379)	(2 694)	28 659

5. **OPERATING SEGMENTS** continued

The group's single largest overhead cost is employment costs. Employment costs are allocated to segments as follows:

R'000	2024 Employment costs	2023 Employment costs
South Africa		
Franchise	**59 271**	57 490
Spur	**31 227**	29 160
Panarottis	**8 865**	8 687
John Dory's	**6 116**	6 299
RocoMamas	**7 935**	8 718
Speciality brands	**5 128**	4 626
Manufacturing and distribution	**20 745**	16 872
Retail company stores*	**15 302**	15 709
Marketing	**31 445**	26 653
Other segments	**11 735**	8 709
Total South African segments	**138 498**	125 433
Shared services	**98 963**	84 951
Total South Africa	**237 461**	210 384
International		
Rest of Africa and Middle East	**12 561**	11 386
Total International segments	**12 561**	11 386
Shared services	**4 204**	3 724
Total International	**16 765**	15 110
Total	**254 226**	225 494

* Refer also note c on page 31.

6. REVENUE

	2024 R'000	2023 R'000
Sales-based royalties	**495 685**	447 639
Ongoing franchise fee income	**495 685**	447 639
Recognised at a point in time	**2 597 661**	2 266 689
Sales of franchisee supplies (outsourced distributor)	**2 208 263**	2 037 731
Sales of purchased and manufactured sauces	**101 420**	84 487
Retail company stores' sales	**190 115**	86 610
Sales of franchisee supplies	**78 697**	40 948
Sales of marketing materials	**11 543**	10 734
Rebate income	**7 623**	6 179
Recognised over time	**380 302**	330 873
Initial franchise fee income	**7 107**	6 994
Marketing fund contributions	**353 750**	300 331
Services rendered	**8 645**	8 192
Marketing supplier contributions	**10 800**	15 356
Total revenue	**3 473 648**	3 045 201

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
2024				
South Africa				
Franchise	452 920	1 800	6 170	460 890
Spur	312 234	–	2 239	314 473
Panarottis	42 160	1	393	42 554
John Dory's	19 199	–	379	19 578
RocoMamas	44 071	–	1 262	45 333
Speciality brands	35 256	1 799	1 897	38 952
Manufacturing and distribution	–	2 321 673	–	2 321 673
Retail company stores	–	190 115	–	190 115
Marketing	–	11 543	355 112	366 655
Other segments	–	53 509	7 857	61 366
Total South African segments	452 920	2 578 640	369 139	3 400 699
Shared services	–	134	–	134
Total South Africa	452 920	2 578 774	369 139	3 400 833
International				
Australasia	581	–	18	599
Rest of Africa and Middle East	42 184	18 887	2 556	63 627
Marketing	–	–	8 589	8 589
Total International	42 765	18 887	11 163	72 815
Total external revenue	495 685	2 597 661	380 302	3 473 648

6. REVENUE continued

R'000	Sales-based royalties	Recognised at a point in time	Recognised over time	Total
2023				
South Africa				
Franchise	410 321	164	4 772	415 257
Spur	292 516	–	2 299	294 815
Panarottis	37 726	164	750	38 640
John Dory's	19 522	–	152	19 674
RocoMamas	41 526	–	1 272	42 798
Speciality brands	19 031	–	299	19 330
Manufacturing and distribution	–	2 112 429	–	2 112 429
Retail company stores	–	86 610	–	86 610
Marketing	–	10 734	309 136	319 870
Other segments	–	40 321	7 772	48 093
Total South African segments	410 321	2 250 258	321 680	2 982 259
Shared services	–	463	–	463
Total South Africa	410 321	2 250 721	321 680	2 982 722
International				
Australasia	538	–	140	678
Rest of Africa and Middle East	36 780	15 968	2 616	55 364
Marketing	–	–	6 437	6 437
Total International	37 318	15 968	9 193	62 479
Total external revenue	447 639	2 266 689	330 873	3 045 201

7. OTHER INCOME

	2024 R'000	2023 R'000
Expired gift vouchers[1]	**617**	1 379
Fair value gain on contingent consideration receivable[2]	**–**	61
Gain on derecognition of lease	**86**	1
Derecognition of lease liabilities on early termination of leases (refer note 25)	**561**	75
Derecognition of right-of-use assets on early termination of leases (refer note 13)	**(475)**	(74)
Restaurant operations management fee[3]	**1 425**	–
Profit on disposal of property, plant and equipment	**35**	69
Spur Foundation donation income[4]	**3 704**	1 112
Other	**981**	780
Total other income	**6 848**	3 402

1 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.
2 Refer footnote 1 to the consolidated statement of changes in equity.
3 The restaurant operations management fee relates to the use of the premises and equipment of one of the group's retail company stores granted to a franchisee. In exchange for the use of the assets and premises, the franchisee pays the group a percentage of the sales generated from the premises. The arrangement was effective from 1 October 2023 and terminates on 30 September 2024.
4 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 consolidated statement of profit or loss and other comprehensive income.

8. OPERATING PROFIT BEFORE NET FINANCE INCOME

The following items have been taken into account in determining operating profit before net finance income (other than those items disclosed in other income (refer note 7)):

	2024 R'000	2023 R'000
Auditor's remuneration[1]	**5 821**	6 395
Amortisation – intangible assets (refer note 14)	**1 030**	1 343
Consulting fees	**21 578**	26 063
Depreciation – property, plant and equipment (refer note 12)	**10 510**	8 984
Depreciation – right-of-use assets (refer note 13)	**17 563**	9 052
Employment costs	**254 226**	225 494
Salaries and wages (excluding executive directors and prescribed officer)[2]	**209 539**	186 451
Executive directors' and prescribed officer's emoluments (refer note 38)[3]	**23 802**	26 045
Share-based payments expense – equity-settled – long-term employee share incentive schemes (refer note 22.4)	**20 885**	12 998
Foreign exchange loss	**589**	3 651
Impairment losses – expected and actual credit losses – financial instruments	**6 301**	2 622
Trade receivables (refer note 20)	**5 773**	2 292
Bad debts – trade receivables (refer note 37.3.1)	**3 489**	582
Movement in Impairment allowance	**2 284**	1 710
Loan receivables (refer note 16)	**528**	384
Impairment allowance	**603**	506
Reversal of impairment allowance	**(75)**	(122)
Impairment allowance reversed against actual write off of loans receivable	**–**	(2 766)
Write off of loans receivable	**–**	2 766
Reversal of impairment of contingent consideration receivable	**–**	(54)
Other non-trading losses	**5 815**	1 776
Impairment of plant, property and equipment (refer note 12.1)	**3 285**	1 776
Impairment of right-of-use asset (refer note 13)	**2 530**	–
Outsourced restaurant operations costs[4]	**40 407**	–
Subscriptions[5]	**23 515**	17 614

[1] Remuneration of the company's external auditor for services to the company and its subsidiaries.
[2] Includes short-term performance bonuses and short-term incentive scheme costs (refer note 27.1).
[3] Includes short-term incentive scheme costs but excludes equity compensation benefits disclosed separately within employment costs.
[4] As part of the acquisition of the Doppio Collection (refer note 3), Doppio Collection concluded an agreement with Doppio Group for the use of the services of certain staff and equipment on a recovery of cost basis.
[5] Subscriptions comprise recurring service costs and include software-as-a-service costs, certain annual IT-related licence costs, wide area network (WAN) IT infrastructure costs and outsourced call centre costs.

9. NET FINANCE INCOME

	2024 R'000	2023 R'000
Finance income and expense recognised in profit before income tax		
Interest income on bank deposits	**34 994**	27 721
Interest income on financial assets measured at amortised cost	**728**	938
Interest income	**35 722**	28 659
Interest expense on financial liabilities measured at amortised cost	**(136)**	(46)
Interest expense on lease liabilities (refer note 25)	**(6 006)**	(2 648)
Interest expense	**(6 142)**	(2 694)
Net interest income recognised in profit before income tax	**29 580**	25 965

10. INCOME TAX

10.1 Income tax expense

		2024 R'000	2023 R'000
South African corporate income tax		**88 380**	88 765
Current	– current year	**101 196**	89 237
	– prior year over provision	**(2 709)**	(6)
Deferred	– current year	**(10 987)**	(1 067)
	– prior year under provision	**880**	601
South African dividend withholding tax		**2 413**	1 897
Namibian corporate income tax		**–**	(295)
Current	– prior year over provision	**–**	(295)
Dutch corporate income tax		**1 070**	2 620
Current	– current year	**53**	2 454
	– prior year under provision	**29**	24
Deferred	– current year	**988**	79
	– prior year under provision	**–**	63
Dutch withholding tax		**5 216**	4 261
Australian corporate tax		**–**	166
Deferred	– current year	**–**	35
	– prior year under provision	**–**	131
Income tax expense		**97 079**	97 414
Total current corporate income tax		**98 569**	91 414
Total deferred corporate tax (refer note 17)		**(9 119)**	(158)
Total withholding taxes		**7 629**	6 158
Income tax expense		**97 079**	97 414

10.2 Reconciliation of tax rate

	2024 %	2023 %
South African corporate income tax rate	**27.0**	27.0
Non-deductible loan impairments	**–**	0.3
Non-deductible listings related costs	**0.8**	0.8
Non-deductible marketing expenditure	**28.5**	25.6
Non-deductible other expenditure (capital items and items not in production of income)	**0.6**	0.5
Non-taxable marketing income	**(28.1)**	(25.7)
Non-taxable reversal of impairment allowance for expected credit losses	**–**	(0.2)
Prior year net (over)/under provision	**(0.6)**	0.2
Special tax incentive in respect of learnerships	**(0.1)**	–
Tax losses on which deferred tax asset not recognised	**0.1**	0.1
Tax losses utilised on which deferred tax not previously recognised	**(0.1)**	(0.1)
Tax on foreign attributed income not included in profit	**–**	0.2
Tax at rates other than corporate income tax rate	**(0.7)**	0.2
Withholding taxes	**1.0**	1.7
Effective tax rate	**28.4**	30.6

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

10. INCOME TAX continued

10.3 Tax losses

	2024 R'000	2023 R'000
Estimated group tax losses available for set-off against future taxable income	**30 549**	30 694

A deferred tax asset has not been recognised in respect of R30.549 million of these tax losses, which comprises predominantly losses incurred by the group's Australian subsidiary which continues to incur tax losses and there is no reasonable certainty that future taxable income will be earned against which these losses may be offset.

None of these losses expire if they are not used.

10.4 Tax (credited)/charged directly to equity

	2024 R'000	2023 R'000
Current tax on intercompany transfer of treasury shares (refer note 22.4)	**162**	10
Current tax charge/(credit) on foreign exchange gain/(loss) on net investments in foreign subsidiaries	**19**	(59)
Deferred tax on equity-settled share-based payment[1] (refer note 17)	**(4 708)**	(333)
Total tax credited directly to equity	**(4 527)**	(382)

[1] The deferred tax credited to equity in respect of the equity-settled share-based payment is the amount of the deferred tax credit relating to the group's long-term share incentive schemes (refer note 22.4) that exceeds 27% of the cumulative share-based payment expense included in profit before income tax.

11. EARNINGS PER SHARE

11.1 Statistics

	2024 cents	2023 cents
Basic earnings per share	**287.92**	260.03
Diluted earnings per share	**281.31**	258.86
Headline earnings per share	**291.02**	261.18
Diluted headline earnings per share	**284.34**	260.01

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 R233.598 million (2023: R212.176 million) for the group.

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

	2024 '000	2023 '000
Shares in issue at beginning of year	**90 997**	90 997
Shares repurchased at beginning of year (refer note 22.1)	**(9 654)**	(8 320)
Shares repurchased during the year weighted for period held by the group (refer note 22.2)	**(209)**	(1 180)
Shares issued during the year weighted for period in issue (refer note 22.2)	**–**	99
Weighted average number of ordinary shares in issue for the year	**81 134**	81 596
Dilutive potential ordinary shares weighted for period outstanding (refer note 22.4)	**1 906**	368
Dilutive weighted average number of shares in issue for the year	**83 040**	81 964

11. EARNINGS PER SHARE continued

11.3 Reconciliation of headline earnings

	2024 R'000	2023 R'000
Profit attributable to owners of the company	**233 598**	212 176
Impairment of property, plant and equipment (refer note 12.1)	**1 439**	990
Impairment of right-of-use asset (refer note 13)	**1 108**	–
Profit on disposal of property, plant and equipment	**(26)**	(54)
Headline earnings	**236 119**	213 112

	Gross	Income tax	Non-controlling interests	Attributable to owners of the company
2024				
Impairment of property, plant and equipment (refer note 12.1)	**3 285**	**(887)**	**(959)**	**1 439**
Impairment of right-of-use asset (refer note 13)	**2 530**	**(683)**	**(739)**	**1 108**
Profit on disposal of property, plant and equipment	**(35)**	**9**	**–**	**(26)**
	5 780	**(1 561)**	**(1 698)**	**2 521**
2023				
Impairment of property, plant and equipment (refer note 12.1)	1 776	(480)	(306)	990
Profit on disposal of property, plant and equipment	(69)	15	–	(54)
	1 707	(465)	(306)	936

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Furniture and fittings	Plant, equipment and vehicles	Computer equipment	Total
2024						
COST						
Balance at 1 July 2023	**77 993**	**17 947**	**17 457**	**33 353**	**27 073**	**173 823**
Acquisition through business combination (refer note 3)	**–**	**11 617**	**3 637**	**2 738**	**519**	**18 511**
Additions	**342**	**933**	**565**	**9 746**	**2 986**	**14 572**
Disposals	**(85)**	**(20)**	**(133)**	**(1 318)**	**(6 401)**	**(7 957)**
Balance at 30 June 2024	**78 250**	**30 477**	**21 526**	**44 519**	**24 177**	**198 949**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 July 2023	**(7 336)**	**(13 617)**	**(14 828)**	**(26 087)**	**(24 753)**	**(86 621)**
Disposals	**–**	**13**	**75**	**1 196**	**6 171**	**7 455**
Depreciation	**(667)**	**(3 358)**	**(1 306)**	**(3 445)**	**(1 734)**	**(10 510)**
Impairment (refer note 12.1)	**–**	**(3 285)**	**–**	**–**	**–**	**(3 285)**
Balance at 30 June 2024	**(8 003)**	**(20 247)**	**(16 059)**	**(28 336)**	**(20 316)**	**(92 961)**
CARRYING AMOUNT						
Balance at 1 July 2023	**70 657**	**4 330**	**2 629**	**7 266**	**2 320**	**87 202**
Acquisition through business combination (refer note 3)	**–**	**11 617**	**3 637**	**2 738**	**519**	**18 511**
Additions	**342**	**933**	**565**	**9 746**	**2 986**	**14 572**
Disposals	**(85)**	**(7)**	**(58)**	**(122)**	**(230)**	**(502)**
Depreciation	**(667)**	**(3 358)**	**(1 306)**	**(3 445)**	**(1 734)**	**(10 510)**
Impairment (refer note 12.1)	**–**	**(3 285)**	**–**	**–**	**–**	**(3 285)**
Balance at 30 June 2024	**70 247**	**10 230**	**5 467**	**16 183**	**3 861**	**105 988**
2023						
COST						
Balance at 1 July 2022	77 911	17 873	17 167	29 791	25 654	168 396
Additions	82	74	290	3 562	1 449	5 457
Disposals	–	–	–	–	(30)	(30)
Balance at 30 June 2023	77 993	17 947	17 457	33 353	27 073	173 823
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 July 2022	(6 666)	(10 807)	(13 146)	(22 213)	(23 048)	(75 880)
Disposals	–	–	–	–	19	19
Depreciation	(670)	(1 898)	(1 498)	(3 309)	(1 609)	(8 984)
Impairment (refer note 12.1)	–	(912)	(184)	(565)	(115)	(1 776)
Balance at 30 June 2023	(7 336)	(13 617)	(14 828)	(26 087)	(24 753)	(86 621)
CARRYING AMOUNT						
Balance at 1 July 2022	71 245	7 066	4 021	7 578	2 606	92 516
Additions	82	74	290	3 562	1 449	5 457
Disposals	–	–	–	–	(11)	(11)
Depreciation	(670)	(1 898)	(1 498)	(3 309)	(1 609)	(8 984)
Impairment (refer note 12.1)	–	(912)	(184)	(565)	(115)	(1 776)
Balance at 30 June 2023	70 657	4 330	2 629	7 266	2 320	87 202

Additions for the prior and current years include routine replacement plant, equipment and computer equipment including the group's sauce manufacturing facility and retail company stores. In addition, the current year's additions include the fit-out of a new Modern Tailors restaurant.

12. PROPERTY, PLANT AND EQUIPMENT continued

12.1 Impairments

Following the acquisition of the Doppio Collection (refer note 3), one of the retail company stores, Ciccio Melrose (previously a Piza e Vino, which was converted into this prototype pilot test concept), failed to perform as expected and trading prospects are not expected to improve. In the event of an early termination of the lease, the leasehold improvements will not be recovered through use. The carrying amount of the leasehold improvements has accordingly been impaired in full. It is anticipated that the remaining assets could be utilised elsewhere in the group, or sold to a franchisee and no significant loss is anticipated in this regard. Refer also note 13 for details of impairment of the store's right-of-use asset.

The group had previously piloted a proof of concept restaurant, Modrockers. The recoverable amount of the assets attributable to the restaurant were considered negligible and the full carrying amounts of all tangible property, plant and equipment were impaired in the prior year.

The retail company store, RocoMamas Green Point, had failed to generate positive cash flows for a number of consecutive years. Consequently, during the prior year, the carrying amount of immovable leasehold improvements was fully impaired. The lease for the outlet expires in September 2024.

	2024 R'000	2023 R'000
Impairment of leasehold improvements relating to Ciccio Melrose	**3 285**	–
Impairment of property, plant and equipment relating to Modrockers	**–**	1 210
Impairment of movable plant and equipment relating to RocoMamas Green Point	**–**	566
Total impairment of property, plant and equipment	**3 285**	1 776

The impairments are attributable to the *Retail company stores* operating segment.

13. RIGHT-OF-USE ASSETS

R'000	Property	Vehicles	Total
2024			
Balance at 1 July 2023 – net carrying amount	**17 937**	**2 007**	**19 944**
Acquisition through business combination (refer note 3)	**47 861**	**–**	**47 861**
Additions (refer note 25)	**4 159**	**11 116**	**15 275**
Depreciation	**(13 712)**	**(3 851)**	**(17 563)**
Re-measurement of right-of-use assets (refer note 25)	**–**	**530**	**530**
Derecognition on early termination of leases	**(460)**	**(15)**	**(475)**
Cost	**(1 418)**	**(8 040)**	**(9 458)**
Accumulated depreciation	**958**	**8 025**	**8 983**
Impairment	**(2 530)**	**–**	**(2 530)**
Effect of foreign exchange fluctuations	**(2)**	**–**	**(2)**
Cost	**(31)**	**–**	**(31)**
Accumulated depreciation	**29**	**–**	**29**
Balance at 30 June 2024 – net carrying amount	**53 253**	**9 787**	**63 040**
Cost	**92 927**	**16 181**	**109 108**
Accumulated depreciation	**(39 674)**	**(6 394)**	**(46 068)**
2023			
Balance at 1 July 2022 – net carrying amount	23 787	3 768	27 555
Additions (refer note 25)	–	441	441
Depreciation	(5 880)	(3 172)	(9 052)
Re-measurement of right-of-use assets (refer note 25)	–	1 044	1 044
Derecognition on early termination of leases	–	(74)	(74)
Cost	–	(3 476)	(3 476)
Accumulated depreciation	–	3 402	3 402
Effect of foreign exchange fluctuations	30	–	30
Cost	103	–	103
Accumulated depreciation	(73)	–	(73)
Balance at 30 June 2023 – net carrying amount	17 937	2 007	19 944
Cost	42 356	12 575	54 931
Accumulated depreciation	(24 419)	(10 568)	(34 987)

All leased assets are situated in South Africa, with the exception of a property lease in The Netherlands.

The impairment in the current year relates to the lease for the premises of Ciccio Melrose (refer note 12.1). The extent of the impairment is based on the expected costs of trading through the lease until it is terminated.

The additions to vehicles in the current year is part of a scheduled fleet replacement programme for the group's operations personnel. The addition to properties during the year relates to a new retail company store, Modern Tailors; occupation of the site commenced during the year, although the restaurant only commenced trading shortly after the reporting date.

The re-measurements to vehicles in the current and prior years relate to a number of extensions of the vehicle leases beyond the original lease terms, during the respective years.

14. INTANGIBLE ASSETS AND GOODWILL

R'000	Trademarks and intellectual property	Goodwill	Software licences	Total
2024				
COST				
Balance at 1 July 2023	**290 915**	**81 357**	**10 398**	**382 670**
Acquisition through business combination (refer note 3)	**73 587**	**64 036**	**–**	**137 623**
Additions	**–**	**–**	**2**	**2**
Disposals	**–**	**–**	**(150)**	**(150)**
Balance at 30 June 2024	**364 502**	**145 393**	**10 250**	**520 145**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 1 July 2023	**(2 032)**	**(10 234)**	**(7 447)**	**(19 713)**
Amortisation	**–**	**–**	**(1 030)**	**(1 030)**
Disposals	**–**	**–**	**150**	**150**
Balance at 30 June 2024	**(2 032)**	**(10 234)**	**(8 327)**	**(20 593)**
CARRYING AMOUNT				
Balance at 1 July 2023	**288 883**	**71 123**	**2 951**	**362 957**
Acquisition through business combination (refer note 3)	**73 587**	**64 036**	**–**	**137 623**
Additions	**–**	**–**	**2**	**2**
Amortisation	**–**	**–**	**(1 030)**	**(1 030)**
Balance at 30 June 2024	**362 470**	**135 159**	**1 923**	**499 552**
2023				
COST				
Balance at 1 July 2022	290 915	81 357	11 335	383 607
Disposals	–	–	(937)	(937)
Balance at 30 June 2023	290 915	81 357	10 398	382 670
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 1 July 2022	(2 032)	(10 234)	(7 041)	(19 307)
Amortisation	–	–	(1 343)	(1 343)
Disposals	–	–	937	937
Balance at 30 June 2023	(2 032)	(10 234)	(7 447)	(19 713)
CARRYING AMOUNT				
Balance at 1 July 2022	288 883	71 123	4 294	364 300
Amortisation	–	–	(1 343)	(1 343)
Balance at 30 June 2023	288 883	71 123	2 951	362 957

None of the above intangible assets are internally generated.

14. INTANGIBLE ASSETS AND GOODWILL continued

14.1 Trademarks and intellectual property

Trademarks and intellectual property consists of the Spur, Panarottis, John Dory's, The Hussar Grill, RocoMamas, Nikos, Doppio Zero and Piza e Vino trademarks and related intellectual property. The directors evaluated the indefinite useful life assumption of the assets at the reporting date and concluded that there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the group (refer note 2.1.6).

	2024 R'000	2023 R'000
The carrying amounts of the trademarks and intellectual property intangible assets with indefinite useful lives are allocated to the following cash-generating units:		
Spur Franchise operations	**230 475**	230 475
Panarottis Franchise operations	**32 925**	32 925
John Dory's Franchise operations	**8 465**	8 465
The Hussar Grill Franchise operations	**9 904**	9 904
RocoMamas Franchise operations	**7 114**	7 114
Nikos Franchise operations – net carrying amount	**–**	–
Gross carrying amount	**2 032**	2 032
Impairment	**(2 032)**	(2 032)
Doppio Zero Franchise operations	**61 964**	–
Piza e Vino Franchise operations	**11 623**	–
Total carrying amount	**362 470**	288 883

14.2 Goodwill

	2024 R'000	2023 R'000
For the purposes of impairment testing, goodwill is allocated to the following cash-generating units:		
John Dory's Franchise operations	**178**	178
The Hussar Grill Franchise operations	**13 870**	13 870
RocoMamas Franchise operations	**43 102**	43 102
Nikos Franchise operations – net carrying amount	**–**	–
Gross carrying amount	**3 722**	3 722
Impairment	**(3 722)**	(3 722)
Doppio Zero Franchise operations	**10 887**	–
The Hussar Grill Retail operations[1]	**13 973**	13 973
Doppio Collection Retail operations[2]	**53 149**	–
Total carrying amount	**135 159**	71 123

[1] This comprises three cash-generating units, namely The Hussar Grills in Camps Bay, Rondebosch and Mouille Point, all in the Western Cape.
[2] This comprises seven cash-generating units, namely the Doppio Zeros in Irene, Greenside, Rosebank, Sandton, Blue Hills and Cradlestone, and the Modern Tailors in Rosebank.

14. INTANGIBLE ASSETS AND GOODWILL continued

14.3 Impairments of trademarks and intellectual property and goodwill

In accordance with the group's accounting policies, impairment tests on intangible assets with indefinite useful lives and goodwill are performed at every reporting date irrespective of whether an indication of impairment exists. The recoverable amounts of the cash-generating units to which the trademarks and intellectual property and goodwill are allocated have been determined based on their values-in-use.

In determining the values-in-use of the cash-generating units, the following key assumptions have been applied, which are based largely on approved budgets for the 2025 financial year as a starting point. The approved budgets for the 2025 financial year are based on the group's actual performance for the 2024 financial year taking into account a best estimate of expected organic growth considering expected inflation and economic growth. Forecasts beyond the 2025 financial year are largely inflation-related, with organic growth consistent with past experience:

Franchise operations

- Cash inflows comprise mainly franchise-related fee income determined as a percentage of franchised restaurant sales. Budgeted 2025 restaurant sales are based on actual sales achieved in the 2024 financial year, adjusted for inflation and expected organic growth (based on past experience). Restaurant sales for existing businesses have been forecast to increase at 6% per annum for all brands, with the exception of The Hussar Grill, which is the top end of the targeted South African inflation rate range of between 3% and 6%, from the 2026 financial year onwards. Restaurant sales for existing businesses for The Hussar Grill have been forecast to increase at 6.5% (2023: 7.0%) per annum, from the 2026 financial year onwards, as the brand's higher-income target market tends to be more resilient to potential negative economic conditions. The contribution of new restaurants to revenue has been determined based on past experience and taking into consideration the potential for organic growth of each brand.
- Cash outflows for the 2025 financial year are estimated based on approved budgets, taking actual costs incurred for the 2024 financial year into account, adjusted for known changes, and increased by inflation. Operating costs comprise predominantly employment-related costs. Employment-related costs have been budgeted to increase by approximately 6% for the 2025 financial year. Overhead costs have been forecast to increase by inflation of 5% for the forecast horizon beyond the 2026 financial year, being slightly above the mid-point of the South African Reserve Bank's targeted inflation rate range of 3% to 6%, while employment-related costs have been forecast to increase by 5% (2023: 6%) per annum for the same period. Adjustments have been made for known capacity changes required to support the forecasted growth in revenue.
- Growth in perpetuity of cash flows beyond the five-year forecast horizon is estimated at 4.5%, being the mid-point in the targeted inflation rate range.
- After-tax cash flows are discounted at an after-tax discount rate of 19.1% (2023: 18.9%) for the group's pre-existing franchise operations and 23.1% for the newly-acquired Doppio Zero and Piza e Vino franchise operations, being the weighted average cost of capital of the company adjusted for risk factors specific to the cash-generating units. The increase in the discount rate for the pre-existing franchise operations is largely as a result of higher prevailing interest rates relative to the prior year, while the higher discount rates for the Doppio Zero and Piza e Vino franchise operations reflect the higher forecasting risk associated with the recent acquisitions. The equivalent pre-tax discount rates equate to:

	2024 %	2023 %
Spur Franchise operations	**24.8**	24.5
Panarottis Franchise operations	**24.6**	24.4
John Dory's Franchise operations	**24.5**	24.3
The Hussar Grill Franchise operations	**24.4**	24.1
RocoMamas Franchise operations	**24.7**	24.4
Nikos Franchise operations	**24.4**	24.2
Doppio Zero Franchise operations	**29.9**	–
Piza e Vino Franchise operations	**29.2**	–

14. INTANGIBLE ASSETS AND GOODWILL continued

14.3 Impairments of trademarks and intellectual property and goodwill continued

Retail operations

- Cash inflows comprise predominantly restaurant sales. Budgeted 2025 restaurant sales have been based on actual sales achieved in the 2024 financial year, adjusted for inflation. Restaurant sales thereafter have been forecast to grow by 6.5% (2023: 7%) per annum for The Hussar Grill restaurants and 6% for the recently-acquired Doppio Zero, Piza e Vino and Modern Tailors restaurants. The growth for The Hussar Grill is slightly ahead of the targeted South African inflation rate range of between 3% and 6%, as the brand's higher-income target market is generally more resilient to potential negative economic conditions.
- Cash outflows for the 2025 financial year and beyond were based on approved budgets for the 2025 financial year as detailed below.
- Variable costs are projected based on the percentages of revenue that have historically been achieved in the respective businesses.
- Semi-variable costs are adjusted in part for anticipated inflation and in part by the change in anticipated turnover.
- Fixed costs are estimated to increase at 5% per annum, being slightly higher than the mid-point of the targeted South African inflation rate range of between 3% and 6%.
- Rental costs are forecast in accordance with the lease agreements.
- Growth in perpetuity of cash flows beyond the five-year forecast horizon is estimated at 4.5% (2023: 4.5%), being the mid-point in the targeted inflation rate range.
- After-tax cash flows are discounted at an after-tax discount rate of 20.1% (2023: 19.9%) for The Hussar Grill restaurants and 23.1% for the newly-acquired Doppio Zero, Piza e Vino and Modern Tailors restaurants, being the weighted average cost of capital of the company adjusted for risk factors specific to the cash-generating units. The increase in the discount rate for the pre-existing retail company stores is largely as a result of higher prevailing interest rates relative to the prior year, while the higher discount rates for the Doppio Zero, Piza e Vino and Modern Tailors retail company stores reflect the higher forecasting risk associated with the recent acquisitions. The equivalent pre-tax discount rates equate to:

	2024 %	2023 %
The Hussar Grill Camps Bay	**26.1**	25.7
The Hussar Grill Mouille Point	**26.0**	25.6
The Hussar Grill Rondebosch	**25.5**	25.3
Doppio Zero Blue Hills	**30.9**	–
Doppio Zero Sandton	**30.5**	–
Doppio Zero Rosebank	**29.6**	–
Doppio Zero Irene	**30.4**	–
Doppio Zero Greenside	**30.1**	–
Doppio Zero Cradlestone	**29.9**	–
Piza e Vino Melrose	**25.6**	–
Modern Tailors Rosebank	**29.5**	–

Conclusion and sensitivity analysis

Based on the value-in-use calculations prepared on the assumptions detailed above, no further impairments for either trademarks and intellectual property or goodwill are required as at the reporting date.

Two key variable assumptions that impact most significantly on the calculation of the recoverable amounts are the discount rate and growth in restaurant turnovers. It is unlikely that any reasonably possible change in these two key assumptions will result in a different conclusion.

15. INTEREST IN EQUITY-ACCOUNTED INVESTEE

	2024 R'000	2023 R'000
Gremolata (Pty) Ltd		
Opening carrying amount	–	–
Acquisition through business combination (refer note 3)	2 672	–
Cost of equity-accounted investee	2 103	–
Loan to equity-accounted investee	569	–
Group's share of profit of equity-accounted investee (net of income tax)	145	–
Repayment of loan	(500)	–
Closing carrying amount	2 317	–
Carrying amount of equity-accounted investee	2 248	–
Loan to equity-accounted investee	69	–

The 50% equity interest in Gremolata (Pty) Ltd (Gremolata) was acquired as part the Doppio Collection transaction (refer note 3). Gremolata operates the Doppio Zero Clearwater restaurant. The group jointly controls the entity in question (refer note 2.1.3).

The following table presents summarised financial information for Gremolata, based on its financial statements prepared in accordance with IFRS:

	2024 R'000
Non-current assets (100%)	1 751
Current assets (100%)	1 952
Non-current liabilities (100%)	(1 610)
Current liabilities (100%)	(2 127)
Net liabilities (100%)	(34)
Group's share of net liabilities (50%)	(17)
Goodwill implicit in carrying amount of equity-accounted investee	2 265
Carrying amount of equity-accounted investee	2 248
Revenue (100%)	14 151
Total comprehensive income (100%)	290
Group's share of total comprehensive income (50%)	145
Included in current liabilities is the loan payable to Doppio Collection	69

16. LOANS RECEIVABLE

	2024 R'000	2023 R'000
Total gross carrying amount	9 978	9 610
Impairment allowance	(9 978)	(9 610)
Opening impairment allowance	(9 610)	(11 262)
Current year impairment allowance	(603)	(506)
Reversal of impairment allowance	75	122
Effect of foreign exchange fluctuations	160	(730)
Impairment allowance reversed against actual write off	–	2 766
Total net carrying amount	–	–

Further details regarding the calculation of the impairment allowances for expected credit losses are included in note 37.3.1.

16. LOANS RECEIVABLE continued

16.1 Franchisees (Australia)

	2024 R'000	2023 R'000
Gross carrying amount	**–**	–
Impairment allowance	**–**	–
Opening impairment allowance	**–**	(2 602)
Impairment allowance reversed against actual write off	**–**	2 766
Effect of foreign exchange fluctuations	**–**	(164)
Net carrying amount	**–**	–

The balance related to the loans to the franchisees of the Panarottis in Wanneroo and Apache Spur in Willetton in Australia and were denominated in Australian dollars. The loans had been fully impaired in earlier reporting periods, but were written off in the prior year as the board considered there to be no prospects of recovery. The allowance for expected credit losses was reversed against the actual credit loss in the prior year.

16.2 Franchisees (local)

	2024 R'000	2023 R'000
Gross carrying amount	**–**	75
Impairment allowance	**–**	(75)
Opening impairment allowance	**(75)**	(197)
Reversal of impairment allowance	**75**	122
Net carrying amount	**–**	–

The loans to franchisees were settled in full during the year and the allowance for expected credit losses was accordingly reversed during the year.

16.3 Hunga Busters Pty Ltd

	2024 R'000	2023 R'000
Gross carrying amount	**5 262**	5 422
Impairment allowance	**(5 262)**	(5 422)
Opening impairment allowance	**(5 422)**	(4 856)
Effect of foreign exchange fluctuations	**160**	(566)
Net carrying amount	**–**	–

This loan arose on the disposal of two former retail company restaurants in Australia by the group to the borrower during the 2015 financial year. The loan is denominated in Australian dollars with a gross carrying amount of AU$431 983 (2023: AU$431 983). The loan is secured by a personal suretyship of the shareholder of the borrower and a pledge of the shares in the borrowing entity. The borrower had previously defaulted on the loan and the loan was consequently fully impaired in previous financial years. During the 2021 financial year, the entity commenced with liquidation proceedings. The prospects of recovering any amount of the loan is considered negligible.

16.4 KG Holdings Family Trust

	2024 R'000	2023 R'000
Gross carrying amount	**4 716**	4 113
Impairment allowance	**(4 716)**	(4 113)
Opening impairment allowance	**(4 113)**	(3 607)
Current year impairment allowance	**(603)**	(506)
Net carrying amount	**–**	–

The receivable arose from the disposal of the Captain DoRegos business by the group to the borrower in the 2018 financial year. The receivable was payable in equal monthly instalments over 48 months commencing from 1 June 2018. The borrower failed to comply with the terms of the receivable and the loan accordingly bears penalty interest at 2% above the prime overdraft rate of interest. The receivable is secured by a personal guarantee from the purchaser and a trust which holds immovable property.

The borrower continues to be in default on the loan. The financial status of the borrower was negatively impacted by COVID-19 trading restrictions and it is considered unlikely that any significant amount will be recovered. The loan was accordingly fully impaired in previous financial years.

17. DEFERRED TAX

R'000	Balance at beginning of year	Recognised in profit or loss	Recognised in other comprehensive income[1]	Recognised directly in equity (retained earnings)	Acquisition through business combination[2]	Balance at end of year
2024						
Accruals and trade payables	**410**	**45**	**–**	**–**	**814**	**1 269**
Contract liabilities	**8 350**	**146**	**(125)**	**–**	**–**	**8 371**
Income received in advance	**164**	**379**	**(6)**	**–**	**–**	**537**
Intangible assets	**(65 214)**	**–**	**–**	**–**	**(19 868)**	**(85 082)**
Inventory	**542**	**756**	**–**	**–**	**–**	**1 298**
Lease liabilities	**6 736**	**264**	**–**	**–**	**12 923**	**19 923**
Leave pay accrual	**1 949**	**269**	**(2)**	**–**	**–**	**2 216**
Long-term employee benefits	**3 724**	**7 050**	**–**	**4 708[3]**	**–**	**15 482**
Prepaid expenses	**(973)**	**34**	**–**	**–**	**–**	**(939)**
Property, plant and equipment	**246**	**499**	**–**	**–**	**–**	**745**
Right-of-use assets	**(4 330)**	**438**	**–**	**–**	**(12 923)**	**(16 815)**
Short-term employee incentives	**8 901**	**(754)**	**–**	**–**	**–**	**8 147**
Trade receivables	**2 551**	**(7)**	**(17)**	**–**	**–**	**2 527**
Total net deferred tax liability	**(36 944)**	**9 119**	**(150)**	**4 708**	**(19 054)**	**(42 321)**
2023						
Accruals and trade payables	695	(285)	–	–		410
Contract liabilities	7 511	388	451	–		8 350
Income received in advance	1 188	(1 056)	32	–		164
Intangible assets	(65 214)	–	–	–		(65 214)
Inventory	295	247	–	–		542
Lease liabilities	9 319	(2 583)	–	–		6 736
Leave pay accrual	1 941	2	6	–		1 949
Long-term employee benefits	3 336	55	–	333[3]		3 724
Prepaid expenses	(469)	(504)	–	–		(973)
Property, plant and equipment	(11)	257	–	–		246
Right-of-use assets	(6 469)	2 139	–	–		(4 330)
Short-term employee incentives	7 540	1 360	1	–		8 901
Trade receivables	2 266	138	147	–		2 551
Total net deferred tax liability	(38 072)	158	637	333		(36 944)

[1] Relates to foreign currency translation differences for foreign operations.
[2] Refer note 3.
[3] Refer note 10.4.

	Deferred tax asset		Deferred tax liability	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
The deferred tax asset/(liability) comprises deductible/(taxable) temporary differences relating to:				
Accruals and trade payables	**5**	5	**1 264**	405
Contract liabilities	**3 976**	4 558	**4 395**	3 792
Income received in advance	**140**	48	**397**	116
Intangible assets	**(1 921)**	(1 921)	**(83 161)**	(63 293)
Inventory	**–**	–	**1 298**	542
Lease liabilities	**1 346**	2 256	**18 577**	4 480
Leave pay accrual	**207**	248	**2 009**	1 701
Long-term employee benefits	**–**	–	**15 482**	3 724
Prepaid expenses	**(67)**	(68)	**(872)**	(905)
Property, plant and equipment	**67**	452	**678**	(206)
Right-of-use assets	**(926)**	(1 088)	**(15 889)**	(3 242)
Short-term employee incentives	**507**	608	**7 640**	8 293
Trade receivables	**189**	860	**2 338**	1 691
	3 523	5 958	**(45 844)**	(42 902)

18. INVENTORIES

	2024 R'000	2023 R'000
Raw materials	**3 453**	2 771
Packaging	**290**	555
Finished goods[1]	**14 438**	7 691
Finished goods (outsourced distributor)[2]	**117 944**	110 196
Total inventories	**136 125**	121 213
Cost of inventory expense included in cost of sales	**2 155 872**	1 919 661

[1] Finished goods includes manufactured décor and sauces for sale to franchisees, food items for resale in retail company stores and goods purchased for resale to foreign franchisees by the group's export division.

[2] Finished goods (outsourced distributor) are goods held by the group's outsourced distributor for sale to the group's franchisees. As the group has assessed that it acts as principal in relation to the sales of the inventory to franchisees (refer note 2.1.5), the group has recognised the inventory with a corresponding payable to the outsourced distributor (refer note 27).

19. TAX RECEIVABLE

	2024 R'000	2023 R'000
Withholding tax credits[1]	**–**	73
Excess of provisional tax payments relative to estimated taxable income of subsidiaries	**277**	160
Total tax receivable at end of year	**277**	233

[1] The withholding tax credits accrue to wholly-owned subsidiary, Steak Ranches International BV (SRIBV), the group's franchisor for restaurants outside of South Africa, and relate largely to taxes withheld in African jurisdictions. The withholding tax credits may be utilised by SRIBV to reduce future corporate tax payable in The Netherlands on franchise-related taxable income in future years. Total withholding tax credits available to SRIBV at the reporting date amounted to R19.881 million (2023: R21.975 million), in respect of which an asset of Rnil (2023: R0.073 million) has been recognised and no asset has been recognised for the remaining balance of R19.881 million (2023: R21.902 million).

20. TRADE AND OTHER RECEIVABLES

	2024 R'000	2023 R'000
Gross trade receivables	**150 954**	114 748
Impairment allowance[1]	**(13 464)**	(11 260)
Opening impairment allowance	**(11 260)**	(9 090)
Increase in impairment allowance for the year	**(2 284)**	(1 710)
Effect of foreign exchange fluctuations	**80**	(460)
Net trade receivables	**137 490**	103 488
Prepayments	**5 517**	6 207
Lease and other deposits[2]	**4 706**	1 353
VAT and other indirect taxes receivable	**899**	1 876
Other	**50**	34
Total trade and other receivables	**148 662**	112 958

Trade receivables include receivables from related parties of R2.241 million (2023: R2.036 million) that arise in the ordinary course of business in respect of the transactions recorded in note 39. No individual receivable is significant and the terms of the receivables are the same as those for receivables with parties who are not related.

[1] The impairment allowance is determined using the expected credit loss (ECL) approach. The group has applied the simplified approach and determined the ECLs based on lifetime ECLs. Refer note 37.3.1 for more details on accounting for ECLs.

[2] The increase in lease and other deposits relates primarily to lease deposits in respect of the Doppio Collection retail company stores acquired during the year (refer note 3).

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	2024 R'000	2023 R'000
Cash and cash equivalents		
Current, call and short-term deposit accounts	**365 745**	374 809
Restricted cash		
Current, call and short-term deposit accounts	**62 677**	81 679
Total cash and cash equivalents	**428 422**	456 488

Restricted cash relates to:

- Surplus funds in the marketing funds: These funds are identified as "restricted" cash balances as the funds are not available for general use by the group but are only available to fund future marketing costs in accordance with franchise agreements concluded between the group and its franchisees (refer note 2.1.1).
- Unredeemed gift vouchers: Funds held by the group in respect of unredeemed gift vouchers are, in accordance with the applicable legislation, held in custody on behalf of the gift voucher holders until the date of expiration, and are accordingly treated as restricted cash as they are not available for general use by the group.
- A bank deposit pledged as security in respect of a Doppio Collection company retail store property lease.
- Cash relating to The Spur Foundation Trust (refer notes 2.1.4 and 4.2). While the group controls the trust, it is not a beneficiary of the trust and accordingly is not entitled to utilise any of the cash owned by the trust for its own use.

22. CAPITAL AND RESERVES

22.1 Ordinary share capital

	Number of shares			
	2024 '000	2023 R'000	2024 R'000	2023 R'000
Authorised				
Ordinary shares of 0.001 cents each	**201 000**	201 000	**2**	2
Issued and fully paid				
Gross number of shares in issue at reporting date	**90 997**	90 997	**1**	1
Total shares held by group entities	**(9 903)**	(9 654)	**–**	–
Cumulative shares repurchased by subsidiaries	**(3 517)**	(3 225)	**–**	–
Cumulative shares held by The Spur Management Share Trust (consolidated structured entity)	**(5 886)**	(5 929)	**–**	–
Cumulative shares held by The Spur Foundation Trust (consolidated structured entity)	**(500)**	(500)	**–**	–
Net number of shares in issue at reporting date	**81 094**	81 343	**1**	1

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.

22. CAPITAL AND RESERVES continued

22.2 Shares repurchased

	2024	2023
Shares repurchased by subsidiaries		
Acquired by wholly-owned subsidiary, Share Buy-back (Pty) Ltd		
Number of shares	–	1 309 000
Average cost per share (R)	–	21.16
Total cost (R'000)	–	27 699
Acquired by wholly-owned subsidiary, Spur Group (Pty) Ltd, for FSPs (refer note 22.4)		
Number of shares	**248 661**	190 891
Average cost per share (R)	**28.02**	22.51
Total cost (R'000)	**6 967**	4 297
Total cost of shares repurchased during the year (R'000)	**6 967**	31 996
Shares transferred from Spur Group (Pty) Ltd to participants of FSP on vesting (refer note 22.4)		
Number of shares	–	166 281

22.3 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as foreign exchange gains/losses relating to loans that are considered part of the net investments in foreign operations.

22.4 Share-based payments reserve

	2024 R'000	2023 R'000
Balance at beginning of year	**18 205**	8 248
Share-based payments expense for the year	**20 885**	12 998
FSP – November 2019 tranche	–	282
FSP – October 2021 tranche	**1 801**	1 210
SAR – October 2021 tranche	**4 736**	5 024
FSP – November 2022 tranche	**1 688**	948
SAR – November 2022 tranche	**8 382**	5 534
FSP – November 2023 tranche	**904**	–
SAR – November 2023 tranche	**3 374**	–
Transfer to retained earnings on vesting of shares/rights	–	(3 041)
Balance at end of year	**39 090**	18 205
Comprising:		
FSP – October 2021 tranche	**4 246**	2 445
SAR – October 2021 tranche	**14 014**	9 278
FSP – November 2022 tranche	**2 636**	948
SAR – November 2022 tranche	**13 916**	5 534
FSP – November 2023 tranche	**904**	–
SAR – November 2023 tranche	**3 374**	–

22. CAPITAL AND RESERVES continued

22.4 Share-based payments reserve continued

Number of shares/rights in issue	2024 FSP shares	2024 SAR rights	2023 FSP shares	2023 SAR rights
Balance at beginning of year	**692 114**	**5 250 095**	547 740	4 187 851
Change in estimate	**(69 343)[1]**	**–**	(46 355)[2]	–
Granted during the year	**222 152**	**3 200 624**	381 645	3 238 776
Forfeited/lapsed during the year	**(29 372)**	**(225 744)**	(24 635)	(2 176 532)
Vested during the year	**–**	**–**	(166 281)	–
Balance at end of year	**815 551**	**8 224 975**	692 114	5 250 095
Comprising:				
October 2021 tranche	**296 367**	**1 967 063**	310 469	2 052 935
November 2022 tranche	**297 032**	**3 086 857**	381 645	3 197 160
November 2023 tranche	**222 152**	**3 171 055**	–	–

At the AGM of 23 December 2020, shareholders approved the group's Equity-settled Share Appreciation Rights Plan 2020 (SAR) and Restricted Share Plan 2020 (RSP) applicable to executive directors and members of senior and middle management. The RSP makes provision for a number of instruments to be used, including Forfeitable Shares (FSPs). All current tranches of long-term incentives (LTIs) have been issued in accordance with the aforementioned plan rules.

The terms of each tranche are as follows:

FSP	October 2021 tranche	November 2022 tranche	November 2023 tranche
Date of grant	7 October 2021	17 November 2022	16 November 2023
Number of shares awarded	327 104	312 302[1]	222 152[5]
Initial vesting date	16 August 2025	14 August 2026[4]	16 November 2027
Date from which shares may be traded	16 August 2025	14 August 2026[4]	16 November 2027
Service condition	Period from grant date to initial vesting date	Period from grant date to initial vesting date	Approximately four years from grant date
Performance conditions	N/A[3]	N/A[3]	N/A[3]
Grant-date fair value per share (R)	18.10	16.46	26.08
Proportion of shares expected to vest as assessed at reporting date (based on number of employees expected to meet service condition) (%)	90.6	95.1	100.0
Number of shares that vested	N/A	N/A	N/A

The October 2021 and November 2022 forfeitable shares were acquired by the group during the prior and current years respectively and are held in escrow on behalf of the participants pending the fulfilment of the service condition. The shares are treated as treasury shares for the duration of the initial vesting period as transfer of ownership to the participants is not unconditional. The participants are entitled to dividends and are able to exercise the voting rights attached to the shares from the date that the shares are allocated. The shares held were acquired as follows:

No. of shares	November 2022 tranche	October 2021 tranche
Shares held in respect of FSPs previously forfeited	20 635	132 106
Shares newly acquired off the market (refer note 22.2)	248 661	190 891
Shares held by The Spur Management Share Trust (refer note 22.2)	43 006	4 107
	312 302	327 104

Costs and capital gains tax associated with the intercompany transfer amounted to:

	2024 R'000	2023 R'000
Costs on intercompany transfer of shares	**16**	5
Current tax on intercompany transfer of shares	**162**	10
Total costs charged to equity	**178**	15

The November 2023 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 2024 which will only be finalised subsequent to the date of issue of this report.

Refer footnotes on page 55.

22. CAPITAL AND RESERVES continued

22.4 Share-based payments reserve continued

SAR	October 2021 tranche	November 2022 tranche	November 2023 tranche
Date of grant	7 October 2021	17 November 2022	16 November 2023
Number of rights awarded	2 409 745	3 238 776	3 200 624
Strike price per right (R)	19.14	21.04	27.70
Initial vesting date	7 October 2024	17 November 2025	13 November 2026
Date from which shares may be traded	Dependent on exercise date[7]	Dependent on exercise date[7]	Dependent on exercise date[7]
Service conditions	Three years from grant date	Three years from grant date	Three years from grant date
Performance conditions	Growth in adjusted headline earnings and adjusted headline earnings per share (HEPS) and personal performance[8]	Growth in adjusted headline earnings and adjusted HEPS and personal performance[8]	Growth in adjusted headline earnings and adjusted HEPS, new business return on investment (ROI) and personal performance[9]
Grant-date fair value per right (R)	8.48	8.97	6.21
Proportion of rights expected to vest as assessed at reporting date (based on number of employees expected to meet service condition) (%)	81.6	95.3	99.1
Proportion of rights expected to vest based on meeting of non-market performance conditions (%)	92.3	93.0	82.5
No. of rights that vested	N/A	N/A	N/A

The value of each vested share appreciation right, determined as the difference between the 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. 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.

	October 2021 tranche[10]	November 2022 tranche[11]	November 2023 tranche[11]	
Performance conditions applicable to SARs:	Criteria	Criteria	Criteria	Vesting (%)
Adjusted headline earnings growth at compounded annual growth rate over initial vesting period (%)	CPI+GDP to CPI+GDP+2	CPI+GDP+0.5 to CPI+GDP+3.5	CPI+GDP to CPI+GDP+3.5	30 to 100
Adjusted headline earnings per share growth at compounded annual growth rate over initial vesting period (%)	CPI+GDP to CPI+GDP+2	CPI+GDP+0.5 to CPI+GDP+3.5	CPI+GDP to CPI+GDP+3.5	30 to 100
New Business Return on Investment (%)[12]	N/A	N/A	17.4 to 22.2	50 to 100

Refer footnotes on page 55.

22. CAPITAL AND RESERVES continued

22.4 Share-based payments reserve continued

Fair value measurement

The grant-date fair values of the 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:

	October 2021 tranche	November 2022 tranche	November 2023 tranche
Risk-free rate (based on R186 South African Government bond) (%)	7.1	8.8	9.1
Expected dividend yield (based on historic dividend yield over historic period equivalent to vesting period) (%)	3.7	7.3	7.8
Expected volatility (based on historic volatility over historic period equivalent to vesting period) (%)	40.0	45.8	30.8

Dilution

The instruments in issue have resulted in the following dilutive potential ordinary shares:	2024	2023
FSP – November 2019 tranche	**–**	66 968
FSP – October 2021 tranche	**235 183**	165 275
SAR – October 2021 tranche	**745 085**	46 583
FSP – November 2022 tranche	**176 503**	88 809
SAR – November 2022 tranche	**680 291**	–
FSP – November 2023 tranche	**36 790**	–
SAR – November 2023 tranche	**31 728**	–
Total dilutive potential ordinary shares weighted for period in issue	**1 905 580**	367 635

[1] The value of FSP shares awarded in respect of the November 2022 tranche is calculated with reference to the participants' short-term incentive (STI) payments relating to the financial year ended 30 June 2023. The value of the FSP shares awarded is converted into a number of FSP shares based on the share price prevailing at the time of being allocated to the participants. The shares are therefore contingently issuable upon the determination of the STI. As at 30 June 2023, the number of shares previously estimated to be issued was 381 645. Subsequent to the finalisation of the STI payments for the 2023 financial year during the current year, the actual number of FSP shares was determined.

[2] The value of FSP shares awarded in respect of the October 2021 tranche is calculated with reference to the participants' STI payments relating to the financial year ended 30 June 2022. The value of the FSP shares awarded is converted into a number of FSP shares based on the share price prevailing at the time of being allocated to the participants. The shares are therefore contingently issuable upon the determination of the STI. As at 30 June 2022, the number of shares previously estimated to be issued was 373 459. Subsequent to the finalisation of the STI payments for the 2022 financial year during the prior year, the actual number of FSP shares was determined.

[3] As FSPs were/are awarded (and the actual number of shares determined) based on the group's STI (which incorporates performance conditions), no further performance conditions apply.

[4] 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 previously at 30 June 2023 of 17 November 2026 was an estimate.

[5] The number of FSP shares awarded in respect of the November 2023 tranche is calculated with reference to the participants' STI payments relating to the financial year ended 30 June 2024. 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 2024 financial year, and is subject to change pending a final determination of the STI payments due subsequent to the reporting date (refer note 27.1).

[6] 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 30 November 2027.

[7] 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.

[8] 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.

[9] Performance conditions for participants who are executive directors are: 80% based on average of growth in adjusted headline earnings and adjusted HEPS; 20% based on return on investment in respect of any acquired businesses; and 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: 50% based on growth in average adjusted headline earnings and adjusted HEPS; and 50% based on personal performance rating.

[10] Performance criteria are assessed on a point-to-point basis (i.e. the financial performance measures for the 2024 financial year are compared to the financial performance measures for the 2021 financial year, which are then compared to the targets stipulated).

[11] Performance criteria are assessed on an average basis (i.e. the year-on-year growth in the financial performance measures relative to the preceding year are compared to the targets stipulated for each of the financial years during the vesting period separately, and an average of the vesting percentages over the three years is then applied).

[12] Return on investment (ROI) in respect of current-year and future acquisitions, calculated as the group's share of the target's profit after tax before interest, expressed as a percentage of the group's initial cost of the acquisition plus the group's share of any increase in the target's tangible assets and working capital from acquisition date; calculated as an average of the annual ROI for each full-financial-year included in the performance period.

23. NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests (NCI):

	Principal place of business/ Country of incorporation	Operating segment	Ownership interests held by NCI 2024	Ownership interests held by NCI 2023
RocoMamas Franchise Co (Pty) Ltd	South Africa	South Africa Franchise – RocoMamas	**30.0%**	30.0%
Opilor (Pty) Ltd	South Africa	South Africa Retail company stores	**32.0%**	32.0%
Doppio Collection (Pty) Ltd	South Africa	South Africa Franchise – Speciality brands, Manufacturing and Distribution, Retail company owned stores and Marketing	**40.0%**	N/A
Nikos Franchise (Pty) Ltd	South Africa	South Africa Franchise – Speciality brands	**37.63%**	37.63%
Green Point Burger Joint (Pty) Ltd	South Africa	South Africa Retail company stores	**10.0%**	10.0%
The Spur Foundation Trust	South Africa	South Africa Shared Services	**100.0%#**	100.0%#

Refer note 2.1.4.

The following table summarises financial information for material subsidiaries with NCI, prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the group's accounting policies, as well as other individually immaterial subsidiaries. The information is before intercompany eliminations with other companies in the group.

2024 R'000	RocoMamas Franchise Co (Pty) Ltd	Opilor (Pty) Ltd*	Doppio Collection (Pty) Ltd	Nikos Franchise (Pty) Ltd	Other individually immaterial subsidiaries	Total
Statement of profit or loss and other comprehensive income						
Revenue	**233 112**	**27 099**	**152 398**	**4 644**	**2 185**	
Profit/(loss) and total comprehensive income	**29 854**	**3 165**	**(859)**	**1 517**	**564**	
Profit/(loss) and total comprehensive income attributable to NCI	**8 956**	**1 013**	**(344)**	**571**	**868**	**11 064**
Statement of financial position						
Current assets	**24 916**	**5 200**	**27 069**	**2 220**	**373**	
Non-current assets	**7 215**	**8 102**	**202 413**	**165**	**2 749**	
Current liabilities	**(4 780)**	**(3 400)**	**(179 339)**	**(419)**	**(5 674)**	
Non-current liabilities	**(4 903)**	**(350)**	**(51 001)**	**(324)**	**–**	
Net assets/(liabilities)	**22 448**	**9 552**	**(858)**	**1 642**	**(2 552)**	
Carrying amount of NCI	**6 735**	**3 057**	**(344)**	**618**	**4 101**	**14 167**
Statement of cash flows						
Cash flows from operating activities	**1 872**	**(297)**	**19 316**	**848**	**747**	
Cash flows from investing activities	**(2 903)**	**(9)**	**(8 032)**	**88**	**–**	
Cash flows from financing activities	**(81)**	**(1 580)**	**(5 514)**	**–**	**(750)**	
Net increase/(decrease) in cash and cash equivalents	**(1 112)**	**(1 886)**	**5 770**	**936**	**(3)**	
Dividends paid to NCI during the year	**8 400**	**1 888**	**–**	**176**	**–**	**10 464**

* Included for the seven-month period from 1 December 2023 to 30 June 2024 (refer note 3).

23. NON-CONTROLLING INTERESTS continued

2023 R'000	RocoMamas Franchise Co (Pty) Ltd	Opilor (Pty) Ltd	Green Point Burger Joint (Pty) Ltd	Nikos Franchise (Pty) Ltd	Other individually immaterial subsidiaries	Total
Statement of profit or loss and other comprehensive income						
Revenue	226 339	24 514	8 743	3 838		
Profit/(loss) and total comprehensive income	21 759	2 658	(1 148)	1 183		
Profit/(loss) and total comprehensive income attributable to NCI	6 528	850	(94)	580	970	8 834
Statement of financial position						
Current assets	22 552	7 143	305	1 351		
Non-current assets	8 605	10 849	3 173	183		
Current liabilities	(5 153)	(3 405)	(5 988)	(558)		
Non-current liabilities	(5 410)	(2 300)	(606)	(384)		
Net assets/(liabilities)	20 594	12 287	(3 116)	592		
Carrying amount of NCI	6 179	3 932	(312)	223	3 545	13 567
Statement of cash flows						
Cash flows from operating activities	4 989	2 550	790	(730)		
Cash flows from investing activities	(11)	(181)	(262)	80		
Cash flows from financing activities	(464)	(1 263)	(655)	(400)		
Net increase/(decrease) in cash and cash equivalents	4 514	1 106	(127)	(1 050)		
Dividends paid to NCI during the year	6 180	736	–	995	–	7 911

24. CONTRACT LIABILITIES

	2024 R'000	2023 R'000
The balance at the end of the year comprises:		
Deferred marketing fund contributions revenue (refer note 24.1)	**31 879**	53 781
Deferred initial franchise fee revenue (refer note 24.2)	**31 392**	31 403
Total contract liabilities	**63 271**	85 184
Current portion included in current liabilities	**37 391**	59 124
Non-current portion included in non-current liabilities	**25 880**	26 060
The movement in the liabilities during the year was as follows:		

24.1 Deferred marketing fund contributions revenue

	2024 R'000	2023 R'000
Balance at beginning of year	**53 781**	51 500
Acquisition through business combination (refer note 3)	**4 449**	–
Total marketing fund contributions received/receivable	**332 649**	302 612
Total recognised in profit or loss as revenue during the year (refer note 6)	**(359 000)**	(300 331)
Amount recognised relating to current year contributions	**(332 649)**	(300 331)
Amount recognised relating to prior period contributions	**(26 351)**	–
Balance at end of year	**31 879**	53 781
Current portion included in current liabilities	**31 879**	53 781

Marketing fund contributions revenue is recognised over time as the marketing fund contributions are utilised to fund marketing-related expenditure on behalf of franchisees. To the extent that the marketing fund contributions are not utilised at the reporting date, the related revenue is deferred until such time as the funds are utilised, at which point they are recognised as revenue. Refer note 2.1.1 for a further explanation.

24. CONTRACT LIABILITIES continued

24.2 Deferred initial franchise fee revenue

	2024 R'000	2023 R'000
Balance at beginning of year	**31 403**	28 184
New contracts concluded	**7 591**	7 401
Total recognised in profit or loss as revenue during the year (refer note 6)	**(7 107)**	(6 994)
Revenue recognised over time	**(5 000)**	(5 048)
Revenue recognised due to accelerated recognition on early termination of contract	**(2 107)**	(1 946)
Effect of foreign exchange fluctuations	**(495)**	2 812
Balance at end of year	**31 392**	31 403
Current portion included in current liabilities	**5 512**	5 343
Non-current portion included in non-current liabilities	**25 880**	26 060

These amounts relate to the initial non-refundable franchise fees which have not yet been recognised as revenue. As the group's performance obligation in relation to the initial franchise fee is satisfied over time, the revenue is recognised on a straight-line basis over the term of the franchise agreement. Where a franchise agreement is terminated prior to its expected expiration date, the balance of the contract liability, representing the value of the initial non-refundable franchise fee not already recognised in profit or loss as revenue, is recognised in profit or loss as revenue immediately.

25. LEASE LIABILITIES

	2024 R'000	2023 R'000
The movement in the liability during the year was as follows:		
Balance at beginning of year	**27 001**	34 718
Acquisition through business combination (refer note 3)	**47 861**	–
New leases concluded during the year (refer note 13)	**15 275**	441
Amounts recognised in profit or loss	**5 445**	2 573
Interest expense (refer note 9)	**6 006**	2 648
Derecognition on early termination of leases (refer note 7)	**(561)**	(75)
Lease payments during the year	**(21 715)**	(11 794)
Re-measurement of lease liability (refer note 13)	**530**	1 044
Effect of foreign exchange fluctuations	**(1)**	19
Balance at end of year	**74 396**	27 001
Current portion included in current liabilities	**21 457**	8 660
Non-current portion included in non-current liabilities	**52 939**	18 341

These leases include commercial properties for certain of the group's corporate offices, manufacturing facilities, retail property leases for its retail company stores and vehicles for use by its operations teams.

The property leases range from three to ten years, subject to renewal periods of a further five years in certain cases. To the extent that it is highly likely that the group will exercise renewal options, these renewal periods have been included in the determination of the lease periods, and therefore in determining the lease liabilities. All property leases have fixed annual escalations.

The vehicle leases prescribe variable lease payments which are linked to the South African prime overdraft rate of interest.

The recognition exemption permitted by IFRS 16 for short-term leases and for leases where the underlying assets are of low value has been applied. The following amounts have accordingly been recognised in profit or loss as incurred:

	2024 R'000	2023 R'000
Low-value leases	**1 026**	35
Variable lease payments	**878**	291
	1 904	326

25. LEASE LIABILITIES continued

	2024 R'000	2023 R'000
The following amounts are recognised in the statement of cash flows relating to the lease liabilities:		
Capital amounts included in cash flows from financing activities	**(15 709)**	(9 146)
Interest expense paid included in cash flows from operating activities	**(6 006)**	(2 648)
	(21 715)	(11 794)
Maturity analysis		
The undiscounted contractual lease payments to be made after the reporting date are shown below:		
Payments due within one year	**28 285**	10 559
Payments due within one to three years	**39 768**	14 028
Payments due after three years	**23 779**	6 744
Total undiscounted lease liabilities at end of year	**91 832**	31 331

In addition to the above, total estimated undiscounted payments due in respect of renewal periods provided for in lease agreements which have not been taken into account in determining the lease liability or above maturity analysis amount to R47.0 million.

26. TAX PAYABLE

	2024 R'000	2023 R'000
Current tax payable	**5 409**	5 106
Dividend withholding tax payable[1]	**626**	845
Withholding tax payable[2]	**4 629**	4 795
Balance at end of year	**10 664**	10 746

[1] Dividend withholding tax payable relates to local dividends paid in June of each respective year to non-controlling interests who are natural persons. The dividend withholding tax is settled with the South African Revenue Services in the month following the payment of the associated dividend.

[2] Withholding taxes payable relate to an accrual for withholding taxes not deducted by franchisees on payments of franchise fees in foreign jurisdictions in the current and prior years.

27. TRADE AND OTHER PAYABLES

	2024 R'000	2023 R'000
Trade payables	**203 075**	175 519
Group payables	**80 327**	63 323
Payable to outsourced distributor (refer note 18)	**122 748**	112 196
Income received in advance[1]	**1 487**	198
Short-term employee benefits	**43 686**	45 277
Short-term incentive scheme (refer note 27.1)	**24 041**	28 374
Leave pay and other short-term employee benefits[2]	**19 645**	16 903
VAT and other indirect taxes payable	**11 430**	8 798
Unredeemed gift vouchers	**15 425**	9 774
Trade payable owing to Doppio Group[3]	**2 821**	–
Other sundry payables	**79**	22
Total trade and other payables	**278 003**	239 588

[1] 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.

[2] 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.

[3] As noted in footnote 4 to note 8, in relation to the acquisition of the Doppio Collection, the group has concluded an agreement with the Doppio Group to provide the group with the use of the services of certain staff and equipment on a recovery of cost basis.

27. TRADE AND OTHER PAYABLES continued

27.1 Short-term incentive scheme

	2024 R'000	2023 R'000
Balance at beginning of year	**28 374**	22 009
Payment in respect of prior year incentive	**(28 960)**	(21 156)
Recognised in profit or loss	**24 627**	27 521
Balance at end of year	**24 041**	28 374

The accrual for the short-term incentive (STI) scheme is determined in accordance with the rules of the scheme approved by the group's nominations and 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 is 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 22.4).

28. LOANS PAYABLE

	2024 R'000	2023 R'000
Doppio Collection shareholder loan: Shumac (Pty) Ltd (Miki Milovanovic)[1]	**32 572**	–
Pro rata shareholder loan	**24 356**	–
Excess shareholder loan	**8 216**	–
Doppio Collection shareholder loan: Stav Holdings (Pty) Ltd (Paul Christie)[1]	**32 572**	–
Pro rata shareholder loan	**24 356**	
Excess shareholder loan	**8 216**	
Loan owing to Doppio Group[2]	**5 636**	–
Total loans payable (current liabilities)	**70 780**	–

The loans all arose as part of the acquisition of Doppio Collection (refer note 3).

[1] The loans incur no interest and have no formal repayment terms. To the extent that the loans are in excess of the *pro rata* shareholding of the respective shareholders, the non-controlling shareholders have a preferential right to repayment of these loans before any amount may be repaid on other shareholder loans which are in proportion to the respective shareholders' shareholding.
[2] This represents the balance of the purchase consideration for the net assets acquired due by Spur Group to Doppio Collection in order for Doppio Collection to settle the remaining amount owing by Doppio Collection to the Doppio Group for the acquisition of the Target Business.

29. PROVISION FOR LEASE OBLIGATION

	2024 R'000	2023 R'000
Balance at beginning of year	**8 390**	7 514
Effect of foreign exchange fluctuations	**(248)**	876
Balance at end of year	**8 142**	8 390

A wholly owned subsidiary company previously (during the 2016 financial year) acquired a lease (which terminated in March 2024) for a restaurant premises in Australia, which was sublet to the former franchisee of the former Apache Spur in Australia. During the 2020 financial year, the landlord cancelled the head lease 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 and the premises have been relet, the extent of the landlord's loss mitigation is unknown. The provision previously raised for the total gross value of the remaining lease payments over the term of the lease (from the date of cancellation) in previous years has accordingly been retained. The timing and amount of the potential cash outflows are uncertain as at the reporting date.

30. DIVIDENDS

	2024 R'000	2023 R'000
Final 2022 – dividend of 78.0 cents per share	–	70 978
Interim 2023 – dividend of 82.0 cents per share	–	74 617
Final 2023 – dividend of 110.0 cents per share	100 097	–
Interim 2024 – dividend of 95.0 cents per share	86 447	–
Total dividends to equity holders	**186 544**	145 595
Dividends external to the group are reconciled as follows:		
Gross dividends declared by the company	186 544	145 595
Dividends received on the company's shares held by the group	(19 040)	(14 501)
Total dividends declared by the company external to the group	167 504	131 094
Dividends declared by subsidiaries to non-controlling shareholders (refer note 23)	10 464	7 911
Total dividends external to the group	**177 968**	139 005
Shareholders for dividends	**1 748**	1 433

At its meeting on 20 August 2024, the board of directors has approved a final dividend of 118.0 cents per share (the equivalent of R107.4 million) in respect of the 2024 financial year, funded by income reserves, to be paid in cash on 16 September 2024. The dividend is subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962, as amended) (dividend withholding tax) of 20%. The net dividend is therefore 94.4 cents per share for shareholders liable to pay dividend withholding tax.

The total gross dividend declared relating to the 2024 financial year was 213 cents per share equating to R193.8 million.

31. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	2024 R'000	2023 R'000
Profit before income tax	341 741	318 424
Adjusted for:		
Amortisation – intangible assets (refer note 14)	1 030	1 343
Costs on intercompany transfer of treasury shares relating to FSP (refer note 22.4)	(16)	(5)
Depreciation (refer notes 12 and 13)	28 073	18 036
Fair value gain on contingent consideration receivable (refer footnote 1 to the consolidated statement of changes in equity)	–	(61)
Foreign exchange loss (excluding losses/gains on intercompany accounts)	589	3 651
Foreign currency translations not disclosed elsewhere in the statement of cash flows	(2 613)	6 676
Impairment losses – financial instruments (refer note 8)	6 301	2 622
Impairment of property, plant and equipment (refer note 12.1)	3 285	1 776
Impairment of right-of-use asset (refer note 13)	2 530	–
Interest expense	6 142	2 694
Interest income	(35 722)	(28 659)
Gain on derecognition of lease	(86)	(1)
Derecognition of lease liabilities on early termination (refer note 25)	(561)	(75)
Derecognition of right-of-use assets on early termination of leases (refer note 13)	475	74
Movement in bonus, leave pay and short-term incentive accruals (refer note 27)	(1 591)	6 839
Movement in contract liabilities (refer note 24)	(25 867)	2 688
Profit on disposal of property, plant and equipment	(35)	(69)
Share-based payments expense – equity-settled – long-term employee share incentive schemes (refer note 22.4)	20 885	12 998
Share of profit of equity-accounted investee (net of income tax) (refer note 15)	(145)	–
Operating profit before working capital changes	**344 501**	348 952

		2024 R'000	2023 R'000
32.	**Working capital changes**		
	Increase in inventories	**(11 124)**	(23 521)
	Increase in trade and other receivables	**(39 024)**	(14 513)
	Increase in trade and other payables	**36 103**	44 934
	Working capital changes	**(14 045)**	6 900
33.	**Interest income received**		
	Interest income received is reconciled to the amount recognised in profit or loss as follows:		
	Interest income	**35 722**	28 659
	Interest income on loan receivables, not received in cash	**(603)**	(507)
	Interest income received	**35 119**	28 152
34.	**Tax paid**		
	Tax paid is reconciled to the amount recognised in profit or loss as follows:		
	Net amount payable at beginning of year	**(10 513)**	(9 099)
	Current and withholding tax charged to profit or loss (refer note 10.1)	**(106 198)**	(97 572)
	Current tax (charged)/credited to equity (refer note 10.4)	**(181)**	49
	Dividend withholding tax charged to equity and unpaid at the reporting date (refer note 26)	**(626)**	(845)
	Effect of foreign exchange fluctuations	**246**	(611)
	Net amount payable at end of year	**10 387**	10 513
	Tax paid	**(106 885)**	(97 565)
35.	**Dividends paid**		
	Dividends paid are reconciled to the amount disclosed in the statement of changes in equity as follows:		
	Amount payable at beginning of year	**(1 433)**	(886)
	Total dividends external to the group (refer note 30)	**(177 968)**	(139 005)
	Dividend withholding tax charged to equity and unpaid at the reporting date (refer note 26)	**626**	845
	Dividend set off against receivable from Nikos minority shareholders (refer footnote 1 to consolidated statement of changes in equity)	**–**	796
	Amount payable at end of year	**1 748**	1 433
	Dividends paid	**(177 027)**	(136 817)
36.	**Proceeds from disposal of property, plant and equipment**		
	Carrying amount of property, plant and equipment disposed of (refer note 12)	**502**	11
	Profit on disposal of property, plant and equipment	**35**	69
	Proceeds from disposal of property, plant and equipment	**537**	80

37. FINANCIAL INSTRUMENTS

37.1 Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy (refer note 2.2.1). It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount at amortised cost 2024 R'000	Total 2023 R'000
Financial assets not measured at fair value			
Loans receivable	15 & 16	**69**	–
Financial assets included in trade and other receivables[&]	20	**142 246**	104 875
Restricted cash	21	**62 677**	81 679
Cash and cash equivalents	21	**365 745**	374 809
		570 737	561 363
Financial liabilities not measured at fair value			
Financial liabilities included in trade and other payables[#]	27	**221 400**	185 315
Loans payable	28	**70 780**	–
Shareholders for dividend	30	**1 748**	1 433
Lease liabilities	25	**74 396**	27 001
		368 324	213 749

[&] Includes trade receivables, deposits and other financial assets as defined in terms of *IFRS 9 – Financial instruments*.
[#] Includes trade payables, unredeemed gift voucher liability and other financial liabilities as defined in terms of *IFRS 9 – Financial instruments*.

37.2 Measurement of fair values

The group has not disclosed the fair values of loans receivable, financial assets included in trade and other receivables, cash and cash equivalents, restricted cash, financial liabilities included in trade and other payables, loans payable and shareholders for dividend as their carrying amounts are a reasonable approximation of their fair values.

In the case of loans receivable, the terms of the loans (including in particular, the interest rates applicable) are considered 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, restricted cash, financial liabilities included in trade and other payables, loans payable 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.

37.3 Financial risk management

The group has exposure to the following risks from its use of financial instruments:

– credit risk;
– liquidity risk; and
– market risk.

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

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

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

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

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group to the extent that these have an impact on the financial statements.

37.3.1 Credit risk

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

Exposure to credit risk and credit losses

	Carrying amount	
	2024 R'000	2023 R'000
The aggregate of the carrying amounts of financial assets, as well as lease receivables, represents the group's maximum credit risk exposure:		
Cash and cash equivalents (refer note 21)	**371 284**	374 809
Restricted cash (refer note 21)	**57 138**	81 679
Financial assets included in trade and other receivables (refer note 20)	**142 246**	104 875
Loans receivable (refer notes 15 & 16)	**69**	–
Total exposure to credit risk	**570 737**	561 363
The expected credit loss allowances and actual credit losses recognised in profit or loss were as follows:		
Increase in expected credit loss allowance and bad debts on trade and other receivables	**5 773**	2 292
Expected credit loss allowance on loans receivable	**603**	506
Reversal of expected credit loss allowance on loans receivable	**(75)**	(122)
Reversal/decrease in expected credit loss allowance on contingent consideration receivable	**–**	(54)
Total expected and actual credit losses	**6 301**	2 622

The group has performed an individual assessment of the compliance of each trade and loan receivable with the group's credit policy and loan agreements, based on conditions the group was aware of at the reporting date. The multiplication method is used to determine the allowance for expected credit losses (ECLs) which is applied by multiplying the exposure (being the gross carrying amount) by the assigned probability of default (PD) and loss given default (LGD) rates depending on the performance of the instruments as per the tables below. The group has considered the following information when assessing PDs:

- Past events to determine the relationship between default rates and macroeconomic variables;
- Current conditions to identify the point in the economic cycle and to determine whether adjustments need to be made to historical data; and
- Forecasts of economic conditions to determine conditional PD estimates.

Stage	Description	Criteria	Standard PD	Standard LGD	ECL period
Stage 1	Performing	Substantial compliance with standard credit terms	0.08% – 4.19% (2023: 0.06% – 4.50%)	68.46% (2023: 66.91%)	12 months for loan receivables and lifetime for trade receivables
Stage 2	Significantly increased credit risk[1]	Contractual payments >30 days past due; alternatively, extended credit terms required, but substantial compliance with extended credit terms	60.46% (2023: 31.25%)	68.46% (2023: 66.91%)	Lifetime
Stage 3	In default/ credit-impaired	Not in compliance with extended credit terms and/ or contractual payments >90 days past due[2]	100%	68.46% (2023: 66.91%) but subject to individual assessment	Lifetime

[1] A significant increase in credit risk occurs when the group considers the risk of default occurring to have increased based on the specific facts and circumstances of debtors, but a default event has not yet occurred.
[2] The group may also consider a financial asset to be credit impaired, even if not in default, when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full, before taking into account any credit enhancements held by the group.

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

37.3.1 Credit risk continued

Probability of default

To determine the PDs for trade receivables, a detailed analysis of the group's debtors ageing was conducted over a period of two years to assess the historic average likelihood of each ageing category ending up in a default position. Forward-looking PD term structures provided by Moody's KMV RiskCalc SA PD model were used to assess the reasonability of the internal PD rates calculated and whether any specific adjustments were required based on macroeconomic factors. Based on the Moody's model, it was noted that the market point-in-time and through-the-cycle probabilities of default curves were aligned as at 30 June 2024, indicating that the market is at the long-run average point of the economic cycle. No additional specific adjustments were therefore considered necessary to the internally calculated PDs.

The improved trading conditions and resultant payment performance of debtors in the current year resulted in a lower assessment of PD for stage 1 trade receivables. Improved collection processes in the current year meant that debtors moving into stage 2 provided a better indicator of financial distress (as opposed to pure administrative delays in payment). This is supported by the increase in the PD rate calculated for stage 2 receivables. The stage 2 subset of trade receivables is however the smallest proportion of the total debtors book.

Loss given default

The LGD rate was calculated by assessing the group's debtors book over a two-year period to determine the value of debtors which had defaulted over the observation period net of their subsequent recoveries (discounted for the time value of money). The increase in the LGD for the year is due largely to higher interest rates relative to the prior year (which increase the impact of the time value of money, which in turn reduce the real value of recoveries for debtors in default over time).

Cash and cash equivalents and restricted cash

The group's cash is placed with major South African and international financial institutions (in the respective jurisdictions in which the group trades) of high credit standing. The PD rates benchmarked against the external global rating equivalent to the credit rating of these financial institutions are negligible and ECLs are accordingly not anticipated to be material.

The group's policy is to place cash balances with multiple financial institutions to mitigate against the risk of loss to the group in the event that any one financial institution was to fail.

98.5% of the group's cash reserves are held at the following three institutions:

Financial institution	Deposits at 30 June 2024 R'm	Credit rating
Firstrand Bank Limited	**243.2**	S&P short-term national scale rating za.A-1 +
Investec Bank Limited	**137.6**	S&P short-term national scale rating za.A-1 +
ABN Amro (the Netherlands)	**35.5**	S&P short-term rating A-1

Financial assets included in trade and other receivables

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

In the main, trade receivables comprise amounts owing by franchisees that have been transacting with the group for several years, and significant losses have occurred infrequently. In monitoring customer credit risk, customers are grouped together according to their geographic location, ageing profile and existence of previous financial difficulties. There is furthermore one significant wholesale customer. The risk of counterparties defaulting is controlled by the application of credit approvals, limits and monitoring procedures. In the event that a risk of default is identified for a particular franchisee, management actively engages with the franchisee to identify opportunities to assist the franchisee in an effort to limit the potential loss to the group.

The group does not require collateral in respect of trade and other receivables although all signatories to a franchise agreement sign a personal suretyship in favour of the group.

The group has applied the simplified approach permitted by IFRS 9 and calculated ECLs based on lifetime ECLs.

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

37.3.1 Credit risk continued

Financial assets included in trade and other receivables *continued*

	Gross carrying amount	
	2024 R'000	2023 R'000
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
Domestic	**145 926**	107 550
Euro-zone countries	**4 448**	6 609
Australasia	**580**	589
Total trade receivables	**150 954**	114 748
The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:		
Wholesale customers	**27 079**	14 607
Franchisees (franchise businesses)	**123 875**	100 141
Total trade receivables	**150 954**	114 748
The movement in the impairment allowance for ECLs in respect of trade receivables during the year was as follows:		
Balance at beginning of year	**11 260**	9 090
Current year impairment losses recognised	**2 284**	1 710
Effect of foreign exchange fluctuations	**(80)**	460
Balance at end of year	**13 464**	11 260
Total credit losses in respect of trade and other receivables:		
Current year impairment losses recognised	**2 284**	1 710
Irrecoverable debts written off (trade receivables)	**3 489**	582
Total credit losses	**5 773**	2 292

The increase in the total allowance for ECLs in the current year, notwithstanding the lower PD rates applied to stage 1 debtors in the current year relative to the prior year, arises principally from:

- the increase in the debtors book in line with improved economic activity;
- the increase in the debtors book arising from the recently-acquired Doppio Collection business (refer note 3); and
- the greater absolute value of stage 3 debtors relative to the prior year (although lower as a proportion of total debtors than the prior year).

The significant actual credit loss in the period relates primarily to the group's franchisee in Saudi Arabia who has been unable to service his debt incurred prior to 2019, and is not expected to be able to repay any of the amount owing to the group. An allowance for ECLs equivalent to the full receivable had been raised in previous years, and was reversed in the current year following the recognition of the actual credit loss.

The gross carrying amounts of trade receivables are allocated to each stage as follows:

	2024			2023		
R'000	**Gross carrying amount**	**% of total carrying amount**	**Impairment allowance**	Gross carrying amount	% of total carrying amount	Impairment allowance
Stage 1	**133 737**	**88.6%**	**1 023**	102 849	89.7%	1 444
Stage 2	**5 922**	**3.9%**	**3 218**	1 747	1.5%	366
Stage 3	**11 295**	**7.5%**	**9 223**	10 152	8.8%	9 450
Total trade receivables	**150 954**	**100.0%**	**13 464**	114 748	100.0%	11 260

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

37.3.1 Credit risk continued

Loans receivable

The group previously advanced loans to international franchisees to assist their funding in respect of start-up operations. Given the high risk associated with these loans, the group's international expansion strategy no longer includes the provision of loans to franchisees.

Loans to local franchisees were previously advanced only to those franchisees which had an established track record of generating cash sufficient to service the loan. It is generally the policy of the group not to advance cash loans to franchisees.

The group's policy is to obtain collateral in respect of material loans advanced. The extent of collateral held by the group in relation to loans receivable is detailed in note 16.

The group had previously advanced a number of loans to franchisees in Australia and New Zealand (refer notes 16.1, and 16.3). Persistent difficult trading conditions, exacerbated by COVID-19, had increased the financial pressure on franchisees in those countries resulting in the franchisees commencing with liquidation proceedings. Allowances for ECLs equivalent to the full carrying amounts of these loans has previously been raised.

	Gross carrying amount	
	2024 R'000	2023 R'000
The maximum exposure to credit risk for loans receivable at the reporting date by geographical region was as follows:		
South Africa	**4 785**	4 188
Australasia	**5 262**	5 422
Total gross carrying amounts of loans receivable	**10 047**	9 610

	2024		2023	
R'000	**Gross carrying amount**	**Impairment allowance**	Gross carrying amount	Impairment allowance
The following table presents an analysis of the credit quality of loan receivables and related impairment allowances:				
Stage 1	**69**	**–**	–	–
Stage 3	**9 978**	**9 978**	9 610	9 610
Total loans receivable	**10 047**	**9 978**	9 610	9 610

There are no loans in stage 2.

R'000	12-month ECL	Life-time ECL – not credit-impaired	Life-time ECL – credit-impaired	Total ECL
The movement in the impairment allowance for loan receivables during the year was as follows:				
Balance at beginning of year	**–**	**–**	**9 610**	**9 610**
Current year impairment allowance	**–**	**–**	**603**	**603**
Reversal of impairment allowance	**–**	**–**	**(75)**	**(75)**
Effect of foreign exchange	**–**	**–**	**(160)**	**(160)**
Balance at end of year	**–**	**–**	**9 978**	**9 978**

Guarantees

The group's policy is to provide financial guarantees only to subsidiaries domiciled in South Africa. At 30 June 2024 no material guarantees were outstanding from a group perspective (30 June 2023: Rnil).

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

37.3.2 Liquidity risk

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

Restricted cash balances of R57.138 million (2023: R81.679 million), as detailed in note 21, are not available for general use and are not considered when assessing assets available to assist with liquidity.

The group's franchise divisions are typically, and have historically been, cash generating. The group's cash reserves are sufficient to sustain its fixed costs for a period of at least six months.

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

The group has no formal credit facilities in place with its bankers. Given that the group has a favourable relationship and credit rating with its principal bankers and an ungeared statement of financial position, the board is of the view that credit could be secured to manage any short-term liquidity risk, if the need arose.

		Contractual cash flows		
R'000	Carrying amount	Total	1 – 12 months	1 - 3 years
The following are the contractual maturities of financial liabilities, including interest payments:				
2024				
Financial liabilities included in trade and other payables	**221 400**	**221 400**	**221 400**	**–**
Loans payable (unsecured)	**70 780**	**70 780**	**70 780**	**–**
Shareholders for dividend	**1 748**	**1 748**	**1 748**	**–**
2023				
Financial liabilities included in trade and other payables	185 315	185 315	185 315	–
Shareholders for dividend	1 433	1 433	1 433	–

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

The contractual cash flows relating to leases are detailed in note 25.

37.3.3 Market risk

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

Currency risk

International operations

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

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

Exchange gains/losses relating to loans that are considered to be part of the net investment in a foreign operation are included in other comprehensive income.

Local operations

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

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

37.3.3 Market risk continued

Exposure to currency risk

The group's material exposures to foreign currency risk (insofar as it relates to financial instruments) was as follows as at 30 June:

	EUR R'000
2024	
Assets	
Cash and cash equivalents	**1 940**
Trade and other receivables	**228**
Total assets	**2 168**
Liabilities	
Trade and other payables	**(17)**
Total liabilities	**(17)**
Total net exposure	**2 151**
2023	
Assets	
Cash and cash equivalents	1 046
Trade and other receivables	326
Total assets	1 372
Liabilities	
Trade and other payables	(20)
Total liabilities	(20)
Total net exposure	1 352

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2024	2023	**2024**	2023
Euro 1 = R	**20.2267**	18.6400	**19.5096**	20.5578

Sensitivity analysis

Any reasonable change in the above currencies against the rand are not expected to have a material impact on profit before income tax or equity.

Interest rate risk

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

Interest rate risk profile

All material interest-bearing financial instruments are at variable rates.

Cash flow sensitivity analysis for variable rate instruments

An increase of 50 basis points in interest rates for the year would impact profit before income tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Increase in profit before income tax R'000	Increase in equity R'000
30 June 2024		
Variable-rate assets	**2 212**	**1 615**
30 June 2023		
Variable-rate assets	2 031	1 483

A decrease of 50 basis points in interest rates for the year would have had the equal but opposite effect to the amounts shown above on the basis that all other variables remain constant.

37. FINANCIAL INSTRUMENTS continued

37.3 Financial risk management continued

37.3.4 Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the demographic spread of shareholders, the level of distributions to ordinary shareholders, as well as the return on capital. Capital is allocated subject to the board's required return on invested capital being met. Capital consists of total shareholders' equity, excluding non-controlling interests.

From time to time the group purchases its own shares on the market; the timing of these purchases depends on market prices. The group does not have a defined share buy-back plan. However, depending on the availability of cash, prevailing market prices and committed capital expenditure, shares may be repurchased.

The value of the group is attributed largely to its trademarks and related intellectual property. These intangible assets are accounted for in the group's statement of financial position at historic cost.

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

38. DIRECTORS', PRESCRIBED OFFICER'S AND SENIOR MANAGEMENT'S EMOLUMENTS

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

		Variable remuneration					
R'000	Guaranteed remuneration[1]	Equity compensation benefits[2]	Petrol allowance	Prior year STI payment[3]	Prior year accrual for STI payment[3]	Current year STI accrual[4]	Total remuneration included in profit or loss
2024							
Executive directors							
For services, as employees, to subsidiary companies							
Directors serving during the year							
Val Nichas	5 957	4 982	28	6 083	(6 083)	4 658	15 625
Cristina Teixeira	4 926	2 587	20	3 353	(3 353)	2 445	9 978
Kevin Robertson	3 887	2 021	–	2 646	(2 646)	1 929	7 837
Total executive directors	14 770	9 590	48	12 082	(12 082)	9 032	33 440

	Including VAT[7]			Excluding VAT[7]		
R'000	Base non-executive director fees[5]	Additional meeting fees – current year[6]	Total remuneration included in profit or loss	Base non-executive director fees[5]	Additional meeting fees – current year[6]	Total remuneration included in profit or loss
Non-executive directors						
For services, as directors, to the company						
Directors serving during the year						
André Parker	749	69	818	651	61	712
Cora Fernandez	804	122	926	698	106	804
Jesmane Boggenpoel	694	102	796	604	89	693
Lerato Molebatsi	651	61	712	651	61	712
Mike Bosman	1 561	122	1 683	1 357	106	1 463
Shirley Zinn	749	122	871	651	106	757
Total non-executive directors	5 208	598	5 806	4 612	529	5 141
Total remuneration (excluding VAT)						38 581
Total remuneration (including VAT)						39 246

Refer footnotes on page 73.

38. 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:

	No. of November 2023 SARs	Fair value of SARs[8] R'000	No. of November 2023 FSPs[9]	Fair value of FSPs[8] R'000	Total fair value of instruments awarded R'000
Val Nichas	776 817	4 824	15 222	397	5 221
Cristina Teixeira	401 482	2 493	11 984	313	2 806
Kevin Robertson	316 821	1 967	9 457	247	2 214
Total fair value of share-linked long-term incentive awards relating to the year		**9 284**		**957**	**10 241**

No LTI awards vested during the year.

R'000	Guaranteed remuneration[1]	Variable remuneration: Equity compensation benefits[2]	Variable remuneration: Petrol allowance	Variable remuneration: Prior year STI payment[3]	Variable remuneration: Prior year accrual for STI payment[3]	Variable remuneration: Current year STI accrual[10]	Total remuneration included in profit or loss
2023							
Executive directors							
For services, as employees, to subsidiary companies							
Directors serving during the year							
Val Nichas	5 645	3 078	18	4 200	(4 200)	6 083	14 824
Cristina Teixeira	4 668	1 544	1	2 100	(2 100)	3 353	9 566
Kevin Robertson	3 650	1 207	–	1 599	(1 599)	2 646	7 503
Total executive directors	13 963	5 829	19	7 899	(7 899)	12 082	31 893

R'000	Including VAT[7]: Base non-executive director fees[5]	Including VAT[7]: Additional meeting fees – current year[6]	Including VAT[7]: Total remuneration included in profit or loss	Excluding VAT[7]: Base non-executive director fees[5]	Excluding VAT[7]: Additional meeting fees – current year[6]	Excluding VAT[7]: Total remuneration included in profit or loss
Non-executive directors						
For services, as directors, to the company						
Directors serving during the year						
André Parker	706	5	711	614	4	618
Cora Fernandez	758	35	793	659	30	689
Jesmane Boggenpoel	655	5	660	569	4	573
Lerato Molebatsi	614	5	619	614	4	618
Mike Bosman	1 472	35	1 507	1 280	30	1 310
Sandile Phillip[11]	427	–	427	427	–	427
Shirley Zinn	706	38	744	614	33	647
Total non-executive directors	5 338	123	5 461	4 777	105	4 882
Total remuneration (excluding VAT)						36 775
Total remuneration (including VAT)						37 354

Refer footnotes on page 73.

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

The following LTI awards previously allocated to directors vested during the prior year:

	2023 FSP	2023 SAR
Kevin Robertson		
– November 2019 tranche (no. of FSP shares/SAR rights)	5 000	177 535
– November 2019 tranche (value on vesting date (R'000))	104	–

The SARs that vested during the prior year effectively lapsed as the strike price of the rights was above the prevailing share price at the vesting date.

The following LTI awards were granted to directors during the prior year:

	No. of November 2022 SARs	Fair value of SARs[8] R'000	No. of November 2022 FSPs (revised)[12]	Fair value of FSPs (revised)[8,12] R'000	Total fair value of instruments awarded (revised)[8,12] R'000
Val Nichas	818 185	7 339	24 086	493	7 832
Cristina Teixeira	422 861	3 793	19 918	408	4 201
Kevin Robertson	333 692	2 993	15 718	322	3 315
Total fair value of share-linked long-term incentive awards relating to the year		14 125		1 223	15 348

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

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

Service agreements with the directors of Spur Corporation Ltd do not impose any abnormal notice periods on the company or the directors in question.

Details of remuneration paid to the top three earning employees who are not directors or prescribed officers of the company are listed below. The composition of the individuals differs from year to year.

		Variable remuneration		
R'000	**Guaranteed remuneration[1]**	**Equity compensation benefits[2]**	**STI[4,13]**	**Total remuneration included in profit or loss**
2024				
Senior managers				
Senior manager 1	**2 790**	**683**	**711**	**4 184**
Senior manager 2	**2 450**	**628**	**631**	**3 709**
Senior manager 3	**2 324**	**498**	**513**	**3 335**
2023				
Senior managers				
Senior manager 1	2 620	446	819	3 885
Senior manager 2	2 323	173	799	3 295
Senior manager 3	2 330	389	791	3 510

Refer footnotes on page 73.

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

The table below lists the share-linked awards which 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 22.4):

	No. of FSP shares		No. of SAR rights	
	2024[9,12]	2023[12]	**2024**	2023
Executive directors and prescribed officer				
Current directors				
Val Nichas – November 2023 tranche[9]	**15 222**	–	**776 817**	–
Val Nichas – November 2022 tranche[12]	**24 086**	28 945	**818 185**	818 185
Val Nichas – October 2021 tranche	**28 065**	28 065	**521 229**	521 229
Cristina Teixeira – November 2023 tranche[9]	**11 984**	–	**401 482**	–
Cristina Teixeira – November 2022 tranche[12]	**19 918**	23 935	**422 861**	422 861
Cristina Teixeira – October 2021 tranche	**23 387**	23 387	**229 954**	229 954
Kevin Robertson – November 2023 tranche[9]	**9 457**	–	**316 821**	–
Kevin Robertson – November 2022 tranche[12]	**15 718**	18 888	**333 692**	333 692
Kevin Robertson – October 2021 tranche	**17 812**	17 812	**175 133**	175 133
Total awards allocated	**165 649**	141 032	**3 996 174**	2 501 054

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.

Footnotes

1 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.

2 The equity compensation benefit is the *pro rata* share-based payments expense (in terms of *IFRS 2 – Share-based Payments*) attributable to each of the directors or employees. Refer note 22.4.

3 The short-term incentive (STI) payment relating to the prior year was settled in cash in the current year. Remuneration for the prior year included a best estimate of the amount of the STI. Refer also footnote 10.

4 This represents a best estimate of the likely STI payable in respect of the 2024 financial year. 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 September 2024. 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 22.4).

5 Comprises a base non-executive director fee per annum plus an additional fee as chair or member per subcommittee on which served, as approved at the AGM each year.

6 Fees paid to non-executive directors for additional meetings held during the year as approved at the AGM each year.

7 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, the VAT paid is not for the benefit of the directors in question. Additional disclosure was included in the 2023 amounts to reflect the VAT amounts for non-executive directors.

8 Grant-date fair value of the share appreciate rights/forfeitable share plan shares granted (refer note 22.4).

9 This represents a best estimate of the likely number of FSPs that will be issued. The shares are expected to be acquired in September 2024. The actual number of shares will be determined based on a percentage of the final STI payable in respect of the 2024 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.

10 This represented a best estimate of the likely STI payable in respect of the 2023 financial year. The actual amount was determined in accordance with the scheme rules subsequent to the date of issue of the prior year's report and was settled in cash in September 2023. In addition to the cash payment, a number of FSP shares, calculated with reference to the actual STI payment, were issued to the directors, which are subject to the terms of the group's FSP scheme rules (refer note 22.4).

11 Resigned with effect from 24 March 2023.

12 The number of FSP awards relating to the 2023 financial year was determined as a percentage of the final STI payable in respect of the 2023 financial year (which was finalised subsequent to the date of issue of the prior year's report) as well as the prevailing share price on the date the shares were acquired (in September 2023). The prior year report therefore disclosed a best estimate of the number and value of FSP awards relating to the 2023 financial year. These estimates have been updated to reflect the actual number and grant-date fair value of the FSP awards relating to the 2023 financial year.

39. RELATED PARTY DISCLOSURES

39.1 Transactions between group entities

During the year, in the ordinary course of business, certain companies within the group entered into transactions which have been eliminated on consolidation. Refer to note 13 of the separate financial statements on page 94 for guarantees given to subsidiary companies.

39.2 Identity of related parties

A number of the group's directors and key management personnel (or parties related to them) hold positions in other entities, where they may have significant influence over the financial or operating policies of those entities. To the extent that the group has any relationship or dealings with those entities, they are listed as follows:

Director	Related party	Cross reference to note 39.3	Relationship with related party
Kevin Robertson (Spouse)	Clearpan (Pty) Ltd (Panarottis Clear Water Mall)[1]		20% Shareholder

Key Management[2]	Related party	Cross reference to note 39.3	Relationship with related party
Brian Altriche[3]	Celapart (Pty) Ltd (Golden Falcon Spur)[1]	3	70% Shareholder
	Double Ring Trading 299 (Pty) Ltd (Falcon Arrow Spur)[1]	4	100% Shareholder
	Little Haiwatha Trading CC (RocoMamas Rivonia)[1,4]		0% (2023: 60%) Member
	Pizzade Trading CC (RocoMamas Randburg)[1,4]		0% (2023: 70%) Member
	Smack Pizza (Pty) Ltd (RocoMamas Southgate)	11	50% Shareholder
	Twin Cities Trading 42 (Pty) Ltd (Falcon Peak Spur)[1]	13	80% (2023: 100%) Shareholder
Brian Altriche[3] (Brother-in-law)	Little Haiwatha Trading CC (RocoMamas Rivonia)[1,4]		0% (2023: 20%) Member
	Nikos Ballito Bay (Pty) Ltd (Nikos Ballito)[1,4]		0% (2023: 50%) Shareholder
Cornelis Schutte	Zinvostar (Pty) Ltd (Panarottis Somerset West)[1]		20% Shareholder
Derick Koekemoer[5]	Abaya Investments CC (John Dory's The Grove, Windhoek (Namibia))[1,6]	1	25% Member
	Barleda 293 CC (Cancun Spur)[1]	2	25% Member
	Gapecovako Investments CC (Panarottis Windhoek (Namibia))[1]	5	26.25% (2023: 25%) Member
	Kea Investments CC (RocoMamas Maerua, Windhoek (Namibia))[1]	7	29.42% (2023: 25%) Member
	Kea Investments CC (RocoMamas The Grove, Windhoek (Namibia))[1]	8	29.42% (2023: 25%) Member
	Little Thunder (Pty) Ltd (Tampico Spur)[1]		21% Shareholder
	Servigyn 25 CC (Thunder Bay Spur)[1]		32% Member
Donovan Cronje	Nitafin (Pty) Ltd (John Dory's Secunda)[1]	9	10% Shareholder
	Tandistyle (Pty) Ltd (John Dory's Menlyn)[1,4]	12	0% (2023: 12%) Shareholder

Refer footnotes on page 77.

39. RELATED PARTY DISCLOSURES continued

39.2 Identity of related parties continued

Director/ former director/ prescribed officer	Related party	Cross reference to note 39.3	Relationship with related party
Justin Fortune	Alicente 144 CC (Golden Bay Spur)[1]		25% Member
	Apache Dawn (Pty) Ltd (The Hussar Grill Somerset West)[1]		25% Shareholder
	Laadned Trading 333 CC (Cajun Spur)[1]		25% Member
Keith Getz[7]	Bernadt Vukic Potash & Getz		Partner in principal legal firm
Leonard Coetzee	JJ Links CC (John Dory's Wilsons Wharf)[1,8]	6	10% Member
	Nitafin (Pty) Ltd (John Dory's Secunda)[1]	9	10% Shareholder
	Nitaprox (Pty) Ltd (Pine Creek Spur)[1]	10	10% Shareholder
	Torinosun (Pty) Ltd (Navaho Springs Spur)[1]		11.7% Shareholder
	Waterstone Trading 51 (Pty) Ltd (Atlanta Spur)[1]	14	10% Shareholder
Nkululeko Zulu[9]	Celapart (Pty) Ltd (Golden Falcon Spur)[1]	3	20% Shareholder

39.3 Transactions and balances with related parties

Balances with related parties

Refer note 20 for details on trade receivables from related parties. No individual trade receivable is material. The trade receivables with related party franchisees are subject to the same credit terms as for independent franchisees. None of the trade receivables are considered overdue. The trade receivables are secured by personal suretyships issued by the signatories to the franchise agreements, as with all other franchise agreements.

There are no loans to related parties. Refer note 28 for details of loans payable to non-controlling shareholders and entities related to them.

Refer footnotes on page 77.

39. RELATED PARTY DISCLOSURES continued

39.3 Transactions and balances with related parties continued

Transactions with related parties

Transactions with related parties that are franchisees are detailed in the table below. In terms of the group's Conflict of Interest Policy, the director or member of key management personnel in question is excluded from participating in any decision relating to any transaction with any restaurant in which he/she has an interest. Any temporary concession[10] granted to a restaurant in which a director has an interest must be approved by a non-conflicted quorum of the board.

R'000		Temporary concession[10] 2024	Temporary concession[10] 2023	Marketing assistance[11] 2024	Marketing assistance[11] 2023	Other transactions
1	Abaya Investments CC (John Dory's The Grove, Windhoek (Namibia))	**244**	271	**–**	–	
2	Barleda 293 CC (Cancun Spur)	**–**	–	**4**	–	
3	Celapart (Pty) Ltd (Golden Falcon Spur)	**234**	230	**–**	–	
4	Double Ring Trading 299 (Pty) Ltd (Falcon Arrow Spur)	**–**	–	**2**	–	a
5	Gapecovako Investments Close Corporation (Panarottis Windhoek (Namibia))	**272**	391	**–**	–	
6	JJ Links CC (John Dory's Wilsons Wharf)	**–**	19	**–**	–	
7	Kea Investments CC (RocoMamas Maerua, Windhoek (Namibia))	**67**	–	**–**	–	
8	Kea Investments CC (RocoMamas The Grove, Windhoek (Namibia))	**272**	242	**–**	–	
9	Nitafin (Pty) Ltd (John Dory's Secunda)	**482**	454	**–**	–	
10	Nitaprox (Pty) Ltd (Pine Creek Spur)	**–**	–	**2**	–	
11	Smack Pizza (Pty) Ltd (RocoMamas Southgate)	**–**	–	**–**	–	b
12	Tandistyle (Pty) Ltd (John Dory's Menlyn)	**50**	191	**–**	25	
13	Twin Cities Trading 42 (Pty) Ltd (Falcon Peak Spur)	**–**	–	**–**	–	c
14	Waterstone Trading 51 (Pty) Ltd (Atlanta Spur)	**–**	–	**20**	–	
	Total	**1 621**	1 798	**28**	25	

Notes

a) Falcon Arrow Spur: The entity was paid training fees[12] of R54 980 (2023: R14 700) during the year.
b) RocoMamas Southgate: The entity was paid training fees[12] of R3 000 during the year.
c) Falcon Peak Spur: The entity provides the consulting services of Brian Altriche[3] to the group in the amount of R 960 000 (2023: R1 200 000).

Transactions with related parties that are not restaurants are detailed below:

Bernadt Vukic Potash & Getz (Keith Getz[7])

Bernadt Vukic Potash & Getz serves as the group's principal legal counsel and has provided legal services on various matters in the ordinary course of business to the value of R956 921 (2023: R512 721).

Refer footnotes on page 77.

39. RELATED PARTY DISCLOSURES continued

39.4 Key Management[2]

The key management personnel compensation is as follows:

	2024 R'000	2023 R'000
Ordinary remuneration and benefits	**24 117**	20 847
Short-term incentive[13]	**5 431**	6 364
Equity compensation benefits (refer note 22.4)	**4 254**	2 640
Total remuneration included in profit before income tax	**33 802**	29 851
The following share-linked long-term incentive (LTI) awards were granted to key management (excluding directors – refer note 38) during the year:		
Fair value of SARs granted during the year[14]	**4 392**	6 762
Fair value of FSPs granted during the year[14]	**1 276**	1 495
In addition to the above, emoluments to directors and prescribed officers amounted to (refer note 38)	**35 950**	36 775

Footnotes

1 These entities are franchisees. Franchise fees and marketing fund contribution fees of 5% and between 2% and 4% of restaurant turnover (depending on the brand) respectively are collected by the group in terms of the standard franchise agreements, unless otherwise indicated under the related party transactions described above. The board does not intend authorising new key management or director interests in franchises.

2 Key management comprises 12 (2023: 11) employees (excluding directors and prescribed officers) as at the reporting date and includes brand chief operations officers and business unit heads reporting to the group CEO:

Amanda van Wyk	COO: Spur Steak Ranches
Cornelis Schutte	COO: Panarottis
Colleen Carr	Group people, leadership and culture executive
Derick Koekemoer[5]	Franchise executive: Africa
Donovan Cronje	COO: John Dory's
Ervine Kekana[15]	Head of New Business
Justin Fortune	COO: Speciality brands
Leonard Coetzee	Group operations executive
Moshe Apleni	Transformation and communications executive
Nkululeko Zulu[9]	COO: RocoMamas
Paul Casarin[15]	Chief information officer
Robin Charles	Group supply chain executive
Vuyo Henda	Chief marketing officer

3 Brian Altriche is not an employee of the group but serves as a director of material subsidiary, RocoMamas Franchise Co (Pty) Ltd.

4 Interest disposed of during the current year – information presented relates to the period up to the date of disposal.

5 Derick Koekemoer resigned from the group with effect from 30 June 2024.

6 Restaurant closed during the current year.

7 Keith Getz serves as a director on subsidiary companies, Steak Ranches International BV and Spur International Ltd. For these services during the year, he was paid R161 814 (2023: R149 120).

8 Restaurant closed during the prior year.

9 Nkululeko Zulu ceased to be a member of key management with effect from 31 January 2024 – information presented relates to the period up to this date.

10 Temporary concession: A concession is a temporary reduction in the percentage of franchise and/or marketing fund contribution income that would ordinarily be collected by the group in terms of the standard franchise agreements. Franchise and marketing fund contribution fee concessions are granted to franchisees in the ordinary course of business to provide relief from some temporary external influence (outside of the franchisee's control) which has a negative impact on the franchisee's profitability and may threaten the sustainability of the outlet. Examples of such circumstances include increased competitive activity in the proximity of the restaurant, construction or other interference impeding foot traffic and excessive rentals (provided that these are in the process of being renegotiated). The concession is subject to strict authorisation protocols and is conditional upon the franchisee complying with all of the group's operational requirements. The concession may be withdrawn at the group's discretion at any time. Any franchisee (including one which is not a related party) is eligible for a concession should the circumstances so dictate and each case is considered on its own merits after careful scrutiny of franchisee financial records and other supporting documentation.

11 Marketing assistance: Marketing assistance is provided to franchisees as the need arises. Typically, this is to compensate a franchisee for piloting a new concept or to assist a franchisee in minimising the negative impact of competing brands in the outlet's proximity. The basis for determining the assistance is the same as for any other franchisee (which is not a related party).

12 Training fees: Fees to restaurants which serve as training facilities are determined based on the number of delegates trained and the number of days each delegate is trained. The fee charged is the same fee charged by other training restaurants (which are not related parties).

13 This represents a best estimate of the likely short-term incentive (STI) payable in respect of the respective financial year. The actual amount is determined in accordance with the scheme rules subsequent to the publication of the respective financial year's financial statements and is settled in cash thereafter. In addition to the cash payment, a number of FSP shares, calculated with reference to the actual STI payment, are/will be issued to the participants, which are/will be subject to the terms of the group's FSP scheme rules (refer note 22.4). In respect of the prior year STI, actual payments settled in the current year amounted to R6.672 million, compared to the R6.364 million estimated.

14 Grant-date fair value of the share appreciate rights/forfeitable share plan shares granted in the respective financial years (refer note 22.4).

15 Appointed during the current year.

40. SUBSEQUENT EVENTS

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

40.1 Dividend

At its meeting on 20 August 2024, the board of directors has approved a final dividend of 118.0 cents per share (the equivalent of R107.4 million) in respect of the 2024 financial year, funded by income reserves, to be paid in cash on 16 September 2024. The dividend is subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962, as amended) (dividend withholding tax) of 20%. The net dividend is therefore 94.4 cents per share for shareholders liable to pay dividend withholding tax.

41. CONTINGENT LIABILITIES

41.1 Legal dispute with GPS Foods

As previously reported, two companies within the group (the Defendants) 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. It also engaged GPS regarding the prospects of concluding a joint venture to establish and acquire a rib processing facility.

GPS alleges that an oral agreement was concluded between GPS and the Defendants in terms of which the parties would, *inter alia*, 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, over a period, the Defendants repudiated the alleged oral agreement, thereby giving rise to a breach of contract and damages.

GPS alleges in the alternative that, in the event of it being found that the Defendants did not become bound by the oral joint venture agreement, the Defendants' conduct represented that they regarded themselves as bound by the agreement and that GPS could rely on such representations and implement its contribution to the alleged joint venture, thereby giving rise to a delictual claim for damages.

The quantum of GPS's claim has been amended on 11 July 2023, as follows:

i) Claim A – GPS claims damages of R167.0 million; alternatively R146.8 million; further alternatively R119.9 million comprising accumulated counterfactual profits less accumulated actual losses for the term of the alleged joint venture of 15 years; alternatively ten years; further alternatively five years;

ii) Alternative Claim B – a delictual claim in the sum of approximately R95.8 million, comprising GPS's alleged accumulated losses to the date of the claim.

The Defendants have defended the claims in terms of their plea dated 12 February 2021 (consequently amended on 11 October 2023 following GPS's aforementioned amended claim) in which they deny the allegations made, and plead certain defences including that the discussions held with GPS did not amount to the conclusion of a joint venture. In amplification, any joint venture would have been subject to approval of the boards of the respective Defendants, and subject to the agreement(s) being reduced to writing. Neither of these events transpired and the terms of the alleged joint venture agreement constituted an unenforceable agreement to agree.

The matter was set down for trial at 23 October 2023 for a period of three weeks. The parties agreed to refer the matter to arbitration. The arbitration commenced on 23 October 2023, but was adjourned on 6 November 2023 until 21 February 2024. The matter proceeded and was further adjourned to 22 July 2024 until 26 July 2024, where the merits were finalised. The quantum claim will be heard on 27 August 2024 and closing argument in September 2024.

The Defendants' attorneys, together with senior counsel, assessed and presented a review of the merits of the case and prospects of success, concluding that, based on the information available to them, it is more likely than not that the Defendants will be able to successfully defend the claims. The probability of the occurrence of these losses, at this point in the legal proceedings, is therefore not likely. Supported by the opinion of its legal advisers, the board considers that the probability of the occurrence of the claimed losses, at this point in the legal proceedings, is therefore not likely. No liability has accordingly been raised at the reporting date regarding the matter.

41.2 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. Magnacorp (according to CIPC records) is in final deregistration and therefore has no legal standing to litigate. There is no further litigation anticipated in the matter at this stage and no liability has been raised in the circumstances.

42. MATERIAL ACCOUNTING POLICIES

42.1 Basis of consolidation

42.1.1 Investment in subsidiaries

The consolidated financial statements include the financial statements of the company and the entities that it controls. The group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity. The financial statements of subsidiaries are included in the consolidated financial statements of the group from the date that control commences until the date that control ceases.

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

42.1.2 Functional and presentation currency

All items in the financial statements of the group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The group's consolidated financial statements are presented in rands, which is the company's functional currency and the group's presentation currency.

42.1.3 Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to rands at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to rands at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in equity in the foreign currency translation reserve (FCTR).

42.1.4 Net investment in foreign operations

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, the exchange differences arising from such monetary item are considered to be part of the net investment in foreign operations and are recognised in other comprehensive income and presented in equity in the FCTR. When the investment in foreign operation is disposed of (including deregistration or abandonment of a foreign operation), the relevant amount in the FCTR is reallocated from other comprehensive income to profit or loss.

42.1.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value, and the amount of any non-controlling interest in the acquiree.

Acquisition costs incurred are recognised as an expense in profit or loss.

Any contingent consideration to be transferred by the acquirer is measured at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with *IFRS 9 – Financial Instruments*.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised immediately in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of under these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

42.1.6 Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis, although the group has applied the latter in all cases to date. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' shares of subsequent changes in equity.

Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

42.1.7 Transactions with non-controlling interests

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity (retained earnings) and attributed to owners of the company.

42.1.8 Loss of control

When the group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or directly to retained earnings).

42. MATERIAL ACCOUNTING POLICIES continued

42.2 Foreign currency transactions

Transactions denominated in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies at the foreign exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between the carrying amount in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the carrying amount in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to the respective functional currencies using the exchange rate at the date of the transaction. Foreign exchange differences arising on retranslation are recognised in profit or loss.

42.3 Property, plant and equipment

42.3.1 Recognition and measurement

Items of property, plant and equipment, including owner-occupied buildings, are stated at cost less accumulated depreciation and accumulated impairment losses. Land is stated at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

42.3.2 Subsequent costs

The group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing a part of such an item when the cost is incurred if it is probable that the economic benefits embodied within the item will flow to the group and the cost of the item can be measured reliably. In such cases, the carrying amount of the replaced part is derecognised. All other costs are recognised in profit or loss in the period they are incurred.

42.3.3 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment from the date that they are ready for use. Leasehold improvements are depreciated over the shorter of the lease term or estimated useful life of the assets. Land is not depreciated.

Typically, the estimated useful lives for the current and prior periods are as follows:

– buildings	50 years
– plant, equipment and vehicles	3 – 5 years
– furniture and fittings	5 – 6.67 years
– computer equipment	3 years
– leasehold improvements	lesser of lease term and 10 years

Depreciation methods, useful lives and residual values are reassessed annually. Refer note 42.4.1 for details of depreciation in respect of right-of-use assets.

42.3.4 Derecognition

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised in profit or loss.

42.4 Leases

42.4.1 Right-of-use assets

Cost

Right-of-use assets are recognised in respect of leases from the commencement date of the lease. Right-of-use assets are initially measured at cost, which comprises the initial amount of the corresponding lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

Depreciation and impairment

Each right-of-use asset is subsequently depreciated on a straight-line basis over the lesser of the lease term and the useful life of the underlying asset. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Derecognition

Right-of-use assets are derecognised upon the loss of control by the group of the right to use the leased assets. Gains or losses on derecognition are determined by comparing the value of corresponding lease liabilities with the carrying amount of right-of-use assets and are recognised directly in profit or loss.

42. MATERIAL ACCOUNTING POLICIES continued

42.4 Leases continued

42.4.2 Lease liability

Initial recognition
Lease liabilities are recognised at the lease commencement date and initially measured at the present value of the future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses the group's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include:

- fixed payments; and
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The period of the lease takes into consideration any extension or termination option, as applicable, once the group is reasonably certain that it is likely to exercise such an option.

Subsequent measurement
Lease liabilities are subsequently measured at amortised cost using the effective interest rate method, and reduced by future lease payments net of interest charged.

The group elected to apply the practical expedient for all rent concessions that arose as a direct consequence of the COVID-19 pandemic and that satisfied the criteria as specified in the amendment to IFRS 16. The effect of the change in lease payments was recognised in profit or loss in the period in which the rent concession was granted.

Lease liabilities are re-measured when there is a change in the future lease payments resulting from a change in an index or rate, or if the group changes its assessment of whether it will exercise any extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the cost of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or rate are recognised in profit or loss in the period in which the event or condition which triggers the change in payment occurs.

Derecognition
Lease liabilities are derecognised when the obligation specified in the lease is discharged or cancelled or expires. Gains or losses on derecognition are determined by comparing the value of corresponding lease liabilities with the carrying amount of the related right-of-use assets and are recognised directly in profit or loss.

42.4.3 Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term (i.e. less than one year) leases. In these cases, the group recognises the lease payments as an expense on a straight-line basis over the lease term.

42.5 Intangible assets (other than goodwill)

42.5.1 Trademarks and software licences

Intangible assets are initially recognised at cost if acquired externally, or at fair value if acquired as part of a business combination. Intangible assets which have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each asset from the date they are ready for use. Intangible assets which have indefinite useful lives are not amortised but are tested for impairment annually. No value is attached to internally developed and maintained trademarks or brand names. Expenditure incurred to maintain trademarks and brand names is recognised in profit or loss as incurred.

Typically, the estimated useful lives for the current and prior periods are as follows:

– software licences	5 years (where there is no limit to the use of the licence) or, if the licence is valid for a specific period less than 5 years, such shorter period

Amortisation methods, useful lives and residual values are reassessed annually.

42.5.2 Subsequent expenditure

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

42.5.3 Derecognition

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss when the asset is derecognised.

42.6 Financial instruments

42.6.1 Timing of recognition

The group initially recognises loans and receivables and debt securities issued on the date when they originated. All other financial assets and financial liabilities are initially recognised on the trade date.

42. MATERIAL ACCOUNTING POLICIES continued

42.6 Financial instruments continued

42.6.2 Classification and measurement

On initial recognition, a financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

Debt financial instruments are subsequently measured at FVPL, amortised cost, or fair value through other comprehensive income (FVOCI). The measurement is driven by the classification which is based on two criteria: the group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the SPPI criterion). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level as this best reflects the way the business is managed and information is provided to management.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that would change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the group's claim to cash flows from specified assets.

Subsequent measurement of each financial instrument is explained in more detail below.

Loans receivable and trade and other receivables
Loans receivable and trade and other receivables (excluding prepayments and VAT and other indirect taxes receivable) are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion, and are therefore classified at amortised cost and subsequently measured at amortised cost less impairment losses as appropriate.

Cash and cash equivalents
Cash and cash equivalents are measured at amortised cost, based on the relevant exchange rates at the reporting date.

Financial liabilities (other than derivative instruments)
Subsequent to initial recognition, financial liabilities are stated at amortised cost using the effective interest method.

42.6.3 Derecognition

Financial assets
A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the group transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

42.7 Impairment

42.7.1 Non-financial assets

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

For goodwill and intangible assets that have an indefinite useful life, the recoverable amount is estimated at each reporting date.

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows relating to the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the price that would be received, at the measurement date, from the sale of an asset or cash-generating unit in an orderly transaction between market participants less the costs of disposal. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment reversals are recognised in profit or loss.

42. MATERIAL ACCOUNTING POLICIES continued

42.7 Impairment continued

42.7.2 Financial assets and lease receivables

Impairment losses for financial assets are determined in accordance with the expected credit loss (ECL) approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive. The shortfall is then discounted at a rate approximating the asset's original effective interest rate.

For debt financial assets (including lease receivables), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. In all cases, the group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. The group considers a financial asset in default when contractual payments are more than 90 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. For trade and other receivables, the group has applied the standard's simplified approach and has calculated ECLs based on lifetime ECLs.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Financial assets are written off when there are no reasonable prospects for recovery.

42.8 Inventories

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

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

42.9 Cash and cash equivalents

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

42.10 Restricted cash

Restricted cash relates to surplus cash in the marketing funds and unredeemed gift cards.

The surplus cash in the marketing funds is identified as restricted as the cash is not available for general use by the group but is only available to fund future marketing costs in accordance with franchise agreements concluded between the group and its franchisees.

The group sells gift cards to the public which may be redeemed at franchised restaurants. The franchisees in turn are entitled to a reimbursement of the face value of the vouchers from the group, upon presentation. The cash balances corresponding to the liability for unredeemed gift cards are accordingly not available for general use by the group.

Restricted cash balances are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

42.11 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The provision is recognised at an undiscounted amount if it is planned, or likely, that the provision will be settled within 12 months from the reporting date, otherwise the provision is discounted using the group's incremental borrowing rate.

42.12 Share capital

42.12.1 Ordinary share capital

Ordinary share capital represents the par value of ordinary shares issued. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of taxes.

42.12.2 Share premium

Share premium represents the excess consideration received by the company over the par value of ordinary shares issued, and is classified as equity.

42.12.3 Repurchase of share capital

When shares of the company are acquired by the group, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity and the number of shares is deducted from the weighted average number of shares. Dividends received on treasury shares are eliminated on consolidation.

Repurchases of share capital are included as a separate category of equity.

When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity.

42. MATERIAL ACCOUNTING POLICIES continued

42.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Item of revenue	Nature and timing of satisfaction of performance obligation	Determination of transaction price and significant payment terms	Recognition of revenue
Ongoing franchise fee income	The group provides ongoing franchise support services and access to intellectual property to franchisees in accordance with standard franchise agreements.	A standard franchise fee percentage, as per each franchise agreement, is applied to the total sales of each franchised restaurant each month. Fees are payable by the 15th of the month following the month to which the franchisees' sales (on which the fees are calculated) relate.	Sales-based royalty recognised in the period in which the sales (on which the fees are calculated) are made by franchisees to their customers.
Sales of franchisee supplies (outsourced)	The group acts as principal* earning gross revenue from the sales of goods by an outsourced distributor to the group's franchisees. The group's performance obligation is to facilitate the provision of specified products by the outsourced distributor to franchisees, which is satisfied on delivery of these products to franchisees by the distributor.	Standalone selling price. Franchisees pay the outsourced distributor. Credit terms range from cash-on-delivery to 30 days from statement depending on the credit history of the franchisee.	Revenue is recognised at a point in time when the related products are delivered by the distributor to franchisees.
Sales of purchased and manufactured sauces Sales of franchisee supplies@ Sales of marketing materials	The group's performance obligation is to procure or manufacture, and deliver#, certain goods to customers. The performance obligation is satisfied on delivery of the products to customers.	Standalone selling price. Payment terms are 30 days from the end of the month in which the goods are supplied.	Revenue is recognised at a point in time when the goods are delivered to customers.
Export sales of purchased and manufactured sauces, franchisee supplies and marketing materials	There are two separate performance obligations: 1. Delivery of supplies to the freight forwarder. Control will transfer once the supplies have been loaded on the transportation. 2. Transportation to the customer's destination point.	Standalone selling price. Payment terms are usually cash upfront prior to the goods departing the port of origin.	Revenue relating to the sale of goods is recognised at a point in time when the goods have been loaded on the transportation. Revenue relating to the transportation fee is recognised at a point in time when the goods reach the customer's destination point.

* Refer note 2.1.5 concerning judgements applied in reaching the conclusion that the group acts as a principal.
@ Sales of manufactured décor items and sales of other peripheral franchisee supplies.
\# As the group's performance obligation includes the delivery of the goods in question, the costs of delivery are included in cost of sales in the statement of profit or loss and other comprehensive income, and recognised as an expense at the same time that the related revenue on the sale of the goods is recognised.

42. MATERIAL ACCOUNTING POLICIES continued

42.13 Revenue continued

Item of revenue	Nature and timing of satisfaction of performance obligation	Determination of transaction price and significant payment terms	Recognition of revenue
Retail company stores' sales	The group's performance obligation is to supply food and related products to customers at its owned restaurants. The performance obligation is satisfied on delivery of the products to customers.	Standalone selling price. Payment is due on delivery.	Revenue is recognised at a point in time when the goods are delivered to customers.
Rebate income	The group acts as agent, earning a commission on the value of certain products sold by certain suppliers directly to the group's franchisees. The group's performance obligation is to facilitate the provision of specified products by these suppliers to franchisees, which is satisfied on provision of the products to franchisees by the suppliers.	The group recognises revenue on a net basis corresponding with the commission determined with reference to a range of percentages as per the contract with each supplier, applied to the value of sales of goods by the respective suppliers to franchisees. Calculated quarterly and typically settled within 60 days from the end of the quarter to which the sales to franchisees relate.	Revenue is recognised at a point in time when the related products (on which the commission is calculated) are delivered by the suppliers to franchisees.
Initial franchise fees	Franchisees are charged an initial franchise fee by the group, as franchisor, upon signature of the franchise agreements concluded with franchisees. The group is obliged to support the franchisee's brand for the duration of the franchise agreement, where such activities significantly affect the intellectual property to which the franchisee has rights, without resulting in a transfer of control of specific goods or services.	Agreed fee as per the franchise agreement – a standard fee per brand is applicable. Payment is due on signature date of the franchise agreement.	Revenue is recognised over time, being on a straight-line basis over the initial term of the franchise agreement (which is typically 10 years).
Marketing fund contributions	The group provides marketing services to franchisees, as required by the franchise agreements. The group is obligated to spend the marketing fund contributions on marketing-related expenditure for the benefit of franchisees. The performance obligation is satisfied as the marketing fund contributions are spent on marketing-related expenditure.	A standard marketing fee percentage, as per each franchise agreement, is applied to the total sales of each franchised restaurant each month. Fees are payable by the 15th of the month following the month to which the franchisees' sales (on which the fees are calculated) relate.	Marketing fund contributions revenue is recognised over time in the period in which the contributions are spent on marketing-related expenditure.

42. MATERIAL ACCOUNTING POLICIES continued

42.13 Revenue continued

Item of revenue	Nature and timing of satisfaction of performance obligation	Determination of transaction price and significant payment terms	Recognition of revenue
Services rendered	The group renders training and architectural services to franchisees. The performance obligation is satisfied as the services are rendered by the group to franchisees.	Standalone service price agreed in advance. Payment is due within 30 days of the month following which the services are provided.	Revenue is recognised over time, on a straight-line basis from the time the services commence until the services are concluded. This period is usually a few days and rarely exceeds one month.
Marketing supplier contributions	The group agrees to co-brand certain promotions and events with suppliers. The performance obligation is satisfied by exposing the suppliers' brands and products to franchisees' customers for the duration of the promotion or event.	Agreed fee as per contract. Payment terms are typically on signature of the contract, but may be up to 30 days from the end of the month in which the contract is concluded.	Revenue is recognised over time, on a straight-line basis from commencement of the promotion or event until the termination thereof. Promotions and events are typically for short durations, not exceeding two months.

42.14 INTEREST INCOME AND EXPENSE

42.14.1 Interest income

Interest income is recognised on a time apportionment basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the group.

42.14.2 Interest expense

Interest expense comprises interest payable on borrowings calculated using the effective interest method.

42.15 Employee benefits

42.15.1 Short-term employee benefits

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

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

42.15.2 Long-term employee benefits

The cost of retirement benefits payable over a period longer than 12 months are initially accounted for at a value equivalent to the present value of the expected payments, discounted using the group's incremental borrowing rate. The subsequent unwinding of the discounting is recognised as an interest expense.

42.15.3 Defined contribution plans

Obligations for contributions to defined contribution pension plans are included in the employees' guaranteed cost-to-company and therefore are recognised in profit or loss in the period during which related services are rendered by employees.

42.15.4 Share-based payment transactions

In respect of equity-settled transactions, the grant-date fair value of share appreciation rights or shares awarded is recognised as an employee expense in profit or loss with a corresponding increase in equity over the vesting period of the rights or shares. The amount recognised as an expense is adjusted to reflect the number of rights or shares for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

42.16 Cost of sales

Cost of sales represents the carrying value of inventory (determined in accordance with note 42.8) sold, as well as costs incurred that are directly related to fulfilling the performance obligation of delivering the sold products to the end-customer, and is recognised as an expense at the same time that revenue from the related sale is recognised (as detailed in note 42.13). Such costs include transport costs to deliver products to customers (including the distribution margin payable to the group's outsourced distributor on sales by the distributor to customers).

42. MATERIAL ACCOUNTING POLICIES continued

42.17 Income (not addressed by another policy)

Income is recognised on the accrual basis, when the right to receive payment has been met.

42.18 Expenditure (not addressed by another policy)

Expenditure is recognised in the year that it is incurred.

42.18.1 Administration expenses

Administration expenses comprise items of expenditure not allocated to any other line item in the consolidated statement of profit or loss and other comprehensive income.

42.18.2 Operations expenses

Operations expenses are those items of expenditure that are directly attributable to the franchise operations and manufacturing and distribution divisions as identified in the operating segment information disclosed in note 5.

42.18.3 Marketing expenses

Marketing expenses are those items of expenditure that are incurred by the marketing funds administered by the group on behalf of the respective bodies of franchisees and which are funded by marketing fund contributions, marketing sales and marketing supplier contributions.

42.18.4 Retail company store expenses

Retail company store expenses are those items of expenditure that are directly attributable to the retail restaurants owned and operated by the group and included in the *retail company stores* operating segment information disclosed in note 5.

42.19 Tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognised for: taxable temporary differences arising on initial recognition of goodwill not deductible for tax purposes, the initial recognition of assets or liabilities in a transaction that is not part of a business combination that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that the group is able to control the timing of the reversal of the temporary differences and they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

Where the company withholds tax on behalf of its shareholders on dividends declared, such amounts are not recognised as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity. Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholding tax recognised as part of income tax expense unless it is reimbursable, in which case it is recognised as an asset.

Withholding taxes deducted from payments by customers in respect of items of revenue are recognised as a prepayment of income tax if such withholding taxes may be credited against tax payable on the group's income and there is reasonable certainty as to whether future tax may be payable against which to deduct the withholding taxes, or, if not, as an income tax expense.

42. MATERIAL ACCOUNTING POLICIES continued

42.20 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved by the board.

42.21 Earnings per share

The group presents basic and diluted earnings per share (EPS) and basic and diluted headline earnings per share (HEPS) for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the dilutive effects of all potential ordinary shares granted to employees.

Headline earnings is calculated in accordance with *Circular 1/2023: Headline Earnings* issued by the South African Institute of Chartered Accountants at the request of the JSE. The JSE Listings Requirements require the calculation of headline earnings for all entities listed on the JSE in South Africa. Basic HEPS is calculated by dividing headline earnings by the weighted average number of ordinary shares outstanding during the period. Diluted HEPS is determined by dividing headline earnings by the weighted average number of ordinary shares outstanding during the period adjusted for the dilutive effects of all potential ordinary shares granted to employees.

42.22 Contingent liabilities

A contingent liability is either: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured reliably. In both cases the existence of the contingent liability is disclosed, but no liability is recognised in the statement of financial position.

43. ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The following new or amended standards are applicable to the group, none of which is expected to have a significant impact on the group's financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1) – effective for annual reporting periods beginning on or after 1 January 2024[1]
- Leases on sale and leaseback (Amendment to IFRS 16) – effective for annual reporting periods beginning on or after 1 January 2024[1]
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7) – effective for annual reporting periods beginning on or after 1 January 2024[1]
- Lack of exchangeability of foreign currencies (Amendments to IAS 21) – effective for annual reporting periods beginning on or after 1 January 2025[2]
- IFRS 18 Presentation and Disclosure in the Financial Statements – effective for annual reporting periods beginning or after 1 January 2027[3]
- IFRS 19 Subsidiaries without Public Accountability – effective for annual reporting periods beginning on or after 1 January 2027[3]

[1] Effective for the group's financial year ending 30 June 2025.
[2] Effective for the group's financial year ending 30 June 2026.
[3] Effective for the group's financial year ending 30 June 2028.

44. GOING CONCERN

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

Separate statement of profit or loss and other comprehensive income

for the year ended 30 June

	Note	2024 R'000	2023 R'000
Dividend income	14	**200 000**	90 000
Distribution received from trust	1	**13 600**	3 700
Interest income		**21 023**	16 043
Operating expenses	2	**(9 902)**	(9 776)
Profit before income tax	2	**224 721**	99 967
Income tax expense	3	**(5 674)**	(4 330)
Profit		**219 047**	95 637
Total comprehensive income		**219 047**	95 637

Separate statement of financial position

at 30 June

	Note	2024 R'000	2023 R'000
ASSETS			
Non-current assets			
Interest in subsidiary companies	4	**11 214**	11 214
Total non-current assets		**11 214**	11 214
Current assets			
Prepaid expenses		**552**	71
Cash and cash equivalents	5	**140 764**	148 564
Total current assets		**141 316**	148 635
TOTAL ASSETS		**152 530**	159 849
EQUITY			
Ordinary share capital	6	**1**	1
Share premium		**34 309**	34 309
Retained earnings		**37 416**	3 872
Total equity		**71 726**	38 182
LIABILITIES			
Current liabilities			
Accrued expenses		**367**	52
Shareholders for dividend	7	**1 748**	1 384
Tax payable		**23**	238
Loan from subsidiary company	8	**78 666**	119 993
Total current liabilities		**80 804**	121 667
TOTAL EQUITY AND LIABILITIES		**152 530**	159 849

Separate statement of changes in equity

for the year ended 30 June

R'000	Ordinary share capital	Share premium	Retained earnings	Total equity
Balance at 1 July 2022	1	34 309	53 748	88 058
Total comprehensive income				
Profit	–	–	95 637	95 637
Transactions with owners recorded directly in equity	–	–	(145 513)	(145 513)
Vesting of income by trust (refer note 1)	–	–	92	92
Income tax on vesting of income by trust (refer note 3.3)	–	–	(10)	(10)
Dividends (refer note 7)	–	–	(145 595)	(145 595)
Balance at 30 June 2023	1	34 309	3 872	38 182
Total comprehensive income				
Profit	**–**	**–**	**219 047**	**219 047**
Transactions with owners recorded directly in equity	**–**	**–**	**(185 503)**	**(185 503)**
Vesting of income by trust (refer note 1)	**–**	**–**	**1 202**	**1 202**
Income tax on vesting of income by trust (refer note 3.3)	**–**	**–**	**(161)**	**(161)**
Dividends (refer note 7)	**–**	**–**	**(186 544)**	**(186 544)**
Balance at 30 June 2024	**1**	**34 309**	**37 416**	**71 726**

Separate statement of cash flows

for the year ended 30 June

	Note	2024 R'000	2023 R'000
Cash flow from operating activities			
Operating loss before working capital changes	9	**(9 902)**	(9 776)
Working capital changes	10	**(166)**	(98)
Cash utilised by operations		**(10 068)**	(9 874)
Interest received		**21 023**	16 043
Tax paid	11	**(6 050)**	(4 133)
Dividends received		**200 000**	90 000
Distribution received from trust	1	**13 600**	3 700
Dividends paid	7	**(186 180)**	(145 097)
Income vested by trust	1	**1 202**	92
Net cash flow from operating activities		**33 527**	(49 269)
Cash flow from financing activities			
Loans received from subsidiary companies		**448 954**	323 934
Loans repaid to subsidiary companies		**(490 281)**	(264 000)
Net cash flow from financing activities		**(41 327)**	59 934
Net movement in cash and cash equivalents		**(7 800)**	10 665
Cash and cash equivalents at beginning of year		**148 564**	137 899
Cash and cash equivalents at end of year	5	**140 764**	148 564

Notes to the separate financial statements

for the year ended 30 June

1. SPUR MANAGEMENT SHARE TRUST

The Spur Management Share Trust (the Trust) made a discretionary distribution of the Trust's capital of R13.6 million (2023: R3.7 million) to the company, as sole capital beneficiary, which is included in profit before income tax for the year.

In addition, the Trust vested income of R1.202 million (2023 R0.092 million) with the company, as a beneficiary of the Trust, during the year. The income arose from the sale of the company's shares and was accordingly not recognised as income, but rather credited directly against equity (retained earnings). The income was subject to income tax of R0.161 million (2023: R0.010 million), which was similarly charged directly to equity (retained earnings).

		2024 R'000	2023 R'000
2.	**PROFIT BEFORE INCOME TAX**		
	The following items have been taken into account in determining profit before income tax:		
	Consulting fees	**2 547**	2 269
	Directors emoluments (refer note 12) – excluding VAT	**5 141**	4 882
	(Directors emoluments (refer note 12) – including VAT	***5 806***	*5 461)*
	JSE listing fees and other related costs	**513**	934
3.	**INCOME TAX**		
3.1	**Income tax expense**		
	South African current corporate tax – current year	**5 674**	4 330

		2024 %	2023 %
3.2	**Reconciliation of rate of tax**		
	South African normal corporate tax rate	**27.0**	27.0
	Non-taxable dividend and distribution income	**(25.7)**	(25.3)
	Non-deductible operating expenditure (capital items and items not in production of income)	**1.2**	2.6
	Effective tax rate	**2.5**	4.3

		2024 R'000	2023 R'000
3.3	**Tax charged directly to equity**		
	Current tax on income vested by trust (refer note 1)	**161**	10
4.	**INTEREST IN SUBSIDIARY COMPANIES**		
	Shares at cost less impairment losses	**1**	1
	Equity-settled share-based payments on behalf of subsidiary	**11 213**	11 213
	Total interest in subsidiary companies	**11 214**	11 214

Equity-settled share-based payments, determined in accordance with *IFRS2 – Share-based Payments*, by a subsidiary of the company in previous financial years were treated as a further investment in the subsidiary in question.

4. INTEREST IN SUBSIDIARY COMPANIES continued

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

	Country of incorporation/ place of business	Issued capital R'000	Loan from subsidiary R'000	% interest in company
Trading				
Direct				
– Share Buy–back (Pty) Ltd	South Africa	0.1		100.00
– Spur Group (Pty) Ltd	South Africa	0.1	78 666 (2023: 199 993)	100.00
– Spur Group Properties (Pty) Ltd	South Africa	0.1		100.00
Indirect				
– Doppio Collection (Pty) Ltd	South Africa	0.1		60.00
– Green Point Burger Joint (Pty) Ltd trading as RocoMamas Green Point	South Africa	0.1		90.00[&]
– John Dory's Advertising (Pty) Ltd	South Africa	0.1		100.00
– Nikos Franchise (Pty) Ltd	South Africa	11 052.3		62.37
– Nickilor (Pty) Ltd trading as The Hussar Grill Rondebosch	South Africa	0.1		100.00
– Opilor (Pty) Ltd trading as The Hussar Grill Mouille Point	South Africa	17 500.1		68.00
– Opiset (Pty) Ltd trading as The Hussar Grill Camps Bay	South Africa	0.1		100.00
– Panarottis Advertising (Pty) Ltd	South Africa	0.2		100.00
– RocoMamas Advertising (Pty) Ltd	South Africa	0.1		70.00
– RocoMamas Franchise Co (Pty) Ltd	South Africa	0.1		70.00
– Spur Advertising (Pty) Ltd	South Africa	0.1		100.00
– Nikos Advertising (Pty) Ltd	South Africa	0.1		100.00
– The Hussar Grill Advertising (Pty) Ltd	South Africa	0.1		100.00
– The Morningside Grill (Pty) Ltd trading as The Hussar Grill Morningside	South Africa	0.1		100.00
– Spur International Ltd	British Virgin Islands	104 099.0		100.00
– Steak Ranches International BV	The Netherlands	240 675.0		100.00
– Spur Advertising Namibia (Pty) Ltd	Namibia	0.1		100.00
– Spur Services Namibia (Pty) Ltd	Namibia	0.1		100.00
– Spur Corporation Australia Pty Ltd	Australia	16 129.1		100.00
Dormant[#]		0.5		100.00

[&] The group is able to control 100% of the voting rights.
[#] A schedule of these companies is available upon request.

Investments in subsidiaries are carried at cost less impairment losses in accordance with the company's accounting policy in this regard.

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

	2024 R'000	2023 R'000
Profits	**235 250**	213 389
Losses	**(7 099)**	(3 150)

		2024 R'000	2023 R'000
5.	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents comprise:		
	Current, call and short-term deposit accounts	**140 764**	148 564
6.	**ORDINARY SHARE CAPITAL**		
	Authorised		
	201 000 000 ordinary shares of 0.001 cents each	**2**	2
	Issued and fully paid		
	90 996 932 (2021: 90 996 932) ordinary shares of 0.001 cents each	**1**	1

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.

		2024 R'000	2023 R'000
7.	**DIVIDENDS**		
	Dividends declared are as follows:		
	Final 2022 – dividend of 78.0 cents per share	**–**	70 978
	Interim 2023 – dividend of 82.0 cents per share	**–**	74 617
	Final 2023 – dividend of 110.0 cents per share	**100 097**	–
	Interim 2024 – dividend of 95.0 cents per share	**86 447**	–
	Total dividends to equity holders	**186 544**	145 595
	Shareholders for dividends	**1 748**	1 384

At its meeting on 20 August 2024, the board of directors has approved a final dividend of 118.0 cents per share (the equivalent of R107.4 million) in respect of the 2024 financial year, funded by income reserves, to be paid in cash on 16 September 2024. The dividend is subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962, as amended) (dividend withholding tax) of 20%. The net dividend is therefore 94.4 cents per share for shareholders liable to pay dividend withholding tax.

The total gross dividend declared relating to the 2024 financial year was 213.0 cents per share equating to R193.8 million.

	2024 R'000	2023 R'000
Dividends paid are reconciled to the amount disclosed above as follows:		
Amount payable at beginning of year	**(1 384)**	(886)
Dividends declared	**(186 544)**	(145 595)
Amount payable at end of year	**1 748**	1 384
Dividends paid	**(186 180)**	(145 097)

		2024 R'000	2023 R'000
8.	**LOAN FROM SUBSIDIARY COMPANY**		
	Spur Group (Pty) Ltd	**78 666**	119 993

This loan is unsecured, interest free and repayable on demand.

		2024 R'000	2023 R'000
9.	**OPERATING LOSS BEFORE WORKING CAPITAL CHANGES**		
	Profit before income tax	**224 721**	99 967
	Adjusted for		
	Dividend income	**(200 000)**	(90 000)
	Distribution received from trust	**(13 600)**	(3 700)
	Interest income	**(21 023)**	(16 043)
	Operating loss before working capital changes	**(9 902)**	(9 776)
10.	**WORKING CAPITAL CHANGES**		
	(Increase)/decrease in prepaid expenses	**(481)**	1
	Increase/(decrease) in accrued expenses	**315**	(99)
	Working capital changes	**(166)**	(98)
11.	**TAX PAID**		
	Tax paid is reconciled to the amount disclosed in profit or loss as follows:		
	Amount payable at beginning of year	**(238)**	(31)
	Current tax charged to profit or loss	**(5 674)**	(4 330)
	Current tax charged directly to equity	**(161)**	(10)
	Amount payable at end of year	**23**	238
	Tax paid	**(6 050)**	(4 133)

		Including VAT		Excluding VAT	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
12.	**DIRECTORS' EMOLUMENTS**				
	The following emoluments were paid by the company:				
	For services as directors to the company				
	André Parker	**818**	711	**712**	618
	Cora Fernandez	**926**	793	**804**	689
	Jesmane Boggenpoel	**796**	660	**693**	573
	Lerato Molebatsi	**712**	619	**712**	618
	Mike Bosman	**1 683**	1 507	**1 463**	1 310
	Sandile Phillip[1]	**–**	427	**–**	427
	Shirley Zinn	**871**	744	**757**	647
	Total directors' emoluments	**5 806**	5 461	**5 141**	4 882

All other emoluments were paid by subsidiaries of the company. Refer note 38 of the consolidated financial statements on page 70 of this report for further details.

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, the VAT paid is not for the benefit of the directors in question. Additional disclosure was included in the 2023 amounts to reflect the VAT amounts for non-executive directors.

[1] Resigned in the prior year with effect from 24 March 2023.

13. GUARANTEES

The company has provided unlimited guarantees to financial institutions in respect of debts of certain local subsidiary companies. Also refer note 15.2.1.

14. RELATED PARTY DISCLOSURES

14.1 Identity of related parties

Refer note 4 for a detailed list of subsidiaries.

14.2 Related party transactions

Refer note 8 for the details of the loan from subsidiary company.

	2024 R'000	2023 R'000
Dividend/distribution income was received from the following related parties:		
Spur Group (Pty) Ltd	**200 000**	90 000
Spur Management Share Trust (included in profit or loss) (refer note 1)	**13 600**	3 700
Spur Management Share Trust (included in equity) (refer note 1)	**1 202**	92

Details of directors' emoluments are included in note 12.

15. FINANCIAL INSTRUMENTS

15.1 Accounting classification and fair values

The following table shows the carrying amounts of financial assets and liabilities. No financial instruments are required to be subsequently recognised at fair value at the reporting date. Fair value information for financial assets and liabilities not measured at fair value is not disclosed if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount – amortised cost	
		2024 R'000	2023 R'000
Cash and cash equivalents	5	**140 764**	148 564
Financial assets		**140 764**	148 564
Accrued expenses		**367**	52
Shareholders for dividend	7	**1 748**	1 384
Loan from subsidiary company	8	**78 666**	119 993
Financial liabilities		**80 781**	121 429

The company has not disclosed the fair values of the above financial instruments as their carrying amounts are a reasonable approximation of their fair values, given that all the instruments are short-term in nature.

15.2 Financial risk management

The company is exposed to credit risk, liquidity risk and market risk from its use of financial instruments.

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

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

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company to the extent that these have an impact on these financial statements.

15.2.1 Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial asset fails to meet its contractual obligations, and arises principally from financial institutions with which the company holds monetary deposits.

The aggregate carrying amounts of financial assets represents the maximum credit risk exposure and is detailed below:

	Carrying amount	
	2024 R'000	2023 R'000
Cash and cash equivalents	**140 764**	148 564
Maximum credit risk exposure	**140 764**	148 564

The company's cash is placed only with major South African financial institutions of high credit standing. The probability of default rates benchmarked against the external global credit rating equivalent to the credit rating of these financial institutions are negligible and expected credit losses within 12 months from the reporting date are therefore not expected to be material.

The company's cash is placed at the following institutions:

Financial institution	**Deposits at 30 June 2024 R'm**	Credit rating
Firstrand Bank Limited	**3.2**	S&P short-term national scale rating za.A-1 +
Investec Bank Limited	**137.6**	S&P short-term national scale rating za.A-1 +

As detailed in note 13, the company has provided unlimited guarantees to financial institutions in respect of debts of certain local subsidiaries. The directors regularly review this exposure. As at the reporting date, and for the duration of the year, the directors consider the risk of being called upon to act in terms of the guarantee within 12 months from the reporting date as negligible.

15. **FINANCIAL INSTRUMENTS** continued

15.2 **Financial risk management** continued

15.2.2 Liquidity risk

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

The company's primary source of income is the dividends received from subsidiary companies and interest on short-term investments. The group's subsidiaries are typically, and have historically been, cash generative.

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

R'000	Carrying amount	Contractual cash flows Total	 1 – 12 months
2024			
Accrued expenses	**367**	**367**	**367**
Shareholders for dividend	**1 748**	**1 748**	**1 748**
Loan from subsidiary company	**78 666**	**78 666**	**78 666**
2023			
Accrued expenses	52	52	52
Shareholders for dividend	1 384	1 384	1 384
Loan from subsidiary company	119 993	119 993	119 993

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

The company has sufficient cash reserves to settle all financial liabilities as at the reporting date.

15.2.3 Market risk

The company is not exposed to currency risk as it only transacts in local currency.

The company is not exposed to any price risk.

Interest rate risk

The company's only interest-bearing financial instruments are its cash and cash equivalents. All other financial instruments are non-interest bearing.

In the event that interest rates had increased by 50 basis points for the duration of the year, the table below gives the impact on profit or loss before income tax and equity:

	2024 R'000	2023 R'000
Increase in profit or loss before income tax	**723**	716
Increase in equity	**528**	523

A decrease of 50 basis points in the interest rate would have had an equal, but opposite, impact on profit or loss before income tax and equity to that described above.

15.3 **Capital management**

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the demographic spread of shareholders, the level of distributions to ordinary shareholders, as well as the return on capital. Capital is allocated subject to the board's required return on invested capital being met. Capital consists of total shareholders' equity.

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

16. ACCOUNTING POLICIES

The separate financial statements were prepared using the accounting policies disclosed in note 42 of the consolidated financial statements (on page 79 of this report) to the extent relevant.

None of the standards issued, but not yet applicable in the preparation of these financial statements, as detailed in note 43 of the consolidated financial statements (on page 88 of this report), are expected to have any material impact on the company's financial statements once they become effective.

17. SUBSEQUENT EVENTS

Refer note 7 regarding the declaration of a dividend subsequent to the reporting date.

18. GOING CONCERN

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

Corporate information

ADMINISTRATION

Registration number: 1998/000828/06

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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
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Email address: companysecretary@spurcorp.com

DIRECTORS AT THE DATE OF THIS REPORT

Independent non-executive directors
Mr Mike Bosman – independent non-executive chair
Dr Shirley Zinn – lead independent
Ms Cora Fernandez
Ms Jesmane Boggenpoel
Ms Lerato Molebatsi
Mr André Parker

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

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spurcorporation.com

www.linkedin.com/company/spur-group