



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

(Extracted from audited information)
for the year ended 30 June

2024

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

Spur Corporation Limited

(Registration number: 1998/000828/06)



spurcorporation.com

www.linkedin.com/company/spur-group

HIGHLIGHTS

Return on equity

29.6%

Franchised restaurant turnovers

up 11.5% to

R10.619 billion ↗

Earnings per share

up 10.7% to

287.92 cents ↗

Diluted headline earnings per share

up 9.4% to

284.34 cents ↗

Revenue

up 14.1% to

R3.474 billion ↗

Diluted earnings per share

up 8.7% to

281.31 cents ↗

Dividend per share

up 10.9% to

213 cents ↗

(2023: 192 cents)

Profit before income tax

up 7.3% to

R341.7 million ↗

Headline earnings per share

up 11.4% to

291.02 cents ↗

Unrestricted cash and cash equivalents

R365.7 million



Summary consolidated financial statements

(Extracted from audited information)

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Commentary on results and cash dividend

Introduction

Spur Corporation is a leading casual dining restaurant franchise group with 701 outlets trading across South Africa and 14 countries in the rest of Africa, Mauritius and the Middle East at year end. The group owns ten well-established and diverse restaurant brands as well as five virtual kitchen brands. The portfolio of dining brands includes Spur Steak Ranches, one of South Africa's most iconic family restaurant brands.



Total restaurant sales increased by 11.5% for the year to R10.6 billion.

The group's proven capability in casual dining hospitality remains its strategic competitive advantage in the restaurant industry on the African continent. The group also trades in the fast casual segment with the RocoMamas brand and in the speciality dining segment with bespoke brands, The Hussar Grill, Doppio Zero, Piza e Vino, Casa Bella, Nikos and Modern Tailors.

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.

Excluding the contribution from the Doppio Collection, total restaurant sales increased by 7.4% for the year.

The Spur brand accounts for 66% of the group's South African restaurant sales followed by RocoMamas and Panarottis each representing 10% of South African restaurant sales. The international restaurants comprise 10% of group restaurant sales.

The highlight of this reporting period has been the significant brand innovation permeating across the group and its impact on brand equity. The 57-year-old Spur brand has undergone a creative transformation and is now bolder, brighter, and more adventurous, designed to reflect the vibrance and diversity of the families we serve. This refreshed brand identity has created a new interest among both consumers and franchisees with 19 stores trading in this new restaurant experience.

The repositioning of Panarottis has also been a resounding success. By year end, 38% of the Panarottis local restaurants were trading in the new-look restaurant and brand image. The trading performance and positive customer sentiment confirms that the brand is well positioned to be a dominant brand in the pizza casual-dining category.

As part of its repositioning strategy, the first new-look John Dory's restaurant was opened in Claremont, Cape Town, in July 2024, with initial successful results. This is the group's first John Dory's Halaal restaurant.

Brand evolution and enhanced designs have been applied to new The Hussar Grill and Doppio Zero restaurants in local markets.

The virtual kitchen (VK) brands are fully integrated into the brand offerings, with 322 restaurants participating. The VK offering has consistently maintained its market share of this online channel and continues to allow the group's full-service restaurants to leverage their existing infrastructure. Pizza Pug and Just Wingz remain the top performing VK brands.

Strategy and focused business model

The core of the group's business model is 'Brands Lead the Experience'. The group continues to assess all customer touch points to refine and innovate so that its brands remain relevant and appealing to customers. The group continues to offer a high standard of family dining experiences, supported by targeted marketing activity to ensure the maximum awareness and utilisation of its brands.

Our purpose of Leading for the Greater Good has been carefully defined and woven into the fabric of the Spur Corporation business model. At Spur Corporation, everyone has a seat at the table. All are welcome and valued, not only with a seat in our restaurants but also a place in our organisation, our value chain, and our journey of leading for the great good.

Our business focus has also delivered improved supply chain results and product price savings for franchisees despite challenging market conditions. Food inflation has steadily improved over the recent months, but the supply chain was faced with other challenges, such as port congestion, climate change and the impact of the Avian Flu.

Commentary on results and cash dividend continued

The group's commitment to Leading for the Greater Good by attracting more black franchisees to our network is gaining traction, and the largest black multiple franchisee now ranks number five of the top 16 franchise groups and owns 14 restaurants across three of our brands. In our RocoMamas brand we have black female franchisees that own a portfolio of four restaurants.

The group's growth strategy is being supported by its capital management programme and principles, which is founded on assessing efficient and effective allocation of capital for the sustainable long-term growth of the group and returns to its stakeholders. Capital which is surplus to the needs of the business will be returned to shareholders through consistent dividend payments and share repurchases and will be applied to accelerate the group's expansion into new categories and markets, as illustrated in the acquisition of Doppio Collection.

Trading conditions

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 economy remains deflated, with sustained high borrowing costs and increasing food prices placing strain on household spend, while the brands are experiencing the anniversary of load shedding. The marketing and operations leaders activated new value-added campaigns to bolster marketing activity, including loyalty campaigns and incentives to attract customers to our restaurants. Menu engineering and product innovation was key. Annual customer count numbers remain unchanged on the previous year but pleasingly average-spend-per-head grew above menu price inflation.

The increased marketing investment in a Family Club advertising campaign attracted 1.1 million new loyalty club members resulting in a record high 3.1 million active Family Club members in the financial year. The Spur brand's voucher redemption rate of 78% is evidence that consumers are seeking value and rewards for their strained disposable income.

Consistent and trusted brands drive restaurant sales increase of 11.5%

The group achieved a good trading performance with franchised restaurant sales increasing by 11.5% over the prior year.

	Total restaurant sales (R'000)		Total restaurant sales growth (%)
	F2024	F2023	
Spur	6 339 152	5 925 215	7.0
Panarottis	918 128	828 276	10.8
John Dory's	445 176	449 566	(1.0)
RocoMamas	932 750	865 014	7.8
Speciality brands ¹	945 527	511 822	84.7 ²
Total South Africa	9 580 733	8 579 893	11.7³
Total International	1 038 104	939 815	10.5⁴
Total Group	10 618 837	9 519 708	11.5⁵

¹ Speciality brands comprise The Hussar Grill, Doppio Zero, Piza e Vino, Casa Bella, Nikos, and Modern Tailors.

² Excluding Doppio Collection restaurants, sales in Speciality brands increased by 7.9%.

³ Excluding Doppio Collection restaurants, sales in South Africa increased by 7.1%.

⁴ International restaurant turnovers increased by 19.9% on a constant currency basis.

⁵ Excluding Doppio Collection restaurants, total group restaurant sales increased by 7.4%.

In South Africa, volume growth was driven mainly by the Spur brand which increased restaurant sales by 7.0%. The Spur brand has innovated in many respects. In support of the new restaurant look, outdoor and electronic media were upgraded to incorporate the new branding. Menu innovations made a significant contribution to sales growth. Cash-strapped customers responded well to the value-added campaigns. In a year when the Springboks again won the Rugby World Cup, the Spur's Springbok rugby sponsorship ensured very high levels of brand awareness.

Panarottis increased restaurant sales by 10.8% with RocoMamas increasing by 7.8%. Panarottis has been a star performer with strong leadership, excellent franchisee relationships and a value proposition that is appealing and sustainable. Both brands also demonstrated strong growth in the second half of the year. The RocoMamas brand produced excellent like-on-like growth of 8.2% and their future growth prospects are most positive.

John Dory's sales were 1.0% lower and the benefits of securing strategic sites and opening six new restaurants early in the financial year are still to be realised. The brand has a clear strategic direction and some key shifts need to occur in the new year to ensure this brand's performance increases in this challenging category.

The Speciality brands increased sales by 84.7%. Excluding the three Doppio Collection brands, the existing Speciality brands increased restaurant turnovers by 7.9% which was mainly driven by The Hussar Grill, following an increase in both local and international tourism.

The group continues to capitalise on consumer demand for convenience. Local takeaway sales now represent 14% of total restaurant sales, with 55% as collect orders (call, click or walk in). The balance is delivered by Mr D and Uber Eats, with Uber Eats showing a greater growth than its major competitor.

International franchised restaurant sales increased by 10.5%. Mauritius represents 20.9% of international franchised restaurant sales. The Spur brand represents 40% of the group's international restaurant sales, followed by Panarottis at 32% and RocoMamas at 27%.

Restaurant footprint

At the end of June 2024, the group traded out of 701 restaurants in 15 countries (December 2023: 687; June 2023: 639).

In South Africa, in addition to the 14 restaurants opened in the first half of the financial year, a further 13 restaurants were opened during the second six-months, comprising three Spur, six Panarottis, one The Hussar Grill, two Doppio Zero and one Casa Bella restaurant. The acquisition of the Doppio Collection added an initial 25 Doppio Zero, ten Piza e Vino and one Modern Tailors restaurant to the South African network in the first half of the financial year, bringing the South Africa restaurant footprint to 603. During the year, nine restaurants were closed in South Africa.

In addition to the aforementioned new-specification John Dory's outlet, a second Modern Tailors "Ambassador" restaurant was opened, in Groenkloof Pretoria shortly after year-end.

Internationally, the group opened 10 new restaurants in the rest of Africa to bring the international store network to 98. The high volume trading in the new Spur and RocoMamas outlets opened in Harare and Bulawayo are especially noteworthy. The acquisition of the Doppio Collection added one Doppio Zero in Botswana. Four restaurants were closed during the financial year and, and subsequent to year end, the group closed its two RocoMamas stores in Saudi Arabia and exited this underperforming region of the Middle East.

Commentary on results and cash dividend continued

Number of restaurants	June 2024			June 2023		
	South Africa	Inter-national	Group	South Africa	Inter-national	Group
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
The Hussar Grill	27	–	27	26	1	27
Doppio Zero	27	1	28	–	–	–
Piza e Vino	9	–	9	–	–	–
Casa Bella	7	–	7	6	–	6
Nikos	6	–	6	8	–	8
Modern Tailors	1	–	1	–	–	–
Total	603	98	701	549	90	639

Good growth in revenue and profitability

R'000	F2024	F2023	% change
South Africa			
External revenue	3 400 833	2 982 722	14.0
Profit before income tax	318 565	302 697	5.2
International			
External revenue	72 815	62 479	16.5
Profit before income tax	23 031	15 727	46.4
Group			
External revenue	3 473 648	3 045 201	14.1 ⁶
Profit before income tax	341 741	318 424	7.3 ⁷

⁶ Excluding Doppio Collection, group revenue increased by 9.1%.

⁷ Excluding Doppio Collection, group profit before income tax increased by 7.7%.

The trading performance led to a continued strong growth in both group revenue and profit.

Group revenue increased by 14.1% to R3.5 billion (F2023: R3.0 billion). The revenue growth was supported by improved franchised restaurant turnovers and increased sales from the manufacturing and distribution division which grew by 9.9% (8.7% excluding Doppio Collection). Growth in sales in the retail company stores was a pleasing 119.5% positively impacted by the contribution from the Doppio Collection restaurants. Excluding these restaurants, revenue from retail company stores reports a decline of 4.7% as a result of two less stores trading in F2024.

Revenue in the South African operations includes marketing fund revenue of R366.7 million (F2023: R319.9 million) and international revenue includes marketing fund revenue of R8.6 million (F2023: R6.4 million). Marketing fund revenue is used exclusively to fund marketing-related costs and is therefore not for the benefit of shareholders.

Group profit before income tax increased by 7.3% to R341.7 million (F2023: R318.4 million).

Profit before income tax in the South African operations grew by 5.2% to R318.6 million (F2023: R302.7 million) and includes a marketing fund deficit of R3.6 million (F2023: R1.1 million surplus).

In the international operations, profit before income tax increased to R23.0 million (F2023: R15.7 million).

Interest income increased due to higher interest rates relative to the prior year. Interest expense increased with the introduction of lease liabilities in the retail company stores of Doppio Collection.

Group headline earnings increased by 10.8% to R236.1 million (F2023: R213.1 million), with diluted headline earnings per share 9.4% higher at 284.34 cents (F2023: 260.01 cents).

Profit attributable to shareholders increased by 10.1% to R233.6 million (F2023: R212.2 million), with diluted earnings per share 8.7% higher at 281.31 cents (F2023: 258.86 cents).

During the year, the company repurchased 248 661 ordinary shares as part of the group's long-term forfeitable share scheme. This resulted in the reduction in the weighted average number of shares in issue to 81.1 million (30 June 2023: 81.6 million).

The company's unrestricted cash balance was R365.7 million at 30 June 2024 (31 December 2023: R288.0 million).

The cash generation and the allocation of the group's capital remains a key focus area of the executive directors and the board.

Update on legal dispute with GPS Foods – contingent liability

As previously reported, on 24 December 2019, two companies within the group were served with a summons by GPS Food Group RSA (Pty) Ltd with two claims of between R95.8 million and R167.0 million.

The parties agreed to refer the matter to arbitration. The arbitration commenced on 23 October 2023, and was adjourned on 6 November 2023. The arbitration recommenced on 21 February 2024 until 29 February 2024 and continued on 22 July 2024 until 26 July 2024, where the merits of the matter were finalised. The quantum claim will be heard on 27 August 2024 and closing arguments in September 2024.

No liability has been raised at the reporting date regarding the matter. Refer to note 15.1 of the summary consolidated financial statements for further details.

Commentary on results and cash dividend continued

Cash dividend

Shareholders are advised that the board of directors of the company has, on 20 August 2024, resolved to declare a final gross cash dividend for the year ended 30 June 2024 of R107.4 million, which equates to 118.0 cents per share and the full-year dividend increasing by 10.9% to 213.0 cents per share, for each of the 90 996 932 shares in issue, subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962), as amended (dividend withholding tax).

The dividend has been declared from income reserves. The dividend withholding tax is 20% and a net dividend of 94.4 cents per share will be paid to those shareholders who are not exempt from dividend withholding tax.

The company's income tax reference number is 9695015033. The company has 90 996 932 shares in issue at the date of declaration.

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

Event	Date
Last day to trade "cum dividend"	Tuesday, 10 September 2024
Shares commence trading "ex dividend"	Wednesday, 11 September 2024
Record date	Friday, 13 September 2024
Payment date	Monday, 16 September 2024

Those shareholders of the company who are recorded in the company's register as at the record date will be entitled to the dividend.

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 September 2024, and Friday, 13 September 2024, both days inclusive.

Outlook

While South Africa's economic growth is forecast to accelerate in the year ahead, this is unlikely to translate into improved trading conditions in the short term.

However, the outlook for improved consumer confidence and spending is positive following the national elections in May and the transition to the country's first coalition government in the democratic era. The stable electricity supply in the country over the past five months, moderating inflation, the introduction of the two-pot retirement system and the forecast reduction in interest rates expected to commence late in the 2024 calendar year are all likely to ease consumers' debt burden and support increased consumer spending.

Economic growth and prosperity in our country will only become a reality through sustained job creation. Spur Corporation is playing its part in supporting the Government of National Unity by creating employment opportunities to build a better South Africa. Our restaurant industry offers access to the workplace for young individuals through entry-level roles, as franchisees offer good first-time jobs and employment paths, together with impactful training and skills development. The restaurant franchise model provides business opportunities for aspirant business owners. Through our franchise network we employ a diverse workforce of 31 500 people, with 77% of the staff being black and 53% female.

Supported by a portfolio of ten distinctive restaurant brands, the group is well positioned to gain market share in various categories, regions and countries by providing growing middle-income markets with casual dining restaurant experiences through our family sit-down and fast-casual restaurants and higher-income customers with speciality dining experiences. Market share growth in the competitive and volatile trading environment will be driven by exceptional customer experience, fanatical attention to product quality and added value to captivate consumers and ensure sustainable growth.

Brands have not reached saturation levels in South Africa or beyond. Restaurant set-up costs and refinement to business models will be a focus in the year ahead. Secondary channels are also expected to grow. We will continue to focus our strategic growth on the continent of Africa.

We will continue to amplify our supply chain initiatives to improve profit and increase franchisee participation in central procurement to ensure a consistent and quality product nationally. We will focus on the transformation and acceleration of our ESG strategy as the guide to an environmentally sustainable future. In addition, we aim to optimise organisational structures for a greater return on human capital.

The group continues to secure key trading sites and plans to open 47 new restaurants in South Africa and 13 internationally in the 2025 financial year.

While trading conditions will remain challenging in the short to medium term owing to pressure on consumer spending in the weak macroeconomic climate, the group is positive on the longer-term prospects and will continue to work closely with stakeholders in responding to the changing environment with a reinvention ethos and growth mindset.

For and on behalf of the board



Mike Bosman
Independent non-executive chairman

20 August 2024



Val Nichas
Group chief executive officer

Independent auditor's report on the summary consolidated financial statements

to the shareholders of Spur Corporation Limited

Opinion

The summary consolidated financial statements of Spur Corporation Limited, set out on pages 11 to 48, which comprise the summary consolidated statement of financial position as at 30 June 2024, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Spur Corporation Limited for the year ended 30 June 2024.

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

Summary consolidated financial statements

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

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 20 August 2024. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements

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

Auditor's responsibility

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: JA Hugo

Registered Auditor

Cape Town, South Africa

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.

PricewaterhouseCoopers Inc.,

5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8001

T: +27 (0) 21 529 2000, F: +27 (0) 21 814 2000, www.pwc.co.za

Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174682

Summary 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	4	3 473 648	3 045 201	14.1
Cost of sales ¹		(2 360 644)	(2 113 305)	11.7
Gross profit		1 113 004	931 896	19.4
Other income	5	6 848	3 402	101.3
Administration expenses		(228 163)	(208 221)	9.6
Impairment losses – expected and actual credit losses – financial instruments	6	(6 301)	(2 622)	140.3
Marketing expenses ²		(344 695)	(299 097)	15.2
Operations expenses		(124 005)	(93 045)	33.3
Other non-trading losses	6	(5 815)	(1 776)	227.4
Retail company store expenses		(98 857)	(38 078)	159.6
Operating profit before net finance income	6	312 016	292 459	6.7
Net finance income		29 580	25 965	13.9
Interest income ³		35 722	28 659	24.6
Interest expense ⁴		(6 142)	(2 694)	128.0
Share of profit of equity-accounted investee (net of income tax)		145	–	
Profit before income tax		341 741	318 424	7.3
Income tax expense	7	(97 079)	(97 414)	(0.3)
Profit		244 662	221 010	10.7
Other comprehensive income⁵		(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		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		11 064	8 834	25.2
Total comprehensive income		242 869	224 094	8.4
Earnings per share (cents)				
Basic earnings	8	287.92	260.03	10.7
Diluted earnings	8	281.31	258.86	8.7

¹ Includes cost of inventory expense of R2 155.9 million (2023: R1 919.7 million).

² 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, sales of marketing materials and marketing supplier contributions (refer note 4).

³ Interest income comprises interest revenue calculated using the effective interest method.

⁴ Interest expense includes interest on lease liabilities of R6.0 million (2023: R2.6 million).

⁵ All items included in other comprehensive income are items that are, or may be, reclassified to profit or loss.

Summary 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 ¹		105 988	87 202
Right-of-use assets ²		63 040	19 944
Intangible assets and goodwill ³		499 552	362 957
Interest in equity-accounted investee ⁴		2 317	–
Deferred tax		3 523	5 958
Current assets		713 486	690 892
Inventories ⁵		136 125	121 213
Tax receivable		277	233
Trade and other receivables ⁶		148 662	112 958
Restricted cash ⁷		62 677	81 679
Cash and cash equivalents		365 745	374 809
TOTAL ASSETS		1 387 906	1 166 953
EQUITY			
Total equity		835 058	751 709
Ordinary share capital		1	1
Share premium		34 309	34 309
Shares repurchased by subsidiaries	9.1	(83 815)	(76 848)
Foreign currency translation reserve		29 171	30 964
Share-based payments reserve	9.2	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		14 167	13 567
LIABILITIES			
Non-current liabilities		124 663	87 303
Contract liabilities ⁸		25 880	26 060
Lease liabilities ²		52 939	18 341
Deferred tax		45 844	42 902
Current liabilities		428 185	327 941
Tax payable		10 664	10 746
Trade and other payables	10	278 003	239 588
Loans payable	11	70 780	–
Provision for lease obligation ⁹		8 142	8 390
Contract liabilities ⁸		37 391	59 124
Lease liabilities ²		21 457	8 660
Shareholders for dividend		1 748	1 433
TOTAL EQUITY AND LIABILITIES		1 387 906	1 166 953

- ¹ Property, plant and equipment comprises predominantly owner-occupied land and buildings, but includes plant and equipment relating to the group's corporate offices, manufacturing facilities and retail company-owned stores. The increase in the current year relates primarily to the acquisition of the Doppio Collection (refer note 2) and includes predominantly restaurant fit-out and equipment. Refer note 6.1 for current year impairments.
- ² Right-of-use assets and related lease liabilities are in respect of primarily the group's Johannesburg corporate office and retail company-owned store premises, but includes the group's fleet of vehicles used by operations personnel. The increase in carrying amount relative to the prior year relates primarily to the property leases of the retail company stores acquired as part of the Doppio Collection (refer note 2). Refer note 6.1 for current year impairments.
- ³ Intangible assets comprise predominantly the value of the Spur, Panarottis, John Dory's, The Hussar Grill, RocoMamas and Nikos trademarks and related intellectual property together with the recently-acquired (refer note 2) Doppio Zero and Piza e Vino trademarks and related intellectual property, but includes software licences. Goodwill relates to The Hussar Grill retail company restaurant and franchise operations, RocoMamas franchise operations, and the recently-acquired (refer note 2) Doppio Zero franchise operations and Doppio Collection retail company restaurants. In terms of the group's accounting policies, intangible assets (which have an indefinite useful life) and goodwill are tested for impairment annually. No assets were impaired during the current or prior years.
- ⁴ Interest in equity-accounted investee comprises the 50% investment in Gremolata (Pty) Ltd, which owns and operates the Doppio Zero in Clearwater Mall (refer note 2).
- ⁵ The increase in inventories relates primarily to the increase in inventory held at the group's outsourced distributor of R118.0 million (2023: R110.2 million) and the acquisition of the Doppio Collection (refer note 2).
- ⁶ Trade and other receivables comprise largely receivables from franchisees for ongoing franchise fee revenue and marketing fund contribution revenue, a receivable from the group's outsourced distributor for manufactured sauce sales to the distributor and a receivable from the group's sales agent in respect of retail sauce sales. The receivables relate mainly to revenue earned in the last month of the financial year. The increase relative to the prior year is due largely to higher restaurant sales in June 2024 relative to June 2023 as well as the acquisition of the Doppio Collection (refer note 2).
- ⁷ Restricted cash balances represent:
- cash surpluses in the group's marketing funds that may be used exclusively for marketing purposes in accordance with the franchise agreements concluded between franchisees and the group, other than those cash balances that have been funded by the respective franchise businesses;
 - cash held in reserve to honour unredeemed gift vouchers;
 - a bank deposit pledged as security in respect of a Doppio Collection retail company store property lease; and
 - cash relating to consolidated structured entity, The Spur Foundation Trust. 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.
- ⁸ Contract liabilities relate to:
- the initial franchise fees paid by franchisees to the group on conclusion of franchise agreements: revenue is recognised over the period of the franchise agreement;
 - marketing fund contributions paid by franchisees to the respective brands' marketing funds: 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. The reduction relative to the prior year is largely due to marketing spend exceeding marketing fund contributions received in the current year, thereby reducing the cumulative surpluses in the marketing funds.
- ⁹ The lease obligation relates to a lease concluded by the group for a retail property for the Apache Spur in Australia, which was sublet to the franchisee operating the restaurant. During the 2021 financial year, the landlord terminated the head lease due to non-payment by the sublessee who had commenced liquidation proceedings. 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 (to March 2024), 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.

Summary consolidated statement of changes in equity

for the year ended 30 June

R'000	Note	Attributable to equity owners of the company		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	9.2	-	-	-	-	12 998	333	13 331	-	13 331
Indirect costs arising on intragroup sale of shares related to equity-settled share-based payment	9.2	-	-	-	-	-	(15)	(15)	-	(15)
Transfer within equity on vesting of equity-settled share-based payment	9.2	-	-	-	-	(3 041)	3 041	-	-	-
Purchase of treasury shares	9.1	-	-	(31 996)	-	-	-	(31 996)	-	(31 996)
Dividends		-	-	-	-	-	(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	9.2	-	-	-	-	20 885	4 708	25 593	-	25 593
Indirect costs arising on intragroup sale of shares related to equity-settled share-based payment	9.2	-	-	-	-	-	(178)	(178)	-	(178)
Purchase of treasury shares	9.1	-	-	(6 967)	-	-	-	(6 967)	-	(6 967)
Dividends		-	-	-	-	-	(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 in 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).

Summary 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	12	344 501	348 952
Working capital changes		(14 045)	6 900
Cash generated from operations		330 456	355 852
Interest income received		35 119	28 152
Interest expense paid ¹		(6 142)	(2 694)
Tax paid		(106 885)	(97 565)
Dividends paid		(177 027)	(136 817)
Net cash flow from operating activities		75 521	146 928
Cash flow from investing activities			
Additions of intangible assets		(2)	–
Additions of property, plant and equipment		(14 572)	(5 457)
Cash outflow arising from business combination	2	(67 433)	–
Proceeds from disposal of property, plant and equipment		537	80
Repayment of loans receivable		500	1 070
Net cash flow from investing activities		(80 970)	(4 307)
Cash flow from financing activities			
Acquisition of treasury shares	9.1	(6 967)	(31 996)
Payment of lease liabilities		(15 709)	(9 146)
Net cash flow from financing activities		(22 676)	(41 142)
Net movement in cash and cash equivalents			
Effect of foreign exchange fluctuations		59	(68)
Net cash and cash equivalents at beginning of year		456 488	355 077
Net cash and cash equivalents at end of year		428 422	456 488

¹ Interest expense includes interest on lease liabilities of R6.0 million (2023: R2.6 million).

Notes to the summary consolidated financial statements

for the year ended 30 June

1. Basis of preparation and accounting policies

These summary consolidated financial statements for the year ended 30 June 2024 (Summary AFS) are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for summary financial statements and the requirements of the Companies Act of South Africa (No. 71 of 2008 amended). The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards (IFRS) and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34 – *Interim Financial Reporting*.

The Summary AFS do not include all the information for a complete set of financial statements in compliance with IFRS.

The Summary AFS have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified audit opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements for the year ended 30 June 2024 (the Consolidated AFS) from which the Summary AFS were derived. The Consolidated AFS and the auditor's report thereon are available for inspection online at <https://spurcorporation.com/investor-hub/financial-results/>, at the company's registered office or on request at companysecretary@spurcorp.com.

The Summary AFS do not (in compliance with the Listings Requirements) include the information required pursuant to paragraph 16A(j) of IAS 34 (relating to fair value disclosures required by IFRS 7 – *Financial Instruments: Disclosures* and IFRS 13 – *Fair Value Measurement*). The IFRS 7 and IFRS 13 disclosures are detailed in note 37 (and certain other notes, where applicable) of the Consolidated AFS.

The accounting policies applied in the preparation of the Consolidated AFS, from which the Summary AFS were derived, are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements for the year ended 30 June 2023. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Full details of the group's accounting policies are included in note 42 of the Consolidated AFS.

The Summary AFS are presented in South African rands, which is the group's presentation currency, rounded to the nearest thousand, unless otherwise stated. They are prepared on the going concern basis. The Summary AFS have been prepared on the historical cost basis.

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

Notes to the summary consolidated financial statements continued

2. 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.

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.

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	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	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.

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 and 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.

Notes to the summary consolidated financial statements continued

2. 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 (refer note 6.1).

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.

IMPACT ON RESULTS REPORTED FOR THE YEAR ENDED 30 JUNE 2024

	Seven months from 1 December 2023 to 30 June 2024 R'000
Revenue	152 398
Earnings before interest, tax, depreciation and amortisation from trading	12 936
Net interest expense (other than 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 6.1)	(3 285)
Impairment or right-of-use asset (refer note 6.1)	(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 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.

Notes to the summary consolidated financial statements continued

3. Operating segments

External revenues	Note	2024 R'000	2023 R'000	% Change
South Africa				
Franchise		460 890	415 257	11.0
Spur		314 473	294 815	6.7
Panarottis		42 554	38 640	10.1
John Dory's		19 578	19 674	(0.5)
RocoMamas		45 333	42 798	5.9
Speciality brands*		38 952	19 330	101.5
Manufacturing and distribution*	b	2 321 673	2 112 429	9.9
Retail company stores*		190 115	86 610	119.5
Marketing*		366 655	319 870	14.6
Other segments	e	61 366	48 093	27.6
Total South African segments		3 400 699	2 982 259	14.0
Shared services		134	463	(71.1)
Total South Africa		3 400 833	2 982 722	14.0
International				
Australasia		599	678	(11.7)
Rest of Africa and Middle East	g	63 627	55 364	14.9
Marketing		8 589	6 437	33.4
Total International		72 815	62 479	16.5
Total		3 473 648	3 045 201	14.1
Profit/(loss) before income tax				
South Africa				
Franchise		378 693	342 352	10.6
Spur		273 744	257 116	6.5
Panarottis		29 946	26 845	11.6
John Dory's		11 081	11 427	(3.0)
RocoMamas	a	35 157	29 911	17.5
Speciality brands*		28 765	17 053	68.7
Manufacturing and distribution*		84 784	80 707	5.1
Retail company stores*	c	2 238	4 871	(54.1)
Marketing*	d	(3 573)	1 104	(423.6)
Other segments	e	683	2 710	(74.8)
Total South African segments		462 825	431 744	7.2
Shared services	f	(144 260)	(129 047)	(11.8)
Total South Africa		318 565	302 697	5.2
International				
Australasia		(198)	85	(332.9)
Rest of Africa and Middle East		29 544	25 489	15.9
Total international segments		29 346	25 574	14.7
Shared services	h	(6 315)	(9 847)	35.9
Total International		23 031	15 727	46.4
Total		341 596	318 424	7.3
Share of loss of equity-accounted investee (net of income tax)		145	–	
Profit before income tax		341 741	318 424	

Refer note 4 for further details of revenue.

* South Africa Franchise – Speciality brands, Manufacturing and distribution, Retail company stores and Marketing segments incorporate the Doppio Zero and Piza e Vino franchise brands, Doppio Collection bakery and distribution business, Doppio Collection retail company stores, and Doppio Zero and Piza e Vino marketing funds, respectively, with effect from 1 December 2023 (refer note 2).

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 8 to note 6).

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. 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 note 6.1 for further details.

d) South Africa Marketing

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 within this segment, as the group invested in the evolution of the training model to meet the group's future skills development strategy.

Notes to the summary consolidated financial statements continued

3. Operating segments continued

NOTES CONTINUED
f) South Africa Shared services

	2024 R'000	2023 R'000
The loss includes:		
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 financial instruments ³	(4 593)	(1 137)
Equity-settled share-based payment charge (refer note 9.2)	(20 885)	(12 998)
Consulting fees – Doppio Collection due diligence costs (refer note 2)	(981)	(1 911)
Legal fees – Doppio Collection transaction costs (refer note 2)	(1 552)	–
Legal fees – GPS litigation (refer note 15.1)	(5 950)	–
Contingent consideration fair value gain (net of allowance for ECLs) (refer footnote 1 to the summary statement of change 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 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

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

4. 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

Notes to the summary consolidated financial statements continued

4. Revenue continued

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

	Sales-based royalties R'000	Recognised at a point in time R'000	Recognised over time R'000	Total R'000
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
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

5. 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	–
Derecognition of lease liabilities on early termination of leases	561	75
Derecognition of right-of-use assets on early termination of leases	(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 summary 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.

Notes to the summary consolidated financial statements continued

6. 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 5)):

	2024 R'000	2023 R'000
Auditor's remuneration ¹	5 821	6 395
Amortisation – intangible assets	1 030	1 343
Consulting fees	21 578	26 063
Depreciation – property, plant and equipment	10 510	8 984
Depreciation – right-of-use assets	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 13) ³	23 802	26 045
Share-based payments expense – equity-settled – long-term employee share incentive schemes (refer note 9.2)	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	5 773	2 292
Bad debts – trade receivables ⁴	3 489	582
Movement in Impairment allowance ⁵	2 284	1 710
Loan receivables	528	384
Impairment allowance	603	506
Reversal of impairment allowance	(75)	(122)
Impairment allowance reversed against actual write off of loans receivable ⁶	–	(2 766)
Write off of loans receivable ⁶	–	2 766
Reversal of impairment of contingent consideration receivable ⁷	–	(54)
Other non-trading losses	5 815	1 776
Impairment of plant, property and equipment (refer note 6.1)	3 285	1 776
Impairment of right-of-use asset (refer note 6.1)	2 530	–
Outsourced restaurant operations costs ⁸	40 407	–
Subscriptions ⁹	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 10.1).

³ Includes short-term performance bonuses but excludes equity compensation benefits disclosed separately within employment costs.

⁴ The actual credit loss on trade receivables in the current year relates primarily to the group's Saudi franchisee 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 expected credit losses (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.

6.1 IMPAIRMENT

Following the acquisition of the Doppio Collection (refer note 2), 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. In addition, the carrying amount of the right-of-use asset associated with the property lease has been partially impaired. The extent of the impairment is based on the expected costs of trading through the lease until it is terminated.

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 property, plant and equipment relating to Ciccio Melrose	3 285	–
Impairment of property, plant and equipment relating to Modrockers	–	1 210
Impairment of plant and equipment relating to RocoMamas Green Point	–	566
Impairment of right-of-use asset relating to Ciccio Melrose	2 530	–
Total impairment loss	5 815	1 776

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

⁵ To determine the probabilities of default (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. The increase in the allowance in the current year, notwithstanding the reversal of the ECL relating to the Saudi franchisee referred to above, is largely as a result of the addition of the Doppio Collection debtors book.

⁶ The actual credit loss during the prior year related to a loan to the franchisee of the Apache Spur (Australia) which amounted to AU\$231 484 at 30 June 2022. The franchisee had previously defaulted on the loan and the loan was consequently fully impaired in previous years. The loan was written off in the prior year following the finalisation of the liquidation of the entity and the cumulative impairment allowance for ECLs previously raised was accordingly reversed against the actual credit loss incurred in the prior year.

⁷ Refer Footnote 1 to the summary consolidated statement of changes in equity.

⁸ As part of the acquisition of the Doppio Collection (refer note 2), 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.

⁹ 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.

7. Income tax
7.1 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 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.

8. Earnings per share
8.1 STATISTICS

	2024 '000	2023 '000	% Change
Total shares in issue	90 997	90 997	
Less: shares repurchased by wholly-owned subsidiary companies	(3 517)	(3 225)	
Less: shares held by The Spur Management Share Trust (consolidated structured entity)	(5 886)	(5 929)	
Less: shares held by The Spur Foundation Trust (consolidated structured entity)	(500)	(500)	
Net shares in issue	81 094	81 343	
Weighted average number of shares in issue	81 134	81 596	
Diluted weighted average number of shares in issue	83 040	81 964	
Earnings per share (cents)			
Basic earnings	287.92	260.03	10.7
Diluted earnings	281.31	258.86	8.7
Headline earnings per share (cents)			
Basic headline earnings	291.02	261.18	11.4
Diluted headline earnings	284.34	260.01	9.4
Dividend per share (cents) ¹	213.00	192.00	10.9

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

8.2 RECONCILIATION OF WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE

	2024 '000	2023 '000
Gross shares in issue at beginning of year	90 997	90 997
Less: Cumulative shares repurchased by subsidiary companies and consolidated structured entities at beginning of year	(9 654)	(8 320)
Less: Shares repurchased during year weighted for period held by the group (refer note 9.1)	(209)	(1 180)
Plus: Shares issued during the year weighted for period in issue (vested long-term share-linked incentive awards) (refer note 9.2)	–	99
Weighted average number of shares in issue for the year	81 134	81 596
Dilutive potential ordinary shares weighted for period outstanding (non-vested long-term share-linked incentive awards) (refer note 9.2)	1 906	368
Dilutive weighted average number of shares in issue for the year	83 040	81 964

Notes to the summary consolidated financial statements continued

8. Earnings per share continued

8.3 RECONCILIATION OF HEADLINE EARNINGS

	2024 '000	2023 '000	% Change
Profit attributable to equity owners of the company	233 598	212 176	10.1
Headline earnings adjustments:			
Impairment of property, plant and equipment (refer note 6.1)	3 285	1 776	
Impairment of right-of-use asset (refer note 6.1)	2 530	–	
Profit on disposal of property, plant and equipment	(35)	(69)	
Income tax impact of above adjustments	(1 561)	(465)	
Amount of above adjustments attributable to non-controlling interests	(1 698)	(306)	
Headline earnings	236 119	213 112	10.8

9. Capital and reserves
9.1 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 9.2)		
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 9.2)		
Number of shares	–	166 281

9.2 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	–

Number of shares/rights in issue	2024		2023	
	FSP shares	SAR rights	FSP shares	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	–	–

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' short-term incentive (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.

Notes to the summary consolidated financial statements continued

9. Capital and reserves continued

9.2 SHARE-BASED PAYMENTS RESERVE CONTINUED

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 ⁴
Initial vesting date	16 August 2025	14 August 2026 ³	16 November 2027 ⁵
Date from which shares may be traded	16 August 2025	14 August 2026 ³	16 November 2027 ⁵
Service condition	Period from grant date to initial vesting date	Period from grant date to initial vesting date	Approximately four years from grant date ⁵
Performance conditions	N/A ²	N/A ²	N/A ²
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

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 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.

³ 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.

⁴ 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 10.1).

⁵ 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.

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 9.1)	248 661	190 891
Shares held by The Spur Management Share Trust (refer note 9.1)	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.

Notes to the summary consolidated financial statements continued

9. Capital and reserves continued

9.2 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.

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.

Performance conditions applicable to SARs:	October 2021 tranche ¹⁰ Criteria	November 2022 tranche ¹¹ Criteria	November 2023 tranche ¹¹ 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

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

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.

Notes to the summary consolidated financial statements continued

9. Capital and reserves continued

9.2 SHARE-BASED PAYMENTS RESERVE CONTINUED

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

10. 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 ¹	122 748	112 196
Income received in advance ²	1 487	198
Short-term employee benefits	43 686	45 277
Short-term incentive scheme (refer note 10.1)	24 041	28 374
Leave pay and other short-term employee benefits ³	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 ⁴	2 821	–
Other sundry payables	79	22
Total trade and other payables	278 003	239 588

¹ This payable relates to inventory held by the group's outsourced distributor which is recognised as inventory of the group (refer footnote 5 to the summary consolidated statement of financial position) as the group is considered, in terms of IFRS 15, to act as principal in relation to the sales of this inventory.

² 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.

³ 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.

⁴ As noted in footnote 8 to note 6, 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.

10.1 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 9.2).

11. Loans payable

	2024 R'000	2023 R'000
Doppio Collection shareholder loan: Shumac (Pty) Ltd (Miki Milovanovic) ¹	32 572	–
<i>Pro rata</i> shareholder loan	24 356	–
Excess shareholder loan	8 216	–
Doppio Collection shareholder loan: Stav Holdings (Pty) Ltd (Paul Christie) ¹	32 572	–
<i>Pro rata</i> 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 arose as part of the acquisition of Doppio Collection (refer note 2).

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.

12. Operating profit before working capital changes

	2024 R'000	2023 R'000
Profit before income tax	341 741	318 424
<i>Adjusted for:</i>		
Amortisation – intangible assets	1 030	1 343
Costs on intercompany transfer of treasury shares relating to FSP (refer note 9.2)	(16)	(5)
Depreciation	28 073	18 036
Fair value gain on contingent consideration receivable (refer footnote 1 to the summary 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 6)	6 301	2 622
Impairment of property, plant and equipment (refer note 6.1)	3 285	1 776
Impairment of right-of-use asset (refer note 6.1)	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	(561)	(75)
Derecognition of right-of-use assets on early termination of leases	475	74
Movement in bonus, leave pay and short-term incentive accruals (refer note 10)	(1 591)	6 839
Movement in contract liabilities ¹	(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 9.2)	20 885	12 998
Share of profit of equity-accounted investee (net of income tax)	(145)	–
Operating profit before working capital changes	344 501	348 952

¹ Refer footnote 8 to the summary consolidated statement of financial position.

Notes to the summary consolidated financial statements continued

13. Directors' emoluments

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

2024	Variable remuneration						Total remuneration included in profit or loss
	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	
R'000							
Executive directors							
<i>For services, as employees, to subsidiary companies</i>							
<i>Directors serving during the year</i>							
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
R'000							
Non-executive directors							
<i>For services, as directors, to the company</i>							
<i>Directors serving during the year</i>							
André Parker	749	69	818	651	61	712	712
Cora Fernandez	804	122	926	698	106	804	804
Jesmane Boggenpoel	694	102	796	604	89	693	693
Lerato Molebatsi	651	61	712	651	61	712	712
Mike Bosman	1 561	122	1 683	1 357	106	1 463	1 463
Shirley Zinn	749	122	871	651	106	757	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

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 ⁹ 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.

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 9.2.

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.

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 9.2).

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.

⁸ Grant-date fair value of the share appreciate rights/forfeitable share plan shares granted (refer note 9.2).

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.

Notes to the summary consolidated financial statements continued

13. Directors' emoluments continued

2023	Variable remuneration						Total remuneration included in profit or loss
	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	
R'000							
Executive directors							
<i>For services, as employees, to subsidiary companies</i>							
<i>Directors serving during the year</i>							
Val Nicias	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			Excluding VAT ⁷		
	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						
<i>For services, as directors, to the company</i>						
<i>Directors serving during the year</i>						
André Parker	706	5	711	614	4	618
Cora Fernandez	758	35	793	659	30	689
Jesmane Bogenpoel	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 ⁸	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

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 ⁹ R'000	No. of November 2022 FSPs (revised) ¹⁰	Fair value of FSPs (revised) ^{9,10} R'000	Total fair value of instruments awarded (revised) ^{9,10} R'000
Val Nicias	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.

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 9.2.

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.

⁴ 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 9.2).

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.

⁸ Resigned with effect from 24 March 2023.

⁹ Grant-date fair value of the share appreciate rights/forfeitable share plan shares granted (refer note 9.2).

¹⁰ 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.

Notes to the summary consolidated financial statements continued

13. Directors' 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 FSP and SAR Schemes and were outstanding as at the reporting date (refer note 9.2):

	No. of FSP shares		No. of SAR rights	
	2024 ^{1,2}	2023 ²	2024	2023
Executive directors and prescribed officer				
Val Nichas – November 2023 tranche ¹	15 222	–	776 817	–
Val Nichas – November 2022 tranche ²	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 ¹	11 984	–	401 482	–
Cristina Teixeira – November 2022 tranche ²	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 ¹	9 457	–	316 821	–
Kevin Robertson – November 2022 tranche ²	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.

¹ 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.

² 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.

14. Subsequent events

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

14.1 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.

15. Contingent liabilities
15.1 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.

Notes to the summary consolidated financial statements continued

15. Contingent liabilities continued

15.1 LEGAL DISPUTE WITH GPS FOODS CONTINUED

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.

15.2 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.

16. Fair value of financial instruments

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

17. Related parties

The identity of related parties as well as the nature and extent of transactions with related parties, are similar to prior years and full details are included in note 39 of the Consolidated AFS.

18. Estimates and contingencies

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

Company information

Administration

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

Share code: SUR

ISIN: ZAE 000022653

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

Postal address: PO Box 166, Century City, 7446

Telephone: +27 (0)21 555 5100

Fax: +27 (0)21 555 5111

Email: spur@spur.co.za

Internet: <https://spurcorporation.com>

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Private Bag X9000, Saxonwold 2132
Telephone: +27 (0)11 370 5000

External auditors: PricewaterhouseCoopers Inc.

Internal auditors: BDO Advisory Services (Pty) Ltd

Attorneys: Bernadt Vukic Potash & Getz

Sponsor: Questco Corporate Advisory (Pty) Ltd

Company secretary

Mr Donfrey Meyer
14 Edison Way, Century Gate Business Park, Century City, 7441
PO Box 166, Century City, 7446
Telephone: +27 (0)21 555 5100
E-mail: companysecretary@spur.co.za

Directors serving at the date of this report

Independent non-executive directors

Mr Mike Bosman (chair)
Dr Shirley Zinn (lead independent)
Ms Jesmane Boggenpoel
Ms Cora Fernandez
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)